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CREDIT SUISSE

Unaudited Condensed Consolidated Interim Financial Statements 30 June 2022

Credit Suisse International

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Unaudited Condensed Consolidated Interim Financial Statements
for the Six Months Ended 30 June 2022

Board of Directors as at 18 August 2022

John Devine – Chair and Independent Non-Executive
David Mathers – Chief Executive Officer (CEO)
Debra Davies – Independent Non-Executive
Doris Honold – Independent Non-Executive
Richard Meddings – Non-Executive
Christopher Horne – Deputy CEO
Caroline Waddington – Chief Financial Officer (CFO)
Edward Jenkins – Chief Risk Officer (CRO)

Company Secretary

Paul Hare

Company Registration Number	02500199

Interim Management Report for the Six Months Ended 30 June 2022

Credit Suisse International at a glance

The Credit Suisse International ('CSi' or 'Bank') Interim Management Report highlights the significant events that have occurred in the first six months of 2022 since the CSi Annual Report 2021. Further details in regards to CSi's Purpose, Strategy, and Clients as well as Risk Management, Corporate Responsibility and Corporate Governance can be found in the CSi Annual Report 2021:

→ https://www.credit-suisse.com/us/en/investment-banking/financial-regulatory/international.html

Business model

Entity structure

Credit Suisse International is a private unlimited company and an indirect wholly owned subsidiary of Credit Suisse Group AG ('CSG'). CSi is authorised by the Prudential Regulation Authority ('PRA') and regulated by the Financial Conduct Authority ('FCA') and the PRA. CSi is a bank domiciled in the United Kingdom ('UK') and together with its subsidiaries is referred to as the 'CSi group'. The Bank also maintains representative offices in Geneva, Hong Kong and Zurich.

Credit Suisse ('CS') group is a global leader in Wealth Management ('WM') with a global Investment Bank ('IB') focused on advice and solutions, a leading universal bank in Switzerland ('SB'), and a multi-specialist Asset Management ('AM') business. It is the ultimate parent of a worldwide group of companies (collectively referred to as the 'CS group'). CSG prepares financial statements under US Generally Accepted Accounting Principles ('US GAAP').

→ These financial statements are publicly available and can be found at https://www.credit-suisse.com/about-us/en/investor-relations.html

CS group serve wealthy individuals and entrepreneurs, corporations, and institutions worldwide. In its home market, Switzerland, it also serves a broader range of private, corporate, and institutional clients.

The CS group is organised into four divisions – Wealth Management ('WM'), Investment Bank ('IB'), Swiss Bank ('SB') and Asset Management ('AM') and four geographic regions – Switzerland, Europe, Middle East and Africa (EMEA), Asia Pacific ('APAC') and Americas. CS group's financial reporting will be presented as these four divisions, including the geographic regions, together with the Corporate Centre.

The WM division integrates the former International Wealth Management division with the high-net-worth ('HNW') and external asset manager client segments in the former Swiss Universal Bank division as well as the private banking business in the former Asia Pacific division. The IB division integrates the advisory and capital markets businesses of the former Asia Pacific and Swiss Universal Bank divisions with the existing Investment Bank division to create a single global franchise across all four regions The AM division is focused on strengthening its investment capabilities and building out its presence in select European and Asia Pacific markets, while simultaneously strengthening connectivity to our Wealth Management and Swiss Bank divisions.

In addition, CS group reintegrated parts of the Sustainability, Research & Investment Solutions ('SRI') function into the global business divisions, namely Investment Solutions & Products ('IS&P') into WM and Securities Research in the IB. Sustainability remains a core priority of the CS group, and CS group remain committed to its sustainability objectives.

CSi is one of the principal booking entities for CSG's IB division.

On 27 July 2022, CSG announced further developments for the ongoing strategic review to further materially pivot to Wealth Management, Swiss Bank and Asset Management, and the transformation of our Investment Bank towards a less complex, capital light advisory led and connected model.

Financial statements

The CSi Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022 are presented in United States Dollars ('USD'), which is the functional currency of the Bank, rounded to the nearest million. The Interim Report does not include all the notes included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2021 which was prepared in accordance with UK-adopted international accounting standards ('UK-adopted IFRSs'), the applicable legal requirements of the Companies Act 2006 and, for the consolidated financial statements international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('EU-adopted IFRSs'). This report should also be read in conjunction with any public announcements made by the Bank during the interim reporting period. The Unaudited Condensed Consolidated Interim Financial Statements were authorised for issue by the Directors on 18 August 2022.

Changes to directors

Changes in the directorate since 31 December 2021 and up to the date of this report are as follows:

Appointments:	
Richard Meddings	20.05.22
Edward Jenkins	06.07.22

The following ceased to be directors:	
Nicola Kane	24.03.22
Jonathan Moore	24.06.22

None of the directors who held office at the end of the period were directly beneficially interested, at any time during the period, in the shares of the Bank.

Directors of the CSi group benefited from qualifying third party indemnity provisions in place during the interim period and at the date of this report.

Purpose, strategy and clients

CSi aims to create lasting value for its clients by delivering client-centric sales and trading products, services and solutions across all asset classes and regions as well as advisory, underwriting and financing services.

CSi's strategy is to provide a range of Investment Banking services and to build on its strengths as a global hub for CS group's derivative products and as a registered swap dealer for Dodd-Frank clients, to support securities and non-securities sales, trading, risk management and settlement services for IB clients. The strategy encompasses the provision of solutions for CS group's other divisions, and businesses, including WM clients; and the provision of Merger and Acquisitions ('M&A') and underwriting and arrangement services, and bilateral or syndicated loans, for corporate clients.

CSi aims to provide its corporate, institutional and WM clients with a broad range of financial solutions, served through an integrated franchise and international presence.

Investment Bank

CSi provides a broad range of financial products and services focused on client driven businesses. Products and services include global securities sales, trading and execution, capital raising and advisory. The business model enables CSi to deliver high value, customised solutions that leverage the expertise offered across CS group helping clients unlock capital and value in order to achieve their strategic goals.

The principal businesses within CSi are Cash Equities, Credit, Global Trading Solutions ('GTS') and Capital Markets and Advisory.

Operating environment

CSi is impacted by a range of political, economic, accounting and regulatory developments. The operating environment continues to evolve rapidly resulting in the need for CSi to continue evaluating, assessing and adapting its strategy.

Significant Events

Provision for credit losses
In the first half of 2022, CSi recorded a release of provision for credit losses of USD 166 million relating to a reassessment of the future recoverability of receivables relating to Archegos Capital Management ('Archegos'), the remaining provision for credit losses in relation to Archegos stands at USD 4,374 million.

Russia's invasion of Ukraine
In response to Russia's invasion of Ukraine, many countries across the world imposed severe sanctions against Russia's financial system and on Russian government officials and business leaders, and these sanctions have been expanded several times. With regard to CSi exposure to the impact of Russia's invasion of Ukraine, CSi's interim results were adversely affected by an aggregate amount of USD 220 million of trading losses. As of 30 June 2022, CSi had a net credit exposure to Russia, after specific allowances and provisions for credit losses and valuation adjustments, of USD 139 million, primarily related to financial institutions, and corporates.

CSi continues to assess the impact of the sanctions already imposed, and potential future escalations, on its exposures and client relationships. CSi has further reduced Russia related exposures in first half of 2022 as the market and counterparty situation evolved, and remaining exposures continue to be subject to ongoing monitoring and management. CSi notes that these developments may continue to affect its financial performance, including credit loss estimates and potential asset impairments.

Replacement of Interbank Offered Rates ('IBOR')
Following successful execution of the transition strategy at the end of 2021 for non-USD, (Swiss franc ('CHF'), Euro ('EUR'), the Sterling ('GBP') and Japanese Yen ('JPY')) and select USD LIBOR (1 week and 2 month) London Interbank Offered Rate ('(L)IBOR') settings, the Bank has successfully ensured that, following the expiry of the last LIBOR resets from 2021, fall-back provisions during the first half of 2022 are fully operational.

Remaining USD LIBOR settings are scheduled to be discontinued at the end of June 2023. 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 and with the prohibition of new LIBOR trading other than for risk management purposes from 1 January 2022, is now becoming the dominant market rate.

While CSi has a significant level of liabilities and assets linked to USD LIBOR, most of the legacy portfolio has reduced transition risk due to the presence of robust fallback provisions. Many of CSi's derivative counterparts (derivatives make up the majority of the CSi USD LIBOR portfolio) have already adhered to the International Swaps and Derivatives Association ('ISDA') Protocol, eliminating contractual uncertainty around the discontinuation of USD LIBOR. An outreach to clients has taken place during the first half of 2022 to determine client intentions for USD LIBOR remediation. Dialogue will continue to support client queries and business transition plans. Operational preparations are progressing to support bi-lateral remediation and industry migrations.

CSi continues to focus on identifying the potential impact this transition may have on clients, and new risks that may arise, to assist them through the whole of the transition period.

→ For further disclosure details, refer to Note 13 – Financial Instruments Risk Position.

Political and economic environment

2022

Following Russia's invasion of Ukraine, global inflationary pressures have intensified sharply. The war in Ukraine is adversely affecting world activity through a number of channels. The most significant of these are sharp increases in energy and other commodity prices and the continued widespread supply chain disruption pushing up tradeable goods prices. Concerns about further supply chain disruption have also risen, both due to Russia's invasion of Ukraine and COVID-19 developments in China. These developments have substantial impact on operating conditions for businesses and consumers around the world and have led to a material deterioration in the outlook for the world and UK growth.

The Bank of England ('BOE') Monetary Policy Committee ('MPC') sets monetary policy with the aim of meeting the 2% inflation target, to help sustain growth and employment. The inflation rate at the end of June 2022 was 9.1%. To control inflation, the MPC on 04 August 2022 voted to further increase the Bank base rate by 0.5% to 1.75% (31 December 2021: 0.25%).

As of 30 June 2022, the GBP exchange rate index against the USD was 121.30, a decrease of 10.2% since 31 December 2021.

The latest UK Gross Domestic Product ('GDP') figures showed an increase of 0.9% in Q1 2022 and a decrease of 0.1% in Q2 2022. UK-weighted world GDP rose by 0.3% in Q1 2022 and Q2 2022. The weaker near term outlook reflecting the significant adverse impact of higher global commodity and tradable goods prices on consumer demand.

The Financial Times Stock Exchange 100 ('FTSE 100') index of top UK-listed shares closed at 7,169 points on 30 June 2022, a decrease of 2.9% since 31 December 2021. Standard and Poor's 500 index closed at 3,785 points decreasing by 20.6% since 31 December 2021.

Looking Forward

On 26 July 2022, the International Monetary Fund (IMF) forecasted the global economy to grow by 3.2% in 2022 and 2.9% in 2023, this is 1.2% lower for 2022 than forecasted at start of the year. The outlook for world activity has deteriorated materially following the invasion of Ukraine. Beyond 2023, global growth is forecast to decline to about 2.9% over the medium term.

The Ukrainian and Russian economies are key suppliers of commodities and disruptions to the supply chain of these commodities would keep prices high. As the conflict shows no sign of stopping, disruption to these supply chains will likely continue. Furthermore, securing alternative supply chains to avoid reliance on Russia will take some time which could push inflation higher and impact global growth.

As per BOE projection, global inflationary pressures are forecast to build further in the near term, before falling back sharply. After the peak in early 2023, the upward pressure on inflation is expected to dissipate rapidly, as global commodity prices are assumed to rise no further, global supply bottlenecks ease, and domestic inflationary pressures subside in response to weaker growth in demand.

CSi will continue to monitor developments in this dynamic operating environment.

Regulatory environment

Recovery and Resolution Planning

As of 1 January 2022, implementation date of the Bank of England's Resolvability Assessment Framework ('RAF'), CSi deems itself able to deliver the resolvability outcomes outlined by the RAF in the context of a Swiss Financial Market Supervisory Authority ('FINMA') led resolution of CSG.

CSi works closely with CSG to ensure that the CS group wide recovery and resolution capabilities meet the expectations of the UK regulatory authorities. CSi will continue to ensure that these capabilities will sufficiently maintain critical functions provided to the UK economy through any stabilisation, resolution or restructuring.

Securities-Based Swap ('SBS') Dealer Regulation

On 15 December 2021, the Securities and Exchange Commission ('SEC') proposed new security-based swap rules to prevent fraud and manipulation in SBS, prohibit undue influence over Chief Compliance Officers and require large security-based swap position reporting, subject to certain thresholds. Final rules have not been published but CSi awaits these in order to implement them as a security-based swap dealer registered with the SEC.

Central Securities Depositories Regulation Review

On 16 March 2022, the European Commission published a proposal on the review of the Central Securities Depositories Regulation. The regulation aims to provide more proportionate and effective rules as regards the settlement discipline, as well as to reduce compliance costs and regulatory burdens for Central Securities Depositories.

Payment Services Directive 2 Review ('PSD2')

The revision of PSD2 is intended to amend certain provisions taking into consideration, among others, developments in the payment market and payment user needs. The aim is to make sure that PSD2 continues to meet its objectives in terms of a more integrated, competitive and efficient European payments market, a level-playing-field for all payment service providers, safer and more secure payments as well as consumer protection. CSi is not acting as a payment service provider in most cases, but this was due to reliance on certain exclusions or exemptions, which may not be retained in the revised directive.

Sustainability

On 11 May 2022, the UK Government issued a call for evidence to support its update of the 2019 Green Finance Strategy, with publication planned in December. The previous update entitled 'Greening Finance: A Roadmap to Sustainable Investing' included plans to develop a new Sustainability Disclosures Regime ('SDR') and Green Taxonomy. The SDR will introduce requirements for creators of investment products to report on the product's sustainability impact and relevant financial risks and opportunities. This information will form the basis of a new sustainable investment labelling regime.

CSi, along with the rest of the industry, expects UK authorities to support the development of innovative ESG derivative products to help market participants manage climate-related risks and promote the flow of capital towards sustainable projects. The focus is on the creation of principle-based regulation. Under new Green Taxonomy the first two set of Screening Criteria ('Climate Change Adaptation and Mitigation') will be finalised by the UK regulator by the end of 2022. The remaining Screening Criteria for the remaining 4 environmental objectives are to be finalised by the end of 2023.

CSi has established a change program to ensure it addresses these requirements as well as the broader EU Commission legislative proposals relating to the EU's Sustainable Finance action plan. These proposals include the establishment of a unified taxonomy of sustainable economic activities, disclosure requirements relating to the consideration of ESG factors in risk processes and the creation of a new category of benchmarks which will help investors compare the carbon footprint of their investments. There are also proposed related amendments to product governance, suitability and appropriateness and product disclosure requirements under the MiFID II.

→ For further details, refer to Climate Change in Risk Management.

Performance

Key Performance Indicators ('KPIs')

The Bank uses a range of KPI's to manage its financial position to achieve the Bank's objectives. Profitability and Risk Weighted Assets ('RWA') are reviewed at the business line level to promote the drive towards the development and maintenance of profitable and capital efficient businesses.

Unaudited	**6M22** [3]	6M21 [3]	6M20	6M19 [1,2]	6M18 [3]
Earnings					
Net profit/(loss) before tax (USD million):					
Continuing operations	175	(5,187)	458	238	131
Discontinued operations	–	–	49	24	-
Total	175	(5,187)	507	262	131

	6M22	6M21	6M20	6M19	6M18
Extracts from Condensed Consolidated Statement of Financial Position (USD million):					
Total Assets	224,313	258,377	283,471	233,248	247,165
Total Asset growth/(reduction)	(13.18)%	(8.85)%	21.53%	(5.63)%	(9.67)%
Return on Total Assets	0.08%	(2.01)%	0.18%	0.11%	0.05%

	6M22	6M21	6M20	6M19	6M18
Capital (USD million):					
Risk Weighted Assets	62,088	71,349	95,656	77,622	100,354
Tier 1 capital	14,908	15,206	20,328	21,190	21,123
Tier 1 capital ratio (%)	24.01%	21.31%	21.25%	27.30%	21.05%
Return on Tier 1 capital	1.17%	(34.11)%	2.49%	1.24%	0.62%

	6M22	6M21	6M20	6M19	6M18
Liquidity (USD million):					
Liquidity Buffer	34,727	23,651	14,981	15,939	17,781

[1] 6M19 numbers have been restated to disclose the impact of discontinued operations and adjustment relating to negative interest on cash collateral.
[2] 6M19 numbers have been restated to disclose the effect of adjustments related to offsetting of centrally cleared derivative transactions.
[3] All operations were reported as continuing in 6M22, 6M21 and 6M18.

Capital

Risk Weighted Assets ('RWA') decreased by USD 9 billion to USD 62 billion (2021: USD 71 billion) in line with the reduction in the balance sheet. The large exposures charge also reduced due to a reduction in intra-group exposure, notably with CS AG.

Capital resources

CSi closely monitors its capital resources and requirements to ensure that business activity booked in the entity and related risk can be supported. This monitoring takes into account, business resource demand increases, any forthcoming changes to the capital framework such as new regulation, and changes to the Bank's business model.

As a result of the Q4 2021 Internal Capital Adequacy Assessment Process ('ICAAP'), approved by the CSi Board in April 2022, the capital requirements in CSi increased resulting in the need to issue additional capital. CSi received confirmation from the PRA that the AT1 instruments that are planned to be issued meet regulatory requirements. Once internal approvals have been received a USD 1.2 billion issuance is planned, expected in Q3 2022.

During May 2022, the Bank breached the non-trading book limit by 1%, 26% usage vs a 25% limit. The breach was the result of a material new underwriting transaction for CS Group that was booked across a number of entities including CSi. The PRA was informed of this matter and the situation was remedied promptly.

Liquidity

CSi maintains a strong liquidity position and also has a letter of intent from CS AG ensuring support for meeting CSi's debt obligations and maintaining a sound financial position for the next 13 months.

All regulatory liquidity metrics are in compliance at the time of reporting and on a forward looking basis.

The liquidity buffer increased by USD 11 billion to USD 35 billion (2021: USD 24 billion) due to Pillar 1 and 2 risk increases, under the Liquidity Coverage Ratio ('LCR') metric approach. The increases include the impact of business migration from CSS(E)L and PRA Pillar 2 requirements updated to reflect this and additional requirements due to Pillar 1 risk increases related to derivatives risk, mainly related to updated treatment of liquidity risk across the Exchange Traded Derivatives ('ETD') portfolio.

Unaudited Commentary on Condensed Consolidated Statement of Income

Unaudited	6M22 [2]	6M21 [2]	6M20	6M19 [1]	6M18 [2]
Condensed Consolidated Statement of Income (USD million)					
Net revenues	1,547	(3,744)	1,385	1,079	1,210
Total operating expenses	(1,372)	(1,443)	(927)	(841)	(1,079)
Profit/(Loss) before tax from continuing operations	**175**	**(5,187)**	**458**	**238**	**131**
Profit/(Loss) before tax from discontinuing operations	**–**	**–**	**49**	**24**	**–**
Profit/(Loss) before tax	**175**	**(5,187)**	**507**	**262**	**131**
Income tax (expense)/benefit from continuing operations	(56)	93	(90)	47	9
Income tax (expense) from discontinuing operations	–	–	(13)	(4)	–
Profit/(Loss) after tax	**119**	**(5,094)**	**404**	**305**	**140**

[1] 6M19 numbers have been restated to disclose the impact of discontinued operations and adjustment relating to negative interest on cash collateral.
[2] All operations were reported as continued in 6M22, 6M21 and 6M18.

The CSi group reported a net gain attributable to shareholders of USD 119 million (2021: Loss of USD 5,094 million).

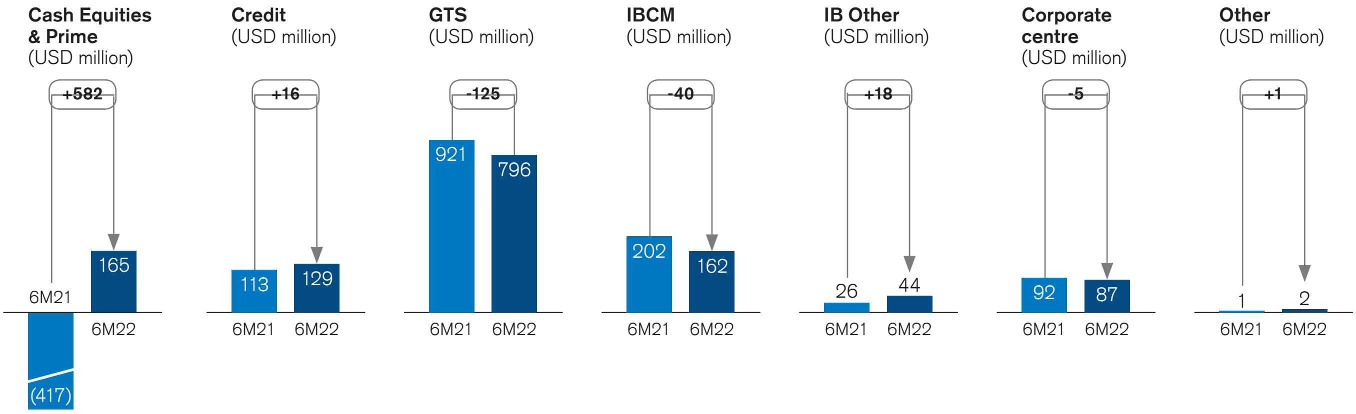
Profit before tax for the CSi group was USD 175 million (2021: Loss of USD 5,187 million).

Net revenues

Unaudited	6M22	6M21 [1]	Variance	% Variance
Reconciliation of reportable segment revenues (USD million) [2]				
Total Revenues				
- Cash Equities and Prime	165	(417)	582	140%
- Credit	129	113	16	14%
- GTS	796	921	(125)	(14)%
- Investment Banking Capital Markets ('IBCM')	162	202	(40)	(20)%
- IB Other	44	26	18	68%
Investment Bank	**1,296**	**846**	451	**53%**
Corporate Centre	87	92	(5)	(5)%
Other	2	1	1	100%
Total reportable revenues	**1,385**	**939**	**447**	**48%**
Transfer pricing and cross divisional revenue share agreements	83	122	(39)	(32)%
Treasury funding	(117)	(66)	(51)	(77)%
Allowance for credit losses	164	(4,736)	4,900	103%
CSi group to primary reporting reconciliations	32	(3)	35	1,167%
Net revenues as per Consolidated Statement of income	**1,547**	**(3,744)**	**5,291**	141%

[1] Net revenues for 6M21 were restated to reflect the change in operating segments as a result of the Global Strategic Review ('GSR')
[2] In accordance with IFRS 8, Reportable segements are reported above under US GAAP, as reviewed by the Board of Directors.

Revenues of each reporting segment are:



In the first half of 2022, Cash Equities and Prime revenues increased by USD 582 million predominantly due to reduced losses within Prime services driven by a non-recurring USD 580 million loss booked in H1 2021 from closing out hedging positions associated with Archegos, partially offset by lower revenue in 2022 due to the unwind of the Prime business. Further, Cash Equities reported an increase in revenue due to business transfers from CSS(E)L due to the ramp down of CSS(E)L.

Credit revenues increased by USD 16 million mainly due to higher gains within the Credit Repo business (as average repo rates increased over first half of 2022) and higher trading revenue within the High Yield business.

GTS revenues reduced by USD 125 million driven by the Emerging Market business primarily due to USD 196 million of losses from counterparty and bond basis Russian exposures. This was partially offset by increased revenues from the Structured Rates business following a rise in interest rates.

IBCM revenues reduced by USD 40 million primarily driven by markdowns of high yield bonds and loans to reflect current clearing levels and challenging market conditions. Further, inflation rate fears and market uncertainties have led to slow deal flow during the first half of the year across the industry.

IB Other revenues increased by USD 18 million driven by stronger performance in Counterparty Portfolio Management due to widening of credit spreads across various Credit Default Swap indices and CS own credit spreads.

Net revenues were also impacted by the following items not included in the divisional revenues:

- Transfer pricing arrangements reduced by USD 39 million primarily driven by changes in the Derivatives Advanced Pricing Agreement ('APA') triggered by the Global Strategic Review ('GSR');
- Increase in Treasury funding costs of USD 51 million due to higher interest rates and spread widening in the first half of 2022;
- Allowance for Credit losses USD 4,900 million movement primarily driven by USD 4,736 million provision booked in relation to Archegos Capital Management ('Archegos') in H1 2021 compared with USD 166 million provision release associated with the Archegos counterparty default in the first half of the year following a reassessment of recovery estimates; and
- Increase of USD 35 million in CSi group to primary reporting reconciliations primarily due to adjustment to reclassify withholding tax, stamp tax and distribution fees recorded as revenue under US GAAP, but General, administrative and trading expenses under IFRS. This was offset by accounting adjustments for own credit. Own credit risk on long non issuer positions are reported in the profit and loss whereas in US GAAP, it is reported as Other comprehensive income.

Expenses

Unaudited	**6M22**	**6M21**	Variance	% Variance
Operating expenses (USD million)				
Compensation and benefits	(338)	(375)	37	10%
General, administrative and trading expenses	(1,017)	(1,056)	39	4%
Restructuring expenses	(17)	(12)	(5)	(42)%
Total operating expenses	**(1,372)**	**(1,443)**	**71**	5%

The CSi group's operating expenses, decreased by USD 71 million to USD 1,372 million (2021: USD 1,443 million).

Compensation and benefits have decreased by USD 37 million due to a decrease of USD 43 million in deferred compensation awards relating to the CSG share price reduction over the year;

General, administrative and trading expenses decreased by USD 39 million due to:

- Decreased brokerage expense of USD 63 million due to reduction in cash equity trade volumes and the wind down of the Prime Service business;
- Decreased lease impairment expense of USD 33 million due to a lease impairment provision booked in 2021 as part of right sizing the London campus;
- Increase in occupancy expense of USD 20 million due to reserve releases in 2021 on the early termination of the 17 Columbus Courtyard lease; and
- Increase of litigation expense of USD 29 million due to legal cases CSi is involved with.

Restructuring expenses have increased by USD 5 million due to personnel related restructuring accruals booked in H1'22 approved by the Restructuring Governance Board.

The income tax expense / (benefit) is recognised based on management's estimate of the effective annual income tax rate expected for the year to 31 December 2022 as applied to the results for the six months ended 30 June 2022. The total income tax expense for the six months ended 30 June 2022 is USD 56 million and represents an effective tax rate for the period of 31.8%, which is marginally higher than the UK statutory tax rate of 27% and reflects the impact of permanent tax adjustments and the reduction in the UK bank corporation tax surcharge rate.

The effective tax rate for the six months ended 30 June 2021 was 1.8%, which included the impact of the permanent tax adjustments, deferred tax not recognised related to the Archegos default loss and the impact of the UK corporation tax rate change.

Unaudited Commentary on Condensed Consolidated Statement of Financial Position

Extracts from Condensed Consolidated Statement of Financial Position (USD million) Unaudited	**6M22**	End of 2021	Variance	% Variance
Assets (USD million)				
Interest-bearing deposits with banks	994	13,284	(12,290)	(93)%
Securities purchased under resale agreements and securities borrowing transactions	30,155	8,902	21,253	239%
Trading financial assets mandatorily at fair value through profit or loss	126,945	143,718	(16,773)	(12)%
Non-trading financial assets mandatorily at fair value through profit or loss	28,972	38,226	(9,255)	(24)%
Other assets	31,562	34,666	(3,104)	(9)%
Other (aggregated remaining balance sheet assets lines)	5,685	5,719	(34)	(1)%
Total assets	**224,313**	**244,515**	**(20,203)**	**(8)%**
Liabilities (USD million)				
Trading financial liabilities mandatorily at fair value through profit or loss	107,292	122,054	(14,762)	(12)%
Financial liabillities designated at fair value through profit or loss	36,966	35,012	1,954	6%
Borrowings	8,632	1,470	7,162	487%
Other liabilities	22,650	23,584	(934)	(4)%
Debt in issuance	26,665	40,224	(13,559)	(34)%
Other (aggregated remaining balance sheet liabilities lines)	4,394	4,542	(148)	(3)%
Total liabilities	**206,599**	**226,886**	**(20,287)**	**(9)%**

As at 30 June 2022 the CSi group had total assets of USD 224 billion (31 December 2021: USD 245 billion).

Business driven movements are:
- Trading financial assets mandatorily at fair value through profit or loss and Trading financial liabilities mandatorily at fair value through profit and loss have decreased by USD 17 billion and USD 15 billion respectively. This decrease is primarily driven by Interest Rate and Equity Derivatives products due to the sell off of European and US rates during the first half of 2022; and
- Other assets have decreased by USD 3 billion primarily due to a decrease in cash collateral provided to counterparties in line with the decrease in derivative exposures.

Further movements reflect the impacts of managing the required liquidity and overall optimisation of the funding profile. This has resulted in:
- Interest-bearing deposits with banks decreased by USD 12 billion due to a reduction in lending with CS AG, London Branch mainly in USD and GBP to fund increases in Securities purchased under resale agreements and securities borrowing transactions which increased by USD 21 billion due to increased HQLA requirement, mainly driven by USD 9 billion requirement to cover the liquidity risk increases and the switch from sourcing HQLA from fair valued repos to non fair valued repos;
- Non-trading financial assets mandatorily at fair value through profit or loss decreased by USD 9 billion driven by changes in sourcing of securities for High-Quality Liquid Assets ('HQLA');
- Financial liabilities designated at fair value through profit or loss increased by USD 2 billion driven by change in HQLA requirements of fellow CS entities;
- An increase of USD 7 billion in Borrowings (partially offset by Debt in issuance) mainly with CS AG, London Branch due to HQLA buffer increase and business cash usage in GBP and EUR; and
- A decrease of USD 14 billion in Debt in issuance (partially offset by Borrowings) due to a reduction of USD 11 billion in EUR and GBP denominated debt with CS AG, London Branch to maintain regulatory ratios and a USD 2 billion movement due to depreciation of EUR and GBP FX rates against USD.

Financial instruments carried at fair value are categorised under the three levels of the fair value hierarchy, where the significant inputs for the Level 3 assets and liabilities are unobservable.

Total Level 3 assets increased to USD 3.0 billion as at 30 June 2022 (31 December 2021: USD 2.9 billion). Total Level 3 liabilities decreased to USD 4.0 billion as at 30 June 2022 (31 December 2021: USD 4.7 billion). The movement in liabilities is mainly driven by market movements primarily on the structured note population as markets fell and volatility increased in the first half of 2022. Level 3 assets were equivalent to 1.3% of total assets (2021: 1.1%) and Level 3 Liabilities equivalent to 1.9% of total liabilities (2021: 2.1%).

→ Fair value disclosures are presented in Note 12 – Financial Instruments.

Dividends

No dividends have subsequently been paid or proposed for the period ended 30 June 2022 (2021: USD Nil).

Principal risks and uncertainties

Principal risks

RISK TYPE	DESCRIPTION	HOW RISKS ARE MANAGED
Climate Change	Climate-related risks are potentially adverse direct and indirect impacts on the banks financial metrics, operations or reputation due to transitional or physical effects of climate change. Climate-related risks could manifest themselves through existing risk types such as credit risk, market risk, non-financial risk, business risk or reputational risk.	Climate change risk in CS group is managed centrally by the Climate Risk department within the Global Credit Risk function. For CSi, the CSi Enterprise Risk Management department ensures accurate ongoing reporting and monitoring within the appetite framework. The theme of climate change risk has been explicitly considered in the course of CSi's risk identification and assessment process as well as its risk appetite and risk reporting. As part of the climate change risk assessment, CSi has considered credit exposure to sectors with the closest nexus to the physical and transition implications of climate change risk. Sectors include fossil fuels as well as energy, transport, property, and agriculture. As at 30 June 2022 direct lending gross exposure to fossil fuels and related climate sensitive sectors was USD 455 million and this has reduced from USD 607 million in December 2021. A CS group Climate Risk Strategy program exists to continue evolving and embedding a consistent approach to governance, risk management, scenario analysis and disclosure across CS group and the legal entities, including compliance with regulatory requirements across the jurisdictions within which CS group operates. Under the program, metrics have been defined as part of the Risk Identification and Appetite Framework, while scenario capabilities have been established across market risk (short-term analysis), single clients (for large Oil & Gas companies), and portfolio level (using the BoE climate scenario).
Credit Risk	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.	Credit risk in CSi is managed by the Credit Risk Management ('CRM') function which sits in the second line of defence. CRM is an independent function with responsibility for approving credit limits, monitoring and managing individual exposures and assessing and managing the quality of the segment and business area credit portfolios and allowances. All credit limits in CSi are subject to approval by CRM UK based employees. CRM maintain a Watchlist which serves as a tool for monitoring and reporting counterparties with negative factors requiring enhanced monitoring but which are not severe enough for the counterparty to be considered impaired. Counterparties are subject to additional scrutiny through watchlist committees and escalation to senior management. Watchlist counterparties are classified as Amber when they are performing but potential weaknesses (early signs of potential financial difficulty) have been identified, which require closer and continuous monitoring. Counterparties are classified as Red if they are performing but well-defined weaknesses and actual stress are apparent; there are increasing signs of declining credit worthiness but those signs are not yet severe enough to indicate impairment. Following the Archegos default, CRM have undertaken a thorough review of the concentrations in the CSi portfolio and have enhanced the Credit Risk Appetite with a more granular limit framework to ensure timely identification and escalation of any increasing concentrations. CRM also has a Recovery Management team who are responsible for managing and resolving troubled or impaired exposures, establishing appropriate provisions for impaired loans and maximising recovery throughout the workout process, thereby protecting CSi's capital and reputation and minimising potential litigation risks.
Liquidity Risk	The risk that a bank is unable to fund assets and meet obligations as they fall due in times of stress, whether caused by markets events and/or firm-specific issues.	CSi Liquidity Risk ('LR') function is responsible for the oversight of Treasury and the business divisions involved in managing CSi's liquidity risks as a second line of defence. LR is responsible for ensuring that CSi has adequate liquidity and achieves full compliance with CSi's Risk Appetite Framework and Strategic Risk Objectives, which include maintaining sufficient headroom above applicable regulatory constraints (in particular LCR and Net Stable Funding Ratio ('NSFR')) and adherence to all applicable risk constraints covering short-term, medium-term and longer-term liquidity, based on regulatory and internal risk metrics (including those based on the internal liquidity stress testing framework). LR ensures that various risk controls appropriately limit funding concentration to tenors, products, currencies and counterparties as part of the framework and are adhered to. The liquidity and funding profile reflects CSi's respective strategies and risk appetites, and is driven by business activity levels and the overall operating environment.

RISK TYPE	DESCRIPTION	HOW RISKS ARE MANAGED
Market Risk	The risk of a loss arising from 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.	Market Risk in CSi is managed by the CSi Market Risk department which sits in the second line of defence. CSi has policies and processes in place to ensure that market risk is captured, accurately modelled and reported, and effectively managed. Trading and non-trading portfolios are managed at various organisational levels, from the overall risk positions at the Bank level down to specific portfolios. CSi uses market risk measurement and management methods in line with regulatory and industry standards. The principal portfolio measurement tools are Value-at-Risk ('VaR'), scenarios and sensitivity analyses, which complement each other in measuring market risk. A Counterparty Market Risk function is focused on capability building for assessing and risk managing counterparty market risk, thereby improving the way in which risk is measured by leveraging the subject matter expertise of market risk managers. This team closely collaborates with the Counterparty Credit Risk team within the Investment Bank to further progress how risk of counterparties is assessed allowing for enhanced credit decision making.
Model Risk	Model Risk is the potential for financial loss, negative reputational impact and/or adverse regulatory action from decisions made based on model outputs that may be incorrect or used inappropriately.	Model Risk Management's role is to verify whether the model is performing as expected and is appropriate for its intended use. This includes: • Maintaining a bank-wide model inventory, model type classification, risk tiering and inventory attestation; • Training; • Performing independent validation and approval of Models; • Communicating model validation plans and schedules to relevant review committees and stakeholders; • Managing validation outcomes, findings and any required follow-up actions, and reporting/ communicating them to the relevant review committees and stakeholders; • Defining model risk Key Risk Indicators ('KRIs') and assessing, aggregating and reporting model risks; • Escalating policy violations to the Model Risk Steering Committee ('MRSC'), CSi Board Risk Committee, and other relevant group/ regional/ legal entity/ divisional committee.
Non-Financial Risk	Non-financial risk is the risk of an adverse direct or indirect impact originating from sources outside the financial markets, including but not limited to operational risk, technology risk, cyber risk, compliance risk, regulatory risk, legal risk and conduct risk. Non-financial risk is inherent in most aspects of our business, including the systems and processes that support our activities.	Non-Financial Risk Management oversees the CS group's established Non-Financial Risk Framework ('NFRF'), providing a consistent and unified approach to evaluating and monitoring CSi's non-financial risks. The NFRF sets common minimum standards across non-financial risk and control processes and review and challenge activities. Risk and control assessments are in place across all divisions and functions, consisting of the risk and control self-assessment, compliance risk assessment and legal risk assessment. Key non-financial risks are identified annually and represent the most significant risks requiring senior management attention. Where appropriate, remediation plans are put in place with ownership by CSi's senior management, and with ongoing Board level oversight at the CSi Board Risk Committee.
Reputational Risk	Reputational Risk is the risk arising from negative perception on the part of our stakeholders (i.e. customers, counterparties, shareholders, investors, employees, regulators) that can adversely affect our ability to maintain existing, or establish new, business relationships and continued access to sources of funding.	The Reputational Risk Review Process ("RRRP") assesses whether any identified reputational risks are acceptable and the proposed activity is within the Bank's risk appetite. Any employee that is engaged in or considering a client relationship, action or transaction (hereafter referred to as "activity") that may put the Bank's reputation at risk must submit that activity through the RRRP for review before the Bank is committed to pursuing or executing it from a legal or relationship standpoint. Reputational Risk Approvers ("RRAs") are subject matter experts and senior risk managers independent from the business. The RRA is responsible for assessing whether the identified reputational risks and the mitigation presented is acceptable and the proposed activity is within the Bank's risk appetite for reputational risk. All RRA decisions in the RRRP are predicated on the relevant Divisional Approver's ('DA') review and approval. Based on guidance from governing bodies, or at their discretion the RRA may escalate a submission to the IB EMEA Divisional Client Risk Committee ("DCRC"). The DCRC is comprised of senior regional management from the divisions, corporate functions and CSi entity management. Clients deemed to carry the highest compliance and reputational risks are escalated to the Global Client Risk Committee ("GCRC"). Once a submission has been escalated, the final decision cannot be taken until the escalation process has been concluded. Additionally, a new Compliance-led High Risk Transaction ("HRT") process has been introduced in CSi to drive a more holistic and global approach to evaluating CS's high risk and complex clients that present heightened risks due to reputational, sustainability, financial crime or other compliance-related risks.

→ For further details on how CSi manages risk, refer to Note 13 – Financial Instruments Risk Position.

Other key risks

CSi is closely monitoring the following key risk and global economic developments and the potential effects on our operations and businesses. This includes the reassessment of financial plans and the development of stress scenarios that take into account potential additional negative impacts.

Macro-Economic Environment

Inflation and recession risk
Annual inflation rates increased in 2021 across all major economies and moved even higher in the first half of 2022 as energy and food prices increased sharply, primarily because of supply chain disruptions which have been further exacerbated by Russia's invasion of Ukraine and the implementation of wide-ranging sanctions against Russia. In the US, the US Federal Reserve continued to increase the federal funds rate in May, June and July with the aim to reduce inflation and indicated to the markets that there may be further interest rate increases this year and in 2023. In Europe, the Swiss National Bank ('SNB') raised its policy rate in June, earlier than expected by the market, and indicated that more rate hikes are anticipated, while the European Central Bank ('ECB') surprised markets with a larger than previously expected first interest rate increase in eleven years at the end of July. Significant increases in interest rates bear the risk of triggering a recession. Economic activity data in Europe deteriorated in 2Q22 as concerns over potential oil and gas shortages and further macroeconomic impacts from Russia's invasion of Ukraine increased, and high inflation has undermined consumer confidence and business sentiment.

CSi conducts ongoing assessments of the credit portfolio, and uses stress scenarios and a range of other risk management techniques to assess the resilience and potential vulnerabilities in its exposures and concentrations should the global economy be impacted by sustained high inflation or deteriorate into recession in the second half of 2022 or in 2023.

China
COVID-19 lockdown measures were eased in China's major cities at the end of April and economic activity accelerated in May and June. In addition, the authorities have outlined steps which should ease potential supply chain and economic activity disruptions in the future even though the zero-tolerance policy toward COVID-19 pandemic looks likely to remain in place. The authorities have also announced additional support for the economy. Nevertheless, liquidity and solvency concerns persisted in China's property development sector in 2Q22, which still have the potential to adversely impact China's economy and the global markets. CSi closely monitor the risk management implications of these developments on our portfolio in China. CSi is also closely monitoring the accelerating default trend in the onshore and offshore corporate debt market.

Emerging markets
While the headwinds for China's economy appeared to ease in 2Q22, the challenges facing other emerging market countries increased. Inflation pressures intensified which forced central banks in emerging markets to more aggressively tighten monetary policy. US dollar appreciation also increased the pressure on emerging market currencies and, for some countries, has led to concern over their ability to service US dollar-denominated debt or actual defaults. Domestic economic policy uncertainties have risen in some Latin American countries and in Türkiye. Finally, Russia's invasion of Ukraine has adversely impacted Central European countries and led to acute concerns about food security in some North African countries. Frequent reviews and deep-dives into exposures and vulnerabilities are conducted as part of our country risk limit-setting and monitoring process. Stress scenario analysis is also embedded into the country risk management framework.

Türkiye
The macroeconomic situation has continued to deteriorate in 2022 as the government maintained its unorthodox monetary policies. Inflation has been spiralling and expected to further increase, whilst the Lira has been under significant pressure, which the government and central bank have been trying to stabilise by using FX reserves and other restrictive measures. As a net importer of energy, Türkiye has been negatively impacted from Russia's invasion of Ukraine, and high oil and gas prices will put pressure on the country's finances. Continuous review of the portfolio and monitoring of market trends is conducted, with frequent assessment of risk ratings and limits.

Capital Risk
Management is monitoring capital levels on an ongoing basis given that future potential losses may erode capital resources in the entity and increases in minimum capital requirements may reduce capital headroom.

Russia's invasion of Ukraine
In response to Russia's invasion of Ukraine, many countries across the world imposed severe sanctions against Russia's financial system and on Russian government officials and business leaders, and these sanctions have been expanded several times. CSi continues to assess the impact of the sanctions already imposed, and potential future escalations, on its exposures and client relationships. CSi reduced Russia related exposures during 2Q22 as the market, sanctions and counterparty situation evolved, with remaining exposures subject to ongoing monitoring and management. CSi notes that as developments evolve, it may affect its financial performance. The CSi Board Risk Committee is notified of any material developments and escalations in relation to the Russia crisis response.

Risk exposures

Credit Risk

Overall credit risk exposure (defined as the current mark-to-market value of traded products and committed amounts for loans, net of risk mitigation such as collateral, credit insurance, and guarantees) increased in the six months to June 2022 to USD 12,327 million (USD 11,461 million as at December 2021). This increase was driven by initial margin posted to Central Clearing Counterparties ('CCPs') and higher levels of repo exposure. The portfolio remains weighted towards strong counterparties in industrialised countries, with 89% of exposure rated investment grade.

The main drivers of exposure are derivatives and lending, which account for USD 7,204 million and USD 1,942 million of exposure respectively. In terms of sectors, the largest drivers of exposure are counterparties in financial industries, with CCPs making up 27% of exposure as of June 2022.

CRM maintain a Watchlist which is detailed in the Principal risks section. During H1 2022 exposure on the Watchlist decreased from USD 210 million in December 2021 to USD 107 million in June 2022. As of June 2022, 25% of Watchlist exposure was classified as Red.

There was one position in CSi which resulted in a write-off of USD 16 million in H122. This was with a Russian bank following the imposition of sanctions associated with the Russia-Ukraine conflict.

Selected credit risk exposure views by country and industry segment

The following table shows the ten largest exposures in CSi by country. The largest exposures are in well-developed countries, with exposure from the United States and United Kingdom accounting for over half of the total exposure. With respect to emerging markets, CSi has exposure in several countries, but none of these exposures represents a concentration relative to overall exposure in the Bank.

Gross credit risk exposures include loans and loan commitments, investments (such as cash securities and other investments) and all exposures of derivatives (not limited to credit protection purchased and sold), after consideration of legally enforceable netting agreements. Gross exposures are calculated after netting long and short positions, capped at nil for net short positions. Net exposures include the impact of risk mitigation such as CDS and other hedges, guarantees, insurance and collateral (primarily cash and securities). Collateral values applied for the calculation of the net exposure are determined in accordance with risk management policies and reflect applicable margining considerations.

	Sovereign		Financial Institutions		Corporate		**Total**	
30 June 2022 (USD millions)	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	**Gross Exposure**	**Net Exposure**
United States	-	-	5,197	3,150	3,090	1,754	**8,287**	**4,904**
United Kingdom	56	54	4,678	2,814	1,908	1,729	**6,642**	**4,597**
Germany	204	31	1,697	1,231	347	347	**2,248**	**1,609**
France	274	261	1,863	748	331	284	**2,468**	**1,293**
Switzerland	23	9	603	504	612	585	**1,238**	**1,098**
Netherlands	-	-	915	555	255	255	**1,170**	**810**
Japan	299	299	946	135	347	344	**1,592**	**778**
Luxembourg	-	-	1,234	429	57	57	**1,291**	**486**
Italy	215	169	126	55	166	166	**507**	**390**
Taiwan	227	227	90	74	-	-	**317**	**301**
Total	**1,299**	**1,050**	**17,349**	**9,695**	**7,113**	**5,521**	**25,760**	**16,266**

31 December 2021 (USD millions)	Sovereign Gross Exposure	Sovereign Net Exposure	Financial Institutions Gross Exposure	Financial Institutions Net Exposure	Corporate Gross Exposure	Corporate Net Exposure	**Total Gross Exposure**	**Total Net Exposure**
United States	346	346	5,925	2,635	3,393	2,847	**9,664**	**5,828**
United Kingdom	93	85	5,311	2,488	1,922	1,774	**7,326**	**4,347**
France	247	211	2,492	788	856	840	**3,595**	**1,839**
Germany	497	55	2,381	1,112	143	139	**3,021**	**1,306**
Switzerland	30	12	585	459	530	529	**1,145**	**1,000**
Netherlands	-	-	1,385	670	295	283	**1,680**	**953**
Italy	410	345	232	85	159	159	**801**	**589**
Japan	153	153	1,504	101	274	272	**1,931**	**526**
Luxembourg	-	-	1,139	285	119	119	**1,258**	**404**
Taiwan	46	46	317	265	-	-	**363**	**311**
Total	**1,822**	**1,253**	**21,271**	**8,888**	**7,691**	**6,962**	**30,784**	**17,103**

The following table shows the ten largest exposures by industry in CSi, which make up 79% of net exposure in the Bank. Exposures are those used for internal risk management and are calculated on the same basis as the country exposures shown in the previous table.

Industry Segments (USD millions)	6M22 Gross Exposure	6M22 Net Exposure	6M22 Net Exposure as % of All Industry Exposures	End of 2021 [1] Gross Exposure	End of 2021 [1] Net Exposure
Central Clearing Parties	5,369	5,252	27%	5,031	4,825
Sovereigns, Monetary Authorities, Central and Development Banks	2,675	2,214	12%	2,369	1,711
Banks	6,581	1,893	10%	10,086	1,756
Funds and Trusts	3,838	1,346	7%	3,598	784
Media and Telecommunications	2,081	1,327	7%	2,099	1,653
Securitisations	1,421	683	4%	1,767	968
Automotive	653	650	3%	853	846
Other Financial Companies	710	578	3%	1,461	708
Chemicals	557	557	3%	578	574
Oil and Gas	642	523	3%	612	581
Total	**24,527**	**15,023**	**79%**	**28,454**	**14,406**

1) 'Exposures for End of 2021 were restated to reflect the change in Industry segments as a result of a Data Harmonisation project, to ensure consistent mapping of Industries across different reporting level (i.e. Group, Divisions and Legal Entities)

Subsequent events

Strategic review
On 27 July 2022, CS group announced that it is conducting a comprehensive strategic review with the following objectives relevant for CSi:

- Consider alternatives that go beyond the conclusions of last year's strategic review, particularly given the changed economic and market environment. The goal of the appraisal will be to shape a more focused, agile CS group with a significantly lower absolute cost base;
- Strengthen its global wealth management franchise, universal bank in Switzerland and multi-specialist asset management business;
- Transform the Investment Bank into a capital-light, advisory-led banking business and more focused markets business that complements the growth of the wealth management and Swiss Bank franchises; and
- Reduce the operating expenses supported by company-wide cost efficiency and digital transformation.

As the strategic review and eventual implementation progresses, restructuring costs relating to asset impairments and liability valuations may arise in connection with any business activities CSi may exit or curtail and their related infrastructure.

The Management Report is approved by Order of the Board

Paul E Hare
Company Secretary

One Cabot Square
London E14 4QJ
18 August 2022

Statement of Directors’ Responsibilities

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Management Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties that they face for the remaining six months of the financial year.

By Order of the Board:

Caroline Waddington
Chief Financial Officer

One Cabot Square
London E14 4QJ
18 August 2022

Independent review report to the Directors of Credit Suisse International

Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Credit Suisse International's condensed consolidated interim financial statements (the "interim financial statements") in the unaudited condensed consolidated interim financial statements of Credit Suisse International for the 6 month period ended 30 June 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union, and the Luxembourg Transparency Act 2008.

The interim financial statements comprise:
- the condensed consolidated interim statement of financial position as at 30 June 2022;
- the condensed consolidated interim statement of income and condensed consolidated interim statement of comprehensive income for the period then ended;
- the condensed consolidated interim statement of cash flows for the period then ended;
- the condensed consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements

The interim financial statements included in the unaudited condensed consolidated interim financial statements of Credit Suisse International have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union, and the Luxembourg Transparency Act 2008.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the unaudited condensed consolidated interim financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The unaudited condensed consolidated interim financial statements, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the unaudited condensed consolidated interim financial statements in accordance with the Luxembourg Transparency Act 2008. In preparing the unaudited condensed consolidated interim financial statements, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the unaudited condensed consolidated interim financial statements based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Luxembourg Transparency Act 2008 and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
19 August 2022

Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

Unaudited Condensed Consolidated Interim Statement of Income for the six months ended 30 June 2022

	Reference to note	6M22	6M21
Consolidated Statement of Income (USD million)			
Interest income		458	207
- of which Interest income from instruments at amortised cost		231	*123*
Interest expense		(500)	(246)
- of which Interest expense on instruments at amortised cost		(368)	*(191)*
Net interest (expense)/income		(42)	(39)
Commission and fee income		194	183
Reversal/(allowance) for credit losses	4	164	(4,736)
Net gains from financial assets/liabilities at fair value through profit or loss		1,146	695
Other revenues		85	153
Net revenues		**1,547**	**(3,744)**
Compensation and benefits		(338)	(375)
General, administrative and trading expenses		(1,017)	(1,056)
Restructuring expenses		(17)	(12)
Total operating expenses		**(1,372)**	**(1,443)**
Profit/(Loss) before taxes		**175**	**(5,187)**
Income tax (expense)/benefit	5	(56)	93
Profit/(Loss) for the year		**119**	**(5,094)**

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income for the six months ended 30 June 2022

	6M22	6M21
Consolidated Statement of Comprehensive Income (USD million)		
(Loss)/Profit for the year	**119**	**(5,094)**
Cash flow hedges – effective portion of changes in fair value	(31)	(22)
Related tax on cash flow hedges – effective portion of changes in fair value	(3)	4
Items that are or may be reclassified subsequently to Statement of income	**(34)**	**(18)**
Remeasurements of defined benefit asset	–	(93)
Related tax on remeasurements of defined benefit asset	(10)	41
Realised gains relating to credit risk on designated financial liabilities extinguished during the period reclassed to retained earnings	–	1
Unrealised gain/(losses) on designated financial liabilities relating to credit risk	10	7
Items that will not be reclassified to Statement of income	**–**	**(44)**
Other comprehensive loss for the period (Net of taxes)	**(34)**	**(62)**
Total comprehensive income/(loss)	**85**	**(5,156)**
Attributable to Credit Suisse International shareholders	85	(5,156)

The accompanying notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

Unaudited Condensed Consolidated Interim Statement of Financial Position as at 30 June 2022

	Reference to note	6M22	end of 2021
Assets (USD million)			
Cash and due from banks		1,483	1,484
Interest-bearing deposits with banks		994	13,284
Securities purchased under resale agreements and securities borrowing transactions		30,155	8,902
Trading financial assets mandatorily at fair value through profit or loss		126,945	143,718
of which positive market values from derivative instruments	*6*	101,267	*113,190*
Non-trading financial assets mandatorily at fair value through profit or loss		28,972	38,226
Loans and advances		3,001	2,968
Investment property		13	14
Current tax assets		70	67
Deferred tax assets		229	284
Other assets	7	31,562	34,666
Property and equipment		386	407
Intangible assets		503	495
Total assets		**224,313**	**244,515**
Liabilities (USD million)			
Due to banks		542	218
Securities sold under repurchase agreements and securities lending transactions		3,278	3,371
Trading financial liabilities mandatorily at fair value through profit or loss		107,292	122,054
of which negative market values from derivative instruments	*6*	100,901	*113,176*
Financial liabilities designated at fair value through profit or loss		36,966	35,012
Borrowings		8,632	1,470
Current tax liabilities		5	13
Other liabilities	7	22,650	23,584
Provisions		26	313
Debt in issuance	8	26,666	40,224
Lease liabilities		542	627
Total liabilities		**206,599**	**226,886**
Shareholders' equity (USD million)			
Share capital		11,366	11,366
Capital contribution		887	887
Retained earnings		5,655	5,536
Accumulated other comprehensive income		(194)	(160)
Total shareholders' equity		**17,714**	**17,629**
Total liabilities and shareholders' equity		**224,313**	**244,515**

The financial statements on pages 19 to 46 were approved by the Board of Directors on 18 August 2022 and signed on its behalf by:

C. Waddington

Caroline Waddington
Director

The accompanying notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2022

	Share Capital	Capital contribution	Retained Earnings	AOCI [1]	**Total**
Condensed Consolidated Interim Statement of Changes in Equity (USD million)					
Balance at 1 January 2022	**11,366**	**887**	**5,536**	**(160)**	**17,629**
Profit for the period	–	–	119	–	119
Unrealised gain on designated financial liabilities relating to credit risk	–	–	–	10	10
Cash flow hedges – effective portion of changes in fair value	–	–	–	(31)	(31)
Related tax on Cash flow hedges – effective portion of changes in fair value	–	–	–	(3)	(3)
Remeasurement of defined benefit pension assets	–	–	–	–	–
Related tax on defined benefit pension assets	–	–	–	(10)	(10)
Total comprehensive income/(loss) for the period	**–**	**–**	**119**	**(34)**	**85**
Balance at 30 June 2022	**11,366**	**887**	**5,655**	**(194)**	**17,714**
Condensed Consolidated Interim Statement of Changes in Equity (USD million)					
Balance at 1 January 2021	**11,366**	**887**	**10,881**	**(127)**	**23,007**
Loss for the period	–	–	(5,094)	–	(5,094)
Realised gain / (loss) relating to credit risk on designated financial liabilities extinguished during period reclassed to retained earnings	–	–	(1)	1	–
Unrealised gain on designated financial liabilities relating to credit risk	–	–	–	7	7
Cash flow hedges – effective portion of changes in fair value	–	–	–	(22)	(22)
Related tax on Cash flow hedges – effective portion of changes in fair value	–	–	–	4	4
Remeasurement of defined benefit pension assets	–	–	–	(93)	(93)
Related tax on defined benefit pension assets	–	–	–	41	41
Total comprehensive income/(loss) for the period	**–**	**–**	**(5,095)**	**(62)**	**(5,157)**
Balance at 30 June 2021	**11,366**	**887**	**5,786**	**(189)**	**17,850**

[1] AOCI refers to Accumulated Other Comprehensive Income

There were no dividends paid during the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

The accompanying notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

Unaudited Condensed Consolidated Interim Statement of Cash Flows for the six months ended 30 June 2022

	Reference to note	**6M22**	6M21
Cash flows from operating activities (USD million)			
Profit/(loss) before tax for the period		175	(5,187)
Adjustments to reconcile (loss)/profit before tax to net cash generated from/(used in) operating activities (USD million)			
Non-cash items included in profit before tax and other adjustments:			
Depreciation, impairment and amortisation		95	127
Depreciation and impairment on investment property		1	–
Accrued interest on debt in issuance		142	55
Accrued interest on leases		9	4
(Reversal)/Allowances for credit losses	4	(164)	4,736
Foreign exchange gain		(2,352)	(386)
Provisions		38	9
Total adjustments		**(2,231)**	**4,545**
Cash used before changes in operating assets and liabilities		**(2,056)**	**(642)**
Net decrease/(increase) in operating assets:			
Interest bearing deposit with banks		12,290	3,048
Securities purchased under resale agreements and securities borrowing transactions		(21,253)	(7,026)
Trading financial assets mandatorily at fair value through profit or loss		16,773	38,822
Non-trading financial assets mandatorily at fair value through profit or loss		9,254	(11,353)
Loans and advances		(35)	125
Other assets		3,269	566
Net decrease in operating assets		**20,298**	**24,182**
Net (decrease)/increase in operating liabilities:			
Securities sold under repurchase agreements and securities lending transactions		(93)	(2,297)
Trading financial liabilities mandatorily at fair value through profit or loss		(14,762)	(32,885)
Financial liabilities designated at fair value through profit or loss		1,964	7,587
Borrowings		7,162	4,487
Share based compensation (Included in other liabilities and provisions)		(9)	(75)
Other liabilities and provisions		(1,422)	(4,790)
Net decrease in operating liabilities		**(7,160)**	**(27,973)**
Income taxes paid		(10)	(14)
Net group relief (paid)/received		(13)	8
Net cash generated/(used) in operating activities		**11,059**	**(4,439)**
Cash flows from investing activities (USD million)			
Proceeds from property, equipment and intangible assets		–	3
Capital expenditures for property, equipment and intangible assets		(90)	(80)
Net cash used in investing activities		**(90)**	**(77)**
Cash flow from financing activities (USD million)			
Issuances of debt in issuance	8	417	8,079
Repayments of debt in issuance	8	(11,643)	(6,617)
Repayments of lease liability		(24)	(26)
Net cash flow (used in)/generated from financing activities		**(11,250)**	**1,436**
Net change in cash and cash equivalents		**(281)**	**(3,080)**
Cash and cash equivalents at beginning of period [1]		1,266	5,792
Effect of exchange rate fluctuations on cash and cash equivalents		(44)	2
Cash and cash equivalents at end of period (USD million)		**941**	**2,714**
Cash and due from banks [1]		1,483	3,279
Due to banks		(542)	(565)
Cash and cash equivalents at end of period (USD million)		**941**	**2,714**

Interest received was USD 481 million (6M21: USD 149 million), interest paid was USD 489 million (6M21: USD 235 million).

[1] At 6M22, USD 54 million (6M21: USD 50 million) was not available for use by CSi relating to mandatory deposits at central banks.

The accompanying notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the Six Months Ended 30 June 2022

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the Six Months Ended 30 June 2022

1 General

Credit Suisse International ('CSi' or the 'Bank') is a private unlimited company registered in England. The address of the Bank's registered office is One Cabot Square, London, E14 4QJ. The Condensed Consolidated Interim Financial Statements for the half year ended 30 June 2022 comprise CSi and its subsidiaries (together referred to as the 'CSi group').

The Unaudited Condensed Consolidated Interim Financial Statements were authorised for issue by the Directors on 18 August 2022.

2 Significant Accounting Policies

Basis of preparation

The CSi Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022 are presented in United States Dollars ('USD') rounded to the nearest million. They have been prepared on the basis of the policies set out in the 2021 annual financial statements and in accordance with UK and EU adopted IAS 34 'Interim Financial Reporting'. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021, which was prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 as applicable to companies using IFRS, and any public announcements made by the Bank during the interim reporting period. The consolidated financial statements also comply with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('EU-adopted IFRSs'). For the comparative numbers, the accounting policies applied are the same as those applied by the CSi group in its Consolidated Financial Statements for the year ended 31 December 2021.

The Unaudited Condensed Consolidated Interim Financial Statements are prepared on the historical cost basis except where the following assets and liabilities are stated at their fair value: derivative financial instruments, trading financial assets and liabilities mandatorily at fair value through profit or loss ('FVTPL'), non-trading financial assets mandatorily at fair value through profit or loss and financial instruments designated by the CSi group as at fair value through profit or loss.

The preparation of Unaudited Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions for certain categories of assets and liabilities. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the Unaudited Condensed Consolidated Statement of Financial Position and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from management's estimates.

The significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements as at and for the year ended 31 December 2021.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision has a significant effect on both current and future periods. The same policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. Accounting policies have been applied consistently by the CSi group entities.

Going Concern

The Board has made an assessment of the ability of the CSi group to continue as a going concern for a period of at least 12 months from the date of this report. Based on this assessment, the Board is satisfied that the CSi group has adequate resources to continue in operation for this period, and it therefore continues to adopt the going concern basis in preparing the financial statements.

In considering going concern, the directors have reviewed the capital, liquidity and financial position of CSi including future capital, liquidity and financial plans, including under a series of systematic stress scenarios.

The directors have also considered the impacts of the Credit Suisse Global Strategic Review ('GSR') announced in November 2021, the businesses transferred from Credit Suisse Securities (Europe) Limited, regulatory changes for 2022 and market developments during the year caused by Russian invasion of Ukraine and inflationary pressures.

CSi has capital and liquidity surpluses to all regulatory limits and is forecast to maintain them for the foreseeable future.

Credit Suisse AG ('CS AG') has provided a letter of intent to ensure CSi can meet its debt obligations for the next 13 months and historically CS AG supported CSi by providing extra liquidity when required for example during the COVID liquidity market stress in 2020 and during the Archegos default in 2021.

All these measures support the Board's assessment that CSi is a going concern.

3 Segmental Analysis

The CSi group has 2 reportable segments, Investment Bank and Corporate centre (includes ARU), that are regularly reviewed by the Chief Operating Decision Maker ('CODM') when assessing the performance and allocation of resources. The CODM has been determined to be the Board.

For the period ended 30 June 2021, CSi group had 3 reportable segments namely, Investment bank, APAC Markets and Corporate Centre. As a part of GSR, announced in November 2021, APAC Markets has been merged into Investment Bank and further into the relevant underlying businesses viz. Cash Equities and Prime, Credit, GTS and IBCM for the current reporting period. In addition, the decision was taken to consolidate Capital Markets, Advisory and Corporate Bank into a single area, namely IBCM.

The segments are based on products and services offered by the CSi group and are explained in the Interim Management Report.

Segment performance is assessed by the Board based on the CEO report, which details revenues and pre-tax income by segment. CSi group assets and liabilities are not managed by segment. Expenses are managed as part of the wider CS group management processes and therefore, while the CODM does assess the overall expense base for CSi group, it does not specifically manage the expenses at the more granular CSi group segment level. Certain revenue, and therefore profit items are also not directly allocated to the business segments at a CSi group level. These items include certain transfer pricing, allowance for credit losses, treasury and corporate centre allocations. These are not included as an operating segment as they are not separate business activities from which CSi group may earn revenues. Transactions between reportable segments are held at an arm's length basis and are included in the segment results.

In determining geographical concentration for segmental reporting, CSi group considers the country of incorporation or residence as well as the relevant tax jurisdiction.

The following table shows the revenue of each operating segment during the six months to June:

	6M22	6M21 [1]
Revenues (USD million)		
Investment Bank	**1,296**	**846**
- Cash Equities and Prime	165	(417)
- Credit	129	113
- GTS	796	921
- IBCM	162	202
- IB Other	44	27
Corporate centre	**87**	**92**
Other	**2**	**1**
Total	**1,385**	**939**

[1] 6M21 numbers have been restated to reflect the change in operating segments as a result of the Global Strategic Review.

The following table shows the income before taxes of each operating segment during the six months to June:

	6M22	6M21 [1]
Consolidated Income before taxes (USD million)		
Investment Bank	**146**	**(4,960)**
- Cash Equities and Prime	78	(5,278)
- Credit	(43)	(13)
- Global Trading Solutions	229	262
- IBCM	(52)	10
- GTS Management	4	20
- IB Other	(70)	39
Corporate centre	**(3)**	**(17)**
Other	**(17)**	**(11)**
Total	**126**	**(4,988)**

[1] 6M21 numbers have been restated to reflect the change in operating segments as a result of the Global Strategic Review.

Reconciliation of reportable segment revenues

	6M22	6M21 [3]
Reconciliation of reportable segment revenues (USD million)		
Total revenues for reportable segments	1,385	939
Transfer pricing agreements and cross divisional revenue share agreements	83	122
Treasury funding	(117)	(66)
Reversal/(allowance) for Credit Losses	164	(4,736) [1]
CSi group to primary reporting reconciliations [2]	32	(3)
Net revenues as per Consolidated Statement of Income	**1,547**	**(3,744)**

[1] In 6M21, Provision of USD 4,736 million is associated with Archegos under Cash Equities and Prime Segment.
[2] This is the difference between the monthly board summaries which are prepared on a US GAAP basis and the CSi group financials prepared in accordance with IFRS.
[3] 6M21 numbers have been restated to reflect the change in operating segments as a result of the Global Strategic Review.

	6M22	6M21 [2]
Reconciliation of reportable segment income before taxes (USD million)		
Income before taxes for reportable segments	126	(4,988)
Shared services	(22)	(121)
CSi group to primary reporting reconciliations [1]	71	(78)
(Loss)/Profit before taxes as per Consolidated Statement of Income	**175**	**(5,187)**

[1] This is the difference between the monthly board summaries which are prepared on a US GAAP basis and the CSi group financials prepared in accordance with IFRS.
[2] 6M21 numbers have been restated to reflect the change in operating segments as a result of the Global Strategic Review.

The CSi group is not reliant on any single external client for its revenue generation.

4 Allowance for Credit Losses

	6M22	6M21
Reversal/(Allowance) for credit losses (USD million)		
Loans held at amortised cost	(2)	7
Other financial assets held at amortised cost	165	(4,746)
Off-balance sheet credit exposures	1	3
Total reversal/(allowance) for credit losses	**164**	**(4,736)**

5 Income Tax

The income tax expense / (benefit) is recognised based on management's estimate of the effective annual income tax rate expected for the year to 31 December 2022 as applied to the results for the six months ended 30 June 2022. The total income tax expense for the six months ended 30 June 2022 is USD 56 million and represents an effective tax rate for the period of 31.8%, which is marginally higher than the UK statutory tax rate of 27% and reflects the impact of permanent tax adjustments and the reduction in the UK bank corporation tax surcharge rate

The effective tax rate for the six months ended 30 June 2021 was 1.8%, which included the impact of the permanent tax adjustments, deferred tax not recognised related to the Archegos default loss and the impact of the UK corporation tax rate change.

During 2022, the UK government enacted legislation to reduce the UK bank corporation tax surcharge from 8% to 3% with effect from 1 April 2023. The reduction in the UK bank corporation tax surcharge decreased the company's net deferred tax asset as at 30 June 2022 by USD 36 million.

Following management's evaluation of the deferred tax asset recoverability as at 30 June 2022, deferred tax assets of USD 1,884 million (30 June 2021: USD 1,998 million) have not been recognised. If strategies and business plans significantly deviate in the future from current management assumptions, the current level of deferred tax assets may need to be adjusted if full recovery of the remaining deferred tax asset balance is no longer probable.

6 Derivatives

	6M22 [1]				2021 [1]			
	Trading		Hedging		Trading		Hedging	
Derivatives (USD million)	Gross Derivative Assets	Gross Derivative Liabilities	Gross Derivative Assets	Gross Derivative Liabilities	Gross Derivative Assets	Gross Derivative Liabilities	Gross Derivative Assets	Gross Derivative Liabilities
Interest rate products	43,733	42,417	–	–	63,419	58,797	–	–
Foreign exchange products	26,054	25,820	–	43	18,164	19,803	1	13
Equity/index related products	37,203	38,434	–	–	39,141	40,319	–	–
Credit products	4,990	5,254	–	–	7,354	7,860	–	–
Other products	618	502	–	–	244	385	–	–
Total derivative instruments	**112,598**	**112,427**	**–**	**43**	**128,322**	**127,164**	**1**	**13**

[1] Gross Derivative Assets and Liabilities indicate Fair Value.

Offsetting of derivative instruments

	6M22 Gross	6M22 Offsetting	6M22 Net	2021 Gross	2021 Offsetting	2021 Net
Derivative Assets (USD millions)						
Derivative instruments subject to enforceable master netting agreements	111,131	(11,331)	99,800	125,856	(15,132)	110,724
Derivative instruments not subject to enforceable master netting agreements [1]	1,467	–	1,467	2,467	–	2,467
Total derivative instruments presented in the Condensed Consolidated Statement of Financial Position	**112,598**	**(11,331)**	**101,267**	**128,323**	**(15,132)**	**113,191**
of which recorded in trading financial assets mandatorily at fair value through profit or loss	112,598	(11,331)	101,267	128,322	(15,132)	113,190
of which recorded in other assets	–	–	–	1	–	1
Derivative Liabilities (USD millions)						
Derivative instruments subject to enforceable master netting agreements	111,754	(11,526)	100,228	126,069	(13,988)	112,081
Derivative instruments not subject to enforceable master netting agreements [1]	716	–	716	1,108	–	1,108
Total derivative instruments presented in the Condensed Consolidated Statement of Financial Position	**112,470**	**(11,526)**	**100,944**	**127,177**	**(13,988)**	**113,189**
of which recorded in trading financial liabilities mandatorily at fair value through profit or loss	112,427	(11,526)	100,901	127,164	(13,988)	113,176
of which recorded in other liabilities	43	–	43	13	–	13

[1] Represents derivative instruments where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.

7 Other Assets and Other Liabilities

	6M22	2021
Other assets (USD million)		
Brokerage receivables	4,172	3,480
Interest and fees receivable	600	509
Cash collateral on derivative instruments		
Banks	10,520	12,089
Customers	14,578	16,961
Cash collateral on non-derivative instruments	347	184
Net defined benefit asset	929	1,024
Other	416	419
Total other assets	**31,562**	**34,666**

	6M22	2021
Other liabilities (USD million)		
Brokerage payables	2,067	1,946
Interest and fees payable	1,077	1,091
Cash collateral on derivative instruments		
Banks	11,885	12,270
Customers	5,302	6,842
Cash collateral on non-derivative instruments	1,415	436
Share-based compensation liability	124	206
Other	780	793
Total other liabilities	**22,650**	**23,584**

8 Debt in Issuance

Debt in issuance (USD million)	Balance as at 1 January	Issuance	Repayments and other movements	Translation FX and Interest movements	Balance as at 30 June
6M22					
Senior debt	39,801	417	(11,566)	(2,332)	26,320
Subordinated debt	423	–	(77)	–	346
Total Debt in issuance	**40,224**	**417**	**(11,643)**	**(2,332)**	**26,666**
6M21					
Senior debt	31,179	8,079	(6,617)	(393)	32,248
Subordinated debt	418	–	–	2	420
Total Debt in issuance	**31,597**	**8,079**	**(6,617)**	**(391)**	**32,668**

Total debt in issuance principally comprised vanilla debt issuances managed by treasury which do not contain derivative features.

CSi Group's structured issuances are fair value option elected and form a part of Financial liabilities designated at fair value through profit or loss in the Statement of Financial Position.

9 Expected Credit Loss Measurement

This CSi group's ECL note does not include information relating to key inputs into the measurement and parameters of ECLs and the Macro Economic Factors ('MEF') included in the annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the Bank during the interim reporting period.

The following tables show the closing balance by stage of gross balances and allowances by class of financial instrument.

	Not credit impaired				Credit impaired			
	12 Month ECL Stage 1		Lifetime ECL Stage 2		Lifetime ECL (excluding purchased / originated credit impaired) Stage 3		Total	Total
6M22	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Financial Instruments (USD million)								
Loans and Advances	2,751	6	24	–	11	8	2,786	14
Loan Commitments	1,190	3	3	–	7	1	1,200	4
Other Assets	25,825	–	–	–	4,727 [1]	4,374 [1]	30,552	4,374
Closing balance	**29,766**	**9**	**27**	**–**	**4,745**	**4,383**	**34,538**	**4,392**

[1] Related to Archegos

	Not credit impaired				Credit impaired			
	12 Month ECL Stage 1		Lifetime ECL Stage 2		Lifetime ECL (excluding purchased / originated credit impaired) Stage 3		Total	Total
2021	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Financial Instruments (USD million)								
Loans and Advances	2,682	4	29	–	14	8	2,725	12
Loan Commitments	1,192	3	116	–	4	2	1,312	5
Other Assets	28,936	–	–	–	4,707 [1]	4,540 [1]	33,643	4,540
Closing balance	**32,810**	**7**	**145**	**–**	**4,725**	**4,550**	**37,680**	**4,557**

[1] Related to Archegos

Current-period estimate of expected credit losses

The key MEFs used in each of the macroeconomic scenarios for the calculation of the expected credit losses include, but are not limited to, GDP and industrial production. These MEFs have been selected based on the portfolios that are most material to the estimation of IFRS 9 ECL from a longer-term perspective.

As of the end of 2Q22, the forecast macroeconomic scenarios were weighted 50% for the baseline, 40% for the downside and 10% for the upside scenario, unchanged compared to the scenario weightings applicable as of the end of 4Q21 and 1Q22. The MEFs included in the table represent the four-quarter average forecasts for 2022 and 2023 at the end of each reporting period. These MEFs forecasts are recalibrated on a monthly basis. The quarterly series for US real GDP, Eurozone real GDP and UK real GDP returned to pre-pandemic levels (i.e. 4Q19) in 2Q21, 4Q21 and 1Q22, respectively, based on the latest published statistical data available. The macroeconomic and market variable projections incorporate adjustments to reflect the impact of successive COVID-19 infection waves, the impact of accelerated monetary policy tightening by the world's major central banks in response to high inflation rates, the impact of Russia's invasion of Ukraine on energy and food prices as well as the recent slowdown in real GDP growth in most of the world's major economies. While GDP and industrial production are significant inputs to the forecast models, a range of other inputs are also incorporated for all three scenarios to provide projections for future economic and market conditions. Given the complex nature of the forecasting process, no single economic variable is viewed in isolation or independently of other inputs.

For events which cannot be adequately reflected in IFRS 9 ECL models due to a lack of historical experience the event may be embedded in the baseline scenario. In order to address circumstances where in management's judgement the IFRS 9 ECL model outputs are overly sensitive to the effect of economic inputs that lie outside of their historical range, model overlays are applied. Such overlays are based on expert judgement and are applied in response to these circumstances to consider historical stressed losses and industry and counterparty credit level reviews. Overlays are also used to capture judgement on the economic uncertainty from global or regional developments or governmental actions with severe impacts on economies, such as the lockdowns and other actions directed towards managing the pandemic. As a result of such overlays, provisions for credit losses may not be primarily derived from MEF projections.

To measure a significant increase in credit risk, depending on the type of financial instruments, the CSi group uses both quantitative and qualitative criteria. For quantitative triggers, the CSi group makes a comparison based on the probability of default ('PD') for the remaining lifetime of the financial instrument. For each reporting date within the lifetime of the financial instrument, the PD for the remaining lifetime is calculated twice, once at initial recognition of the exposure and once at the reporting date itself. At the initial recognition, a time series of PDs is calculated that reflects the lifetime PD between each future reporting date and the maturity of the loan. At each reporting date, the corresponding value in this time series is used for comparison. The second lifetime PD that is used for the comparison is calculated at the reporting date itself, based on potentially updated information such as rerating and changed macro-economic forecasts. If the lifetime PD calculated at the reporting date is higher than what was expected at initial recognition of the loan, then the credit risk increased. This increase is considered significant if the ratio between lifetime PD calculated at reporting and expected lifetime PD calculated at initial recognition exceeds the defined thresholds. For qualitative triggers, the CSi group uses a number of factors, including watchlist movements. For financial instruments originated prior to the effective date of IFRS 9 or prior implementation of the PD model that is used at reporting, the origination PD does not include any further adjustments to reflect expectations of future macroeconomic conditions since these are not available without the use of hindsight. The quantitative comparison is based on a number of grade notches deterioration to identify significant increase in credit risk. In terms of the quantitative trigger for new originated financial instruments, the CSi group compared:

- the remaining lifetime PD at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated on initial recognition of the exposure.

If the difference between the two is a multiple according to the internal threshold, there is a significant increase in credit risk.

10 Related Parties

The CSi group is controlled by CSG, its ultimate parent, which is incorporated in Switzerland. The CSi group's parent company, which holds a majority of the voting rights in the undertaking, is Credit Suisse AG, which is incorporated in Switzerland. The registered address of CSG and Credit Suisse AG is Paradeplatz 8, 8070 Zurich, Switzerland.

The CSi group has significant related party balances with subsidiaries and affiliates of CSG. These transactions largely comprise of derivative trades, as the Bank is the principal risk taker for derivatives within the CS group, as well as funding trades via use of loans or due to banks, reverse repurchase or repurchase agreements. In addition, the ordinary shares are issued to CSG and subsidiaries of CSG. The Bank is also charged for operating costs that mainly relate to employee-related services and other business expenses. Further, these transactions also include transfer pricing income/charges with CS group entities that provide services in respect of the global derivatives business which is centrally booked in the Bank.

The CSi group generally enters into the above transactions in the ordinary course of business on market terms that could be obtained from unrelated parties. The nature of related party transactions remained consistent for the six months ended 30 June 2022 compared to the year ended 31 December 2021.

11 Contingent Liabilities and Commitments

CSi is the subject of a number of litigation matters. Provision for loss will be made where the IFRS requirements for recognition of a provision are satisfied i.e. i) loss is 'more likely than not' (>50% likelihood of loss); and ii) losses can be reasonably estimated. Furthermore, under IFRS, legal expenses are only accrued where CSi group have accrued for loss otherwise they are expensed when invoiced. The outcome and timing of these matters is inherently uncertain. Based on current information known, it is not possible to predict the outcome of any of these matters, or to reliably estimate their financial impact or the timing of their resolution.

CSi has a litigation provision of USD 12 million at 30 June 2022 (31 December 2021: USD 298 million). Following are the potentially more significant litigation matters.

On 18 March 2022, after a settlement, the German court discontinued the lawsuit brought by the German public utility company Stadtwerke München GmbH ('SWM'), in connection with a series of interest rate swaps entered into between 2008 and 2012. As a result, the associated provision has been paid

CSi and other Credit Suisse entities have been subject to investigations by regulatory and enforcement authorities, as well as civil litigation, regarding certain Credit Suisse entities' arrangement of loan financing to Mozambique state-owned enterprises, Proindicus S.A. and Empresa Mocambiacana de Atum S.A. ('EMATUM'), a distribution to private investors of loan participation notes ('LPN') related to the EMATUM financing in September 2013, and certain Credit Suisse entities' subsequent role in arranging the exchange of those LPNs for Eurobonds issued by the Republic of Mozambique.

On 19 October 2021, various Credit Suisse entities reached settlements with the Department of Justice ('DOJ'), the US Securities Exchange Commission ('SEC'), the UK Financial Conduct Authority ('FCA') and FINMA to resolve inquiries by these regulatory agencies. In the resolution with the FCA, CSS(E)L, CSi and CS AG, London Branch agreed that, in respect of these transactions with the Republic of Mozambique, their UK operations had failed to conduct business with due skill, care and diligence and to take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems. CSi, CSS(E)L and CS AG paid a penalty of approximately USD 200 million and also agreed with the FCA to forgive USD 200 million of debt owed to Credit Suisse by the Republic of Mozambique.

On 27 February 2019, certain Credit Suisse entities (CS AG and CSi, with CSSEL being added later), three former employees, and several other unrelated entities were sued in the English High Court by the Republic of Mozambique. On 21 January 21, 2020, the Credit Suisse entities filed their defense. On 26 June 26, 2020 the Credit Suisse entities filed third party claims against the project contractor and several Mozambican officials.

The Republic of Mozambique filed an updated Particulars of Claim on 27 October 2020, and the Credit Suisse entities filed their amended defense and counterclaim on 15 January 2021. On 4 August 2022 the Republic of Mozambique filed Amended Particulars of Claim which includes (among other things) further details of its consequential damages claim. Credit Suisse is due to file a Re-Amended Defence in response by 23 September 2022, which (among other things) will reflect the global regulatory resolutions of 19 October 2021. The Republic of Mozambique seeks a declaration that the sovereign guarantee issued in connection with the ProIndicus loan syndication arranged and funded, in part, by a Credit Suisse subsidiary is void and also seeks unspecified damages alleged to have arisen in connection with the transactions involving ProIndicus and EMATUM, and a transaction involving Mozambique Asset Management S.A., in which Credit Suisse had no role. On 15 January 2021, the project contractor filed a cross claim against the Credit Suisse entities (as well as the three former Credit Suisse employees and various Mozambican officials) seeking an indemnity and/or contribution in the event that the contractor is found liable to the Republic of Mozambique.

A Case Management Conference took place on 19 – 21 July 2021 at which the court ordered a three-month trial to commence in October 2023. Further Case Management hearings took place on 12 and 23 November 2021, 10 and 31 January, 2 – 3 March, 29 April, 21 and 23 June and 29 July 2022. Seven further Case Management Conferences are scheduled to take place between September 2022 and July 2023. The deadline for disclosure is the end of November 2022; witness evidence is to be exchanged by the end of February 2023, and expert evidence by the end of May 2023.

On 27 April 2020 Banco Internacional de Moçambique ('BIM'), a member of the ProIndicus syndicate, brought a claim against certain Credit Suisse entities (CS AG and CSi, with CSS(E)L being added later) seeking, contingent on the Republic of Mozambique's claim, a declaration that Credit Suisse is liable to compensate it for alleged losses suffered as a result of any invalidity of the sovereign guarantee. The Credit Suisse entities filed their defense to this claim on 28 August 2020, to which BIM replied on 16 October 2020. On 4 November 2021 BIM filed an Amended Claim. Credit Suisse filed an Amended Defense on 15 December 2021, and BIM filed its Amended Reply on 5 January 2022.

On 17 December 2020 two members of the ProIndicus syndicate, Beauregarde Holdings LLP and Orobica Holdings LLC ('B&O') filed a claim against certain Credit Suisse entities (CSi and CSS(E)L) in respect of their interests in the ProIndicus loan, seeking unspecified damages stemming from the alleged loss suffered due to their reliance on representations made by Credit Suisse to the syndicate lenders. Credit Suisse entities filed their Defense to this claim on 24 February 2021. On 4 February 2022 B&O filed an Amended Claim, and Credit Suisse filed an Amended Defense on 18 February 2022, and B&O filed an Amended Reply on 9 March 2022.

On 3 June 2021, United Bank for Africa PLC ('UBA'), a member of the ProIndicus syndicate, brought a claim against certain Credit Suisse entities (CS AG and CSi, with CSS(E)L being added later) seeking, contingent on the Republic of Mozambique's claim, a declaration that Credit Suisse is liable to compensate it for alleged losses suffered as a result of any invalidity of the sovereign guarantee. The Credit Suisse entities filed their defense to this claim on 1 July 2021 and filed an amended defense on 15 December 2021, and UBA filed its amended reply on 5 January 2022. These claims are being jointly case managed with the Republic of Mozambique's main claim described above.

Credit Suisse has received requests for documents and information in connection with inquiries, investigations and/or actions relating to the supply chain finance fund ('SCFF') and/or Archegos matters from a number of authorities including FINMA, the DOJ, the SEC, the US Federal Reserve, the Commodity Futures Trading Commission ('CFTC'), the US Senate Banking Committee, the FCA, the PRA and other regulatory and governmental agencies. Credit Suisse is cooperating with the authorities on these matters. In connection with FINMA's enforcement actions, third parties appointed by it is conducting investigations into these matters. The Luxembourg Commission de Surveillance du Secteur Financier is also reviewing the SCFF matter through a third party.

In relation to the SCFF matter, certain civil actions have also been filed by fund investors and other parties against Credit Suisse and/or certain officers and directors in various jurisdictions, which make allegations including mis-selling and breaches of duties of care, diligence and other fiduciary duties. Certain investors and other private parties have also filed criminal complaints against Credit Suisse and other parties in connection with this matter.

Additional civil actions relating to Credit Suisse's relationship with Archegos Capital Management ('Archegos') have been filed against Credit Suisse and/or certain officers and directors, including claims for breaches of fiduciary duties.

As these matters develop, Credit Suisse, including CSi, may become subject to additional litigation and regulatory inquiries, investigations and actions.

12 Financial Instruments

The accounting policies, control framework and hierarchy used to determine fair values at 30 June 2022 are consistent with those applied for the Annual Report and Financial Statements 2021.

This report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the Bank during the interim reporting period.

The disclosure of the CSi group's financial instruments below includes the following sections:
- Analysis of financial instruments by categories, and
- Fair value measurement

Analysis of financial instruments by categories

Financial instruments are measured on an ongoing basis either at fair value or at amortised cost. The following table sets out the carrying amounts and fair values of the CSi group's financial instruments.

Financial assets and liabilities by categories

				Carrying value	Total fair value
As at 30 June 2022	Total carrying value	Mandatorily at FVTPL	Designated at FVTPL	Amortised cost	
Financial assets (USD million)					
Cash and due from banks	1,483	–	–	1,483	1,483
Interest-bearing deposits with banks	994	–	–	994	994
Securities purchased under resale agreements and securities borrowing transactions	30,155	–	–	30,155	30,155
Trading financial assets mandatorily at fair value through profit or loss	126,945	126,945	–	–	126,945
Non-trading financial assets mandatorily at fair value through profit or loss	28,972	28,972	–	–	28,972
Loans and advances	2,772	–	–	2,772	2,758
Other assets	30,552	–	–	30,552	30,552
Total financial assets	**221,873**	**155,917**	**–**	**65,956**	**221,859**
Financial liabilities (USD million)					
Due to Banks	542	–	–	542	542
Securities sold under repurchase agreements and securities lending transactions	3,278	–	–	3,278	3,278
Trading financial liabilities mandatorily at fair value through profit or loss	107,292	107,292	–	–	107,292
Financial liabilities designated at fair value through profit or loss	36,966	–	36,966	–	36,966
Borrowings	8,632	–	–	8,632	8,632
Other liabilities	22,262	–	–	22,262	22,262
Debt in issuance	26,666	–	–	26,666	26,630
Total financial liabilities	**205,638**	**107,292**	**36,966**	**61,380**	**205,602**

As at 31 December 2021	Total carrying value	Mandatorily at FVTPL	Designated at FVTPL	Carrying value Amortised cost	Total fair value
Financial assets (USD million)					
Cash and due from banks	1,484	–	–	1,484	1,484
Interest-bearing deposits with banks	13,284	–	–	13,284	13,284
Securities purchased under resale agreements and securities borrowing transactions	8,902	–	–	8,902	8,902
Trading financial assets mandatorily at fair value through profit or loss	143,718	143,718	–	–	143,718
Non-trading financial assets mandatorily at fair value through profit or loss	38,226	38,226	–	–	38,226
Loans and advances	2,710	–	–	2,710	2,713
Other assets	33,643	–	–	33,643	33,643
Total financial assets	**241,967**	**181,944**	**–**	**60,023**	**241,970**
Financial liabilities (USD million)					
Due to banks	218	–	–	218	218
Securities sold under repurchase agreements and securities lending transactions	3,371	–	–	3,371	3,371
Trading financial liabilities mandatorily at fair value through profit or loss	122,054	122,054	–	–	122,054
Financial liabilities designated at fair value through profit or loss	35,012	–	35,012	–	35,012
Borrowings	1,470	–	–	1,470	1,470
Other liabilities	22,859	–	–	22,859	22,859
Debt in issuance	40,224	–	–	40,224	40,401
Total financial liabilities	**225,208**	**122,054**	**35,012**	**68,142**	**225,385**

Fair value hierarchy

The financial instruments carried at fair value were categorised under the three levels as follows:

- **Level 1**: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the CSi group has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.
- **Level 2**: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or similar liabilities in markets that are not active, that is, markets in which there are few transactions for the asset and liability, the prices are not current or price quotations vary substantially either over time or among market makers, or in which little information is publicly available; (iii) inputs other than quoted prices that are observable for the asset or liability; or (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- **Level 3**: Inputs for the asset or liability that are not based on observable market data (significant unobservable inputs). These inputs reflect the CSi group's own view about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which includes the CSi group's own data. The CSi group's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

The following table presents the carrying value of the financial instruments held at fair value across the three levels of the fair value hierarchy.

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

As at 30 June 2022	Level 1	Level 2	Level 3	Impact of netting [1]	Total at fair value
Assets (USD million)					
Debt securities	5,685	6,606	972	–	13,263
Equity securities	11,090	521	484	–	12,095
Derivatives	7,758	103,444	1,396	(11,331)	101,267
of which interest rate products	24	43,540	169	(1,816)	41,917
of which foreign exchange products	122	25,745	187	–	26,054
of which equity/index-related products	7,602	28,777	824	(9,470)	27,733
of which credit derivatives	–	4,774	216	–	4,990
of which other derivative products	10	608	–	(45)	573
Other	17	196	107	–	320
Trading financial assets mandatorily at fair value through profit or loss	**24,550**	**110,767**	**2,959**	**(11,331)**	**126,945**
Securities purchased under resale agreements and securities borrowing transactions	–	34,675	–	(7,237)	27,438
Loans and advances	–	569	44	–	613
Other Non-trading financial assets mandatorily at fair value through profit or loss	177	736	8	–	921
Non-trading financial assets mandatorily at fair value through profit or loss	**177**	**35,980**	**52**	**(7,237)**	**28,972**
Total assets at fair value	**24,727**	**146,747**	**3,011**	**(18,568)**	**155,917**

[1] Derivative contracts/ Securities purchased under resale agreements and securities borrowing transactions are reported on a gross basis by Level. The impact of netting represents an adjustment related to counterparty netting.

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

As at 30 June 2022	Level 1	Level 2	Level 3	Impact of netting [1]	Total at fair value
Liabilities (USD million)					
Debt securities	570	2,165	13	–	2,748
Equity securities	3,556	–	21	–	3,577
Derivatives	9,057	101,879	1,491	(11,526)	100,901
of which interest rate products	14	42,330	73	(2,011)	40,406
of which foreign exchange products	123	25,630	67	–	25,820
of which equity/index-related products	8,900	28,460	1,074	(9,470)	28,964
of which credit derivatives	–	4,979	275	–	5,254
of which other derivative products	20	480	2	(45)	457
Other	62	4	–	–	66
Trading financial liabilities mandatorily at fair value through profit or loss	**13,245**	**104,048**	**1,525**	**(11,526)**	**107,292**
Securities sold under resale agreements and securities borrowing transactions	–	29,243	–	(7,237)	22,006
Borrowings	–	2,662	382	–	3,044
Debt in issuance	–	8,062	2,038	–	10,100
Other financial liabilities designated at fair value through profit or loss	192	1,559	65	–	1,816
Financial liabilities designated at fair value through profit or loss	**192**	**41,526**	**2,485**	**(7,237)**	**36,966**
Total liabilities at fair value	**13,437**	**145,574**	**4,010**	**(18,763)**	**144,258**
Net assets/((liabilities) at fair value	**11,290**	**1,173**	**(999)**	**195**	**11,659**

[1] Derivative contracts/Securities sold under resale agreements and securities borrowing transactions are reported on a gross basis by Level. The impact of netting represents an adjustment related to counterparty netting.

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

As at 31 December 2021	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Assets (USD million)					
Debt securities	5,722	6,820	1,183	–	13,725
Equity securities	14,496	1,323	613	–	16,432
Derivatives	5,665	121,663	994	(15,132)	113,190
of which interest rate products	12	63,340	67	(4,737)	58,682
of which foreign exchange products	26	18,009	129	–	18,164
of which equity/index-related products	5,620	33,045	476	(10,298)	28,843
of which credit derivatives	–	7,032	322	–	7,354
of which other derivative products	7	237	–	(97)	147
Other	–	301	70	–	371
Trading financial assets mandatorily at fair value through profit or loss	**25,883**	**130,107**	**2,860**	**(15,132)**	**143,718**
Securities purchased under resale agreements and securities borrowing transactions	–	42,012	–	(6,287)	35,725
Loans	–	1,149	8	(99)	1,058
Other non-trading financial assets mandatorily at fair value through profit or loss	189	1,244	10	–	1,443
Non-trading financial assets mandatorily at fair value through profit or loss	**189**	**44,405**	**18**	**(6,386)**	**38,226**
Total assets at fair value	**26,072**	**174,512**	**2,878**	**(21,518)**	**181,944**

[1] Derivative contracts/ Securities purchased under resale agreements and securities borrowing transactions are reported on a gross basis by Level. The impact of netting represents an adjustment related to counterparty netting.

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

As at 31 December 2021	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Liabilities (USD million)					
Debt securities	720	2,181 5		–	2,906
Equity securities	5,941	1,014	–	(985)	5,970
Derivatives	7,155	118,108	1,901	(13,988)	113,176
of which interest rate products	57	58,716	24	(3,624)	55,173
of which foreign exchange products	28	19,711	64	–	19,803
of which equity/index-related products	7,063	31,787	1,469	(10,267)	30,052
of which credit derivatives	–	7,516	344	–	7,860
of which other derivative products	7	378	–	(97)	288
Other	–	2	–	–	2
Trading financial liabilities mandatorily at fair value through profit or loss	**13,816**	**121,305**	**1,906**	**(14,973)**	**122,054**
Securities sold under resale agreements and securities borrowing transactions	–	25,576	–	(6,287)	19,289
Borrowings	–	1,828	433	–	2,261
Debt in issuance	–	9,108	2,355	–	11,463
Other financial liabilities designated at fair value through profit or loss	370	1,607	22	–	1,999
Financial liabilities designated at fair value through profit or loss	**370**	**38,119**	**2,810**	**(6,287)**	**35,012**
Total liabilities at fair value	**14,186**	**159,424**	**4,716**	**(21,260)**	**157,066**
Net assets/(liabilities) at fair value	**11,886**	**15,088**	**(1,838)**	**(258)**	**24,878**

[1] Derivative contracts/Securities sold under resale agreements and securities borrowing transactions are reported on a gross basis by Level. The impact of netting represents an adjustment related to counterparty netting.

Transfers between Level 1 and Level 2

The following table shows the transfers between Level 1 and Level 2 of the fair value hierarchy.

	6M22		2021	
USD million	Transfers out of Level 1 to Level 2	Transfers to Level 1 out of Level 2	Transfers out of Level 1 to Level 2	Transfers to Level 1 out of Level 2
Assets				
Trading financial assets mandatorily at fair value through profit or loss	47	3,544	1,728	9,340
Total transfers in assets at fair value	**47**	**3,544**	**1,728**	**9,340**
Liabilities				
Trading financial liabilities mandatorily at fair value through profit or loss	33	4,236	261	6,939
Total transfers in liabilities at fair value	**33**	**4,236**	**261**	**6,939**

The transfers from Level 1 to Level 2 for financial assets and financial liabilities are mainly driven by the transfer of exchange traded options due to unobservability. All transfers were reported at the end of the reporting period.

The transfers from Level 2 to Level 1 for financial assets and financial liabilities are mainly driven by the transfer of exchange traded options as they moved closer to maturity and inputs became observable. All transfers were reported at the end of the reporting period.

Movements of Level 3 instruments

The following table presents a reconciliation of financial instruments categorised in level 3 of the fair value hierarchy.

Assets and liabilities measured at fair value on a recurring basis for Level 3

6M22	Balance as at 1 January 2022	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	Trading revenues: On transfers in/out [1]	Trading revenues: On all other	Balance as at 30 June 2022
Assets at fair value (USD million)										
Debt securities	1,183	199	(241)	2,613	(2,352)	–	–	(80)	(350)	972
Equity securities	613	78	–	52	(237)	–	–	–	(22)	484
Derivatives	994	316	(1,085)	–	–	670	(641)	505	637	1,396
of which interest rate products	67	7	(23)	–	–	22	(9)	3	102	169
of which foreign exchange products	129	6	(31)	–	–	29	(38)	4	88	187
of which equity/index-related products	476	208	(841)	–	–	556	(494)	478	441	824
of which credit derivatives	322	95	(190)	–	–	63	(100)	20	6	216
Other	70	45	–	8	(1)	29	(124)	–	80	107
Trading financial assets mandatorily at fair value through profit or loss	**2,860**	**638**	**(1,326)**	**2,673**	**(2,590)**	**699**	**(765)**	**425**	**345**	**2,959**
Loans	8	–	–	–	(1)	137	(92)	(4)	(4)	44
Other non-trading financial assets mandatorily at fair value through profit or loss	10	–	–	1	(1)	–	–	–	(2)	8
Non-trading financial assets mandatorily at fair value through profit or loss	**18**	**–**	**–**	**1**	**(2)**	**137**	**(92)**	**(4)**	**(6)**	**52**
Total assets at fair value	**2,878**	**638**	**(1,326)**	**2,674**	**(2,592)**	**836**	**(857)**	**421**	**339**	**3,011**

[1] For all transfers to Level 3 or out of Level 3, the CSi group determines and discloses as Level 3 events, all gains or losses through the last day of the reporting period.

Assets and liabilities measured at fair value on a recurring basis for Level 3

6M22	Balance as at 1 January 2022	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	Trading revenues: On transfers in/out [1]	Trading revenues: On all other	Balance as at 30 June 2022
Liabilities at fair value (USD million)										
Debt securities 5		81	(9)	19	(5)	–	–	(1)	(77)	13
Equity Securities	–	23	–	–	(11)	–	–	–	9	21
Derivatives	1,901	430	(626)	–	–	541	(444)	160	(471)	1,491
of which interest rate products	24	14	(76)	–	–	8	(6)	25	84	73
of which foreign exchange products	64	2	(29)	–	–	4	(18)	2	42	67
of which equity/index-related products	1,469	305	(314)	–	–	364	(316)	113	(547)	1,074
of which credit derivatives	344	107	(199)	–	–	165	(104)	12	(50)	275
of which other derivative products	–	2	(8)	–	–	–	–	8	–	2
Trading financial liabilities mandatorily at fair value through profit or loss	**1,906**	**534**	**(635)**	**19**	**(16)**	**541**	**(444)**	**159**	**(539)**	**1,525**
Borrowings	433	103	(45)	–	–	108	(144)	(73)	–	382
Debt in issuance	2,355	147	(547)	–	–	285	(140)	(60)	(2)	2,038
Other financial liabilities designated at fair value through profit or loss	22	40	–	1	(1)	–	–	–	3	65
Financial liabilities designated at fair value through profit or loss	**2,810**	**290**	**(592)**	**1**	**(1)**	**393**	**(284)**	**(133)**	**1**	**2,485**
Total liabilities at fair value	**4,716**	**824**	**(1,227)**	**20**	**(17)**	**934**	**(728)**	**26**	**(538)**	**4,010**
Net assets/(liabilities) at fair value	**(1,838)**	**(186)**	**(99)**	**2,654**	**(2,575)**	**(98)**	**(129)**	**395**	**877**	**(999)**

[1] For all transfers to Level 3 or out of Level 3, the CSi group determines and discloses as Level 3 events, all gains or losses through the last day of the reporting period.

Assets and liabilities measured at fair value on a recurring basis for Level 3

6M21	Balance as at 1 January 2021	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 30 June 2021
Assets at fair value (USD million)										
Debt securities	776	112	(146)	1,326	(1,439)	–	–	(6)	117	740
Equity securities	399	204	–	100	(64)	–	–	1	25	665
Derivatives	1,634	190	(502)	–	–	576	(561)	15	(174)	1,178
of which interest rate products	258	36	(23)	–	–	58	(36)	–	(92)	201
of which foreign exchange products	200	4	(2)	–	–	8	(3)	1	(25)	183
of which equity/index-related products	551	55	(191)	–	–	433	(338)	22	(47)	485
of which credit derivatives	625	95	(286)	–	–	77	(184)	(8)	(10)	309
Other	196	11	(17)	78	(154)	32	(48)	–	4	102
Trading financial assets mandatorily at fair value through profit or loss	**3,005**	**517**	**(665)**	**1,504**	**(1,657)**	**608**	**(609)**	**10**	**(28)**	**2,685**
Loans	237	–	(65)	–	(4)	13	(76)	13	30	148
Other non-trading financial assets mandatorily at fair value through profit or loss	43	–	(7)	–	–	–	(8)	2	(2)	28
Non-trading financial assets mandatorily at fair value through profit or loss	**280**	**–**	**(72)**	**–**	**(4)**	**13**	**(84)**	**15**	**28**	**176**
	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Derivatives	35	–	(35)	–	–	–	–	–	–	–
of which interest rate products	33	–	(33)	–	–	–	–	–	–	–
of which equity/index-related products	1	–	(1)	–	–	–	–	–	–	–
of which credit derivatives	1	–	(1)	–	–	–	–	–	–	–
Trading financial assets at fair value through profit or loss	**35**	**–**	**(35)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total assets at fair value	**3,320**	**517**	**(772)**	**1,504**	**(1,661)**	**621**	**(693)**	**25**	**–**	**2,861**

[1] For all transfers to Level 3 or out of Level 3, the CSi group determines and discloses as Level 3 events, all gains or losses through the last day of the reporting period.

Assets and liabilities measured at fair value on a recurring basis for Level 3

6M21	Balance as at 1 January 2021	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 30 June 2021
Liabilities at fair value (USD million)										
Equity securities	**–**	2	–	1	(2)	–	–	–	(1)	–
Derivatives	2,235	488	(1,069)	–	–	421	(497)	116	407	2,101
of which interest rate products	168	3	(10)	–	–	11	(25)	(1)	17	163
of which foreign exchange products	140	9	(1)	–	–	2	(14)	–	(45)	91
of which equity/index-related products	1,167	361	(725)	–	–	341	(234)	124	453	1,487
of which credit derivatives	760	115	(333)	–	–	67	(224)	(7)	(18)	360
Trading financial liabilities mandatorily at fair value through profit or loss	**2,235**	**490**	**(1,069)**	**1**	**(2)**	**421**	**(497)**	**116**	**406**	**2,101**
Borrowings	439	78	(120)	–	–	491	(325)	–	80	643
Debt in issuance	1,735	230	(335)	–	–	606	(570)	22	18	1,706
Other financial liabilities designated at fair value through profit or loss	206	2	(22)	–	(13)	10	(24)	1	(2)	158
Financial liabilities designated at fair value through profit or loss	**2,380**	**310**	**(477)**	**–**	**(13)**	**1,107**	**(919)**	**23**	**96**	**2,507**
Derivatives 6		–	(6)	–	–	–	–	–	–	–
of which equity/index-related products 6		–	(6)	–	–	–	–	–	–	–
Trading financial liabilities at fair value through profit or loss	**6**	**–**	**(6)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Liabilities held for sale	**6**	**–**	**(6)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total liabilities at fair value	**4,621**	**800**	**(1,552)**	**1**	**(15)**	**1,528**	**(1,416)**	**139**	**502**	**4,608**
Net assets/liabilities at fair value	**(1,301)**	**(283)**	**780**	**1,503**	**(1,646)**	**(907)**	**723**	**(114)**	**(502)**	**(1,747)**

[1] For all transfers to Level 3 or out of Level 3, the CSi group determines and discloses as Level 3 events, all gains or losses through the last day of the reporting period.

Gains and losses on assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

	6M22	6M21
Trading revenues (USD million)		
Net realised and unrealised gains/(losses) included in net revenues	1,272	(617)
Whereof:		
Changes in unrealised gains/(losses) relating to assets and liabilities still held as of the reporting date		
Trading financial assets mandatorily at fair value through profit or loss	1,177	136
Trading financial liabilities mandatorily at fair value through profit or loss	(240)	(595)
Financial liabilities designated at fair value through profit or loss	(16)	(110)
Total changes in unrealised gains/(losses) relating to assets and liabilities still held as of the reporting date	**921**	**(569)**

Transfers in and out of Level 3

Trading financial assets mandatorily at fair value through profit or loss

Trading financial assets transferred into and out of Level 3 as at 30 June 2022 amounted to USD 638 million and USD (1,326) million, respectively. Transfers into Level 3 mainly comprised USD 303 million related to equity/index-related and credit derivatives and USD 199 million related to trading debt securities. Transfers out of Level 3 mainly comprised USD (1,031) million of equity/index-related and credit derivatives and USD (241) million related to trading debt securities.

Trading financial assets transferred into and out of Level 3 as at 30 June 2021 amounted to USD 517 million and USD (665) million, respectively. Transfers into Level 3 mainly comprised USD 150 million related to equity/index-related and credit derivatives and USD 204 million related to equity securities. Transfers out of Level 3 mainly comprised USD (477) million of equity/index-related and credit derivatives and USD (146) million related to trading debt securities.

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

No transfers were made into or out of Level 3 as at 30 June 2022 for non-trading financial assets mandatorily at fair value through profit or loss.

Non-trading financial assets mandatorily at fair value through profit or loss transferred out of Level 3 in 2021 amounted to USD (72) million related to loans.

Trading financial liabilities at fair value through profit or loss

Trading financial liabilities transferred into and out of Level 3 as at 30 June 2022 amounted to USD 534 million and USD (635) million, respectively. Both transfers into and out of Level 3 were mainly related to equity/index-related and credit derivatives.

Trading financial liabilities transferred into and out of Level 3 as at 30 June 2021 amounted to USD 490 million and USD (1,069) million, respectively. Both transfers into and out of Level 3 were mainly related to equity/index-related and credit derivatives.

Financial liabilities designated at fair value through profit or loss

Financial liabilities designated at fair value through profit or loss transferred into and out of Level 3 as at 30 June 2022 amounted to USD 290 million and USD (592) million, respectively. The transfers into and out of Level 3 were mainly related to debt in issuance.

Financial liabilities designated at fair value through profit or loss transferred into and out of Level 3 as at 30 June 2021 amounted to USD 310 million and USD (477) million, respectively. The transfers into and out of Level 3 were mainly related to debt in issuance.

Quantitative disclosures of valuation techniques

The following tables provide the representative range of minimum and maximum values and the associated weighted average of each significant unobservable input for level 3 assets and liabilities by the related valuation technique most significant to the related financial instrument.

As at 30 June 2022 USD million, except as indicated	Fair Value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average
Assets at fair value						
Debt securities	**972**					
of which	25	Option model	Buyback probability, in %	50	100	72
	123		Correlation, in %	(50)	100	71
	3		Credit spread in bp	(13)	237	216
	1		Fund Gap risk, in %	–	1	–
	637		Volatility, in %	6	185	34
of which	20	Discounted cash flow	Credit spread in bp	100	875	411
of which	59	Market comparable	Price in %	–	102	40
of which	67	Price	Price in %	30	75	30
Equity securities	**484**					
of which	6	Market comparable	Price, in actuals	–	80	28
of which	90	Price	Price, in actuals	–	2,200	45
	377		Unadjusted NAV, in USD	1	124,735	7,362
Derivatives	**1,396**					
of which interest rate products	169					
of which	3	Option model	Correlation in %	18	84	29
	107		Mean reversion, in %	(20)	20	14
	7		Prepayment rate in %	6	21	13
	34		Volatility, in %	(3)	185	21
of which	4	Discounted Cash Flow	Contingent probability, in %	95	95	95
	2		Volatility, in %	93	100	96
of which foreign exchange products	187					
of which	3	Option model	Correlation in %	55	55	18
	119		Mean reversion, in %	(55)	20	(5)
of which	50	Discounted Cash Flow	Contingent probability, in %	95	95	95
6			Credit spread, in bp	30	213	165
of which equity/index-related products	824					
of which	1	Option model	Buyback probability, in %	50	100	72
	240		Correlation, in %	(50)	100	71
	2		Dividend Yield, in %	–	15	4
	14		Fund Gap Risk, in %	–	1	–
	–		Gap risk, in %	–	4	1
	–		Unadjusted NAV, in USD	1	124,735	7,362
	538		Dividend Yield, in %	(1)	185	33
of which	7	Price	Price, in actuals	–	321	174
of which credit derivatives	216					
of which	78	Discounted cash flow	Credit spread, in bp	5	1,998	287
	63		Discount Rate, in %	6	14	11
	2		Funding Spread, in bp	154	154	154
	66		Recovery rate, in %	–	20	4
of which	1	Option model	Credit spread, in bp	4	810	360
Other	**115**					
of which trading	107					
of which	1	Discounted cash flow	Tax Swap rate (Percentage of VAT receivable PV)	30	30	30
of which	105	Market Comparable	Price, in %	–	96	90
of which loans held-for-sale	8					
of which	6	Discounted cash flow	Credit spread in bp	–	80	57
of which	–	Market Comparable	Price, in %	–	10	10
Loans	**44**					
of which	37	Discounted cash flow	Credit spread in bp	1,608	1,608	1,608

As at 30 June 2022 USD million, except as indicated	Fair Value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average
Liabilities at fair value (USD million)						
Equity securities	**21**					
of which	21	Price	Price, in actuals	–	321	174
Derivatives	**1,491**					
of which interest rate products	73					
of which	11	Discounted cash flow	Contingent probability, in %	95	95	95
	43		Discount Rate, in %	–	–	–
	1		Volatility, in %	93	100	96
of which	–	Option model	Correlation, in %	45	70	44
	8		Mean reversion, in %	–	15	5
	4		Prepayment rate, in %	7	21	9
	–		Volatility, in %	(3)	–	(2)
of which foreign exchange products	67					
of which	50	Discounted cash flow	Contingent probability, in %	95	95	95
	2		Credit spread, in bp	76	556	116
of which	1	Option model	Correlation in %	55	55	18
	13		Mean reversion, in %	(55)	20	(12)
of which equity/index-related products	1,074					
of which	3	Option model	Buyback probability, in %	50	100	72
	84		Correlation, in %	(50)	100	68
	2		Dividend Yield, in %	–	15	4
	3		Fund Gap Risk, in %	–	1	–
	–		Unadjusted NAV, in USD	1	124,735	7,362
	929		Volatility, in %	(1)	185	34
of which	52	Price	Price, in actuals	–	2,200	73
of which credit derivatives	275					
of which	79	Discounted cash flow	Credit spread, in bp	4	1,902	374
	63		Discount Rate, in %	6	14	10
	10		Funding Spread, in bp	123	154	135
	58		Recovery rate, in %	–	20	3
of which	–	Option model	Credit spread, in bp	4	810	360
Debt in issuance	**2,038**					
of which structured notes over two years	1,833					
of which	1,497	Discounted cash flow	Credit spread, in bp	100	100	50
of which	148	Option model	Buyback probability, in %	50	100	72
	35		Correlation, in %	(50)	100	68
	10		Fund Gap Risk, in %	–	1	–
	39		Unadjusted NAV, in USD	1	124,735	7,362
	104		Volatility, in %	6	185	32
of which other debt instruments between one and two years	50					
of which	50	Option model	Unadjusted NAV, in USD	1	124,735	7,362
of which other debt over two years	14					
of which	14	Option model	Buyback probability, in %	50	100	72
of which structured notes between one and two years	98					
of which	69	Option model	Buyback probability, in %	50	100	72
	44		Correlation, in %	(50)	100	71
	2		Fund Gap Risk, in %	–	1	–
	(35)		Gap risk, in %	–	4	1
	16		Unadjusted NAV, in USD	1	124,735	7,362
	1		Volatility, in %	6	185	35
of which non-recourse liabilities	43					
of which	43	Market Comparable	Price, in %	1	59	26
Borrowings	**382**					
of which	272	Option model	Buyback probability, in %	50	100	72
	74		Correlation, in %	(50)	100	71
	14		Fund Gap Risk, in %	–	1	–
	14		Unadjusted NAV, in USD	1	124,735	7,362
	8		Volatility, in %	6	185	35
Other Financial liabilities	**65**					
of which failed sales	40	Market comparable	Price, in %	–	86	86
of which others	18	Market Comparable	Price, in %	–	92	78

As at 31 December 2021 Group (USD million except as indicated)	Fair Value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average
Assets at fair value						
Debt securities	**1,183**					
of which	311	Option model	Correlation, in %	(50)	100	68
5			Gap risk, in %	–	2	–
	854		Volatility, in %	–	163	14
of which	23	Discounted cash flow	Credit spread in bp	50	600	277
of which	26	Market comparable	Price in %	–	101	26
of which	–	Price	Price in %	93	100	100
Equity securities	**613**					
of which	3	Market comparable	Price, in actuals	–	88	86
of which	4	Price	Price, in actuals	–	230	3
	573		Fund NAV, in USD	3	54,565	2,247
Derivatives	**994**					
of which interest rate products	67					
of which	22	Option model	Correlation in %	–	100	46
6			Mean reversion, in %	(20)	20	13
	9		Prepayment rate in %	–	21	17
	23		Volatility, in %	(3)	–	(1)
of which	3	Discounted Cash Flow	Discount Rate, in %	–	–	–
	2		Volatility, in %	93	100	97
of which foreign exchange products	129					
of which	1	Option model	Correlation, in %	–	55	18
	77		Mean reversion, in %	(55)	20	(18)
of which	1	Discounted Cash Flow	Contingent probability, in %	95	95	95
of which equity/index-related products	476					
of which	2	Option model	Buyback probability, in %	50	100	74
	185		Correlation, in %	(50)	100	68
	16		Fund Gap Risk, in %	–	2	–
	1		Gap risk, in %	–	3	1
	8		Fund NAV, in USD	3	54,565	2,247
	238		Volatility, in %	(1)	163	13
	7		Dividend Yield, in %	–	7	4
of which	20	Price	Price, in actuals	–	81	16
of which credit derivatives	322					
of which	222	Discounted cash flow	Credit spread, in bp	4	884	125
	63		Discount Rate, in %	5	20	15
	31		Recovery rate, in %	–	15	1
	3		Funding Spread, in bp	154	154	154
of which other derivative product	–					
of which	–	Option Model	Mean reversion, in %	(55)	20	(18)
Other	**70**					
of which trading	4	Discounted cash flow	Tax Swap rate (Percentage of VAT receivable PV)	30	30	30
	69	Market comparable	Price, in %	–	98	94
of which loans held-for-sale	2	Market Comparable	Price, in %	–	35	27
	7	Price	Funding Spread, in %	–	100	3
Loans	**8**					
of which	47	Discounted cash flow	Credit spread in bp	–	877	877

As at 31 December 2021(USD million except as indicated)	Fair Value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average
Liabilities at fair value (USD million)						
Equity securities						
of which	–	Price	Price, in actuals	–	81	16
Derivatives	**1,901**					
of which interest rate products	24					
of which	10	Option model	Correlation, in %	–	91	62
	4		Mean reversion, in %	–	15	15
	3		Prepayment rate, in %	–	21	13
	2		Volatility, in %	(3)	14	9
of which	1	Discounted cash flow	Discount Rate, in %	–	–	–
	3		Volatility, in %	93	100	97
of which foreign exchange products	64					
of which	18	Discounted cash flow	Contingent probability, in %	95	95	95
	7	Option model	Correlation, in %	55	55	18
5			Mean reversion, in %	(55)	20	(18)
	–		Volatility, in %	–	20	19
of which equity/index-related products	1,469					
of which	4	Option model	Buyback probability, in %	50	100	74
	122		Correlation, in %	(50)	100	67
	–		Fund Gap Risk, in %	–	2	–
	–		Fund NAV, in USD	3	54,565	2,247
	1,214		Volatility, in %	(1)	163	14
	2		Dividend Yield, in %	–	7	4
of which	82	Price	Price, in actuals	–	230	3
of which credit derivatives	344					
of which	226	Discounted cash flow	Credit spread, in bp	4	777	126
	63		Discount Rate, in %	5	20	14
	28		Recovery rate, in %	–	15	–
	13		Funding Spread, in bp	123	154	145
of which	13	Option model	Credit spread, in bp	27	1,033	199
Debt in issuance	**2,355**					
of which structured notes over two years	1,932					
of which	1,499	Discounted cash flow	Credit spread, in bp	14	14	7
of which	209	Option model	Buyback probability, in %	50	100	74
	61		Correlation, in %	(50)	100	64
	16		Fund Gap Risk, in %	–	2	–
	48		Unadjusted NAV, in USD	3	54,565	2,247
	97		Volatility, in %	–	163	14
of which other debt instruments over two years	53					
of which	37	Option model	Buyback probability, in %	3	54,565	2,247
	16		Unadjusted NAV, in USD	50	100	74
of which structured notes between one and two years	306					
of which	17	Option model	Buyback probability, in %	50	100	74
	131		Correlation, in %	(50)	100	68
	110		Fund Gap Risk, in %	–	2	–
	28		Gap risk, in %	–	3	1
	17		Unadjusted NAV, in USD	3	54,565	2,247
	3		Volatility, in %	3	163	14
of which other debt instruments between one and two years	59					
of which	59	Option Model	Unadjusted NAV, in USD	3	54,565	2,247
of which non-recourse liabilities	4					
of which	4	Market Comparable	Price, in %	1	1	1
Borrowings	**433**					
of which	185	Option model	Buyback probability, in %	50	100	74
	131		Correlation, in %	(50)	100	68
	85		Fund Gap Risk, in %	–	2	–
6			Gap risk, in %	–	3	1
	14		Unadjusted NAV, in USD	3	54,565	2,247
	12		Volatility, in %	3	163	14
Other Financial liabilities designated at fair value	**22**					
of which failed sales	2					
of which	–	Market Comparable	Price, in %	–	1	1
of which others	20					
of which	12	Market comparable	Price in %	–	88	79

Sensitivity analysis of unobservable input parameters

The fair value of certain financial instruments recognised in the Unaudited Condensed Consolidated Interim Financial Statements is dependent in part or fully upon unobservable parameters which may include market inputs, prices or other data. The following table summarises the sensitivity of these financial instruments to reasonable changes in the assumptions underlying these parameters:

	As at 30 June 2022		As at 31 December 2021	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Impact on net income/(loss) (USD million)				
Derivative assets and liabilities	332	(331)	312	(330)
Debt and equity securities	–	–	26	(26)
Loans and advances	11	(5)	15	(7)
Other	–	–	–	(1)
Total	**343**	**(336)**	**353**	**(364)**

When the fair value of an instrument has multiple unobservable inputs, there is assumed to be no correlation between those inputs, as such the total sensitivity reflected in the table may be larger than if correlation had been included in the analysis. The analysis also ignores any correlation between the different categories of financial instruments listed in the table.

Derivative assets and liabilities include primarily equity, foreign exchange, credit and interest rate derivatives. The primary parameters subjected to sensitivity analysis included correlations, volatilities and credit spreads. Correlation sensitivities for equity and interest rate positions were subjected to equal movements up and down. The movements varied by product and existing levels of correlation based upon management judgement. Volatility sensitivities are predominantly equity volatilities and are generally subjected to a 5% to 10% movement up and down. Credit spread sensitivities were subjected to generally equal movements up and down based upon management judgement and underlying market conditions.

Debt and equity securities include equity fund linked products, variable funding notes and corporate and emerging market bonds. The primary parameters subjected to sensitivity analysis for equity fund linked products and variable funding notes include price, gap risk and secondary market reserves. Price sensitivity is generally estimated based on a +/- bump in the price of the underlying security. Gap risk sensitivity is estimated by using limited pricing service information and valuing to the conservative side of the range of values. The parameter subjected to sensitivity for emerging market positions is price.

Loans include emerging market loans and corporate loans. For emerging market loans, the parameter subjected to sensitivity analysis is credit spreads which are subjected to a 15% movement up and down. For corporate loans the parameter subjected to sensitivity analysis is the loan price which is subjected to an equal movement up and down which ranges from 5 to 10 points depending upon the position.

Recognition of trade date profit

If there are significant unobservable inputs used in the valuation technique, the financial instrument is recognised at the transaction price and any profit implied from the valuation technique at trade date is deferred over the life of the contract or until the fair value is expected to become observable.

The following table sets out the aggregate difference yet to be recognised in profit or loss at the beginning and end of half year with a reconciliation of the changes of the balance during the year:

	6M22	6M21
Deferred trade date profit (USD million)		
Balance at the beginning of period	519	550
Increase due to new trades	135	178
Reduction due to passage of time	(65)	(70)
Reduction due to redemption, sales, transfers or improved observability	(75)	(95)
Balance at the end of period	**514**	**563**

13 Financial Instruments Risk Position

The CS group, of which the CSi group is a part, manages its risks under global policies complemented where appropriate by legal entity supplements. The CS group risk management process is designed to ensure that there are sufficient controls to measure, monitor and control risks in accordance with CS group's control framework and in consideration of industry practices. The primary responsibility for risk management lies with CS group's senior business line managers. They are held accountable for all risks associated with their businesses, including counterparty risk, market risk, liquidity risk, operational risk, legal risk and reputational risk.

Development of trading portfolio risks

The following table shows the trading related market risk exposure along with foreign exchange and commodity risks in the banking book for the CSi group, as measured by ten-day holding period, 99% confidence level Value at Risk ('VaR'). The VaR model used by the CSi group is based on a historical simulation approach over a two-year historical dataset. VaR estimates are computed separately for each risk type and for the whole portfolio. The diversification benefit reflects the net difference between the sum of the 99th percentile loss for each individual risk type and for the total portfolio.

Ten-day, 99% VaR – trading portfolios

	Interest rate and credit spread	Foreign exchange	Commodity	Equity	Diversification benefit	Total
6M22 (USD million)						
Average	49	103	8	73	(174)	60
Minimum	32	42	6	53	- [1]	45
Maximum	66	149	29	124	- [1]	75
End of period	48	139	8	84	(232)	46
2021 (USD million)						
Average	71	122	8	80	(211)	70
Minimum	29	84	3	58	– [1]	48
Maximum	139	172	17	116	– [1]	103
End of period	36	99	7	77	(152)	67

[1] As the minimum and maximum occur on different days for different risk types, it is not meaningful to calculate a portfolio diversification benefit.

VaR results

The Bank's ten-day, 99% regulatory VaR as at 30 June 2022 was USD 46 million (31 December 2021: USD 67 million). The decrease in VaR is mainly driven by decreased Equity risks from reduction in single name equity listed option positions in the Equities Derivatives business within the IB division.

Various techniques are used to assess the accuracy of the VaR model used for trading portfolios, including back-testing. The Bank performs back-testing using both i) actual and ii) hypothetical daily trading revenues. These daily trading revenues are compared with VaR calculated using a one-day holding period for the trading related market risk exposure. A back-testing exception occurs when either revenue type presents a loss in excess of the daily VaR estimate.

For capital purposes, a back-testing multiplier is added to the capital multiplier and increases (up to a maximum of 1) for every back-testing exception over four in the prior rolling 12-month period. This is calculated using the higher number of exceptions under either actual or hypothetical daily trading revenues. The back-testing multiplier is equal to zero as the Bank had two hypothetical and one actual back-testing exceptions in the 12-months period ending 30 June 2022 (31 December 2021: Zero)

Interest rate sensitivity position in the non-trading portfolio

Interest rate risk on banking book is measured using sensitivity analysis that estimates the potential change in value resulting from one basis point changes in interest rate yield curves (DV01). The impact on the fair value of interest rate-sensitive positions would be USD (0.01) million as at 30 June 2022 compared to USD 0.07 million as of 31st December 2021.

Non-trading interest rate risk is also assessed using the potential value change resulting from scenarios prescribed by BCBS 368 which include parallel shifts, flattening, steepening and shock to the short end of the yield curves.

As at 30 June 2022, the worst fair value potential impacts were driven by the decrease in the short-term interest rates leading to a fair value loss of USD 22.1 million. In comparison, the 31 December 2021 worst fair value potential impacts were generated by a parallel increase of the yield curve which also drove a fair value loss of USD 14 million.

Credit Risk Overview

Overall credit risk exposure (defined as the current mark-to-market value of traded products and committed amounts for loans, net of risk mitigation such as collateral, credit insurance, and guarantees) increased in the six months to June 2022 to USD 12,327 million (2021: USD 11,461 million). This increase was driven by initial margin posted to CCPs and higher levels of repo exposure. The portfolio remains weighted towards strong counterparties in industrialised countries, with 89% of exposure rated investment grade.

The main drivers of exposure are derivatives and lending, which account for USD 7,204 million and USD 1,942 million of exposure respectively. In terms of sectors, the largest drivers of exposure are counterparties in financial industries, with CCPs making up 27% of exposure as at June 2022.

As noted previously (under the Principal risk and uncertainties section of the management report), CRM maintains a Watchlist for monitoring and reporting counterparties with negative factors. During H1 2022 exposure on the Watchlist decreased from USD 210 million in December 2021 to USD 107 million in June 2022. As of June 2022, 25% of Watchlist exposure was classified as Red.

IFRS 9 expected credit losses across stages 1 and 2 increased from USD 6.9 million in December 2021 to USD 9.3 million in June 2022. This increase was driven mainly by additional exposure.

There was one position in CSi which resulted in a write-off of USD 16 million in H122. This was with a Russian bank following the imposition of sanctions associated with the Russia-Ukraine conflict.

Replacement of Interbank Offered Rates ('IBOR')

The following table includes disclosures of both derivatives and non-derivative instruments in CSi that continue to reference significant interest rate benchmarks subject to interest rate benchmark reform as at 30 June 2022. The amounts provide an indication of the extent of CSi group's exposure to the IBOR benchmarks that are due to be replaced.

	Financial instruments yet to transition to alternative benchmarks, by main benchmark						
30 June 2022 (USD millions) [1]	USD Libor	GBP Libor	JPY Libor	CHF Libor	EUR Libor & EONIA	SGD SOR	**Total**
Notional value of non-derivative financial assets	2	–	–	–	–	–	**2**
Notional value of non-derivative financial liabilities	121	–	–	–	–	–	**121**
Derivative notional contract amount	198,231	–	–	–	–	–	**198,231**

[1] This table does not include financial instruments that reference a benchmark interest rate that is required to transition to an alternative benchmark rate, but which will mature prior to that transition date.

	Financial instruments yet to transition to alternative benchmarks, by main benchmark						
31 December 2021 (USD millions) [1]	USD Libor	GBP Libor	JPY Libor	CHF Libor	EUR Libor & EONIA	SGD SOR	**Total**
Notional value of non-derivative financial assets 6		–	–	–	–	–	**6**
Notional value of non-derivative financial liabilities	101	–	–	–	–	–	**101**
Derivative notional contract amount	448,124	759	3	–	–	4,151	**453,037**

[1] This table does not include financial instruments that reference a benchmark interest rate that is required to transition to an alternative benchmark rate, but which will mature prior to that transition date.

14 Subsidiaries and Associates

Composition of the CSi group

CSi has interests in a number of entities where it has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of these entities are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The following table sets forth the changes from 31 December 2021 in related undertakings in subsidiaries that the CSi group owns, directly or indirectly.

Entity Name	Domicile	Currency	**Percentage of ownership held June 2022**	Percentage of ownership held 2021
Argentum Capital Series 2016-33,2016-63,2017-64,2017-11,2017-54,2016-50,2016-25	Luxembourg	USD	100	–
Argentum Capital Series 2017-69,2017-59	Luxembourg	USD	–	100
Argentum Capital Series 2022-11	Luxembourg	USD	100	–
Ascent Finance Limited Series 2021-1802,2022-1801,2022-1802	Cayman Islands	USD	100	–
Boats Investments (Jersey) Ltd Series 627	Jersey	USD	–	100
Boats Investments (Jersey) Ltd Series 664	Jersey	USD	100	–
Clarus Securities Cayman SPC Limited	Cayman Islands	USD	–	100
HOLT Emerging Markets Equity Fund	Republic of Ireland	USD	–	100
Platinum Securities Cayman SPC Limited 2021-01	Cayman Islands	USD	–	100

15 Subsequent Events

Strategic review

On 27 July 2022, CS group announced that it is conducting a comprehensive strategic review with the following objectives relevant for CSi:

- Consider alternatives that go beyond the conclusions of last year's strategic review, particularly given the changed economic and market environment. The goal of the appraisal will be to shape a more focused, agile CS group with a significantly lower absolute cost base.
- Strengthen its global wealth management franchise, universal bank in Switzerland and multi-specialist asset management business.
- Transform the Investment Bank into a capital-light, advisory-led banking business and more focused markets business that complements the growth of the wealth management and Swiss Bank franchises.
- Reduce the operating expenses supported by company-wide cost efficiency and digital transformation.
- As the strategic review and eventual implementation progresses, restructuring costs relating to asset impairments and liability valuations may arise in connection with any business activities the CS group may exit or curtail and their related infrastructure.

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