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CREDIT SUISSE

Unaudited Condensed Consolidated Interim Financial Statements 30 June 2023

Credit Suisse International

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Unaudited Condensed Consolidated Interim Financial Statements
for the Six Months Ended 30 June 2023

Board of Directors as at 26 September 2023

John Devine – Chair and Independent Non-Executive
Jeremy Anderson – Non-Executive [1]
Jason Barron – Non-Executive [1]
Michael Ebert – Non-Executive
Jonathan Magee – Non-Executive [1]
Beatriz Martin Jimenez – Non-Executive [1]
Caroline Stewart – Non-Executive [1]
David Todd – Independent Non-Executive
Christopher Horne – Chief Executive Officer (CEO)
Edward Jenkins – Chief Risk Officer (CRO)
Caroline Waddington – Chief Financial Officer (CFO)

[1] BoD members appointed by UBS

Company Secretary

Paul Hare

Company Registration Number	02500199

Interim Management Report for the Six Months Ended 30 June 2023

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 2023 since the CSi Annual Report 2022. Further details in regards to CSi's Purpose, Risk Management, Corporate Responsibility and Corporate Governance can be found in the CSi Annual Report 2022, with key changes set out in this management report:

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

Business model

Entity structure

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

On 12 June 2023, UBS Group AG (UBS group) acquired CS group, and became the direct or indirect shareholder of all of the former direct and indirect subsidiaries of CS group. The ultimate parent of the Bank is UBS group which is incorporated in Switzerland and prepares the financial statements under International Financial Reporting Standards ('IFRS').

→ These financial statements are publicly available and can be found at https://www.ubs.com/global/en/investor-relations.html

As of 30 June 2023, the CS group business divisions represented separate reportable segments in the UBS group. CS group is organised into five divisions – Wealth Management ('WM'), the Investment Bank ('IB'), Swiss Bank ('SB'), Asset Management ('AM') and the Capital Release Unit ('CRU'). CS group's financial reporting will be presented as these five divisions together with the Corporate Centre, which remain unchanged from CS group previous reports.

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

Financial statements

The CSi Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2023 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 2022 which was prepared in accordance with UK-adopted international accounting standards ('UK-adopted IFRS') and the applicable legal requirements of the Companies Act 2006. In addition to complying with UK-adopted IFRS, 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 IFRS'). The Unaudited Condensed Consolidated Interim Financial Statements were authorised for issue by the Directors on 26 September 2023.

Changes to directors

Changes in the directorate since 31 December 2022 and up to the date of this report are as follows:

Appointments:	
Francesca McDonagh	25.01.23
Michael Ebert	25.01.23
Jeremy Anderson	14.08.23
Jason Barron	14.08.23
Jonathan Magee	14.08.23
Beatriz Martin Jimenez	14.08.23
Caroline Stewart	14.08.23

The following ceased to be directors:	
Richard Meddings	12.06.23
Francesca McDonagh	12.06.23
Debra Davies	01.08.23
Doris Honold	31.07.23

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

CSi is currently providing its corporate, institutional and WM clients with a range of financial solutions, served through an integrated franchise and international presence.

Merger of CSG and UBS Group AG

On 12 June 2023, UBS group acquired CS group, succeeding by operation of Swiss law to all assets and liabilities of CS group, and became the direct or indirect shareholder of all of the former direct and indirect subsidiaries of CS group.

UBS group has created a Non-core and Legacy ('NCL') business division, which will include the CRU and certain assets and liabilities of the IB (Credit Suisse) that have been assessed as not strategic in light of the acquisition of the CS group. UBS group intend to actively reduce the assets of the NCL business division in order to reduce operating costs and financial resource consumption, and to enable it to simplify infrastructure. As part of the integration, the plan is to simplify UBS group legal structure, including the merger of UBS AG and Credit Suisse AG planned for 2024. A strategic review of the Bank is also ongoing and no decisions have been made regarding the future direction.

CSi will continue to rely on its established governance and risk control frameworks. However, since the acquisition, management has commenced a review of the processes and systems. This review is ongoing and CSi may adopt and implement UBS controls and procedures where appropriate.

Investment Bank

CSi provides a broad range of financial products and services focused on client driven businesses and also supports the WM business division and its clients. Products and services include global securities sales, trading and execution, capital raising and advisory. The post-merger plan is to move certain assets and liabilities of the IB to NCL which would reduce IB footprint in the future with detail around the timeline yet to be confirmed.

The principal businesses within CSi are Markets, Investment Banking Capital Markets ('IBCM') and Credit.

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 approach.

Significant Events

Liquidity Management
In March 2023, there was extraordinary turbulence in the financial markets across the globe, and Credit Suisse became the subject of commentary and speculation. This resulted in accelerated deposit outflows and a significant deterioration in liquidity. Following the intervention of the Swiss Federal Department, the Swiss National Bank ('SNB') and the FINMA, it was announced on Sunday, 19 March, 2023 that Credit Suisse and UBS had entered into a merger agreement, with UBS being the surviving entity.

Following the announcement, the SNB provided a liquidity facility to CS group, which improved CS group, including CSi's, liquidity position. A significant portion of the SNB facility has since been repaid whilst maintaining sustainable liquidity levels in the entity and surpluses above regulatory and internal liquidity risk constraints.

CSi maintains a strong liquidity position and also has a letter of intent from CS AG providing support for meeting CSi's debt obligations and maintaining a sound financial position for at least the next 12 months. All regulatory liquidity metrics are in compliance at the time of reporting. Following the UBS acquisition of CS group on the 12 June 2023, UBS will support Credit Suisse Bank and Credit Suisse AG Parent if needed as outlined in the letter of comfort signed on the 22 September 2023 and providing support to at least 30 September 2024.

Financial Impact of UBS acquisition
Following the UBS group acquisition of CS group, CSi initiated the reassessment of Internally Developed Software as numerous assets are expected to be used for a significantly shorter period of time. This has driven an increase in impairment expense of USD 361 million following the reassessment of Internally Developed Software's useful economic life.

Replacement of Interbank Offered Rates ('IBOR')
Following significant international and regulatory pressure to replace certain IBOR benchmarks with alternative reference rates ('ARRs'), a major structural change in global financial markets has now completed. Markets and most legacy transactions have been transitioned to alternative reference rates.

Credit Suisse has successfully facilitated the transition away from USD LIBOR by the industry cessation date of 30 June 2023. No client or internal issues have been reported to date. The small number of trades that did not have robust fallback provisions benefited from the LIBOR Act or the temporary availability of USD Synthetic LIBOR, and none of these trades were booked in CSi. Credit Suisse continues to focus on assisting clients through the whole of the transition period.

Political and economic environment

2023
Global financial conditions have tightened as a result of policy rate hikes and recent brief spells of financial instability. Earlier in the year, liquidity concerns of some banks, including Credit Suisse, led to depositor flight and market volatility in the United States and Europe, which were restricted by swift central bank actions. The rise in central bank policy rates to fight inflation and slowing external demand continues to weigh on global economic activity with global growth set to slow in 2023 compared with 2022.

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 2023 was 7.9%. To control inflation, the MPC on 2 August 2023 voted to further increase the Bank's base rate by 0.25% to 5.25% (31 December 2022: 3.5%).

As of 30 June 2023, the GBP exchange rate index against the USD was 126.43, an increase of 4.9% since 31 December 2022.

The latest UK Gross Domestic Product ('GDP') figures showed 0.1% growth in Q1 2023 and 0.2% growth in Q2 2023. UK-weighted world GDP rose by 0.6% in Q1 2023 and is expected to grow by 0.5% in Q2 2023.

The Financial Times Stock Exchange 100 ('FTSE 100') index of top UK-listed shares closed at 7,532 points on 30 June 2023, an increase of 1.1% since 31 December 2022. Standard and Poor's

500 index closed at 4,450 points a increase of 15.9% since 31 December 2022.

Looking Forward

On 25 July 2023, the International Monetary Fund ('IMF') forecasted the global economy to grow by 3% in 2023 and 2024, this is 0.2% higher for 2023 than forecasted at the start of the year. The World Bank in June 2023 reports estimates that the global economy is projected to grow by 2.1% in 2023 from 1.7% it predicted six months ago. Showing global growth has been more resilient than expected from a range of shocks hitting the world economy, reflecting stronger-than-expected consumption and investment. According to recent IMF report, many countries' consumers have not yet drained the stock of excess savings they accumulated during the pandemic. This could further sustain the recent strength in consumption.

Nevertheless, the downside risks to the global economy outlook remain. Global growth could be weaker than anticipated in the event of more widespread banking sector stress or if more persistent inflation pressures prompt tighter-than expected monetary policy.

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

Regulatory environment

For a period of time, CSi has been under close scrutiny and in regular dialogue with the PRA and FCA. CSi has and continues to be engaged in open and transparent communication on various topics.

Recovery and Resolution Planning

The Bank of England's Resolvability Assessment Framework ('RAF') was implemented on 1 January 2022 and CSi continues to deliver the resolvability outcomes outlined by the RAF in the context of a Swiss Financial Market Supervisory Authority ('FINMA') led resolution at a UBS group wide level.

CSi is fully integrated into existing CS group wide recovery and resolution capabilities that meet the expectations of the UK regulatory authorities. CSi will continue to ensure that these capabilities sufficiently maintain critical functions provided to the UK economy through any stabilisation, resolution, or restructuring. Integration discussions with UBS group on RAF capabilities and recovery planning will be a key focus over the next year.

Sustainability

On 1 June 2023, the European Supervisory Authorities ('ESA') published Progress Reports on greenwashing in the financial sector, putting forward a common high level understanding of greenwashing risks applicable to market participants across their respective regulatory bodies: for financial markets it is European Securities and Markets Authority ('ESMA'), for banking it is the European Banking Authority ('EBA').

In particular, greenwashing can be intentional or unintentional, it can be due to omission of information or provision of misleading information, and can result in immediate damage to individual consumers/investors, or unfair competitive advantage. However, this is not a precondition; greenwashing does not require consumers/investors being actually harmed. In terms of next steps, the ESAs are expected to publish by end of May 2024 final reports with concrete policy recommendations to address greenwashing risks including possible changes to EU regulatory frameworks.

Performance

Key Performance Indicators ('KPIs')

The Bank uses a range of KPIs to manage its financial position.

Unaudited	**6M23** [3]	6M22 [3]	6M21 [3]	6M20	6M19 [1,2]
Earnings					
Net (loss)/profit before tax (USD million):					
Continuing operations	(716)	175	(5,187)	458	238
Discontinued operations	–	–	–	49	24
Total	(716)	175	(5,187)	507	262

	6M23	6M22	6M21	6M20	6M19
Extracts from Condensed Consolidated Statement of Financial Position (USD million):					
Total Assets	146,222	224,313	258,377	283,471	233,248
Total Asset growth/(reduction)	(34.81)%	(13.18)%	(8.85)%	21.53%	(5.63)%
Return on Total Assets	(0.49)%	0.08%	(2.01)%	0.18%	0.11%

	6M23	6M22	6M21	6M20	6M19
Capital (USD million):					
Risk Weighted Assets	48,633	62,088	71,349	95,656	77,622
Tier 1 capital	15,711	14,908	15,206	20,328	21,190
Tier 1 capital ratio (%)	32.31%	24.01%	21.31%	21.25%	27.30%
Return on Tier 1 capital	(4.56)%	1.17%	(34.11)%	2.49%	1.24%

	6M23	6M22	6M21	6M20	6M19
Liquidity (USD million):					
Liquidity Buffer	13,328	34,727	23,651	14,981	15,939

[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 6M23, 6M22 and 6M21.

Capital

Risk Weighted Assets ('RWA') decreased by USD 13 billion to USD 49 billion (2022: USD 62 billion) in line with the reduction in balance sheet size. The decrease is primarily driven by a reduction in credit risk and large exposure charges. The decrease in credit risk was a result of expired trades with multiple counterparties. The reduction in large exposure charges was driven by lower intra-group exposure, notably with CS AG.

Capital resources

CSi's capital resources increased due to the issuance of USD 1.2 billion of Additional Tier 1 capital in H2 2022. 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 changes, any forthcoming changes to the capital framework such as new regulation, and changes to the Bank's business model.

Liquidity

CSi maintains a strong liquidity position and also has a letter of intent from CS AG providing support for meeting CSi's debt obligations and maintaining a sound financial position for at least the next 12 months. Following the UBS acquisition of CS group on the 12 June 2023, UBS will support Credit Suisse Bank and Credit Suisse AG Parent if needed as outlined in the letter of comfort signed on the 22 September 2023 and providing support to at least 30 September 2024.

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

The liquidity buffer decreased by USD 21.4 billion to USD 13.3 billion (2022: USD 34.7 billion) due to Pillar 1 and 2 risk decreases, under the Liquidity Coverage Ratio ('LCR') metric approach. The Pillar 1 risk reduction relates mainly to derivative risks. This includes a reduction in mark to market requirements, through reduced HLBA (Historic look back approach) requirements. As the HLBA uses 24 months of history in the calculation, this no longer includes impacts related to Archegos, which occurred in Q2 2021. Derivatives risk related to the Exchange Traded Derivatives ('ETD') portfolio have also significantly reduced.

Unaudited Commentary on Condensed Consolidated Statement of Income

Unaudited	**6M23** [2]	6M22 [2]	6M21 [2]	6M20	6M19 [1]
Condensed Consolidated Statement of Income (USD million)					
Net revenues	1,006	1,547	(3,744)	1,385	1,079
Total operating expenses	(1,722)	(1,372)	(1,443)	(927)	(841)
(Loss)/profit before tax from continuing operations	**(716)**	**175**	**(5,187)**	**458**	**238**
(Loss)/profit before tax from discontinuing operations	**–**	**–**	**–**	**49**	**24**
(Loss)/profit before tax	**(716)**	**175**	**(5,187)**	**507**	**262**
Income tax (expense)/benefit from continuing operations	(90)	(56)	93	(90)	47
Income tax (expense) from discontinuing operations	–	–	–	(13)	(4)
(Loss)/profit after tax	**(806)**	**119**	**(5,094)**	**404**	**305**

[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 6M23, 6M22 and 6M21.

The CSi group reported a net loss attributable to shareholders of USD 806 million (2022: USD 119 million net gain).

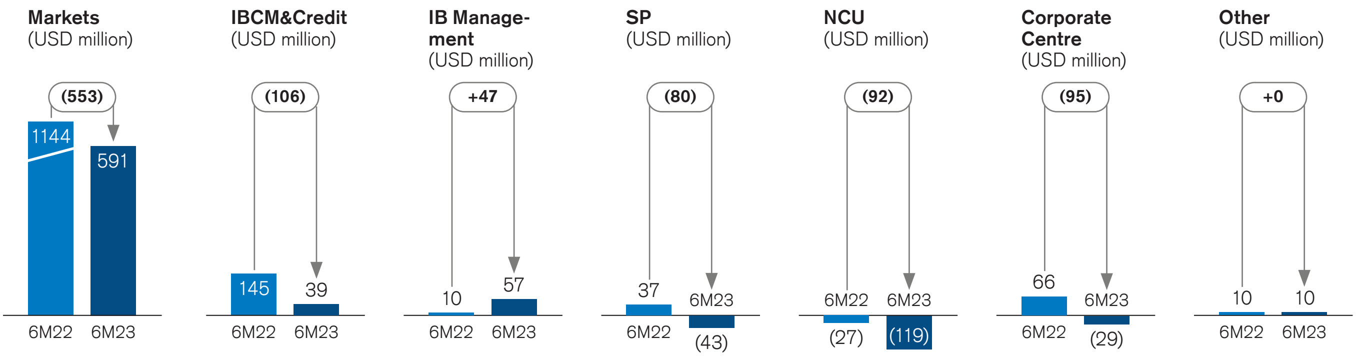
Loss before tax for the CSi group was USD 716 million (2022: USD 175 million profit before tax).

Net revenues

Unaudited	**6M23** [1]	6M22 [1]	Variance	% Variance
Reconciliation of reportable segment revenues (USD million) [2]				
Total Revenues				
- Markets	591	1,144	(553)	(48)%
- Investment Banking Capital Markets ('IBCM') & Credit	39	145	(106)	(73)%
- IB Management	57	10	47	470%
Investment Bank	**687**	**1,299**	(612)	**(47)%**
- Securitised Products ('SP')	(43)	37	(80)	(216)%
- Non Core Unit ('NCU')	(119)	(27)	(92)	(341)%
Capital Release Unit ('CRU')	**(162)**	**10**	**(172)**	**(1,720)%**
Other	10	10	–	–%
Corporate Centre	(29)	66	(95)	(144)%
Total reportable revenues	**506**	**1,385**	**(879)**	**(63)%**
Transfer pricing and cross divisional revenue share agreements	47	83	(36)	(43)%
Treasury funding	306	(117)	423	362%
Allowance for credit losses	(8)	164	(172)	(105)%
CSi group (US GAAP to IFRS) reconciliations [3]	155	32	123	384%
Net revenues as per Consolidated Statement of income	**1,006**	**1,547**	**(541)**	(35)%

[1] 6M23 Net revenues reflect the change in operating segments and 6M22 net revenue being restated as a result of the Strategic Review conducted in H2'22.
[2] In accordance with IFRS 8, Reportable segements are reported above under US GAAP, as reviewed by the Board of Directors.
[3] 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.

Revenues of each reporting segment are:



In the first half of 2023, Markets revenues decreased by USD 553 million mainly within Equity and Fixed Income Products due to reduced client activity driven by factors leading up to the merger between CS group and UBS group and challenging market conditions. In contrast, the first half of 2022 reported strong revenues due to higher market volatility which has not been repeated in H1'23.

IBCM & Credit revenues decreased by USD 106 million primarily driven by reduced deal flow within the Capital markets business as clients await clarity on the strategy following the UBS group acquisition of CS group.

SP revenues reduced by USD 80 million primarily due to reduced trading activity and reduction in balance sheet following the decision to exit the Securitised Product business.

NCU revenues decreased by USD 92 million mainly driven by reduced trading activity due to the Prime business exit. Losses are due to liquidation of positions and reduced footprints both across NCU Equities & NCU Credit businesses following the UBS group acquisition of CS group.

Corporate Centre revenues decreased by USD 95 million driven by losses on CSi bought back structured notes. In H123 CS own credit spreads tightened on average following volatile market movements leading to losses across the structured note portfolio in the first half of 2023.

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

- Increase in Treasury funding income of USD 423 million due to higher net interest income following higher interest rate environment in the first half of 2023;
- Allowance for credit losses, USD 172 million decrease primarily driven by a provision release associated with the Archegos counterparty default in the first half of 2022 following a reassessment of recovery estimates; and
- CSi group (US GAAP to IFRS) reconciliations increased by USD 123 million. This was mainly driven by higher Own credit risk adjustments due to CS own credit spreads tightening in the first half of 2023.

Expenses

Unaudited	6M23	6M22	Variance	% Variance
Operating expenses (USD million)				
Compensation and benefits	(296)	(338)	42	12%
General, administrative and trading expenses	(1,379)	(1,017)	(362)	(36)%
Restructuring expenses	(47)	(17)	(30)	(176)%
Total operating expenses	**(1,722)**	**(1,372)**	**(350)**	(26)%

The CSi group's operating expenses, increased by USD 350 million to USD 1,722 million (2022: USD 1,372 million).

Compensation and benefits have decreased by USD 42 million due to a USD 23 million write down of deferred compensation awards and USD 18 million reduction in social security cost associated with the write down;

General, administrative and trading expenses increased by USD 362 million due to:

- Increase of impairment expense of USD 312 million due to the reassessment of Internally Developed Software's useful economic life following the UBS group acquisition of CS group. Numerous assets are expected to be used for a significantly shorter period of time and hence have been impaired;
- Increase of litigation expense of USD 140 million due to provisions booked in relation to various litigation matters; offset by
- Decrease of brokerage and commission expense of USD 125 million due to lower trading activity in H1'23.

Restructuring expenses have increased by USD 30 million primarily driven by increased IT decommissions project cost booked in H1'23.

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 2023 as applied to the results for the six months ended 30 June 2023. The total income tax expense for the six months ended 30 June 2023 is USD 90 million and represents an effective tax rate for the period of (12.6)% and reflects the impact of the deferred tax not recognised on tax losses, derecognition of deferred tax assets offset against the deferred tax liability on the pension asset and permanent tax adjustments.

The effective tax rate for the six months ended 30 June 2022 was 31.8%, which reflects the impact of permanent tax adjustments and the reduction in the UK bank corporation tax surcharge rate.

Unaudited Commentary on Condensed Consolidated Statement of Financial Position

Extracts from Condensed Consolidated Statement of Financial Position (USD million)

Unaudited	**6M23**	Dec-22	Variance	% Variance
Assets (USD million)				
Cash and due from banks	4,885	4,149	736	18%
Interest-bearing deposits with banks	10,502	12,085	(1,583)	(13)%
Trading financial assets mandatorily at fair value through profit or loss	82,851	107,973	(25,122)	(23)%
Non-trading financial assets mandatorily at fair value through profit or loss	15,060	22,831	(7,771)	(34)%
Other assets	19,543	21,744	(2,201)	(10)%
Other (aggregated remaining balance sheet assets lines)	13,381	14,464	(1,083)	(7)%
Total assets	**146,222**	**183,246**	**(37,024)**	**(20)%**
Liabilities (USD million)				
Trading financial liabilities mandatorily at fair value through profit or loss	75,438	93,397	(17,959)	(19)%
Financial liabilities designated at fair value through profit or loss	14,968	27,169	(12,201)	(45)%
Borrowings	13,733	6,025	7,708	128%
Other liabilities	11,261	16,675	(5,414)	(32)%
Debt in issuance	11,385	18,309	(6,924)	(38)%
Other (aggregated remaining balance sheet liabilities lines)	2,364	3,767	(1,403)	(37)%
Total liabilities	**129,149**	**165,342**	**(36,193)**	**(22)%**
Total shareholders' equity	**17,073**	**17,904**	**(831)**	**(5)%**

As at 30 June 2023 the CSi group had total assets of USD 146 billion (31 December 2022: USD 183 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 25 billion and USD 18 billion respectively. This decrease is primarily driven by Interest Rate and FX products due to reduced client activity and mark to market movements; and
- Other assets and Other liabilities have decreased by USD 2 billion and USD 5 billion respectively 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 2 billion due to a reduction in lending with CS AG, London Branch mainly in USD driven by internal and regulatory metric management;
- Non-trading financial assets mandatorily at fair value through profit or loss decreased by USD 8 billion driven by the decrease in HQLA requirements of fellow CS entities hence lower reverse repo balance;
- Financial liabilities designated at fair value through profit or loss decreased by USD 12 billion driven by decrease in USD 8 billion HQLA requirements of fellow CS entities and USD 4 billion reduction in structured notes balance due to redemption and buy backs;
- An increase of USD 8 billion in Borrowings offset by a decrease of USD 7 billion in Debt in issuance due to switching debt from long term to short term on the back of lower Net Stable Funding Ratio ('NSFR') requirements.

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 decreased to USD 1.7 billion as at 30 June 2023 (31 December 2022: USD 2.2 billion). Total Level 3 liabilities decreased to USD 2.8 billion as at 30 June 2023 (31 December 2022: USD 3.7 billion). The movement in assets is mainly driven by maturity and early termination of structured notes facing CS AG London Branch. The movement in liabilities is mainly driven by unwind of the secured intercompany notes population. Level 3 assets were equivalent to 1.5% of total assets (2022: 1.2%) and Level 3 Liabilities equivalent to 2.2% of total liabilities (2022: 2.2%).

→ Fair value disclosures are presented in Note 16 – Financial Instruments.

Dividends

USD 1.1 billion dividend has been proposed for the period ended 30 June 2023 (2022: USD Nil).

Principal risks and uncertainties

Principal risks

RISK TYPE	DESCRIPTION	HOW RISKS ARE MANAGED
Business and Capital Risk	Business risk is the risk of underperforming against financial objectives as a result of revenue shortfalls and/or cost target overruns. Capital risk is the risk that the bank does not maintain adequate capital to support its activities while exceeding its regulatory requirements and meeting its internal capital goals.	The CSi Strategic Risk Management ('SRM') department is responsible for oversight of business and capital risks as managed by UK Capital Management and CFO functions. SRM ensures accurate ongoing reporting and monitoring of these risks within the risk appetite framework. Broader themes linked to business and capital risk, e.g. implications of strategic change and transformation risks including those related to UBS integration, are also considered in the course of CSi's risk identification and assessment process. Next to monitoring internal and regulatory capital ratio targets as well as financial reporting, the principal measurement tools used by SRM are firm-wide stress testing and the internal capital adequacy assessment process.
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 AG is managed centrally by the Climate Risk department within the Global Credit Risk function. For CSi, the CSi SRM department ensures accurate ongoing reporting and monitoring within the risk 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. The CS AG Climate Risk Strategy program continued evolving and embedding a consistent approach to governance, risk management, scenario analysis and disclosure across CS AG and the legal entities, including compliance with regulatory requirements across the jurisdictions within which CS AG operates. Under the program, metrics for CSi have been defined as part of the Risk Identification and Risk 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). As part of UBS alignment the program scope and objectives will be reviewed later in the year.
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 overseen and controlled 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. 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.

RISK TYPE	DESCRIPTION	HOW RISKS ARE MANAGED
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 Treasury and Liquidity Risk ('TLR') 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. TLR is responsible for ensuring that CSi maintains adequate liquidity and achieves full compliance with CSi's Risk Appetite Framework and Strategic Risk Objectives, 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). TLR 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.
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 overseen and controlled 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 committees.
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') is a senior level independent review of issues that may have an impact on the Bank's reputation. An employee who determines that they are engaged in, or considering an 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. All RRA decisions in the RRRP are predicated on the relevant Divisional Approver's ('DA') review and approval. The RRA is responsible for holistically assessing whether the identified reputational risks and the mitigation presented by the business (and other support areas) is acceptable and the proposed activity is within the Bank's risk appetite for reputational risk. The RRA may also escalate a submission to the Divisional Client risk committee ('DCRC') or Group Client Risk Committee ('GCRC') based on guidance from governing bodies, or at their discretion. 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 GCRC. Once a submission has been escalated, the final decision cannot be taken until the escalation process has been concluded. Reputational Risk submissions subject to committee escalation are also subject to the UBS Red lines escalation protocol.

→ For further details on how CSi manages risk, refer to Note 17 – Financial Instruments Risk Position.

Key risk developments

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 concerns and recession risk
Further significant increases in interest rates to control inflation, carry the risk of triggering a recession. Recent economic data signals that bringing inflation back under control may not require material increases in interest rates. For example, the 0.2% increase in core US consumer prices (excluding food and energy) in June 2023 was the lowest since February 2021. US economic activity has also remained resilient although Europe economic activity has been weak. In the US, 2Q23 real GDP growth is tracking at 2.0-2.5% per annum, a faster expansion pace than the 2% per annum in 1Q23. CSi periodically conducts deep-dive assessments 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.

Energy supply disruptions
Russia, which was the major source of European energy imports, has significantly reduced or even halted gas flows through various pipelines to Western Europe. European governments responded with non-mandatory rationing plans, greater gas imports from the rest of the world and fiscal measures to distribute the burden across households and businesses. However, there are concerns over Europe's ability to avoid energy disruptions in late 2023 and early 2024 given the uncertainty concerning gas supply and the knock on impact on inflation. Credit Risk Management has assessed the potential portfolio implications on eurozone countries and energy-intensive industries of further energy disruptions. Also, as part of managing operational resilience and business continuity risks, CS group are assessing a range of energy supply shortage scenarios and have implemented mitigation measures addressing potential operational disruptions that may occur in European countries where CSi is located.

Cyber risk
The financial industry continues to be increasingly reliant on technology, facing dynamic cyber threats from a variety of actors and new technology vulnerabilities are being discovered. CSi continues to invest in its information and cybersecurity programs in order to strengthen its ability to anticipate, detect, defend against and recover from cyber attacks. CSi regularly assesses the effectiveness of its key controls and conduct ongoing employee training and awareness activities, including for key management personnel, in order to seek to strengthen resilience of our systems and promote a strong cyber risk culture.

Emerging markets
High interest rates, increased debt levels, the strong US dollar & weak developed market real GDP growth have created a difficult external environment for emerging market countries in 2023-24. High rates and high debt, as well as the strong USD, increases hard currency debt service costs and vulnerability and limits the headroom for fiscal and monetary policy to provide support should crisis materialise. 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.

Liquidity risk management
In January 2023, the liquidity risk profile of CS group started to recover from the deposit outflows experienced in Q4 2022 and the December 2022 lows. However, In March 2023, there was extraordinary turbulence in the financial markets across the globe, and Credit Suisse became the subject of commentary and speculation. This resulted in accelerated deposit outflows and a significant deterioration in liquidity. These outflows led the bank to partially utilise liquidity buffers at the CS group and legal entity level although the regulatory Pillar 1 requirements under the LCR and the NSFR were maintained at all times for CSi. Following the intervention of the Swiss Federal Department, the Swiss National Bank and the FINMA, it was announced on Sunday, 19 March, 2023 that Credit Suisse and UBS entered into a merger agreement, with UBS being the surviving entity.

CSi remains committed to operating the ordinary course of funding and liquidity risk management and delivering on our internal and regulatory commitments.

Strategy execution / Transformational Risk
Uncertainty and execution risks around the entity strategy and integration with UBS Group is a key risk for CSi during 2023 and 2024 in which the bulk of integration activities are being scheduled. Areas of concern include systems, data and technology integration, operational risks, as well as cultural alignment. There is the potential for litigation risks as well as regulatory issues, and timelines on the integration execution of other CS group entities could disrupt or delay integration timelines for CSi. People risk remains significant due to the uncertainty around the organisational future of CSi personnel during and post UBS integration. Main risks include staff attrition and distraction, key person risk, recruitment and retention of critical personnel, clear/effective escalation, and disengagement of personnel.

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) decreased in the six months to June 2023 to USD 7,073 million (USD 10,189 million as at December 2022). This decrease was driven by an overall reduction in trading activity during the first half of 2023, resulting in reduced initial margin posted to Central Clearing Counterparties ('CCPs'), and significant reductions in repo and loan exposure. The portfolio remains weighted towards strong counterparties in industrialised countries, with 87% of exposure rated investment grade.

The main drivers of credit exposure are derivatives and exchange traded futures & options, and lending, which account for USD 4,214 million and USD 1,448 million of exposure respectively. The largest drivers of exposure by sector are counterparties in financial industries, with CCPs making up 27% of exposure as of June 2023.

Credit Risk Management maintain a Watchlist which is detailed in the Principal risks section. During H1 2023 exposure on the Watchlist increased to USD 216 million at June 2023 from USD 176 million in December 2022.

There were no positions which were fully written off in H1 2023. Provisions were materially increased for two counterparties with a combined increase of USD 17.3 million, of which USD 13.7 million is for a Russian Bank which was marked down.

Selected credit risk exposure views by country and industry segment

The following table shows the ten largest exposures by country in CSi. The largest exposures are in well-developed countries, with exposure from the United States and United Kingdom accounting for approximately 43% of the total net exposure. With respect to emerging markets, CSi has exposure in several countries, but no single country 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 2023 (USD millions)	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	**Gross Exposure**	**Net Exposure**
United Kingdom	53	53	2,365	1,773	1,551	1,473	**3,969**	**3,299**
United States	232	232	4,742	1,233	2,339	849	**7,313**	**2,314**
France	318	318	1,872	832	397	348	**2,587**	**1,498**
Germany	152	13	1,498	1,201	251	251	**1,901**	**1,465**
Netherlands	-	-	1,004	483	266	263	**1,270**	**746**
Japan	230	230	593	56	419	419	**1,242**	**705**
Switzerland	3	0	375	315	154	149	**532**	**464**
Italy	151	112	215	166	75	75	**441**	**353**
Luxembourg	-	-	777	139	81	81	**858**	**220**
China	165	165	0	0	13	13	**178**	**178**
Total	**1,305**	**1,124**	**13,440**	**6,199**	**5,546**	**3,921**	**20,291**	**11,242**

	Sovereign		Financial Institutions		Corporate		**Total**	
31 December 2022 (USD millions)	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	**Gross Exposure**	**Net Exposure**
United Kingdom	62	62	3,969	2,892	1,537	1,381	**5,568**	**4,335**
United States	0	0	6,211	2,013	2,312	815	**8,524**	**2,829**
France	287	287	1,883	859	321	270	**2,492**	**1,415**
Germany	187	30	1,451	935	191	191	**1,828**	**1,156**
Netherlands	-	-	1,140	569	225	221	**1,365**	**790**
Japan	-	-	787	42	452	452	**1,239**	**494**
Switzerland	12	5	642	547	466	450	**1,119**	**1,002**
Italy	164	122	185	145	66	66	**415**	**333**
Luxembourg	-	-	864	225	32	32	**896**	**257**
China	206	206	15	15	15	15	**236**	**236**
Total	**918**	**712**	**17,147**	**8,242**	**5,616**	**3,892**	**23,682**	**12,846**

The following table shows the ten largest exposures by industry in CSi, which make up 83% of net exposure as of June 2023. Exposures are those used for internal risk management and are calculated on the same basis as the country exposures shown in the previous table.

	6M23			Dec-22	
Industry Segments (USD millions)	Gross Exposure	Net Exposure	Net Exposure as % of All Industry Exposures	Gross Exposure	Net Exposure
Central Clearing Parties	5,652	3,444	27%	6,633	4,136
Sovereigns, Monetary Authorities, Central and Development Banks	2,266	2,058	16%	1,835	1,568
Banks	5,140	1,296	10%	6,865	2,173
Media and Telecommunications	1,848	1,250	10%	1,523	715
Securitizations	1,439	653	5%	1,290	515
Insurance	1,446	604	5%	1,426	467
Automotive	392	392	3%	448	448
Other Financial Companies	492	389	3%	545	446
Manufacturing	386	371	3%	274	259
Food, Beverage and Tobacco Manufacturing	757	346	3%	451	332
Total	**19,820**	**10,803**	**83%**	**21,290**	**11,060**

Subsequent events

Shareholders' Capital Reduction and Dividend

On 26 September 2023, the board of directors approved the reduction in ordinary share capital of USD 4.1 billion which was transferred into retained earnings in order to increase the level of distributable reserves. The board of directors have also declared a USD 1.1 billion interim dividend for the period ended 30 June 2023.

The Management Report is approved by Order of the Board

Paul E Hare
Company Secretary

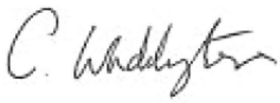
One Cabot Square
London E14 4QJ
26 September 2023

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
26 September 2023

Independent review report to 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 2023 (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 in the European Union and the Luxembourg Transparency Act 2008.

The interim financial statements comprise:

- the Unaudited Condensed Consolidated Interim Statement of Financial Position as at 30 June 2023;
- the Unaudited Condensed Consolidated Interim Statement of Income and Unaudited Condensed Consolidated Interim Statement of Comprehensive Income for the period then ended;
- the Unaudited Condensed Consolidated Interim Statement of Cash Flows for the period then ended;
- the Unaudited 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 in 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 ("ISRE (UK) 2410"). 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 ISRE (UK) 2410. 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
26 September 2023

Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2023

Unaudited Condensed Consolidated Interim Statement of Income for the six months ended 30 June 2023

	Reference to note	**6M23**	6M22
Consolidated Statement of Income (USD million)			
Interest income		1,577	458
- of which Interest income from instruments at amortised cost		1,214	231
Interest expense		(1,432)	(500)
- of which Interest expense on instruments at amortised cost		(1,134)	(368)
Net interest income/(expense)		145	(42)
Commission and fee income		73	194
(Allowance)/reversal for credit losses	4	(8)	164
Net gains from financial assets/liabilities at fair value through profit or loss		764	1,146
Other revenues		32	85
Net revenues		**1,006**	**1,547**
Compensation and benefits		(296)	(338)
General, administrative and trading expenses [1]		(1,379)	(1,017)
Restructuring expenses	5	(47)	(17)
Total operating expenses		**(1,722)**	**(1,372)**
(Loss)/Profit before taxes		**(716)**	**175**
Income tax expense	6	(90)	(56)
(Loss)/Profit for the year		**(806)**	**119**

[1] General, administrative and trading expenses includes impariment of intangible asseets of USD 305 million (6M22:USD 0 million). For further detail refer to Note 9 – Intangible Assets

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income for the six months ended 30 June 2023

	6M23	6M22
Consolidated Statement of Comprehensive Income (USD million)		
(Loss)/Profit for the year	**(806)**	**119**
Cash flow hedges – effective portion of changes in fair value	29	(31)
Related tax on cash flow hedges – effective portion of changes in fair value	–	(3)
Items that are or may be reclassified subsequently to Statement of income	**29**	**(34)**
Remeasurements of defined benefit asset	(50)	–
Related tax on remeasurements of defined benefit asset	14	(10)
Unrealised (loss)/gain on designated financial liabilities relating to credit risk	(21)	10
Related tax on Unrealised loss on designated financial liabilities relating to credit risk	3	–
Items that will not be reclassified to Statement of income	**(54)**	**–**
Total other comprehensive loss for the period (Net of taxes)	**(25)**	**(34)**
Total comprehensive (loss)/profit	**(831)**	**85**
Attributable to Credit Suisse International shareholders	(831)	85

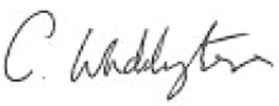
The accompanying notes on pages 22 to 50 are an integral part of these condensed consolidated interim financial statements.

Unaudited Condensed Consolidated Interim Statement of Financial Position as at 30 June 2023

	Reference to note	6M23	end of 2022
Assets (USD million)			
Cash and due from banks		4,885	4,149
Interest-bearing deposits with banks		10,502	12,085
Securities purchased under resale agreements and securities borrowing transactions		9,327	10,527
Trading financial assets mandatorily at fair value through profit or loss [1]		82,851	107,973
of which positive market values from derivative instruments	7	71,884	90,067
Non-trading financial assets mandatorily at fair value through profit or loss		15,060	22,831
Loans and advances		3,475	2,973
Current tax assets		92	110
Other assets	8	19,543	21,744
Property and equipment		365	372
Intangible assets	9	122	482
Total assets		**146,222**	**183,246**
Liabilities (USD million)			
Due to banks		113	266
Securities sold under repurchase agreements and securities lending transactions		1,445	2,924
Trading financial liabilities mandatorily at fair value through profit or loss		75,438	93,397
of which negative market values from derivative instruments	7	72,823	88,473
Financial liabilities designated at fair value through profit or loss		14,968	27,169
Borrowings		13,733	6,025
Current tax liabilities		3	3
Deferred tax liabilities		58	–
Other liabilities	8	11,261	16,675
Provisions	10	213	45
Debt in issuance	11	11,385	18,309
Lease liabilities		532	529
Total liabilities		**129,149**	**165,342**
Shareholders' equity (USD million)			
Share capital		11,366	11,366
Other equity instrument		1,200	1,200
Capital contribution		887	887
Retained earnings		4,046	4,852
Accumulated other comprehensive income		(426)	(401)
Total shareholders' equity		**17,073**	**17,904**
Total liabilities and shareholders' equity		**146,222**	**183,246**

[1] Trading Financial assets mandatorily at fair value through profit or loss includes trading assets pledged of USD 6,391 million (2022: USD 10,578 million).

The financial statements on pages 17 to 50 were approved by the Board of Directors on 26 September 2023 and signed on its behalf by:



Caroline Waddington
Director

The accompanying notes on pages 22 to 50 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 2023

	Share Capital	Capital contribution	Other Equity Instruments	Retained Earnings	AOCI [1]	Total
Condensed Consolidated Interim Statement of Changes in Equity (USD million)						
Balance at 1 January 2023	**11,366**	**887**	**1,200**	**4,852**	**(401)**	**17,904**
Loss for the period	–	–	–	(806)	–	(806)
Unrealised gain/ (loss) on designated financial liabilities relating to credit risk	–	–	–	–	(21)	(21)
Related tax on Unrealised gain/ (loss) on designated financial liabilities relating to credit risk	–	–	–	–	3	3
Cash flow hedges – effective portion of changes in fair value	–	–	–	–	29	29
Related tax on Cash flow hedges – effective portion of changes in fair value	–	–	–	–	–	–
Remeasurement of defined benefit pension assets	–	–	–	–	(50)	(50)
Related tax on defined benefit pension assets	–	–	–	–	14	14
Total comprehensive income for the period	**–**	**–**	**–**	**(806)**	**(25)**	**(831)**
Balance at 30 June 2023	**11,366**	**887**	**1,200**	**4,046**	**(426)**	**17,073**
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/ (loss) on designated financial liabilities relating to credit risk	–	–	–	–	10	10
Related tax on Unrealised gain/ (loss) on designated financial liabilities relating to credit risk	–	–	–	–	–	–
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 for the period	**–**	**–**	**–**	**119**	**(34)**	**85**
Balance at 30 June 2022	**11,366**	**887**	**–**	**5,655**	**(194)**	**17,714**

[1] AOCI refers to Accumulated Other Comprehensive Income

There were no dividends paid during the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

The accompanying notes on pages 22 to 50 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 2023

	Reference to note	6M23	6M22
Cash flows from operating activities (USD million)			
(Loss)/Profit before tax for the period		(716)	175
Adjustments to reconcile (loss)/profit before tax to net cash generated from/(used in) operating activities (USD million)			
Non-cash items included in loss before tax and other adjustments:			
Depreciation, impairment and amortisation		412	95
Depreciation and impairment on investment property		–	1
Share based compensation charge		40	–
Pension plan (credit)/charge		(12)	–
Accrued interest on debt in issuance		434	142
Accrued interest on lease liability		8	9
Allowances for credit losses / (Release of allowances)	4	8	(164)
Foreign exchange loss / (gain) [2]		205	(2,352)
Provisions	10	177	38
Total adjustments		**1,272**	**(2,231)**
Cash used before changes in operating assets and liabilities		**556**	**(2,056)**
Net decrease/(increase) in operating assets:			
Interest bearing deposit with banks		1,583	12,290
Securities purchased under resale agreements and securities borrowing transactions		1,200	(21,253)
Trading financial assets mandatorily at fair value through profit or loss		25,122	16,773
Non-trading financial assets mandatorily at fair value through profit or loss		7,784	9,254
Loans and advances		(507)	(35)
Other assets	8	2,167	3,269
Net decrease in operating assets		**37,349**	**20,298**
Net (decrease)/increase in operating liabilities:			
Securities sold under repurchase agreements and securities lending transactions		(1,479)	(93)
Trading financial liabilities mandatorily at fair value through profit or loss		(17,960)	(14,762)
Financial liabilities designated at fair value through profit or loss		(12,206)	1,964
Borrowings		7,708	7,162
Share based compensation (Reported as other liabilities & provisions)		(71)	(9)
Other liabilities and provisions	8,10	(5,831)	(1,422)
Net (decrease) in operating liabilities		**(29,839)**	**(7,160)**
Income taxes refunded		1	–
Income taxes paid		(10)	(10)
Net group relief received/(paid)		10	(13)
Net cash generated from operating activities		**8,067**	**11,059**
Cash flows from investing activities (USD million)			
Capital expenditures for property, equipment and intangible assets	9	(33)	(90)
Net cash used in investing activities		**(33)**	**(90)**
Cash flow from financing activities (USD million)			
Issuances of debt in issuance	11	2	417
Repayments of debt in issuance	11	(7,135)	(11,643)
Repayments of lease liability		(42)	(24)
Net cash flow (used in) financing activities		**(7,175)**	**(11,250)**
Net change in cash and cash equivalents		**859**	**(281)**
Cash and cash equivalents at beginning of period [1]		3,883	1,266
Effect of exchange rate fluctuations on cash and cash equivalents		30	(44)
Cash and cash equivalents at end of period (USD million)		**4,772**	**941**
Cash and due from banks		4,885	1,483
Due to banks		(113)	(542)
Cash and cash equivalents at end of period (USD million) [1]		**4,772**	**941**

Interest received was USD 1,582 million (6M22: USD 470 million), interest paid was USD 1,420 million (6M22: USD 480 million).

[1] At 6M23, USD 53 million (6M22: USD 54 million) was not available for use by CSi relating to mandatory deposits at central banks.

[2] Foreign Exchange (gain)/loss includes FX movement on Investing and Financing activity and Cash & Cash Equivalents.

The accompanying notes on pages 22 to 50 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 2023

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the Six Months Ended 30 June 2023

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 2023 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 26 September 2023.

2 Significant Accounting Policies

Basis of preparation

The CSi Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2023 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 2022 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 2022, 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. 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 2022.

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 2022.

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. A change in estimate has been incorporated within the Interim Financial Statements compared to those disclosed in Note 3 Critical Accounting Estimates and Judgements in Applying Accounting Policies in the 2022 Annual report, whereby a reassessment of the useful economic lives of internally developed software has been updated. Refer to note 9 Intangible Assets for more details. No other significant changes to policies and methods of computation have been made 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.

For details on the movements in the following financial statements line items namely, Non-trading financial assets mandatorily at fair value through profit or loss, Loans and advances, Financial liabilities designated at fair value through profit or loss and Borrowings, please refer to Unaudited Commentary on Condensed Consolidated Statement of Financial Position in the Performance section of the Interim Management's report for the for the six months ended 30 June 2023 on Page 9 of this document.

Going Concern

The Board has assessed 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.

CSi is reliant on funding from Credit Suisse AG ('CS AG') which has provided a letter of intent to ensure CSi can meet its debt obligations from 22 September 2023 for the next 18 months.

CS AG runs a global liquidity rebalancing process across major legal entities to respond to liquidity demands across the CS AG. On 12 June 2023, UBS Group AG completed the acquisition of CS AG. UBS Group AG has provided a letter of support that confirms the intent to keep CS AG in good standing and in compliance with its requirements as well as debt covenants and to fully support its operating, investing and financing activities from 22 September 2023 to at least 30 September 2024.

The Board has not yet finalised its future plans for CSi following UBS group's acquisition of CS group. However, in the event of a decision to wind down CSI's operations, it is management's conclusion that even on an accelerated basis it is likely to take longer than 18 months to complete this.

In considering going concern, the directors also have reviewed the capital, liquidity, and financial position of CSi including forward looking plans. CSi currently has capital and liquidity surpluses to all regulatory limits and is forecast to maintain them for at least 12 months.

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

Standards adopted and effective in the current period

The CSi group has adopted the following amendment in the current period.

Amendments to IAS 12, Income Taxes
In May 2023, the IASB issued amendments to IAS 12 Income Taxes, whereby, under an exception, deferred tax assets ('DTA') and deferred tax liabilities ('DTL') will not be recognised in respect of top-up tax on income under Global Anti-Base Erosion Rules that is imposed under tax law that is enacted or substantively enacted, to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. This exception applies immediately upon the issuance of the amendments and it is, therefore, potentially relevant to these financial statements and subsequent financial statements. The CSi group did not have any DTAs or DTLs on 30 June 2023 that had not been recognised as a result of the application of this exception. The exception is expected to be removed by the IASB in due course, although the timing of that has not been specified. The amendments also introduced new disclosure requirements in relation to top-up tax, which will first apply to the Group's financial statements for the year ended 31 December 2023.

3 Segmental Analysis

CSi group has 3 reportable segments namely, Investment Bank, Capital Release Unit ('CRU') and Corporate Centre, 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. As part of the CS AG strategic review announced October 27, 2022, the Investment Bank's focus was on areas closely connected to the bank's core businesses. It comprises of (i) Markets business committed to serving institutional clients, its leading capabilities in cross-asset investor products as well as equities, FX and rates being closely aligned with the Wealth Management and Swiss Bank franchises; and (ii) IBCM and Credit focusing on advisory and capital markets areas. Additionally, a new Capital Release Unit ('CRU') was created and comprises a Non-Core Unit ('NCU') and the Group's Securitised Products business. The NCU's purpose is to release capital through the wind-down of non-strategic, low return business. The NCU includes the remainder of Prime Services, non-Wealth Management related lending in Emerging Markets, and some European lending and capital markets activities.

For the period ended 30 June 2022, the CSi group had 2 reportable segments, Investment Bank and Corporate centre.

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 AG 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 of the entity as well as the relevant tax jurisdiction. Substantially all the revenues are generated in the UK region and substantially all non-current assets are located in the UK region.

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

	6M23	6M22 [1]
Revenues (USD million)		
Investment Bank	**687**	**1,299**
- Markets	591	1,144
- Investment Banking Capital Markets ('IBCM') & Credit	39	145
- IB Management	57	10
Capital Release Unit ('CRU')	**(162)**	**10**
- Securitised Products ('SP')	(43)	37
- Non Core Unit	(119)	(27)
Other	10	10
Corporate centre	(29)	66
Total	**506**	**1,385**

[1] 6M22 numbers have been restated to conform to the current period's presentation.

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

	6M23	6M22 [1]
Consolidated Income before taxes (USD million)		
Investment Bank	**151**	**326**
- Markets	219	425
- Investment Banking Capital Markets ('IBCM') & Credit	(176)	(164)
- IB Management	108	65
Capital Release Unit ('CRU')	**(498)**	**(202)**
- Securitised Products ('SP')	(69)	(18)
- Non Core Unit	(429)	(184)
Other	(15)	(14)
Corporate centre	(89)	16
Total	**(451)**	**126**

[1] 6M22 numbers have been restated to conform to the current period's presentation.

CSi group Assets:

Non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts, consist of property and equipment, investment property and intangible assets totalling USD 487 million (6M22: USD 902 million).

Reconciliation of reportable segment revenues

	6M23	6M22
Reconciliation of reportable segment revenues (USD million)		
Total revenues for reportable segments	506	1,385
Transfer pricing agreements and cross divisional revenue share agreements	47	83
Treasury funding	306	(117)
Allowance for Credit Losses	(8)	164
CSi group to primary reporting reconciliations [1]	155	32
Net revenues as per Consolidated Statement of Income	**1,006**	**1,547**

[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.

	6M23	6M22 [2]
Reconciliation of reportable segment income before taxes (USD million)		
Income before taxes for reportable segments	(451)	126
Shared services	(490)	(22)
CSi group to primary reporting reconciliations [1]	225	71
(Loss)/Profit before taxes as per Consolidated Statement of Income	**(716)**	**175**

[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.

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

4 Allowance for Credit Losses

	6M23	6M22
(Allowance)/Reversal for credit losses (USD million)		
Loans held at amortised cost	(5)	(2)
Other financial assets held at amortised cost	(4)	165
Off-balance sheet credit exposures	1	1
Total (allowance)/reversal for credit losses	**(8)**	**164**

5 Restructuring Expenses

On 27 October 2022, the Bank announced certain strategic actions and completed the restructuring program announced on 4 November 2021 at the end of September 2022. Restructuring expenses of USD 47 million and USD 17 million were recognised in 6M23 and 6M22, respectively. Restructuring expenses include severance expenses, expenses in connection with the acceleration of certain deferred compensation and other personnel related charges. General administrative expenses include amortisation on internally developed software and other professional expenses.

Additional restructuring expenses may be incurred as a result of future strategic announcements relating to the merger with UBS.

	6M23	6M22
Restructuring expenses by type (USD million)		
Compensation and benefits-related expenses	**(15)**	**(13)**
of which severance	(11)	(3)
of which accelerated deferred compensation	(4)	(10)
General and administrative-related expenses	(32)	(4)
Total Restructuring expenses	**(47)**	**(17)**

	6M23		6M22	
	Severance expenses	**Total**	Severance expenses	**Total**
Restructuring provision (USD million)				
Balance at beginning of the period/year	12	12	(4)	(4)
Net additional charges	11	11	(3)	(3)
Utilisation and foreign exchange fluctuations	(19)	(19)	2	2
Balance at end of the period/year	**4**	**4**	**(4)**	**(4)**

Liability relating to accelerated deferred compensation, not included in the above table, is included in Share-based compensation liability. For details, refer Note 8 – Other Assets and Other Liabilities.

Amortisation relating to internally developed software, not included in the above table, is included in accumulated depreciation for intangible assets. For details, refer Note 9 – Intangible assets.

6 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 2023 as applied to the results for the six months ended 30 June 2023. The total income tax expense for the six months ended 30 June 2023 is USD 90 million and represents an effective tax rate for the period of (12.6)% and reflects the impact of the deferred tax not recognised on tax losses, derecognition of deferred tax assets offset against the deferred tax liability on the pension asset and permanent tax adjustments. The effective tax rate for the six months ended 30 June 2022 was 31.8%, which reflects the impact of permanent tax adjustments and the reduction in the UK bank corporation tax surcharge rate.

Following management's evaluation of the deferred tax asset recoverability as at 30 June 2023, deferred tax assets of USD 2,457 million (30 June 2022: 1,886 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 used to offset deferred tax liabilities may need to be adjusted if full recovery of the remaining deferred tax asset balance is no longer probable.

7 Derivatives

Derivatives (USD million)	6M23[1] Trading Gross Derivative Assets	6M23[1] Trading Gross Derivative Liabilities	6M23[1] Hedging Gross Derivative Assets	6M23[1] Hedging Gross Derivative Liabilities	2022[1] Trading Gross Derivative Assets	2022[1] Trading Gross Derivative Liabilities	2022[1] Hedging Gross Derivative Assets	2022[1] Hedging Gross Derivative Liabilities
Trading and hedging derivatives instruments (USD million)								
Interest rate products	36,899	35,989	–	–	43,494	43,022	–	–
Foreign exchange products	15,033	15,407	20	–	21,904	20,634	7	17
Equity/index related products	25,762	27,159	–	–	28,703	29,258	–	–
Credit products	3,472	3,664	–	–	4,777	4,608	–	–
Other products	217	93	–	–	294	320	–	–
Total derivative instruments	**81,383**	**82,312**	**20**	**–**	**99,172**	**97,842**	**7**	**17**

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

Offsetting of derivative instruments

	6M23 Gross	6M23 Offsetting	6M23 Net	2022 Gross	2022 Offsetting	2022 Net
Derivative Assets (USD millions)						
Derivative instruments subject to enforceable master netting agreements	80,574	(9,499)	71,075	98,249	(9,105)	89,144
Derivative instruments not subject to enforceable master netting agreements	829	–	829	930	–	930
Total derivative instruments presented in the Condensed Consolidated Statement of Financial Position	**81,403**	**(9,499)**	**71,904**	**99,179**	**(9,105)**	**90,074**
of which recorded in trading financial assets mandatorily at fair value through profit or loss	81,383	(9,499)	71,884	99,172	(9,105)	90,067
of which recorded in other assets	20	–	20	7	–	7
Derivative Liabilities						
Derivative instruments subject to enforceable master netting agreements	81,619	(9,489)	72,130	96,886	(9,369)	87,517
Derivative instruments not subject to enforceable master netting agreements	693	–	693	973	–	973
Total derivative instruments presented in the Condensed Consolidated Statement of Financial Position	**82,312**	**(9,489)**	**72,823**	**97,859**	**(9,369)**	**88,490**
of which recorded in trading financial liabilities mandatorily at fair value through profit or loss	82,312	(9,489)	72,823	97,842	(9,369)	88,473
of which recorded in other liabilities	–	–	–	17	–	17

8 Other Assets and Other Liabilities

	6M23	2022
Other assets (USD million)		
Brokerage receivables		
Due from customers	694	1,144
Due from banks, brokers and dealers	365	687
Interest and fees receivable	346	392
Cash collateral on derivative instruments		
Banks	7,005	6,563
Customers	10,116	11,658
Net Defined Benefit Asset	554	567
Cash collateral on non-derivative instruments	214	421
Other	249	312
Total other assets	**19,543**	**21,744**

	6M23	2022
Other liabilities (USD million)		
Brokerage payables		
Due from customers	200	388
Due from banks, brokers and dealers	455	696
Interest and fees payable	894	942
Cash collateral on derivative instruments		
Banks	7,087	8,767
Customers	2,105	2,793
Cash collateral on non-derivative instruments	193	2,497
Share-based compensation liability	23	53
Other	304	539
Total other liabilities	**11,261**	**16,675**

9 Intangible Assets

	6M23	6M22
Intangible Assets (USD million)	Total	Total
Cost:		
Cost as at 1 January	**1,717**	**1,604**
Additions	30	84
Disposals	–	(1)
Impairment	(319)	–
Cost as at period end	**1,428**	**1,687**
Accumulated amortisation:		
Accumulated amortisation as at 1 January	**(1,235)**	**(1,109)**
Amortisation for the year	(71)	(75)
Impairment	–	–
Accumulated amortisation as at period end	**(1,306)**	**(1,184)**
Net book value as at 1 January	**482**	**495**
Net book value as at period end	**122** [1]	**503**

[1] Intangible Assets includes Work-in-progress of USD 21 million (6M22: USD 162 million) and not subject to amortisation.

The nature of Intangible Assets is Internally Developed Software ('IDS'). The recoverable amount of CSi's intangible assets is estimated based on their value-in-use. Following the UBS group acquisition of CS AG, CSi initiated the reassessment of Internally Developed Software as numerous assets are expected to be used for a significantly shorter period of time. This has driven an increase in impairment expense following the reassessment of Internally Developed Software's useful economic life. The impairment of USD 305 million is included in the General, Administrative and Trading expenses line and of USD 14 million is included in the Restructuring expenses line of the Statement of Profit or Loss for the six months period ended 30 June 2023.

10 Provisions

Group	Property	Litigation	Total
6M23 **Provisions (USD million)**			
Balance at 1 January 2023	16	29	45
Charges/Additions during the year	(1)	183	182
Released during the year	–	(5)	(5)
Utilised during the year	–	(10)	(10)
Revaluation	1	–	1
Balance at 30 June 2023	**16**	**197**	**213**
6M22 **Provisions (USD million)**			
Balance at 1 January 2022	15	297	312
Charges/Additions during the year	–	47	47
Released during the year	–	(9)	(9)
Utilised during the year	–	(323)	(323)
Revaluation	(2)	–	(2)
Balance at 30 June 2022	**13**	**12**	**25**

Property provision

The property provision mainly relates to property reinstatement obligations that will be incurred when the leases expire.

Building	Provision	Utilisation period
5 Canada Square, London	USD 2 million	30 October 2027
5 Canada Square	USD 3 million	31 December 2027
Global Switch	USD 2 million	30 September 2025
17 Columbus Courtyard, London.	USD 9 million	31 December 2023

Litigation provision

The CSi group accrues litigation provisions (including fees and expenses of external lawyers and other service providers) in connection with certain judicial, regulatory and arbitration proceedings when reasonably possible losses, additional losses or ranges of loss are more likely than not and can be reliably estimated. The balance of litigation provisions as at 30 June 2023 was USD 197 million (2022: USD 29 million). General Counsel in consultation with the business reviews CS AG judicial, regulatory and arbitration proceedings each quarter to determine the adequacy of its litigation provisions and may increase or release provisions based on management's judgement and the advice of counsel. The anticipated utilisation of these litigation provisions typically ranges from six to eighteen month period, however certain litigation provisions are anticipated to extend beyond this period. Further provisions or releases of litigation provisions may be necessary in the future as developments in such litigation, claims or proceedings warrant. The CSi group has established provisions in line with the above process for all cases but believes that disclosure of the specific facts of such case would violate confidentiality obligations to which CSi group is subject or to prejudice seriously CSi group's management of the matter. The exact timing of outflow of economic benefits cannot be ascertained at 30 June 2023. All Legal cases are disclosed in the contingent liabilities and other commitments note.

→ Refer Note 14 – Contingent Liabilities, Guarantees and Commitments

11 Debt in Issuance

	Balance as at 1 January	Issuance	Repayments	Transactional FX	Balance as at 30 June
Debt in issuances (USD million)					
6M23					
Senior debt	18,306	2	(7,135)	209	11,382
Subordinated debt	3	–	–	–	3
Total Debt in issuance	**18,309**	**2**	**(7,135)**	**209**	**11,385**

Debt in issuance (USD million)					
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**

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.

12 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 2022.

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
6M23	Gross Exposure	Allowance for ECL	Gross Exposure	Allowance for ECL	Gross Exposure	Allowance for ECL	Gross Exposure	Allowance for ECL
Financial Instruments (USD million)								
Loans and Advances	3,138	4	114	2	28	19	3,280	25
Loan Commitments	724	2	18	–	–	–	742	2
Other Assets	34,382	5	31	–	–	–	34,413	5
Financial Guarantees	2	–	–	–	–	–	2	–
Closing balance	**38,246**	**11**	**163**	**2**	**28**	**19**	**38,437**	**32**

2022	12 Month ECL Stage 1 Gross Exposure	12 Month ECL Stage 1 Allowance for ECL	Not credit impaired Lifetime ECL Stage 2 Gross Exposure	Not credit impaired Lifetime ECL Stage 2 Allowance for ECL	Credit impaired Lifetime ECL (excluding purchased / originated credit impaired) Stage 3 Gross Exposure	Credit impaired Lifetime ECL (excluding purchased / originated credit impaired) Stage 3 Allowance for ECL	Total Gross Exposure	Total Allowance for ECL
Financial Instruments (USD million)								
Loans and Advances	2,717	4	29	1	28	15	2,774	20
Loan Commitments	985	2	186	1	–	–	1,171	3
Other Assets	32,810	1	–	–	4,603	4,374	37,413	4,375
Closing balance	**36,512**	**7**	**215**	**2**	**4,631**	**4,389**	**41,358**	**4,398**

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 growth rates. These MEFs are used in the portfolio- and region-specific ECL models and have been selected based on statistical criteria and expert judgement to explain expected credit losses.

As of the end of 30 June 2023 ('2Q23'), the forecast macroeconomic scenarios were weighted 60% for the baseline, 15% for the Mild Debt Scenario, 25% for Stagflationary Geopolitical Crisis and 0% for the upside scenario. The scenarios and their weights have changed compared to the scenario and their weights applicable as of the end of 4Q22 and 1Q23 (50% for baseline, 40% for downside and 10% for the upside). These MEFs forecasts are recalibrated on a quarterly basis. The macroeconomic and market variable projections incorporate adjustments to reflect the impact of monetary policy tightening by the world's major central banks in response to persistent high inflation rates, continued pressure on real purchasing power due to rising prices and fading fiscal support. While GDP and industrial production growth rates 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.

Expected credit losses are not solely derived from MEF projections. Model overlays based on expert judgement are also applied, considering historical loss experience and industry and counterparty reviews, and are primarily impacting certain corporate and institutional loans. Such overlays are designed to address circumstances where in management's judgement the IFRS 9 ECL model outputs are overly sensitive to the effect of economic inputs that exhibit significant deviation from their long-term historical averages. Overlays may also be used to capture judgement on the economic uncertainty from global or regional developments with severe impacts on economies.

In the baseline scenario, Global growth is expected to slow down under the weight of central bank tightening, continued pressure on real purchasing power due to high inflation and fading fiscal support. Global growth forecast of 2.8% in 2023 is nearly a full percentage point below the long run average, and the recent loss of momentum in China and the Eurozone suggests risks are to the downside. This makes for a challenging backdrop for equities is challenging, however, 2023 is expected to be a year of inflections for inflation, monetary policy, and economic growth. The long-term interest rate expectations for the US and Eurozone show an upward shift but appear to have peaked.

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.

13 Related Parties

The CSi group is controlled by UBS Group AG, its ultimate parent. The registered office of UBS Group AG is at Bahnhofstrasse 45, 8001 Zurich, Switzerland. The CSi group's parent company, which holds a majority of the voting rights in the undertaking, is CS AG, which is incorporated in Switzerland. UBS Group AG now holds 100% of capital and votes in CS AG, which is incorporated in Switzerland. The registered address of CS AG is Paradeplatz 8, 8070 Zurich, Switzerland. The CSi group has significant related party balances with subsidiaries and affiliates of UBS Group AG and CS AG, with substantially all balances with CS group entities. These transactions largely comprise of derivative trades, as the Bank is the principal risk taker for derivatives within the CS AG, as well as funding trades via use of loans or due to banks, reverse repurchase or repurchase agreements. In addition, the ordinary shares are held by UBS Group AG and subsidiaries of UBS Group AG (i.e., CS AG). 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 group entities of CS AG 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 2023 compared to the year ended 31 December 2022. The magnitude of balances has decreased consistent with overall reductions in the balance sheet.

14 Contingent Liabilities and Commitments

CSi is the subject of a number of litigation matters. Provision for loss are made where the IFRS requirements for recognition of a provision are satisfied i.e. i) loss is probable (>50% likelihood of loss); and ii) losses can be reliably estimated.

CSi has a litigation provision of USD 197 million, of which USD 2.7 million relates to legal fees as at year end 30 June 2023. Below are the potentially more significant litigation matters.

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 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. In 2019, three former Credit Suisse employees pleaded guilty in the EDNY to accepting improper personal benefits in connection with financing transactions carried out with two Mozambique state enterprises.

On 19 October 2021, Credit Suisse 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 agencies. In the resolution with the FCA, CSi CSS(E)L, and CS AG, London Branch agreed that, in respect of these transactions with 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 has also agreed with the FCA to forgive USD 200 million of debt owed to Credit Suisse by Mozambique.

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

The Republic of Mozambique filed an updated Particulars of Claim on 27 October 2020, and the Credit Suisse entities filed their amended defence and counterclaim on 15 January 2021. Following the announcement of the global regulatory resolution on 19 October 2021, Credit Suisse filed a re-amended defence on 24 December 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 damages alleged to have arisen in connection with the transactions involving ProIndicus and EMATUM, and a transaction in which Credit Suisse had no involvement with Mozambique Asset Management S.A. Also 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. On 4 August 2022, the Republic of Mozambique filed an updated Particulars of Claim addressing Credit Suisse's October

2021 resolutions with various regulatory and enforcement authorities, and framing its claim for consequential damages. On 23 September 2022, Credit Suisse filed its Re-Amended Defense in response. The English High Court has scheduled trial to begin in October 2023.

On 27 April 2020, Banco Internacional de Moçambique ('BIM'), a member of the ProIndicus syndicate, brought a claim against CSi and CS AG (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 defence to this claim on 28 August 2020, to which BIM replied on 16 October 2020. 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 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. The Credit Suisse entities filed their defence to this claim on 24 February 2021. On 4 February 2022, B&O filed an amended claim, and the Credit Suisse entities filed an amended defence on 18 February 2022.

On 3 June 2021, United Bank for Africa PLC ('UBA'), a member of the ProIndicus syndicate, brought a claim against CSi and CS AG (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 defence on 15 December 2021, and UBA filed its amended reply on 5 January 2022.

On 16 March 2023, Moza Banco S.A., a syndicate member of the ProIndicus loan, filed a claim against CSi, Credit Suisse AG and CSS(E)L in the English High Court, making allegations similar to those in litigations filed by other ProIndicus syndicate members. This claim has been stayed until the determination of the October 2023 trial in the English High Court in the litigation brought by the Republic of Mozambique.

On 23 February 2022, Privinvest Holding SAL (Privinvest), the parent company of certain entities involved in the Mozambique transactions, and its owner Iskandar Safa brought a defamation claim in a Lebanese court against CSS(E)L and CS AG. The lawsuit alleges damage to the claimants' professional reputation in Lebanon due to statements that were allegedly made by Credit Suisse in documents relating to the October 2021 settlements with global regulators. On 18 August 2022, the parties agreed to a stay of the proceedings until the date of the final judicial determination of the English High Court litigation, including any appeals, and on 23 August 2022, the parties filed an application for a stay with the Lebanese Court.

On 2 November 2022, Jean Boustani, a Privinvest employee who was the lead negotiator on behalf of Privinvest in relation to the Mozambique transactions, brought a defamation claim in a Lebanese court against CS AG and CSS(E)L. The lawsuit makes substantially the same allegations as the claim described immediately above.

In relation to the Supply Chain Funds matter, Credit Suisse, including CSi, has received requests for documents and information in connection with inquiries, investigations, enforcement and other actions by FINMA, the FCA and other regulatory and governmental agencies. The Luxembourg Commission de Surveillance du Secteur Financier is reviewing the matter through a third party. Credit Suisse is cooperating with these authorities. On 28 February 2023, FINMA announced the conclusion of its enforcement proceedings against Credit Suisse in connection with the SCFF matter. In its order, FINMA reported that Credit Suisse had seriously breached applicable Swiss supervisory laws in this context with regard to risk management and appropriate operational structures. While FINMA recognized that Credit Suisse has already taken extensive organizational measures based on its own investigation into the SCFF matter, particularly to strengthen its governance and control processes, and FINMA is supportive of these measures, the regulator has ordered certain additional remedial measures.

Certain civil actions have 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.

In relation to the Archegos matter, Credit Suisse has received requests for documents and information in connection with inquiries, investigations and/or actions relating to Credit Suisse's relationship with Archegos Capital Management ('Archegos'), including from FINMA (assisted by a third party appointed by FINMA), the DOJ, the SEC, the US Federal Reserve, the US Commodity Futures Trading Commission ('CFTC''), the US Senate Banking Committee, the Prudential Regulation Authority ('PRA'), the FCA, COMCO, the Hong Kong Competition Commission and other regulatory and governmental agencies. Credit Suisse is cooperating with the authorities in these matters.

On 24 July 2023, the PRA and the US Federal Reserve announced resolutions of their investigations of Credit Suisse's relationship with Archegos. CSi and CSS(E)L entered into a settlement agreement with the PRA providing for the resolution of the PRA's investigation, following which the PRA published a Final Notice imposing a financial penalty of GBP 87 million on CSi and CSS(E)L for breaches of various of the PRA's Fundamental Rules of which GBP 44 million was expensed in CSi.

UBS Group AG, CS AG, Credit Suisse Holdings (USA) Inc., and CS AG, New York Branch entered into an Order to Cease and Desist with the Board of Governors of the Federal Reserve System. Under the terms of the order, Credit Suisse agreed to pay a civil money penalty of USD 269 million, of which USD 134 million was expensed in CSi, and to undertake certain remedial measures. FINMA also entered a decree dated 14 July 2023 announcing the conclusion of its enforcement proceeding, finding that Credit Suisse had seriously violated financial market law in connection with its business relationship with Archegos and ordering remedial measures directed at CS AG and UBS Group AG, as the legal successor to CS AG.

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

On 15 November 2018, Loreley Financing ('Jersey') No. 30 Limited ('L30') filed a claim in the English High Court against certain Credit Suisse entities, including CSi, seeking USD 100 million in damages, plus interest and costs, on the basis of a number of causes of action, including fraudulent misrepresentation. The claim concerns losses allegedly suffered by L30 relating to its purchase of certain notes in July 2007 issued in Ireland by Magnolia Finance II plc and linked to the credit of a reference portfolio of RMBS. Following service of the claim in the first quarter of 2020, Credit Suisse filed its Defence in June 2020. L30 serving further amended versions of its claim in January and October 2022. Credit Suisse filed its amended Defence in November 2022. The trial concluded in June 2023 and the judgement is pending.

15 Employee Share-based Compensation and Other Compensation Benefits

Share-based compensation benefits

Prior to the acquisition of CS AG by UBS Group AG, the Company granted shares in its ultimate parent to certain employees. Following the acquisition, any outstanding shares were converted to UBS Group AG shares in the ratio of 1 UBS share for every 22.48 CS AG shares held.

The Company pays for UBS Group AG shares at market value at the time of settlement to employees.

The share-based awards are classified as a cash-settled share-based payment plan. A liability equal to the portion of the services received is recognised at the current market value determined at each balance sheet date.

The expense for share-based payments is determined by treating each tranche as a separate grant of share awards and is accrued over the vesting period for each tranche, unless the employee is eligible for early retirement or retirement before the end of the vesting period, in which case recognition of the expense would be accelerated over the shorter period.

Share awards are made to employees in one of the following ways:

- Phantom share awards
- Special awards, which are typically awarded upon hiring of certain senior employees or in relation to business acquisitions. The terms (including amount, vesting, settlement, etc) of special awards vary significantly from award to award.
- Performance Share awards
- Strategic Delivery Plan awards

Phantom shares, Performance share awards and Strategic Delivery Plan awards are accrued over the vesting period, which generally range between 3 to 7 years. Certain awards vest at grant date and are therefore accrued fully at grant date. Special awards are accrued over the vesting period as per award terms.

Changes in foreign exchange and market value of the above share plan obligations between grant date and settlement date are expensed within operating expenses. Total value of awards accrued and outstanding at end of the accounting period is classified as a liability.

The majority of share awards granted include the right to receive dividend equivalents on vested shares.

Employee Share-based Compensation and Other Compensation Benefits

Payment of deferred compensation to employees is determined by the nature of the business, role, location and performance of the employee. Unless there is a contractual obligation, granting deferred compensation is solely at the discretion of the Compensation Committee and senior management. Special deferred compensation granted as part of a contractual obligation is typically used to compensate new senior employees for forfeited awards from previous employers upon joining the Company. It is the Company's policy not to make multi-year guarantees.

Compensation expense for share-based and other awards that were granted as deferred compensation is recognised in accordance with the specific terms and conditions of each respective award and is primarily recognised over the future requisite service and vesting period, which is determined by the plan, retirement eligibility of employees and certain other terms. All deferred compensation plans are subject to restricted covenants, which generally include non-compete and non-solicit provisions. Compensation expense for share-based and other awards that were granted as deferred compensation also includes the current estimated outcome of applicable performance criteria, estimated future forfeitures and mark-to-market adjustments for certain awards that are still outstanding.

Total compensation (income)/expense for cash-settled share-based compensation plans recognised during the six months ended 30 June 2023 and 2022 was USD (14) million and USD (45) million respectively. The total stock award liability recorded as at 30 June 2023 was USD 24 million (2022: USD 126 million). The fair value used to calculate the stock award liability was the closing UBS Group AG share price as at 30 June 2023 CHF 18.095 (CS AG 2022: CHF 5.42). The average weighted fair value of awards granted as at 30 June 2023 was CHF 17.325 (2022: CHF 8.105). The intrinsic value of vested share-based awards outstanding as at 30 June 2023 was USD 11 million (2022: USD 54 million).

Share Awards

Share awards granted in February 2023 are similar to those granted in February 2022.These share awards vest over three years with one third of the share awards vesting on each of the three anniversaries of the grant date (ratable vesting), with the exception of awards granted to individuals classified as material risk takers ('MRTs'), risk manager MRTs or senior managers or equivalents under the EU or UK Capital Requirements Directive V related provisions. As of February 2023, share awards granted to MRTs vest over four years with one quarter of the award vesting on each of the four anniversaries of the grant date. Share awards granted to risk manager MRTs vest over five years with one fifth of the award vesting on each of the five anniversaries of the grant date. Share awards granted to senior managers vest over seven years, with one fifth of the award vesting on each of the third to seventh anniversaries of the grant date. Share awards are expensed over the service period of the awards. The value of the share awards is solely dependent on the UBS Group AG share price at the time of delivery.

The share awards include other awards, such as blocked shares, and special awards, which may be granted to new employees. These awards entitle the holder to receive one UBS Group AG share and are generally subject to continued employment with the Company, contain restrictive covenants and cancellation provisions and generally vest between zero and five years.

The majority of share awards granted include the right to receive dividend equivalents on vested shares.

Movements in the number of share outstanding were as follows:

Group	**6M23**	2022
Number of units (millions)		
As at 1 January	15.49	14.07
Granted	24.33	8.93
Shares transferred in/out	(0.25)	0.16
Delivered	(4.30)	(6.71)
Forfeited	(0.65)	(0.96)
Conversion to UBS Shares	(33.09)	–
As at end of period/year	**1.53**	**15.49**

Performance Share Awards ('PSA')

Prior to 2023, certain employees received a portion of their deferred variable compensation in the form of performance share awards. Performance share awards are similar to share awards, except that the full balance of outstanding performance share awards, including those awarded in prior years, are subject to performance-based malus provisions.

Performance share awards will no longer be used as a form of deferred compensation award for the 2022 performance year onwards.

Outstanding performance share awards are subject to a downward adjustment. Prior to the acquisition by UBS Group AG, the downward adjustment occurred where there was a divisional loss or a negative RoE for CS AG. This performance metric is currently under review in light of the acquisition by UBS Group AG

The majority of performance share awards granted include the right to receive dividend equivalents on vested shares.

Group	**6M23**	2022
Number of units (millions)		
As at 1 January	8.72	13.48
Granted	(0.44) [1]	(0.46)
Shares transferred in/out	0.01	0.24
Delivered	(2.85)	(3.43)
Forfeited	(0.65)	(1.11)
Conversion to UBS Shares	(4.58)	–
As at end of period/year	**0.21**	**8.72**

1 Includes downward adjustment applied to outstanding performance share awards.

Strategic Delivery Plan ('SDP')

Strategic Delivery Plan ('SDP') was a one-off share-based award granted in February 2022. The SDP awards are subject to service conditions and performance-based metrics over the course of 2022-2024. This performance metric is currently under review in light of the acquisition by UBS Group AG. SDP awards are scheduled to vest on the third anniversary of the grant date, with the exception of awards granted to individuals classified as material risk takers ('MRTs'), risk manager MRTs or senior managers or equivalents under the EU or UK Capital Requirements Directive V related provisions. SDP awards granted to MRTs vest in equal annual installments over two years, commencing on the third anniversary from the grant date. SDP awards granted to Risk Manager MRTs vest in equal annual installments over three years, while SDP awards granted to Senior Managers vest in equal annual installments over five years, both commencing on the third anniversary from the grant date.

The majority of SDP awards granted include the right to receive dividend equivalents on vested shares.

Strategic Delivery Plan ('SDP') will no longer be used as a form of deferred compensation award for the 2022 performance year onwards.

Group	**6M23**	2022
SDP Stock Awards (millions)		
As at 1 January	6.04	–
Granted	(0.37) [2]	6.68
Share transferred in/out	0.02	0.02
Delivered	–	–
Forfeited	(0.27)	(0.66)
Conversion to UBS Shares	(5.18)	–
As at period end	**0.24**	**6.04**

[2] Includes cancellation of awards due to FINMA decree.

Contingent Capital Awards

Contingent Capital Awards ('CCA') will no longer be used as a form of deferred compensation award for the 2022 performance year onwards.

In May 2023, FINMA confirmed its decision regarding the write-down in full of both vested and unvested CCAs.

Total compensation (income)/expense recognised for CCAs during the year ended 30 June 2023 was USD (49) million credit (2022: USD 2 million). This included the cancellation of the prior year CCA following the decision by the Swiss Federal Council.

Upfront Cash Awards

In February 2023, certain employees were granted upfront cash awards as part of the cash component of their 2022 variable compensation. During 2022 and 2021, certain employees were also granted upfront cash awards. These awards are subject to repayment (clawback) by the employee in the event of voluntary resignation, termination for cause or in connection with other specified events or conditions within three years of the award grant. The amount subject to repayment is reduced in equal monthly installments during the three-year period following the grant date. The expense recognition will occur over the three-year vesting period, subject to service conditions.

Total compensation expense recognised during the year ended 30 June 2023 was USD 20 million (2022: USD 29 million).

Deferred cash awards

Deferred cash awards include special awards and capital opportunity facility ('COF') award. For most special awards, compensation expense was primarily driven by their vesting schedule. For other deferred cash awards, compensation expense was driven by their vesting schedule as well as mark to market adjustments. The majority of these awards are fully vested.

Total compensation expense recognised for these other deferred cash awards during the year ended 30 June 2023 was USD 4.5 million (2022: USD 1.5 million).

16 Financial Instruments

The accounting policies, control framework and hierarchy used to determine fair values at 30 June 2023 are consistent with those applied for the Annual Report and Financial Statements 2022.

This report is to be read in conjunction with the annual report for the year ended 31 December 2022.

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 2023	**Total carrying value**	Mandatorily at FVTPL	Designated at FVTPL	Amortised cost	
Financial assets (USD million)					
Cash and due from banks	4,885	–	–	4,885	4,885
Interest-bearing deposits with banks	10,502	–	–	10,502	10,502
Securities purchased under resale agreements and securities borrowing transactions	9,327	–	–	9,327	9,327
Trading financial assets mandatorily at fair value through profit or loss	82,851	82,851	–	–	82,851
Non-trading financial assets mandatorily at fair value through profit or loss	15,060	15,060	–	–	15,060
Loans and advances	3,254	–	–	3,254	3,251
Other assets	18,836	–	–	18,836	18,836
Total financial assets	**144,715**	**97,911**	**–**	**46,804**	**144,712**
Financial liabilities (USD million)					
Due to Banks	113	–	–	113	113
Securities sold under repurchase agreements and securities lending transactions	1,445	–	–	1,445	1,445
Trading financial liabilities mandatorily at fair value through profit or loss	75,438	75,438	–	–	75,438
Financial liabilities designated at fair value through profit or loss	14,968	–	14,968	–	14,968
Borrowings	13,733	–	–	13,733	13,733
Other liabilities	10,706	–	–	10,706	10,706
Debt in issuance	11,385	–	–	11,385	11,355
Total financial liabilities	**127,788**	**75,438**	**14,968**	**37,382**	**127,758**

As at 31 December 2022				Carrying value	Total fair value
	Total carrying value	Mandatorily at FVTPL	Designated at FVTPL	Amortised cost	
Financial assets (USD million)					
Cash and due from banks	4,149	–	–	4,149	4,149
Interest-bearing deposits with banks	12,085	–	–	12,085	12,085
Securities purchased under resale agreements and securities borrowing transactions	10,527	–	–	10,527	10,527
Trading financial assets mandatorily at fair value through profit or loss	107,973	107,973	–	–	107,973
Non-trading financial assets mandatorily at fair value through profit or loss	22,831	22,831	–	–	22,831
Loans and advances	2,752	–	–	2,752	2,717
Other assets	21,178	–	–	21,178	21,178
Total financial assets	**181,495**	**130,804**	**–**	**50,691**	**181,460**
Financial liabilities (USD million)					
Due to banks	266	–	–	266	266
Securities sold under repurchase agreements and securities lending transactions	2,924	–	–	2,924	2,924
Trading financial liabilities mandatorily at fair value through profit or loss	93,397	93,397	–	–	93,397
Financial liabilities designated at fair value through profit or loss	27,169	–	27,169	–	27,169
Borrowings	6,025	–	–	6,025	6,025
Other liabilities	16,379	–	–	16,379	16,379
Debt in issuance	18,309	–	–	18,309	18,079
Total financial liabilities	**164,469**	**93,397**	**27,169**	**43,903**	**164,239**

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 2023	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Assets (USD million)					
Debt securities	1,267	3,281	207	–	4,755
Equity securities	5,166	608	246	–	6,020
Derivatives	5,089	75,145	1,149	(9,499)	71,884
of which interest rate products	18	36,666	215	(1,801)	35,098
of which foreign exchange products	6	14,839	188	–	15,033
of which equity/index-related products	5,062	20,189	511	(7,698)	18,064
of which credit derivatives	–	3,237	235	–	3,472
of which other derivative products	3	214	–	–	217
Other	–	180	12	–	192
Trading financial assets mandatorily at fair value through profit or loss	**11,522**	**79,214**	**1,614**	**(9,499)**	**82,851**
Securities purchased under resale agreements and securities borrowing transactions	–	17,016	–	(2,603)	14,413
Loans	–	385	25	–	410
Other Non-trading financial assets mandatorily at fair value through profit or loss	–	232	5	–	237
Non-trading financial assets mandatorily at fair value through profit or loss	**–**	**17,633**	**30**	**(2,603)**	**15,060**
Total assets at fair value	**11,522**	**96,847**	**1,644**	**(12,102)**	**97,911**

[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 2023	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Liabilities (USD million)					
Debt securities	155	298	–	–	453
Equity securities	2,149	–	8	–	2,157
Derivatives	5,332	75,175	1,805	(9,489)	72,823
of which interest rate products	13	35,796	180	(1,791)	34,198
of which foreign exchange products	5	15,398	4	–	15,407
of which equity/index-related products	5,309	20,446	1,404	(7,698)	19,461
of which credit derivatives	–	3,447	217	–	3,664
of which other derivative products	5	88	–	–	93
Other	–	5	–	–	5
Trading financial liabilities mandatorily at fair value through profit or loss	**7,636**	**75,478**	**1,813**	**(9,489)**	**75,438**
Securities sold under resale agreements and securities borrowing transactions	–	10,138	–	(2,603)	7,535
Borrowings	–	483	54	–	537
Debt in issuance	–	4,938	843	–	5,781
Other financial liabilities designated at fair value through profit or loss	12	1,098	5	–	1,115
Financial liabilities designated at fair value through profit or loss	**12**	**16,657**	**902**	**(2,603)**	**14,968**
Total liabilities at fair value	**7,648**	**92,135**	**2,715**	**(12,092)**	**90,406**
Net assets/liabilities at fair value	**3,874**	**4,712**	**(1,071)**	**(10)**	**7,505**

[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 2022	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Assets (USD million)					
Debt securities	2,862	4,846	645	–	8,353
Equity securities	8,266	597	374	–	9,237
Derivatives	5,680	92,388	1,104	(9,105)	90,067
of which interest rate products	8	43,270	216	(1,662)	41,832
of which foreign exchange products	19	21,741	144	–	21,904
of which equity/index-related products	5,650	22,481	572	(7,443)	21,260
of which credit derivatives	–	4,605	172	–	4,777
of which other derivative products	3	291	–	–	294
Other	–	246	70	–	316
Trading financial assets mandatorily at fair value through profit or loss	**16,808**	**98,077**	**2,193**	**(9,105)**	**107,973**
Securities purchased under resale agreements and securities borrowing transactions	–	27,885	–	(6,792)	21,093
Loans	–	1,143	28	(66)	1,105
Other non-trading financial assets mandatorily at fair value through profit or loss	104	526	3	–	633
Non-trading financial assets mandatorily at fair value through profit or loss	**104**	**29,554**	**31**	**(6,858)**	**22,831**
Total assets at fair value	**16,912**	**127,631**	**2,224**	**(15,963)**	**130,804**

[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 2022	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Liabilities (USD million)					
Debt securities	771	1,249	20	–	2,040
Equity securities	2,859	676	8	(662)	2,881
Derivatives	5,248	91,132	1,462	(9,369)	88,473
of which interest rate products	–	42,865	157	(1,775)	41,247
of which foreign exchange products	19	20,610	5	–	20,634
of which equity/index-related products	5,221	22,965	1,072	(7,594)	21,664
of which credit derivatives	–	4,380	228	–	4,608
of which other derivative products	8	312	–	–	320
Other	3	–	–	–	3
Trading financial liabilities mandatorily at fair value through profit or loss	**8,881**	**93,057**	**1,490**	**(10,031)**	**93,397**
Securities sold under resale agreements and securities borrowing transactions	–	21,469	–	(6,279)	15,190
Borrowings	–	1,766	242	–	2,008
Debt in issuance	–	6,426	1,962	–	8,388
Other financial liabilities designated at fair value through profit or loss	117	1,459	7	–	1,583
Financial liabilities designated at fair value through profit or loss	**117**	**31,120**	**2,211**	**(6,279)**	**27,169**
Total liabilities at fair value	**8,998**	**124,177**	**3,701**	**(16,310)**	**120,566**
Net assets/(liabilities) at fair value	**7,914**	**3,454**	**(1,477)**	**347**	**10,238**

[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.

	6M23		6M22	
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	30	1,101	47	3,544
Total transfers in assets at fair value	**30**	**1,101**	**47**	**3,544**
Liabilities				
Trading financial liabilities mandatorily at fair value through profit or loss	1	1,280	33	4,236
Total transfers in liabilities at fair value	**1**	**1,280**	**33**	**4,236**

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

								Trading revenues		
6M23	Balance as at 1 January 2023	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	On transfers in/out [1]	On all other	Balance as at 30 June 2023
Assets at fair value (USD million)										
Debt securities	**645**	**65**	**(57)**	**635**	**(1,045)**	**–**	**–**	**(17)**	**(19)**	**207**
Equity securities	**374**	**18**	**(27)**	**13**	**(131)**	**–**	**–**	**1**	**(2)**	**246**
Derivatives	**1,104**	**365**	**(278)**	**–**	**–**	**350**	**(430)**	**43**	**(5)**	**1,149**
of which interest rate products	216	19	(18)	–	–	27	(36)	1	6	215
of which foreign exchange products	144	2	(1)	–	–	5	(25)	–	63	188
of which equity/index-related products	572	181	(196)	–	–	284	(305)	43	(68)	511
of which credit derivatives	172	163	(63)	–	–	34	(64)	(1)	(6)	235
Other	70	4	(47)	–	(9)	–	(12)	1	5	**12**
Trading financial assets mandatorily at fair value through profit or loss	**2,193**	**452**	**(409)**	**648**	**(1,185)**	**350**	**(442)**	**28**	**(21)**	**1,614**
Loans	**28**	**–**	**–**	**–**	**(9)**	**13**	**(10)**	**–**	**3**	**25**
Other non-trading financial assets mandatorily at fair value through profit or loss	**3**	**2**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5**
Non-trading financial assets mandatorily at fair value through profit or loss	**31**	**2**	**–**	**–**	**(9)**	**13**	**(10)**	**–**	**3**	**30**
Total assets at fair value	**2,224**	**454**	**(409)**	**648**	**(1,194)**	**363**	**(452)**	**28**	**(18)**	**1,644**

[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

								Trading revenues		
6M23	Balance as at 1 January 2023	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	On transfers in/out [1]	On all other	Balance as at 30 June 2023
Liabilities at fair value (USD million)										
Debt securities	**20**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(20)**	**–**
Equity securities	8	–	–	–	(4)	–	–	–	4	8
Derivatives	**1,462**	**296**	**(442)**	**–**	**–**	**335**	**(302)**	**142**	**314**	**1,805**
of which interest rate products	157	26	(9)	–	–	12	(34)	6	22	180
of which foreign exchange products	5	8	(7)	–	–	3	(4)	(3)	2	4
of which equity/index-related products	1,072	149	(383)	–	–	298	(139)	138	269	1,404
of which credit derivatives	228	113	(43)	–	–	22	(125)	1	21	217
of which other derivative products	–	–	–	–	–	–	–	–	–	–
Trading financial liabilities mandatorily at fair value through profit or loss	**1,490**	**296**	**(442)**	**–**	**(4)**	**335**	**(302)**	**142**	**298**	**1,813**
Borrowings	**242**	**3**	**(18)**	**–**	**–**	**32**	**(199)**	**–**	**(6)**	**54**
Debt in issuance	**1,962**	**82**	**(99)**	**–**	**–**	**50**	**(1,187)**	**10**	**25**	**843**
Other financial liabilities designated at fair value through profit or loss	**7**	**–**	**–**	**10**	**(10)**	**–**	**–**	**(2)**	**–**	**5**
Financial liabilities designated at fair value through profit or loss	**2,211**	**85**	**(117)**	**10**	**(10)**	**82**	**(1,386)**	**8**	**19**	**902**
Total liabilities at fair value	**3,701**	**381**	**(559)**	**10**	**(14)**	**417**	**(1,688)**	**150**	**317**	**2,715**
Net assets/liabilities at fair value	**(1,477)**	**73**	**150**	**638**	**(1,180)**	**(54)**	**1,236**	**(122)**	**(335)**	**(1,071)**

[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

								Trading revenues		
6M22	Balance as at 1 January 2022	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	On transfers in/out [1]	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

								Trading revenues		
6M22	Balance as at 1 January 2022	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	On transfers in/out [1]	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
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.

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

	6M23	6M22
Trading revenues (USD million)		
Net realised and unrealised gains/(losses) included in net revenues	(457)	1,272
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	243	1,177
Non-trading financial assets mandatorily at fair value through profit or loss	(16)	–
Trading financial liabilities mandatorily at fair value through profit or loss	(647)	(240)
Financial liabilities designated at fair value through profit or loss	28	(16)
Total changes in unrealised gains/(losses) relating to assets and liabilities still held as of the reporting date	**(392)**	**921**

Transfers in and out of Level 3

The transfers into Level 3 are mainly driven by Debt securities, Derivatives, Debt in Issuance and Others due to limited observability of pricing data and reduced pricing information from external providers. All transfers were reported at the end of the reporting period.

The transfers out of Level 3 are mainly driven by Debt securities, Derivatives, Debt in Issuance and Others due to improved observability of pricing data and increased availability of pricing information from external providers. All transfers were reported at the end of the reporting period.

Quantitative disclosures of valuation techniques

The following tables provide the possible upper and lower values and the associated representative range 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 2023 USD million, except as indicated	Fair Value	Valuation technique	Unobservable input	Lower value	Upper value	Weighted average
Assets at fair value						
Debt securities	**207**					
of which	30	Option model	Correlation, in %	(10)	100	80
	11		Fund Gap risk, in %	–	1	1
	76		Volatility, in %	5	119	25
	48		Mean reversion, in %	25	25	25
	5		Credit spread in bp	100	216	168
of which	15	Discounted cash flow	Credit spread in bp	35	750	372
of which	16	Market comparable	Price in %	–	94	75
	1		Price, in actuals	100	100	100
of which	3	Price	Price in %	30	100	59
Equity securities	**246**					
of which	34	Price	Price, in actuals	–	157	45
	210		Unadjusted NAV, in USD	1	54,565	1,426
of which	3	Market comparable	Price, in actuals	–	76	27
Derivatives	**1,149**					
of which interest rate products	215					
of which	16	Option model	Correlation in %	18	88	67
	176		Mean reversion, in %	(21)	25	24
	9		Prepayment rate in %	6	19	12
	9		Volatility, in %	–	13	7
of which	2	Discounted Cash Flow	Volatility, in %	90	100	96
of which foreign exchange products	188					
of which	3	Option model	Correlation in %	55	55	55
	169		Mean reversion, in %	(55)	20	(5)
of which	6	Discounted Cash Flow	Credit spread, in bp	13	162	157
of which equity/index-related products	511					
of which	1	Option model	Buyback probability, in %	50	100	68
	223		Correlation, in %	(10)	100	80
	8		Fund Gap Risk, in %	–	1	1
	261		Volatility, in %	5	119	25
	–		Mean reversion, in %	25	25	25
of which	16	Price	Price, in actuals	–	125	27
of which credit derivatives	235					
of which	91	Discounted cash flow	Credit spread, in bp	4	2,150	133
	59		Discount Rate, in %	6	7	6
	1		Recovery rate, in %	40	40	40
of which	55	Price	Price in %	75	100	97
of which Commodity, Emission and Energy Products						
of which	–	Option model	Volatility, in %	5	119	25
Other	**12**					
of which trading	1	Discounted cash flow	Tax Swap rate (Percentage of VAT receivable PV)	30	30	30
	11	Market Comparable	Price, in %	–	92	80
Loans	**25**					
of which	19	Price	Price in %	75	75	75
of which loans held-for-sale	4	Market Comparable	Price, in %	13	13	13
	2	Discounted cash flow	Credit spread, in bp	–	35	27

As at 30 June 2023 USD million, except as indicated	Fair Value	Valuation technique	Unobservable input	Lower value	Upper value	Weighted average
Liabilities at fair value (USD million)						
Equity securities	**8**					
of which	8	Price	Price, in actuals	–	125	22
Derivatives	**1,805**					
of which interest rate products	180					
of which	2	Discounted cash flow	Volatility, in %	90	100	96
of which	–	Option model	Correlation, in %	45	70	54
	8		Mean reversion, in %	(21)	25	19
	5		Prepayment rate, in %	7	19	8
	159		Volatility, in %	–	13	–
of which foreign exchange products	4					
of which	2	Discounted cash flow	Credit spread, in bp	60	132	63
of which	1	Option model	Correlation, in %	55	55	55
	–		Mean reversion, in %	(21)	20	–
of which equity/index-related products	1,404					
of which	32	Option model	Correlation, in %	(10)	100	80
	1		Dividend Yield, in %	–	8	4
	–		Fund Gap Risk, in %	–	1	1
	1,349		Volatility, in %	5	119	25
of which	22	Price	Price, in actuals	–	157	54
of which credit derivatives	217					
of which	81	Discounted cash flow	Credit spread, in bp	4	752	159
	59		Discount Rate, in %	6	31	11
	25		Recovery rate, in %	–	40	5
of which	48	Price	Price, in %	100	100	100
Debt in issuance	**843**					
of which structured notes over two years	733					
of which	500	Discounted cash flow	Credit spread, in bp	46	46	46
of which	145	Option model	Buyback probability, in %	50	100	68
	23		Correlation, in %	(10)	100	79
	–		Fund Gap Risk, in %	–	1	1
	54		Unadjusted NAV, in USD	1	54,565	1,426
	11		Volatility, in %	5	119	25
of which other debt over two years	48					
of which	48	Option model	Buyback probability, in %	–	–	–
of which structured notes between one and two years	15					
of which	4	Option model	Buyback probability, in %	50	100	68
	7		Correlation, in %	(10)	100	80
	4		Volatility, in %	5	119	25
of which other debt between one and two years	30					
of which	30	Option model	Unadjusted NAV, in USD	1	54,565	1,426
of which non-recourse liabilites	15					
of which	15	Market Comparable	Price, in %	2	8	7
Borrowings	**54**					
of which	25	Option model	Buyback probability, in %	50	100	68
	8		Correlation, in %	(10)	100	80
	10		Fund Gap Risk, in %	–	1	1
	11		Unadjusted NAV, in USD	1	54,565	1,426
	–		Volatility, in %	5	119	25
Other Financial liabilities	**5**					
of which Loan Commitment at Fair Value						
of which	3	Market Comparable	Price, in %	–	92	49

As at 31 December 2022 Group (USD million except as indicated)	Fair Value	Valuation technique	Unobservable input	Lower value	Upper Value	Weighted average
Assets at fair value						
Debt securities	**645**					
of which	46	Option model	Correlation, in %	(50)	100	75
	4		Buyback probability, in %	50	100	76
	100		Credit spread, in bp	27	358	326
	5		Fund Gap Risk, in %	–	1	–
	24		Mean reversion, in %	25	25	25
	366		Volatility, in %	5	148	24
of which	16	Discounted cash flow	Credit spread in bp	10	750	347
of which	57	Market comparable	Price in %	–	99	50
	17		Price, in actuals	1	218	29
of which	4	Price	Price in %	30	100	60
Equity securities	**374**					
of which	59	Price	Price, in actuals	–	1,197	16
	320		Unadjusted NAV	1	54,565	1,432
Derivatives	**1,104**					
of which interest rate products	216					
of which	8	Option model	Correlation in %	9	78	52
	175		Mean reversion, in %	(21)	25	21
	5		Contingent probability, in %	95	95	95
	8		Prepayment rate in %	6	19	10
	13		Volatility, in %	(3)	148	4
of which	1	Discounted Cash Flow	Volatility, in %	95	110	103
of which foreign exchange products	144					
of which	4	Option model	Correlation, in %	(50)	100	55
	129		Mean reversion, in %	(55)	20	(5)
of which	6	Discounted Cash Flow	Credit spread, in bp	17	209	168
of which equity/index-related products	572					
of which	1	Option model	Buyback probability, in %	50	100	76
	245		Correlation, in %	(50)	100	75
	10		Fund Gap Risk, in %	–	1	–
	–		Gap risk, in %	–	2	–
	–		Mean reversion, in %	25	25	25
	304		Volatility, in %	5	148	24
	2		Dividend Yield, in %	–	13	5
of which	9	Price	Price, in actuals	–	1,197	28
of which credit derivatives	172					
of which	96	Discounted cash flow	Credit spread, in bp	3	2,078	242
	63		Discount Rate, in %	6	13	11
	–		Recovery rate, in %	25	25	25
of which	4	Price	Price, in %	102	102	102
of which commodity, emission and energy products	–					
of which	–	Option Model	Volatility, in %	5	148	24
of which precious metals products						
of which	1	Option Model	Correlation, in %	(50)	100	75
of which other derivative product	–					
of which	(1)	Discounted Cash Flow	Discount Rate, in %	–	–	–
Other	**70**					
of which trading	1	Discounted cash flow	Tax Swap rate (Percentage of VAT receivable PV)	30	30	30
	69	Market comparable	Price, in %	–	97	90
	–			–	–	–
of which loans held-for-sale	–	Market Comparable	Price, in %	–	10	10
	2	Discounted cash flow	Credit spread in bp	–	35	27
Loans	**28**					
of which	24	Price	Price in %	74	74	74

As at 31 December 2022(USD million except as indicated)	Fair Value	Valuation technique	Unobservable input	Lower value	Upper value	Weighted average
Liabilities at fair value						
Debt	20					
of which	20	Price	Price, in %	30	100	41
Equity securities	8					
of which	8	Price	Price, in actuals	–	1,197	28
Derivatives	**1,462**					
of which interest rate products	157					
of which	–	Option model	Correlation, in %	9	20	13
	(27)		Mean reversion, in %	(21)	25	4
	(5)		Prepayment rate, in %	7	19	8
	(5)		Contingent probability, in %	95	95	95
	(89)		Volatility, in %	(3)	1	–
of which	(20)	Discounted cash flow	Discount Rate, in %	–	–	–
	(1)		Volatility, in %	95	110	103
of which foreign exchange products	5					
of which	(2)	Discounted cash flow	Credit spread, in bp	77	468	123
	(1)	Option model	Correlation, in %	55	55	55
	–		Mean reversion, in %	(55)	20	(3)
of which equity/index-related products	1,072					
of which	–	Option model	Buyback probability, in %	50	100	76
	(38)		Correlation, in %	(50)	100	68
	–		Fund Gap Risk, in %	–	1	–
	(997)		Volatility, in %	5	148	24
	(3)		Dividend Yield, in %	–	13	5
of which	(33)	Price	Price, in actuals	–	1,197	28
of which	(1)	Market Comparable	Price, in actuals	(1)	(1)	(1)
of which credit derivatives	228					
of which	(134)	Discounted cash flow	Credit spread, in bp	3	2,149	332
	(63)		Discount Rate, in %	6	17	11
	(20)		Recovery rate, in %	–	–	–
of which	(2)	Price	Price, in %	74	102	102
of which	(7)	Option model	Credit spread, in bp	47	1,528	194
Debt in issuance	**1,962**					
of which structured notes over two years	1,727					
of which	1,490	Discounted cash flow	Credit spread, in bp	250	250	250
of which	110	Option model	Buyback probability, in %	50	100	76
	23		Correlation, in %	(50)	100	74
	10		Fund Gap Risk, in %	–	1	–
	78		Unadjusted NAV	1	54,565	1,432
	16		Volatility, in %	5	148	17
of which other debt instruments over two years	73					
of which	72	Option model	Buyback probability, in %	50	100	76
of which	1	Market Comparable	Price, in actuals	218	218	218
of which structured notes between one and two years	71					
of which	6	Option model	Buyback probability, in %	50	100	76
	63		Correlation, in %	(50)	100	75
	2		Gap risk, in %	–	2	–
	1		Volatility, in %	5	148	24
of which other debt instruments between one and two years	27					
of which	27	Option Model	Unadjusted NAV	1	54,565	1,432
of which non-recourse liabilities	64					
of which	64	Market Comparable	Price, in %	(1)	26	9
Borrowings	**242**					
of which	165	Option model	Buyback probability, in %	50	100	76
	78		Correlation, in %	(50)	100	75
	–		Volatility, in %	5	148	24
Other Financial liabilities designated at fair value	**7**					
of which failed sales	–					
of which	–	Market Comparable	Price, in %	–	1	1
of which other	7					
of which loan commitment at fair value	–	Option Model	Contingent probability, in %	95	95	95
	3	Market comparable	Price in %	–	93	43

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 2023		As at 31 December 2022	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Impact on net income/(loss) (USD million)				
Derivative assets and liabilities	257	(251)	248	(246)
Debt and equity securities	3	(3)	3	(3)
Loans	12	(5)	11	(5)
Total	**272**	**(260)**	**262**	**(254)**

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:

	6M23	6M22
Deferred trade date profit (USD million)		
Balance at the beginning of period	472	519
Increase due to new trades	36	135
Reduction due to passage of time	(58)	(65)
Reduction due to redemption, sales, transfers or improved observability	(59)	(75)
Balance at the end of period	**391**	**514**

17 Financial Instruments Risk Position

CSi manages its risks under global policies complemented where appropriate by legal entity supplements. The CS AG risk management process is designed to ensure that there are sufficient controls to measure, monitor and control risks in accordance with CS AG's control framework and in consideration of industry practices. The primary responsibility for risk management lies with CS AG'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 CSi 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 [1]	Commodity	Equity	Diversification benefit [2]	Total
6M23						
Average	40	176	6	152	(339)	34
Minimum	26	32	4	23	– [3]	22
Maximum	61	221	8	187	– [3]	55
End of period	27	165	4	155	(328)	22
2022 (USD million)						
Average	48	138	7	102	(240)	55
Minimum	26	42	4	53	0	31
Maximum	66	209	29	173	0	75
End of period	29	169	6	112	(283)	32

1 Along with the trading related market risk exposure, foreign exchange and commodity risks in the banking book is included in the VaR computation.
2 VaR is calculated separately for each risk type and for the whole portfolio using the historical simulation methodology.
Diversification benefit reflects the net difference between the sum of the 99% percentile VaR for each risk type compared to the whole portfolio.
3 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 2023 was USD 22 million (31 December 2022: USD 32 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.

The asset class breakdown uses results from full revaluation calculations which can span across multiple asset classes, in particular the equities asset class result includes FX risk from structured notes that have both equities and FX underlyings. FX hedges for those same products appears in the FX asset class.

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 2023 (31 December 2022: 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 (0.00) million as at 30 June 2023 compared to USD 0.07 million as of 31st December 2022.

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 2023, the worst fair value potential impacts were USD 9 million which were driven by the parallel increase in the interest rate across the yield curve. CSi exposures are across developed markets currencies which are shocked 100 – 300 basis points and emerging market currencies which are shocked 300 – 400 basis points. In comparison, the 31 December 2022 worst fair value potential impacts were generated by the decrease in the short term interest rates which also drove a fair value loss of USD 22.8 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) decreased in the six months to June 2023 to USD 7,073 million (2022: USD 10,189 million). This decrease was driven by an overall reduction in trading activity during the first half of 2023, resulting in reduced initial margin posted to Central Clearing Counterparties ('CCPs'), and significant reductions in repo and loan exposure. The portfolio remains weighted towards strong counterparties in industrialised countries, with 87% of exposure rated investment grade.

The main drivers of credit exposure are derivatives and exchange traded futures & options, and lending, which account for USD 4,214 million and USD 1,448 million, respectively. The largest drivers of exposure by sector are counterparties in financial industries, with CCPs making up 27% of exposure as of June 2023.

As noted previously (under the Principal risk and uncertainties section of the management report), Credit Risk Management maintains a Watchlist for monitoring and reporting counterparties with negative factors. During H1 2023 exposure on the Watchlist increased to USD 216 million from USD 176 million in December 2022.

IFRS 9 expected credit losses across stages 1 and 2 increased to USD 9.78 million in June 2023 from USD 9.28 million in December 2022.

There were no write-off positions in H1 2023. Provisions were materially increased for two counterparties with a combined increase of USD 17.3 million, of which USD 13.7 million is for a Russian bank which was marked down.

Replacement of Interbank Offered Rates ('IBOR')

Following significant international and regulatory pressure to replace certain IBOR benchmarks with alternative reference rates ('ARRs'), a major structural change in global financial markets has now completed. Markets and most legacy transactions have been transitioned to alternative reference rates.

Credit Suisse has successfully facilitated the transition away from USD LIBOR by the industry cessation date of 30 June 2023. No client or internal issues have been reported to date. The small number of trades that did not have robust fallback provisions benefited from the LIBOR Act or the temporary availability of USD Synthetic LIBOR, and none of these trades were booked in CSi.

	Financial instruments yet to transition to alternative benchmarks, by main benchmark				
31 December 2022 (USD millions) [1]	USD Libor	GBP Libor	JPY Libor	SGD SOR	**Total**
Notional value of non-derivative financial assets	8	–	–	–	**8**
Notional value of non-derivative financial liabilities	30	–	–	–	**30**
Derivative notional contract amount	140,764	-	-	230	**140,994**

[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.
The table also does not include financial instruments that reference a benchmark interest rate having effective fallback provisions.

18 Interest in Other Entities

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 2022 in related undertakings in subsidiaries that the CSi group owns, directly or indirectly.

Entity Name	Domicile	Currency	**Percentage of ownership held June 2023**	Percentage of ownership held 2022
Albalatin LLC	Qatar	USD	100	–
Argentum Capital Series 2015-32, 2015-53, 2016-25, 2016-33, 2017-64, 2019-75, 2022-11	Luxembourg	USD	–	100
Argentum Capital Series 2016-36, 2017-38 v2, 2019-152, 2019-40, 2019 – 129	Luxembourg	USD	100	–
Argentum Series 2018-22	Luxembourg	USD	–	100
Ascent Finance Limited 2021-1800 ,2021-1801	Cayman Islands	USD	–	100
Ascent Finance Limited Series 2021-1802 ,2022-1802, 2022-1801, 2020-25	Cayman Islands	USD	–	100
Boats Investments (Jersey) Ltd Series 628, 631, 639, 633, 655, 662	Jersey	USD	–	100
GIFMS Capital Company LLC	United States of America	USD	–	100
GIFS Capital Company LLC Silo 2 Technical purpose	Cayman Islands	USD	100	–
VAULT Investments plc – Series 060	Ireland, Republic of	EUR	–	100
YI Active Spezial ESPA Fund.	Austria	EUR	–	100

19 Subsequent Events

Shareholders' Capital Reduction and Dividend

On 26 September 2023, the board of directors approved the reduction in ordinary share capital of USD 4.1 billion which was transferred into retained earnings in order to increase the level of distributable reserves. The board of directors have also declared a USD 1.1 billion interim dividend for the period ended 30 June 2023.

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