Credit Suisse International

Unaudited Condensed Consolidated Interim Financial Statements for the Six Months Ended 30 June 2021

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Board of Directors as at 19 August 2021

John Devine (Chair and Independent Non-Executive)
David Mathers – Chief Executive Officer (CEO)
Alison Halsey (Independent Non-Executive)
Debra Davies (Independent Non-Executive)
Doris Honold (Independent Non-Executive)
Clare Brady (Non-Executive)
Christopher Horne (Deputy CEO)
Caroline Waddington – Chief Financial Officer (CFO)
Jonathan Moore
Nicola Kane

Company Secretary

Paul Hare

Company Registration Number	02500199

Interim Management Report for the Six Months Ended 30 June 2021

Credit Suisse International at a glance

The Credit Suisse International ('CSi') Interim Management Report highlights the significant events that have occurred in the first six months of 2021 since the CSi Annual Report 2020. Further details in regards to CSi's Purpose, Strategy, and Clients as well as Risk Management, Corporate Responsibility and Corporate Governance can be found in the CSi Annual report 2020:

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

Business model

Entity structure

Credit Suisse International ('CSi' or the 'Bank') is a private unlimited company and an indirect wholly owned subsidiary of Credit Suisse Group AG ('CSG'). CSi is authorised by the Prudential Regulation Authority ('PRA') and regulated by the Financial Conduct Authority ('FCA') and the PRA. CSi is a bank domiciled in the United Kingdom ('UK') and together with its subsidiaries is referred to as the 'CSi group'. The Bank has branch operations in Amsterdam, Madrid, Milan and Sweden. The businesses in these branches were transferred to Credit Suisse Bank (Europe) S.A. ('CSEB'), formally Credit Suisse Securities Sociedad de Valores S.A. ('CSSSV'), on 28th February 2020. There is no business activity in all four branches and when final tax returns are completed and filed, and final tax balances settled, these will be closed. The Bank also maintains representative offices in Geneva, Hong Kong and Zurich.

CSG, a company domiciled in Switzerland, is a leading wealth manager with strong investment banking and asset management capabilities. It is the ultimate parent of a worldwide group of companies (collectively referred to as the 'CS group'). CSG prepares financial statements under US Generally Accepted Accounting Principles ('US GAAP').

→ These accounts are publicly available and can be found at https://www.credit-suisse.com/about-us/en/investor-relations/financial-regulatory-disclosures/annual-interim-reports.html

As a leading financial services provider, CS group is committed to delivering its combined financial experience and expertise to corporate, institutional and government clients and high-net-worth individuals worldwide, as well as to retail clients in Switzerland. The CSG organisational structure consists of three regionally focused divisions: Swiss Universal Bank ('SUB'), International Wealth Management ('IWM') and Asia Pacific ('APAC'). These regional businesses are supported by the Investment Bank ('IB') and Asset Management divisions. CSi is one of the principal booking entities for the CS group's Investment Banking ('IB') business.

Financial statements

The CSi Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2021 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 2020 annual financial statements and in accordance with UK-adopted IAS 34 'Interim Financial Reporting' and the disclosure requirements of the Luxembourg Law of 11 January 2008 on transparency requirements for issuers (the 'Luxembourg Transparency Act 2008'). 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 2020 which was prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and for the consolidated financial statements. International Financial Reporting Standards ('IFRS') adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('EU-adopted IFRS') and any public announcements made by the Bank during the interim reporting period. CSi transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported. 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 2020 except as explained in Note 2 – Significant Accounting Policies.

Changes to directors

Changes in the directorate since 31 December 2020 and up to the date of this report are as follows:

Appointments:	
Clare Brady	19.08.21

The following ceased to be directors:	
Andreas Gottschling	30.04.21
Ralf Hafner	28.07.21

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

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

Purpose, strategy and clients

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

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

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

Growth driven by one principal division

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

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

EU exit strategy

The United Kingdom left the EU on 31 December 2020 following the completion of the Transition Period, resulting in CSi, a UK based bank, losing access to certain EU clients and markets.

CS group has delivered a stable operating model in the EU, enabling continuation of services to EU clients and access to EU markets, operating out of:
- A broker/dealer in Spain, CSEB (formally CSSSV), for trading activities (Markets in Financial Instruments Directive ('MIFID') products and services), with branches in Amsterdam, Stockholm, Paris and Milan; and
- A banking entity in Germany, Credit Suisse (Deutschland) AG ('CSD'), for lending products/services.

Migrations from CSi are now materially complete with any incremental requests managed within normal course of business.

Operating environment

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

The COVID-19 pandemic continues to cause disruption and impact both the Global and UK economies. The UK went back into lockdown at the start of 2021 resulting in multiple industries being affected again. Some businesses started adapting their response to COVID-19 restrictions and were able to continue producing goods and services. Globally, vaccination programmes are underway however there has been a divergence in how each country has responded, and with threats of further waves of COVID-19, this has resulted in ongoing instability. CSi continues to closely monitoring the impact of COVID-19 on operations and business.

CSi continues to implement responsive contingency measures for its own operations globally to help protect against the spread of COVID-19, while providing continuity of service. CSi continues to support measures for its employees to help overcome the challenges of the pandemic, including working from home measures or split working arrangements. With restrictions easing in the UK, CSi is working with all colleagues to ensure a safe return to the office and finding the right balance in work patterns between home and office. In addition, no employees were furloughed under the Government's Coronavirus Job Retention Scheme ('CJRS').

CSi recorded a provision of USD 4,746 million in respect of the failure by a US-based hedge fund, Archegos Capital Management ('Archegos'), to meet its margin commitments. CSi was notified by the fund that it would be unable to return margin advances previously extended and recognised as collateral receivable. Following the failure of the fund, CSi exited the funds positions it held and incurred further trading losses of USD 542 million. As previously reported, the CSG Board of Directors commissioned an externally-led investigation of the Archegos matter, which was supervised by a special committee of the CSG Board of Directors, of which Doris Honold, non executive Director of CSi, was a member. On 29 July 2021, CSG published on its website the report based on this independent external investigation, as well as a summary of managements responses to this report to date. As a consequence of the Archegos losses and the findings of the externally-led investigation of this matter, a portion of previously granted compensation awards will be recovered from certain individuals through malus and clawback provisions.

→ For further details, refer to Principal Risks and Uncertainties.

Going concern

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

In considering going concern, the directors have reviewed the capital, liquidity and financial position of CSi including future capital, liquidity and financial plans to the end of 2022.

The directors have also considered the market development and relevant events during the year including in March 2021, when Archegos failed to meet its margin commitments to CSi, and as a result CSi recorded losses of USD 5,288 million. Following these losses, CSi has capital and liquidity surpluses to all regulatory and internal limits and is forecast to maintain its capital surplus through to the end of 2022.

Credit Suisse AG ('CS AG') provided a letter of intent ensuring support for meeting CSi's debt obligations and maintaining a sound financial position over the next 13 months. CS AG has shown intent to support CSi both for capital and liquidity, during the default of Archegos in 2021, CS AG supported CSi by providing extra liquidity. CS AG has also pre approved a capital injection of up to USD 3,500 million, should it be required, until 30 April 2022.

CSi did not utilise any financial assistance offered by the UK government, throughout the COVID-19 pandemic.

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

Political and economic environment

2021

The Bank of England's ('BOE') Monetary Policy Committee ('MPC') sets monetary policy with the aim of meeting the 2% inflation target, to help sustain growth and employment. On 5 August 2021, the MPC announced they voted unanimously to maintain the Bank Rate at 0.1% and the stock of sterling non-financial investment grade corporate bond purchases at Great British Pound ('GBP') 20 billion. It is also continuing with its existing programme maintaining the target for the stock of UK government bond purchases at GBP 875 billion. All of these were financed by the issuance of central bank reserves.

The UK went into a third national lockdown on 6 January 2021. The government announced a four-step roadmap to a more normal life with the first level of restrictions lifting on 8 March 2021. The UK moved into the fourth step on 19 July 2021 resulting in the majority of restrictions ending. There is more of an emphasis on personal responsibility, enabling the public to make informed decisions through guidance rather than enforcement. Although there is an expectation cases will continue to rise, the UK government believe there is enough evidence to conclude that vaccines are sufficiently effective in reducing hospitalisations and deaths in those vaccinated and therefore infections rates are not putting unsustainable pressure on the National Health Service. The situation will continue to be monitored by the government.

The sterling ('GBP') exchange rate index against the United States Dollar ('USD') at 30 June 2021 was 138.5, an increase of 13% since 30 June 2020. From the lows seen during March 2020 following the initial outbreak of COVID-19, the GBP/USD recovery continued throughout 2020 and into 2021, reaching a high of 142.3 on 1 June 2021. This was primarily due to the finalisation and completion of the UK's exit from the EU, the UK's successful roll out of vaccinations as well as easing of restrictions in the second quarter of 2021.

The latest UK Gross Domestic Product ('GDP') figures estimate a decrease of 1.6% in Q1 2021 when compared to Q1 2020. GDP is now 8.8% lower than it was in Q4 2019 prior to the start of the COVID-19 pandemic. Construction output has increased with services and production output contracting. The UK Consumer Prices Index including owner-occupiers housing costs ('CPIH') rose by 2.4% in the 12 months to June 2021 with the largest contributor being transport.

The Financial Times Stock Exchange 100 ('FTSE 100') index of top UK-listed shares closed at 7,037 points for 30 June 2021, increasing by 14% since 30 June 2020. It has steadily increased since March 2020 when it fell to 5,190 points, which was the lowest since 2008. Pre COVID-19 (31 December 2019) the FTSE 100 closed at 7,542. Standard and Poor's 500 index closed at 4,297 points increasing by 39% since the same period last year.

Looking forward

Uncertainty continues around the evolution of the COVID-19 virus. Concerns remain in relation to new variants and waves of COVID-19 however with increasing numbers of the UK population being vaccinated and the easing of restrictions, the MPC forecasts GDP recovering to pre COVID-19 levels over the remainder of 2021. This outlook depends on the evolution of variants as well as the public's response to the evolution of the COVID-19 pandemic. The CJRS will be closing at the end of September and this will result in workers returning to work, but some jobs may be lost.

The IMF have forecast the global economy will grow by 6% in 2021. Varying policy support and economic disruptions throughout the COVID-19 pandemic has resulted in economic recoveries across countries and regions differing. Each country has different capacities by which it can support their populations through this. Vaccination programmes have started in most countries, but the roll out and speed differs between countries. Until a country has good coverage of its population vaccinated, economies continue to have restrictions in place. There is still a continued risk that vaccine-resistant virus mutations can start in any country, at any time, which may result in further lockdowns. Cross border services are expected to remain subdued due to restrictions remaining on international travel as well as a level of fear about travelling.

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

Regulatory environment

Replacement of Interbank Offered Rates ('IBOR')

A major structural change in global financial markets is in progress with respect to the replacement of interbank offered rate ('IBOR') benchmarks. There is significant regulatory focus on replacing the IBOR benchmarks with alternative reference rates

(‘ARR’s). There are a number of risks associated with the transition, including financial, legal, tax, operational and conduct risks and the risk of an untimely transition due to a lack of client or market readiness. However, CSi believes certain opportunities related to the transition also exist in the areas of product innovation and development, business growth and strategy and client communication and engagement.

The phase-out of these rates will not be simultaneous with USD IBOR (excluding 1 week and 2 month tenors) available for use in legacy trades until end June 2023 while its equivalents in GBP, CHF, JPY and EUR will cease at the end of 2021. Although the depth of ARR-markets differs across currencies, regulatory guidance urges for the cessation of new business referencing IBOR rates in all currencies by the end of 2021 but in some markets sooner than in others.

CSi has a significant level of liabilities and assets linked to IBOR indices across businesses that require transition to alternative reference rates. Despite the negative impact of the COVID-19 pandemic on the global economy and the financial sector, building on the foundation laid in 2019 and capabilities for ARR operational readiness in 2020, CSi continued to execute its IBOR transition strategy. The work remains focused on the five key areas:

- Operational readiness and resiliency: by the end of 2020, the bank was operationally ready to support new products in most markets in which it was active. CSi engaged with our third party vendors and/or developed in-house solutions to meet the demand from our clients;
- Legal contract assessment and repapering: CSi continues to review contracts throughout the Bank and has conducted an assessment of the legacy book. As client interest in active remediation of legacy contracts increases, CSi is well prepared for legacy contract remediation during the second half of 2021;
- Product development and industry engagement: CSi has continued to participate in national working groups in all of our main markets and has met timescales for the initiatives developed in these forums. CS group were amongst the initial signatories of the International Swap and Derivatives Associations, Inc. (ISDA) IBOR Protocol, and is preparing to apply the protocol to relevant transactions;
- Risk management and mitigation: to manage transition risk, CS group implemented a group-wide policy to limit new IBOR-referencing business, meet cessation dates defined by regulators and control the wind-down of legacy exposures in advance of the cessation dates. Accordingly, divisional plans exist to ensure timely compliance with the policy and limits therein. CSi modelling and risk management systems have been revised to accommodate the transition and were successfully tested when the central clearing houses conducted their transition to alternative USD and EUR discounting models in 2020. The majority of our pricing models have been reviewed and where needed updated, preparing to meet the demand for new ARR-products. As our clients continue to sign up to the ISDA IBOR Protocol, over 90% of the legacy portfolio now has sufficient fallbacks, significantly reducing the transition risk in our derivatives portfolio. Active dialogue continues with clients where trades are identified as having insufficient fallbacks, progress is regularly tracked and reported by business on the LIBOR Executive Transition Board; and
- Strategic Transition Planning and Communication: aligned with regulatory guidance on the transition, CSi’s businesses have developed transition plans to enable CSi to optimally service its clients during and after transition. A second round of mandatory training to help support taking our clients on this journey has been completed by over forty thousand CS group employees including relevant CSi employees.

CS group’s, IBOR Transition Program, including CSi, co ordinates the transition activities across its divisions and businesses and remains fully engaged in overseeing the efforts. CSi continues to focus on identifying the potential impact this transition may have on clients, and new risks that may arise to assist them through the whole of the transition period.

The following table includes disclosures of both derivatives and non-derivative instruments in CSi that continue to reference significant interest rate benchmarks subject to interest rate benchmark reform as at 30 June 2021**.** The amounts provide an indication of the extent of the CSi group’s exposure to the IBOR benchmarks that are due to be replaced. Amounts are in respect of financial instruments that contractually reference an interest rate benchmark that is planned to transition to an alternative benchmark.

	Financial instruments yet to transition to alternative benchmarks, by main benchmark					
30 June 2021 (USD millions) [1]	USD Libor	GBP Libor	JPY Libor	CHF Libor	EUR Libor & EONIA	**Total**
Notional value of non-derivative financial assets	138	123	-	1	-	**262**
Notional value of non-derivative financial liabilities	706	28	19	11	170	**934**
Derivative notional contract amount	2,595,856	961,541	437,838	437,486	242,821	**4,675,542**

[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 CSi group adopted the Amendments to IFRS 9, IAS 39 and IFRS 7 (Phase 1); Interest Rate Benchmark Reform on 1 January 2020 and the adoption had no impact on CSi group's financial position, results of operation nor cash flows. CSi is working on the phase 2 implementation.

- Phase 1: Interest Rate Benchmark reform, Amendments to IFRS 9, IAS 39 and IFRS 7 – relates to issues before the replacement of an existing interest rate benchmark with an alternative interest rate (pre replacement issues). The effective date of the amendments is for annual periods beginning on or after 1 January 2020; and
- Phase 2: Interest Rate Benchmark reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – The amendments aim to address issues affecting financial reporting when an existing benchmark rate is replaced with an alternative rate. Phase 2 covers issues related to replacement issues. The effective date of the amendments is for annual periods beginning on or after 1 January 2021.

→ For further details, refer to Note 2 – Significant Accounting Policies.

EU benchmark regulation

CSi administers seven families of non-significant benchmarks and, as such, successfully registered with the FCA as a benchmark administrator in accordance with the EU Benchmark Regulations ('BMR') as at 1 January 2020. On 1 January 2021 (due to UK's exit from the EU), CSi's status changed to that of a 'third country' benchmark administrator and its administered benchmarks were automatically transferred from the European Securities and Markets Authority ('ESMA') register to the FCA's new UK Benchmarks Register. This change in status could result in CSi's benchmarks no longer being available to use by other EU supervised entities from 2024. Discussion and planning is progressing regarding CSi's path to endorsement by CSEB's (formally CSSSV) EU supervised entity status. Endorsement will allow CSi benchmarks to continue to be used after the transition period. Under EU BMR, administrators and users of non-EU third country benchmarks benefit from an extension to the transition period until 31 December 2023.

Operational resilience and European Banking Authority ('EBA') outsourcing

In December 2019 the PRA issued its consultation on Outsourcing and Third Party Risk Management (CP30/19), in which it set out its own proposals on the implementation of the EBA Outsourcing Guidelines in the context of modernising the regulatory framework on outsourcing and third party risk management. The PRA's proposals as a whole are intended to complement the policy proposals in a joint consultation with the FCA on Operational resilience; impact tolerances for important business services (CP29/19) to help strengthen firms' operational resilience.

CSi is continuing its implementation of the PRA's Outsourcing requirements, which will come into effect on 31 March 2022. CSi is currently materially compliant with the requirements. The requirements are similar to those set out by the European Banking Authority ('EBA') in July 2019 and where there is convergence, CSi is within scope of the broader EBA Outsourcing Guidelines implementation. Any PRA requirements that differ or go beyond the EBA guidelines are being implemented locally under the oversight of CSi's outsourcing governance framework.

Dodd-Frank Wall Street reform and consumer protection act – Security Based Swaps

In accordance with Commodities Futures Trading Commission ('CTFC') implementation of Title VII of the Dodd-Frank Act, CSi has been registered as a swap dealer since 2012. Certain derivatives, security based swaps ('SBS'), are regulated by the United States ('US') Securities and Exchange Commission ('SEC'), which has recently finalised its rules governing the security based swaps market.

CSi is preparing for registration as a SBS dealer in accordance with the US SEC rules pursuant to Title VII of the Dodd-Frank Act, effective 6 October 2021. The implementation of SBS rules, including capital, margin and segregation, business conduct requirements, record keeping and reporting, trade acknowledgement, risk mitigation and mandatory clearing requirements for eligible SBS, is ongoing. The rules also include a cross-border framework that will determine where CSi, as a non-US SBS dealer, will be deemed to satisfy certain SBS rules through compliance with comparable UK regulatory requirements.

Performance

Key Performance Indicators ('KPIs')

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

Unaudited	**6M21**	6M20	6M19 [1,2]	6M18 [3]	6M17 [3]
Earnings					
Net profit/(loss) before tax (USD million): [1]					
Continuing operations	(5,187)	458	238	131	(142)
Discontinued operations	–	49	24	-	-
Total	(5,187)	507	262	131	(142)

	6M21	6M20	6M19	6M18	6M17
Extracts from Condensed Consolidated Statement of Financial Position (USD million):					
Total Assets [2]	258,377	283,471	233,248	247,165	273,633
Total Asset growth/(reduction)	(8.85)%	21.53%	(5.63)%	(9.67)%	(38.51)%
Return on Total Assets	(2.01)%	0.18%	0.11%	0.05%	(0.05)%

	6M21	6M20	6M19	6M18	6M17
Capital (USD million):					
Risk Weighted Assets	71,349	95,656	77,622	100,354	101,875
Tier 1 capital	15,206	20,328	21,190	21,123	21,153
Return on Tier 1 capital	(34.11)%	2.49%	1.24%	0.62%	(0.67)%

	6M21	6M20	6M19	6M18	6M17
Liquidity (USD million):					
Liquidity Buffer	23,651	14,981	15,939	17,781	17,485

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 continued in 6M18 and 6M17 .

Capital

Risk Weighted Assets ('RWA') have decreased by USD 25 billion to USD 71 billion (2020: USD 96 billion) primarily due to mitigating management actions taken in response to the Archegos loss. In addition, counterparty credit risk and the Credit Value Adjustment ('CVA') charge decreased due to the extension of the Internal Models Method ('IMM') approach to equity and credit derivative products, as well as an organic decline in derivatives exposure. There have been no capital repatriations during the first half of the year.

Capital resources

Capital resources decreased significantly in the first half of the year due to the Archegos loss, however, the Bank maintained sufficient capital throughout this stress period due to the mitigating actions taken by management to reduce RWA. CSi closely monitors its capital position to ensure ongoing stability and support of its business activities. This monitoring takes into account the requirements of the current regime and any forthcoming changes to the capital framework or to the Bank's business models, and includes reviewing potential opportunities to repay capital to shareholders.

The Bank is required at all times to monitor and demonstrate compliance with the relevant regulatory capital requirements of the PRA. The Bank did not breach any capital limits during the reporting period.

Liquidity

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

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

The liquidity buffer increased by USD 9 billion to USD 24 billion (2020: USD 15 billion) due to Pillar 1 risk increases, under the Liquidity Coverage Ratio ('LCR') metric approach. The increase includes the impact of business migration from CSS(E)L and additional requirements under the derivative Historical Look Back Approach ('HLBA') calculation driven mainly by the impact of Archegos.

Commentary on Condensed Consolidated Statement of Income (Unaudited)

Unaudited	**6M21**	6M20	6M19 [1]	6M18 [2]	6M17 [2,3]
Condensed Consolidated Statement of Income (USD million)					
Net revenues	(3,744)	1,385	1,079	1,210	580
Total operating expenses	(1,443)	(927)	(841)	(1,079)	(722)
Profit/(Loss) before tax from continuing operations	**(5,187)**	**458**	**238**	**131**	**(142)**
Profit/(Loss) before tax from discontinuing operations	**–**	**49**	**24**	**–**	**–**
Profit/(Loss) before tax	**(5,187)**	**507**	**262**	**131**	**(142)**
Income tax (expense)/benefit from continuing operations	93	(90)	47	9	1
Income tax (expense) from discontinuing operations	–	(13)	(4)	–	–
Profit/(Loss) after tax	**(5,094)**	**404**	**305**	**140**	**(141)**

[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 6M18 and 6M17 .
[3] Excludes IFRS 15 revenue and expense reclassification.

The CSi group reported a net loss attributable to shareholders of USD 5,094 million (2020: Profit of USD 404 million).

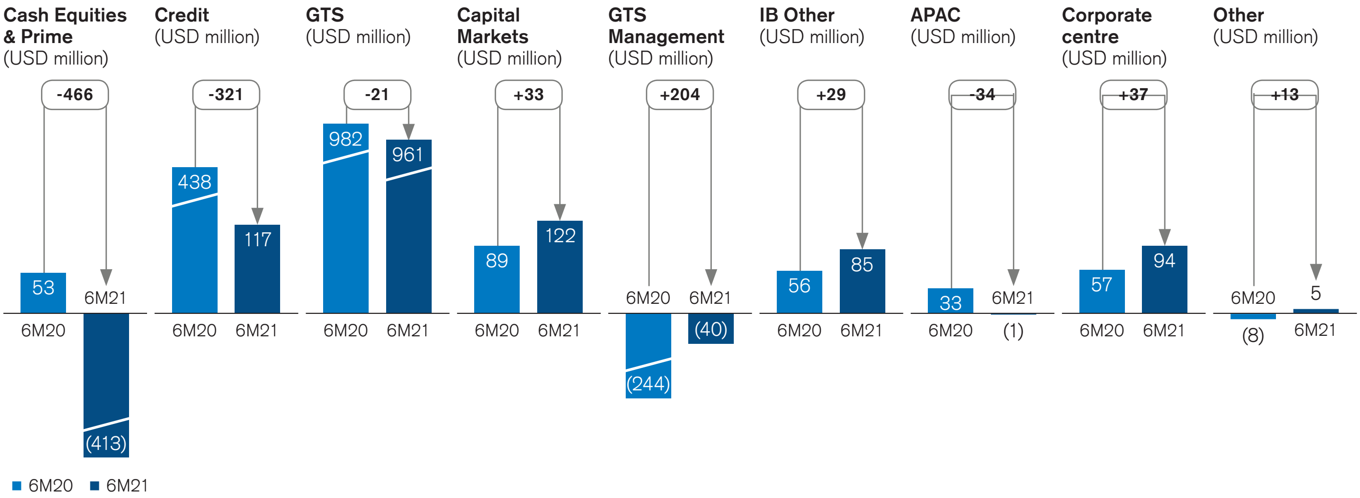
Loss before tax for the CSi group was USD 5,187 million (2020: Profit of USD 507 million).

Net revenues

Unaudited	**6M21**	6M20	Variance	% Variance
Reconciliation of reportable segment revenues (USD million) [1]				
Total Revenues				
- Cash Equities and Prime	(413)	53	(466)	< (100)%
- Credit	117	438	(321)	(73)%
- GTS	961	982	(21)	(2)%
- Capital Markets	122	89	33	37%
- GTS Management	(40)	(244)	204	(84)%
- IB Other	85	56	29	52%
Investment Bank	**832**	**1,374**	**(542)**	**(39)%**
APAC	(1)	33	(34)	< (100)%
Corporate Centre	94	57	37	65%
Other	5	(8)	13	> 100%
Total reportable revenues	**930**	**1,456**	**(526)**	**(36)%**
Transfer pricing and cross divisional revenue share agreements	122	137	(15)	-11%
Treasury funding	(66)	50	(116)	< (100)%
Shared services	10	52	(42)	(81)%
Allowance for credit losses	(4,736)	(26)	(4,710)	< (100)%
CSi group to primary reporting reconciliations	(4)	(50)	46	(92)%
Net revenues as per Consolidated Statement of income	**(3,744)**	**1,620**	**(5,364)**	-331%

[1] In accordance with IFRS 8, Reportable segements are reported above under US GAAP, as reviewed by the Board of Directors.

Revenues of each reporting segment are:



In the first half of 2021, Cash Equities and Prime revenues reduced by USD 466 million predominantly due to Archegos. Excluding this, gains of USD 94 million were driven by business migrations from CSS(E)L rampdown with clients migrating from CSS(E)L to CSi leading to more business being driven through CSi.

Credit revenues reduced by USD 321 million driven by unfavourable market conditions, as market supply was muted and limited flows led to weaker trading. Tighter spreads, squeezed bid-offer prices, and slow trading volumes in a very low volatility environment resulted in a challenging situation with a lack of trading opportunities.

GTS reported gains of USD 961 million following a strong performance in Structured Equity in the first half of 2021.

GTS Management reported reduced losses of USD 40 million, USD 204 million better than June 2020 due to the insolvency of a counterparty in the first half of 2020.

Corporate centre made profits of USD 94 million driven by higher profits on structured notes primarily from own credit spread movements linked to holding Credit Suisse issued debt in a market making capacity.

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

- Reduction in Treasury funding of USD 116 million due to the lower interest rate environment in the first half of 2021 compared to the prior year driving lower returns on Tier 1 Capital;
- Reduction USD 42 million in Shared services driven by higher volatility in 2020, which saw significant gains arising from credit spread movements in derivative products, as a result of the COVID-19 pandemic. Shared services includes a business that manages the risk relating to counterparty credit, own credit, funding risk and collateral risks inherent in OTC transactions;
- Increase of USD 4,710 million in Provision for Credit Losses largely due to the provision booked for the default of Archegos; and
- Increase of USD 46 million in 'CSi group to primary reporting reconciliations' primarily due to accounting adjustments for deferral of day 1 gains on transactions under IFRS which are not deferred under US GAAP and accounting adjustments for Own Credit. Own credit risk on long non issuer positions are reported in the profit and loss whereas in US GAAP, it is reported as Other Comprehensive Income. This was offset by an adjustment to reclassify distribution fees paid by CSi to CS AG, recorded in trading revenue under US GAAP, but General, administrative and trading expenses under IFRS.

Expenses

Unaudited	6M21	6M20	Variance	% Variance
Operating expenses (USD million)				
Compensation and benefits	(375)	(380)	5	1%
General, administrative and trading expenses	(1,056)	(733)	(323)	(44)%
Restructuring expenses	(12)	-	(12)	(100)%
Total operating expenses	**(1,443)**	**(1,113)**	**(330)**	(30)%
Of which operating expenses – continued operations	**(1,443)**	**(927)**	**(516)**	(56)%
Of which operating expenses – discontinued operations	**–**	**(186)**	**186**	100%

The CSi group's operating expenses, combining continued and discontinued, increased by USD 330 million to USD 1,443 million (2020: USD 1,113 million). CSi group's continued operating expenses increased by USD 516 million primarily as a result of the CSS(E)L ramp down project and CSi acquiring CSS(E)L's businesses.

Compensation and benefits have decreased by USD 5 million due to:
- Decrease of USD 48 million due to lower people related costs including a reduction in performance related bonus, reduction in deferred compensation awards relating to the CSG share price and GBP appreciating against USD; and
- Increase of USD 43 million in pension costs was due to expenses incurred in a programme run by CSi to offer members of the UK CSi sponsored defined benefit pension scheme the option to transfer out of this scheme.

General, administrative and trading expenses increased by USD 323 million due to:
- Increase of USD 102 million in costs including professional fees and depreciation as part of the ramp-down of CSS(E)L. As the businesses in CSS(E)L are transferred into CSi in line with CSi becoming the main UK legal entity, increased overhead costs are booked in CSi;
- Increased brokerage expense of USD 91 million with increased prime flow business in CSi following the transfer of business from CSS(E)L;
- Increase of USD 83 million in net overheads due to higher transfer pricing pay-aways on the back of increased revenues; and
- Increase of USD 29 million due to additional lease impairment provisions for One Cabot Square, due to three floors no longer being required, as part of right sizing the London campus floor space.

Restructuring expenses have increased by USD 12 million due to the decommissioning of IT applications, as approved by the Restructuring Board. Accelerated depreciation was applied on the IT application related assets.

The income tax expense / (benefit) is recognised based on management's estimate of the effective annual income tax rate expected for the full financial period. The estimated annual tax rate used for the year to 30 June 2021 is 0.82%, which is less than the UK statutory tax rate of 27%. This primarily reflects the impact of a permanent tax adjustment and deferred tax not recognised related to the Archegos loss. Other key drivers of the full year estimated effective tax rate were other permanent tax adjustments and the impact of the UK corporation tax rate change substantively enacted in June 2021. The estimated annual tax rate used for the year to 30 June 2020 was 20.3% which included the impact of permanent tax adjustments and the UK corporation tax rate change.

Commentary on Condensed Consolidated Statement of Financial Position (Unaudited)

Extracts from Condensed Consolidated Statement of Financial Position (USD million) Unaudited	**6M21**	End of 2020	Variance	% Variance
Assets (USD million)				
Cash and due from banks	3,279	6,225	(2,946)	(47)%
Interest-bearing deposits with banks	11,438	14,486	(3,048)	(21)%
Securities purchased under resale agreements and securities borrowing transactions	11,585	4,559	7,026	154%
Trading financial assets mandatorily at fair value through profit or loss	151,659	188,620	(36,961)	(20)%
Non-trading financial assets mandatorily at fair value through profit or loss	36,874	25,516	11,358	45%
Other assets	39,228	44,566	(5,338)	(12)%
Other (aggregated remaining balance sheet assets lines)	4,314	6,274	(1,960)	(31)%
Total assets	**258,377**	**290,246**	**(31,869)**	**(11)%**
Liabilities (USD million)				
Trading financial liabilities mandatorily at fair value through profit or loss	131,998	164,364	(32,366)	(20)%
Financial liabillities designated at fair value through profit or loss	37,368	29,788	7,580	25%
Borrowings	6,923	2,436	4,487	184%
Other liabilities	27,840	32,418	(4,578)	(14)%
Debt in issuance	32,668	31,597	1,071	3%
Other (aggregated remaining balance sheet liabilities lines)	3,730	6,636	(2,906)	(44)%
Total liabilities	**240,527**	**267,239**	**(26,712)**	**(10)%**

As at 30 June 2021 the CSi group had total assets of USD 258 billion (31 December 2020: USD 290 billion).

Business driven movements in the Unaudited Condensed Consolidated Statement of Financial Position 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 37 billion and USD 32 billion respectively. This decrease is primarily due to market moves on interest rate derivatives linked to the EUR, GBP and CHF yield curves as rates sold off in the first half of the year;
- An increase of USD 11 billion and USD 8 billion in Non-trading financial assets mandatorily at fair value through profit or loss and Financial liabilities designated at fair value through profit or loss respectively driven by changes in sourcing of securities for High-Quality Liquid Assets ('HQLA') for fellow Credit Suisse entities which used to be sourced from CSS(E)L. Also increased client appetite and an increase in trading due to CSS(E)L business moving into CSi; and
- Other assets and other liabilities have both decreased by USD 5 billion primarily due to an decrease in cash collateral provided to counterparties in line with the decrease in derivative exposures.

Further movements in the Unaudited Condensed Consolidated Statement of Financial Position reflect the impacts of managing the required liquidity profile in accordance with risk appetite, regulatory requirements including European Banking Authority ('EBA') Basel III, and overall optimisation of the funding profile. This has resulted in:

- Cash and due from banks decreased by USD 3 billion due to a decrease in cash placed with CS AG, London Branch in USD;
- Interest-bearing deposits with banks decreased by USD 3 billion due to a reduction in lending with CS AG, London Branch in Japanese Yen ('JPY'), USD and Swiss Franc ('CHF') driven by higher cash usage;
- An increase of USD 7 billion in Securities purchased under resale agreements and securities borrowing transactions mainly driven by an increase in collateral requirements, driven by HQLA requirements in CSi;
- An increase of USD 4 billion in Borrowings with CS AG, London Branch driven by changes in funding requirements and business cash usage in GBP and EUR; and
- An increase of USD 1 billion in Debt in Issuance with CS AG, London Branch driven by changes in funding 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 2.9 billion as at 30 June 2021 (31 December 2020: USD 3.3 billion) mainly driven by maturities and early terminations across derivatives and securities positions. This was equivalent to 1.1% of total assets (2020: 1.1%). Total level 3 liabilities were USD 4.6 billion as at 30 June 2021 (31 December 2020: USD 4.6 billion). The movement was net flat, primarily due to an increase in new issuances of equity autocallable structured notes and market movements as major indices appreciated, offset by transfers out of level 3 on improved observability and unwinds. This was equivalent to 1.9% (2020: 1.7%) of total liabilities.

→ Fair value disclosures are presented in Note 13 – Financial Instruments.

Dividends

No dividends have subsequently been paid or proposed for the period ended 30 June 2021 (2020: USD Nil). No dividends have subsequently been paid or proposed.

Principal risks and uncertainties

Principal risks

RISK TYPE	DESCRIPTION	HOW RISKS ARE MANAGED
Climate Change	Climate-related risks are potentially adverse direct and indirect impacts on the banks financial metrics, operations or reputation due to transitional or physical effects of climate change. Climate-related risks could manifest themselves through existing risk types such as credit risk, market risk, non-financial risk, business risk or reputational risk.	Climate change risk in CSi is managed by the CSi Enterprise Risk Management department. The theme of climate change risk has been explicitly considered in the course of CSi's risk identification and assessment process. In these early stages of developing best practice approaches to climate change risk assessment, CSi has considered its corporate lending exposure to sectors with the closest nexus to the physical and transitional implications of climate change risk. Sectors include fossil fuels as well as energy, transport, property, and agriculture. As at 30 June 2021 direct exposure to fossil fuels and related sectors are immaterial in CSi (31 December 2020: Immaterial). A CS group Climate Risk Strategy program exists to deliver a consistent approach to governance, risk management, scenario analysis and disclosure across the CS group and legal entities including CSi, covering compliance with regulatory requirements across the jurisdictions within which the CS group operates.
Credit Risk	The risk of a loss arising as a result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower, or counterparty.	Credit risk in CSi is managed by the CSi Credit Risk Management ('CSi CRM') department. CSi CRM is a part of the wider CRM department, which 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 CSi CRM. COVID-19 impacts in credit risk were experienced through increased credit exposure and deterioration of credit quality in certain industries resulting in moderately increased forecast provisions. 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 escalated to senior management. Watchlist counterparties are classified as Amber when they are performing but potential weaknesses (early signs of potential financial difficulty) have been identified, which require closer and continuous monitoring. Counterparties are classified as Red if they are performing but well-defined weaknesses and actual stress are apparent; there are increasing signs of declining credit worthiness but those signs are not yet severe enough to indicate impairment. Following the Archegos default, CRM have undertaken a thorough review of the concentrations in the CSi portfolio and have enhanced the Credit Risk Appetite Framework with a more granular limit framework to ensure timely identification and escalation of any increasing concentrations. CRM also has a Recovery Management team who are responsible for managing and resolving troubled or impaired exposures, establishing appropriate provisions for impaired loans and maximising recovery throughout the workout process, thereby protecting CSi's capital and reputation and minimising potential litigation risks.
Liquidity Risk	The risk that CSi will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the firm, in times of stress whether caused by markets events and/or firm-specific issues. In this context, liquidity risk implies funding liquidity risk, not market liquidity risk.	CSi Liquidity Risk ('LR') is responsible for the oversight of Treasury and the business divisions in managing CSi's liquidity risks as a second line of defence. As a reflection of its risk constraint mandate, LR is responsible for ensuring that liquidity risk management is consistent with CSi's Risk Appetite Framework ('RAF'). LR challenges Treasury and the business divisions for their responsibilities in the context of liquidity risk measurement and management. LR executes its mandate across the following four pillars: risk controls, governance, stress testing, and methodology. The LR mandate is documented in the Liquidity Risk Management Mandate Policy and CSi Legal Entity Liquidity Risk Governance & Framework Manual. 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. The liquidity and funding profile has been adapted to reflect lessons learned from the financial crisis and more recent market stresses, the subsequent changes in the business strategy, and resulting regulatory developments.
Market Risk	The risk of a loss arising from adverse changes in interest rates, credit spreads, foreign currency exchange rates, equity and commodity prices, and other relevant market parameters, such as volatilities and correlations.	Market Risk in CSi is managed by the CSi Market Risk department. 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 the market risk at the Bank's level. Increased focus has been placed on counterparty market risk, improving the way in which risk is measured by leveraging the subject matter expertise of market risk managers. The new Counterparty market risk team will closely collaborate with the Counterparty Credit Risk team within IB to further progress how risk of CSi's counterparties is assessed allowing for enhanced credit decision making.

RISK TYPE	DESCRIPTION	HOW RISKS ARE MANAGED
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 Enterprise Risk and Control Framework ('ERCF'), providing a consistent and unified approach to evaluating and monitoring CSi's non-financial risks. The ERCF 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 Audit Committee.
Reputational Risk	The risk that an action, transaction, investment or event results in damages to CSi's reputation as perceived by clients, shareholders, the media and the public.	CSi has a Reputational Risk Review Process ('RRRP') coordinated by the CSi Reputational Risk team. The IB Reputational Risk Approver ('RRA') is a subject matter expert and senior risk manager independent from the business, and is responsible for holistically assessing whether the identified reputational risks are acceptable and the proposed activity is within the Bank's risk appetite for reputational risk. All RRA decisions in the RRRP are predicated on the review and approval of the relevant Divisional Approvers ('DAs'), who are designated senior management in each Division. All activities submitted through the RRRP for review must be approved via the process before the Bank is committed to pursuing or executing them from a legal or relationship standpoint. The RRA must escalate a submission to the IB EMEA Divisional Client Risk Committee ('DCRC') or Global Reputational 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.

For further details on how CSi manages risk, refer to Note 14 – Financial Instruments Risk Position.

Other key risks

Archegos

A CS group-wide risk appetite review was concluded with various deep dives and risk reviews across credit, market and liquidity risks, followed by further potential refinements throughout the second half of 2021 in alignment with the broader strategic review being performed by CSG's board of Directors. The review is being conducted on CS group's, including CSi's, overall business strategy and risk appetite in addition to business reviews and potential personnel and organisational changes.

With respect to the Archegos matter, CSG including CSi, continues to strengthen control governance across first and second line risk management with new limits and a restriction implemented for the onboarding of new Prime clients with static margin arrangements. Additionally, CSi completed a reduction of arrangements with static margining for all hedge fund counterparties and exposures to such counterparties.

→ For further details, refer to Operating environment.

Inflation concerns

Annual inflation rates have risen strongly in recent months in Europe and in the US. Investors are concerned that this rise may cause major central banks to shift their policies, which may have potentially adverse impacts on major global equity and credit markets as well as on certain emerging markets. Based on an internal review of our exposures in Q2 2021, certain country risk and transaction limits were adjusted. In addition, a stress test has been developed which utilises a suite of inflationary scenarios to identify the most probable hypothetical outcomes (across asset classes) and assess the impact at CSi level.

COVID-19

The COVID-19 pandemic continued to affect the economic environment. Equity and credit markets generally performed well in second quarter of 2021 on the increased prospect that 2021 would bring a strong economic recovery due to significant fiscal supports, accommodative monetary policies, accelerating vaccination programs and the easing of economic and social activity lockdowns. However, a recent and growing resurgence in COVID-19 infection rates globally, in particular among unvaccinated people, is attributed to the Delta variant strain, which appears to be more infectious than the original strain, and may negatively affect the expected recovery. India suffered a severe second COVID-19 infection wave in March and April 2021 that put its public healthcare system under acute pressure. The infection wave subsided in May and June but began to rise again in July. Economic and social activity lockdown measures tightened during the initial infection wave. The lockdowns eased in May and June but in July have tightened again in some states. Credit Suisse has a significant presence in India primarily in the cities of Mumbai, Pune and Bangalore. At the start of the second COVID-19 infection wave, India office locations rolled back to minimal staff occupancy levels.

CSi continues to closely monitor the COVID-19 pandemic and its effects on our operations and businesses and financial performance including credit loss adjustments, trading revenues and net interest income.

→ For further details, refer to Operating environment.

Turkey

High interest rates and inflation far above the Turkish central bank target created the potential for a substantial weakening in GDP growth, a further large decrease in the value of the Turkish lira, a significant widening in sovereign and corporate debt spreads and an increase in political and social risks. Domestic economic policymaking remained especially challenging to predict. Dependency on foreign capital inflows remained high in the context of Turkey's need to roll over significant amounts of debt in 2021 and 2022 while its foreign reserves are still close to historically low levels. CSi is continuing to monitor exposures and local funding conditions as well as potential reputational risks.

Litigation

The main litigation matters are set out in Note 12 – Contingent liabilities guarantees and commitments. CSi is the defendant in several legal cases, currently some of these have led to claims being made against the Bank. CSi is defending itself with regard to these claims.

Selected credit risk exposure views by country and industry segment

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

Gross credit risk exposures, include loans and loan commitments, investments (such as cash securities and other investments) and all exposures of derivatives (not limited to credit protection purchased and sold), after consideration of legally enforceable netting agreements. Gross exposures are calculated after offsetting 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 2021 (USD millions)	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	**Gross Exposure**	**Net Exposure**
United Kingdom	777	762	7,523	3,354	1,554	1,410	**9,854**	**5,526**
United States	-	-	7,218	3,119	2,773	2,219	**9,991**	**5,338**
France	558	506	4,282	1,577	265	265	**5,105**	**2,348**
Netherlands	-	-	1,920	1,056	610	585	**2,530**	**1,641**
Germany	538	28	3,061	1,267	277	272	**3,876**	**1,567**
Luxembourg	-	-	1,702	604	576	434	**2,278**	**1,038**
Italy	457	379	441	124	299	299	**1,197**	**802**
Switzerland	41	6	887	613	143	142	**1,071**	**761**
Japan	83	83	1,665	93	98	97	**1,846**	**273**
Saudi Arabia	-	-	30	30	42	42	**72**	**72**
Total	**2,454**	**1,764**	**28,729**	**11,837**	**6,637**	**5,765**	**37,820**	**19,366**

31 December 2020 (USD millions)	Sovereign		Financial Institutions		Corporate		**Total**	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	**Gross Exposure**	**Net Exposure**
United Kingdom	1,345	1,324	7,993	3,338	1,325	1,105	**10,663**	**5,767**
United States	57	57	7,936	3,146	3,538	3,316	**11,531**	**6,519**
France	388	320	4,333	959	523	483	**5,244**	**1,762**
Netherlands	-	-	1,933	873	831	783	**2,764**	**1,656**
Germany	769	127	3,056	527	366	348	**4,191**	**1,002**
Luxembourg	-	-	1,558	561	161	161	**1,719**	**722**
Italy	711	418	529	143	152	119	**1,392**	**680**
Switzerland	49	2	809	397	214	200	**1,072**	**599**
Saudi Arabia	-	-	392	390	44	44	**436**	**434**
Japan	25	25	2,057	186	95	94	**2,177**	**305**
Total	**3,344**	**2,273**	**30,596**	**10,520**	**7,249**	**6,653**	**41,189**	**19,446**

The following table shows the ten largest exposures in CSi, which make up 80% of net exposure in the Bank. Exposures are those used for internal risk management and are calculated on the same basis as the country exposures shown in the previous table.

Industry Segments (USD millions)	30. June 2021			31 December 2020	
	Gross Exposure	Net Exposure	Net Exposure as % of All Industry Exposures	Gross Exposure	Net Exposure
Central Clearing Parties	6,134	5,672	26%	5,025	4,709
Sovereigns, Monetary Authorities, Central & Development Banks	3,383	2,600	12%	4,248	2,939
Other Financial Companies	4,237	1,924	9%	4,839	1,663
Asset Management & Investment Funds	4,144	1,517	7%	4,372	1,156
Commercial & Investment Banks	9,937	1,215	6%	12,407	949
Securitisations	1,959	1,189	5%	1,913	1,152
Insurance	2,872	998	5%	2,803	531
Telecommunications	914	780	4%	1,056	303
Utilities	657	613	3%	675	614
Media	850	593	3%	963	629
Total	**35,087**	**17,101**	**80%**	**38,301**	**14,645**

The Management Report is approved by Order of the Board

Paul E Hare
Company Secretary

One Cabot Square
London E14 4QJ
19 August 2021

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
19 August 2021

Independent review report to the Directors of Credit Suisse International

Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Credit Suisse International's condensed consolidated interim financial statements (the "interim financial statements") in the unaudited condensed consolidated interim financial statements of Credit Suisse International for the 6 month period ended 30 June 2021 (the "period").

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

What we have reviewed
The interim financial statements comprise:

- the condensed consolidated interim statement of financial position as at 30 June 2021;
- the condensed consolidated interim statement of income and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated interim statement of cash flows for the period then ended;
- the condensed consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements

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

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.

Our responsibility is to express a conclusion on the interim financial statements in the unaudited condensed consolidated interim financial statements based on our review. 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. Our report may not be made available to any other party without our prior written consent. 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.

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

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

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
19 August 2021

Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2021 (Unaudited)

Condensed Consolidated Interim Statement of Income for the six months ended 30 June 2021 (Unaudited)

	Reference to note	6M21	in 6M20
Condensed Consolidated Statement of Income (USD million)			
Interest income		207	343
- of which Interest income from instruments at amortised cost		*123*	267
Interest expense		(246)	(325)
- of which Interest expense on instruments at amortised cost		*(191)*	*(289)*
Net interest income		(39)	18
Commission and fee income		183	207
Allowance for credit losses	4	(4,736)	(22)
Net gains from financial assets/liabilities at fair value through profit or loss		695	1,065
Other revenues		153	117
Net revenues		**(3,744)**	**1,385**
Compensation and benefits		(375)	(318)
General, administrative and trading expenses		(1,056)	(609)
Restructuring expenses		(12)	–
Total operating expenses		**(1,443)**	**(927)**
(Loss)/Profit before taxes from continuing operations		**(5,187)**	**458**
Income tax benefit/(expense) from continuing operations	5	93	(90)
(Loss)/Profit after taxes from continuing operations		**(5,094)**	**368**
Discontinued Operations			
Profit before tax from discontinued operations		**–**	**49**
Income tax expense from discontinued operations	9	–	(13)
Profit after tax from discontinued operations		**–**	**36**
(Loss)/Profit for the period		**(5,094)**	**404**

Condensed Consolidated Interim Statement of Comprehensive Income for the six months ended 30 June 2021 (Unaudited)

	6M21	in 6M20
Consolidated Statement of Comprehensive Income (USD million)		
(Loss)/Profit for the period	**(5,094)**	**404**
Cash flow hedges – effective portion of changes in fair value	(22)	(24)
Related tax on cash flow hedges – effective portion of changes in fair value	4	–
Items that are or may be reclassified subsequently to Statement of income	**(18)**	**(24)**
Change in taxes due to tax rate changes	–	3
Remeasurements of defined benefit asset	(93)	–
Related tax on remeasurements of defined benefit asset	41	–
Realised gains relating to credit risk on designated financial liabilities extinguished during the period reclassed to retained earnings	1	3
Unrealised gain/(losses) on designated financial liabilities relating to credit risk	7	(2)
Items that will not be reclassified to Statement of income	**(44)**	**4**
Other comprehensive loss for the period (Net of taxes)	**(62)**	**(20)**
Total comprehensive (loss)/income	**(5,156)**	**384**
Attributable to Credit Suisse International shareholders	(5,156)	384

The accompanying notes on pages 24 to 54 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position as at 30 June 2021 (Unaudited)

	Reference to note	6M21	end of 2020
Assets (USD million)			
Cash and due from banks		3,279	6,225
Interest-bearing deposits with banks		11,438	14,486
Securities purchased under resale agreements and securities borrowing transactions		11,585	4,559
Trading financial assets mandatorily at fair value through profit or loss		151,659	188,620
of which positive market values from derivative instruments	*6*	*122,358*	*156,155*
Non-trading financial assets mandatorily at fair value through profit or loss		36,874	25,516
Loans and advances		3,036	3,151
Investment property		15	15
Current tax assets		71	39
Deferred tax assets		307	199
Other assets	7	39,228	44,566
Property and equipment		407	451
Intangible assets		478	485
Assets held for sale	9	–	1,934
Total assets		**258,377**	**290,246**
Liabilities (USD million)			
Due to banks		565	433
Securities sold under repurchase agreements and securities lending transactions		2,486	4,783
Trading financial liabilities mandatorily at fair value through profit or loss		131,998	164,364
of which negative market values from derivative instruments	*6*	*120,350*	*153,521*
Financial liabilities designated at fair value through profit or loss		37,368	29,788
Borrowings		6,923	2,436
Current tax liabilities		2	4
Other liabilities	7	27,840	32,418
Provisions		16	4
Debt in issuance	8	32,668	31,597
Lease liabilities		661	705
Liabilities held for sale	9	–	707
Total liabilities		**240,527**	**267,239**
Shareholders' equity (USD million)			
Share capital		11,366	11,366
Capital contribution		887	887
Retained earnings		5,786	10,881
Accumulated other comprehensive income		(189)	(127)
Total shareholders' equity		**17,850**	**23,007**
Total liabilities and shareholders' equity		**258,377**	**290,246**

The financial statements on pages 19 to 54 were approved by the Board of Directors on 19 August 2021 and signed on its behalf by:

Caroline Waddington
Director

The accompanying notes on pages 24 to 54 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2021 (Unaudited)

	Share Capital	Share Premium	Capital contribution	Retained Earnings	AOCI [1]	**Total**
Condensed Consolidated Interim Statement of Changes in Equity (USD million)						
Balance at 1 January 2021	**11,366**	**–**	**887**	**10,881**	**(127)**	**23,007**
Loss for the period	–	–	–	(5,094)	–	(5,094)
Realised gain / (loss) relating to credit risk on designated financial liabilities extinguished during period reclassed to retained earnings	–	–	–	(1)	1	–
Related tax on Realised gain / (loss) relating to credit risk on designated financial liabilities extinguished during period	–	–	–	–	–	–
Unrealised gain on designated financial liabilities relating to credit risk	–	–	–	–	7	7
Cash flow hedges – effective portion of changes in fair value	–	–	–	–	(22)	(22)
Related tax on Cash flow hedges – effective portion of changes in fair value	–	–	–	–	4	4
Remeasurement of defined benefit pension assets	–	–	–	–	(93)	(93)
Related tax on defined benefit pension assets	–	–	–	–	41	41
Gain on loan sale to CSD	–	–	–	–	–	–
Gain on business transfers to other CS entities	–	–	–	–	–	–
Change in taxes due to tax rate changes	–	–	–	–	–	–
Related taxes on initial application of IFRS16 due to tax rate changes	–	–	–	–	–	–
Total comprehensive income for the period	**–**	**–**	**–**	**(5,095)**	**(62)**	**(5,157)**
Balance at 30 June 2021	**11,366**	**–**	**887**	**5,786**	**(189)**	**17,850**
Condensed Consolidated Interim Statement of Changes in Equity (USD million)						
Balance at 1 January 2020	**11,366**	**12,704**	**875**	**(2,030)**	**(129)**	**22,786**
Profit for the period	–	–	–	404	–	404
Realised gain / (loss) relating to credit risk on designated financial liabilities extinguished during period reclassed to retained earnings	–	–	–	(3)	3	–
Related tax on gain / (loss) relating to credit risk on designated financial liabilities extinguished during period	–	–	–	1	–	1
Unrealised loss on designated financial liabilities relating to credit risk	–	–	–	–	(2)	(2)
Cash flow hedges – effective portion of changes in fair value	–	–	–	–	(24)	(24)
Related tax on Cash flow hedges – effective portion of changes in fair value	–	–	–	–	–	–
Gain on loan sale to CSD	–	–	2	–	–	2
Gain on business transfers to other CS entities	–	–	9	–	–	9
Change in taxes due to tax rate changes	–	–	–	–	3	3
Related taxes on initial application of IFRS16 due to tax rate changes	–	–	–	(1)	–	(1)
Total comprehensive income for the period	**–**	**–**	**11**	**401**	**(20)**	**392**
Balance at 30 June 2020	**11,366**	**12,704**	**886**	**(1,629)**	**(149)**	**23,178**

[1] AOCI refers to Accumulated Other Comprehensive Income

There were no dividends paid during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

In accordance with Articles 77 and 78 of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for the CRR, the CSi group obtained permission from the PRA to effect the share premium reduction. The members resolved to cancel the share premium account of USD 12,704 million and credit the balance to a distributable reserve on 22 December 2020, in accordance with the requirements of the Companies Act 2006 and the articles of association of the Bank. Consequently, the reclassification of the CSi group's USD 12,704 million Share Premium account into the Retained Earnings reserve account has been given effect. Any dividend paid is subject to CSi having sufficient distributable reserves.

The accompanying notes on pages 24 to 54 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows for the six months ended 30 June 2021 (Unaudited)

	Reference to note	6M21	6M20
Cash flows from operating activities (USD million)			
(Loss)/Profit before tax for the period		(5,187)	507
Adjustments to reconcile profit before tax to net cash generated from/(used in) operating activities (USD million)			
Non-cash items included in profit before tax and other adjustments:			
Depreciation, impairment and amortisation		127	91
Depreciation and impairment on investment property		–	2
Accrued interest on debt in issuance		55	106 [2]
Accrued interest on leases		4	10 [2]
Allowances for credit losses	4	4,736	26
Foreign exchange (gain)/loss		(386)	110
Provisions		9	(17)
Total adjustments		**4,545**	**328**
Cash (used)/generated before changes in operating assets and liabilities		**(642)**	**835**
Net decrease/(increase) in operating assets:			
Interest bearing deposit with banks		3,048	160
Securities purchased under resale agreements and securities borrowing transactions		(7,026)	(727)
Trading financial assets mandatorily at fair value through profit or loss		38,822	(47,538)
Non-trading financial assets mandatorily at fair value through profit or loss		(11,353)	3,488
Loans and advances		125	(382)
Other assets		566	(10,720)
Net decrease/(increase) in operating assets		**24,182**	**(55,719)**
Net (decrease)/increase in operating liabilities:			
Securities sold under repurchase agreements and securities lending transactions		(2,297)	2,984
Trading financial liabilities mandatorily at fair value through profit or loss		(32,885)	38,565
Financial liabilities designated at fair value through profit or loss		7,587	(97)
Borrowings		4,487	(5,206)
Share based compensation (Included in other liabilities & provisions)		(75)	(54)
Other liabilities and provisions		(4,790)	7,480
Net (decrease)/increase in operating liabilities		**(27,973)**	**43,672**
Income taxes paid		(14)	(25)
Net group relief received		8	40
Net cash used in operating activities		**(4,439)**	**(11,197)**
Cash flows from investing activities (USD million)			
Proceeds from property, equipment and intangible assets		3	19
Capital expenditures for property, equipment and intangible assets		(80)	(72)
Net cash used in investing activities		**(77)**	**(53)**
Cash flow from financing activities (USD million)			
Issuances of debt in issuance	8	8,079	13,042
Repayments of debt in issuance	8	(6,617)	– [2]
Repayments of lease liability		(26)	(25) [2]
Net cash flow generated from financing activities		**1,436**	**13,017**
Net change in cash and cash equivalents		**(3,080)**	**1,767**
Cash and cash equivalents at beginning of period [1]		5,792	4,003
Effect of exchange rate fluctuations on cash and cash equivalents		2	(34)
Cash and cash equivalents at end of period (USD million)		**2,714**	**5,736**
Cash and due from banks		3,279	6,102
Due to banks [3]		(565)	(366)
Cash and cash equivalents at end of period (USD million) [1]		**2,714**	**5,736**

Interest received was USD 149 million (6M20: USD 428 million), interest paid was USD 235 million (6M20: USD 413 million).

1 At 6M21, USD 50 million (6M20: USD 36 million) was not available for use by CSi relating to mandatory deposits at central banks.

2 Lease liabilities, previously disclosed within Debt in issuance, have been presented under a separate heading 'Lease liabilities', accordingly 6M20 numbers are regrouped for 'Accrued interest for debt in issuance and leases' and also for 'Repayment of debt in issuance and lease liability'.

3 Deposits are renamed as 'Due to banks' to better describe the nature of items under the heading.

The accompanying notes on pages 24 to 54 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements for the Six Months Ended 30 June 2021 (Unaudited)

Notes to the Condensed Consolidated Interim Financial Statements for the Six Months Ended 30 June 2021 (Unaudited)

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 2021 comprise CSi and its subsidiaries (together referred to as the 'CSi group').

The Condensed Consolidated Interim Financial Statements were authorised for issue by the Directors on 19 August 2021.

2 Significant Accounting Policies

Basis of preparation

The CSi Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2021 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 2020 annual financial statements and in accordance with UK-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 2020 which was prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and, for the consolidated financial statements, International Financial Reporting Standards ('IFRS') adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('EU-adopted IFRS') and any public announcements made by the Bank during the interim reporting period. CSi transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported. 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 2020 except as explained in section 'Standards effective in the current period'.

The 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 Condensed Consolidated Interim Financial Statements in conformity with UK-adopted International Accounting Standards 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 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 2020. In light of the uncertainty resulting from the spread of COVID-19, the CSi group complies with the requirements of IFRS 9 when determining expected credit losses, applying judgement particularly when assessing future macroeconomic scenarios and significant increase in credit risk. Furthermore, CSi group applies appropriate judgement in complying with the IFRS 13 requirements for measuring fair value, specifically when the volume or level of activity for an asset or a liability has significantly decreased and when identifying transactions that are not orderly.

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

Going Concern

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

In considering going concern, the directors have reviewed the capital, liquidity and financial position of CSi including future capital, liquidity and financial plans to the end of 2022.

The directors have also considered the market development and relevant events during the year including in March 2021, when Archegos failed to meet its margin commitments to CSi, and as a result CSi recorded losses of USD 5,288 million. Following these losses, CSi has capital and liquidity surpluses to all regulatory and internal limits and is forecast to maintain its capital surplus through to the end of 2022.

Credit Suisse AG ('CS AG') provided a letter of intent ensuring support for meeting CSi's debt obligations and maintaining a sound financial position over the next 13 months. CS AG has shown intent to support CSi both for capital and liquidity, during the default of Archegos in 2021, CS AG supported CSi by providing extra liquidity. CS AG has also pre approved a capital injection of up to USD 3,500 million, should it be required, until 30 April 2022.

CSi did not utilise any financial assistance offered by the UK government, throughout the COVID-19 pandemic.

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

Standards effective in the current period

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

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2:** In August 2020, IASB Issued 'Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16: Interest Rate Benchmark Reform- Phase 2' in order to address financial reporting issues arising from the replacement of interbank offered rates (IBORs). The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted. The CSi group adopted the Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 on 1 January 2021. The adoption had no material impact to the CSi group's financial position, results of operation or cash flows.

3 Segmental Analysis

The CSi group has 3 reportable segments, Investment Bank, APAC and Corporate centre (includes ARU), that are regularly reviewed by the Chief Operating Decision Maker ('CODM') when assessing the performance and allocation of resources. The CODM has been determined to be the Board. For the period ended 30th June 2020, CSi group had 4 reportable segments, wherein Global Markets and Investment Banking & Capital Markets are merged into Total Investment Bank for the current reporting period.

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

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

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

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

	6M21	6M20 [1]
Revenues (USD million)		
Investment Bank	**832**	**1,374**
- Cash Equities & Prime	(413)	53
- Credit	117	438
- Global Trading Solutions	961	982
- Capital Markets	122	89
- Advisory	81	48
- IB Corporate Bank	3	13
- GTS Management	(40)	(244)
- IB Management	1	(5)
APAC	(1)	33
Other	5	(8)
Corporate centre (includes ARU)	94	57
Total	**930**	**1,456**

[1] The disclosure has been restated to give effect to the reorganisation of businesses.

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

	6M21	6M20 [1]
Consolidated Income before taxes (USD million)		
Investment Bank	**(4,973)**	**470**
- Cash Equities & Prime	(5,269)	12
- Credit	(3)	363
- Global Trading Solutions	326	461
- Capital Markets	(9)	(100)
- Advisory	21	27
- IB Corporate Bank	9	(8)
- GTS Management	(20)	(241)
- IB Management	(28)	(44)
APAC	(27)	20
Other	(5)	(15)
Corporate centre (includes ARU)	(18)	(31)
Total	**(5,023)**	**444**

[1] The disclosure has been restated to give effect to the reorganisation of businesses.

Reconciliation of reportable segment revenues

	6M21	6M20
Reconciliation of reportable segment revenues (USD million)		
Total revenues for reportable segments	930	1,456
Transfer pricing agreements and cross divisional revenue share agreements	122	137 [2]
Treasury funding	(66)	50 [2]
Shared services	10	53
Allowance for Credit Losses	(4,736)	(26)
CSi group to primary reporting reconciliations [1]	(4)	(50)
Net revenues as per Consolidated Statement of Income	**(3,744)**	**1,620**
Of which net revenues – discontinued operations	**–**	**235** [3]
Of which net revenues – continued operations	**(3,744)**	**1,385**

[1] This is the difference between the monthly board summaries which are prepared on a US GAAP basis and the CSi group accounts prepared in accordance with IFRS.
[2] 6M20 numbers have been restated to conform to the current period's presentation.
[3] Details are included in Note 9 – Discontinued Operations and Assets and Liabilities Held for Sale.

	6M21	6M20
Reconciliation of reportable segment income before taxes (USD million)		
Income before taxes for reportable segments	(5,023)	444
Shared services	(86)	16
CSi group to primary reporting reconciliations [1]	(78)	47
(Loss)/Profit before taxes as per Consolidated Statement of Income	**(5,187)**	**507**
Of which profit before taxes – discontinued operations [2]	**–**	**49**
Of which profit before taxes – continued operations	**(5,187)**	**458**

[1] This is the difference between the monthly board summaries which are prepared on a US GAAP basis and the CSi group accounts prepared in accordance with IFRS.
[2] Details are included in Note 9 – Discontinued Operations and Assets and Liabilities Held for Sale.

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

4 Allowance for Credit Losses

	6M21	6M20
(Allowance)/Reversal for credit losses (USD million)		
Loans held at amortised cost	7	(21)
Other financial assets held at amortised cost	(4,746)	(1)
Off-balance sheet credit exposures	3	–
Total allowance for credit losses	**(4,736)**	**(22)**

The Bank recorded a provision of USD 4,746 million in respect of the failure by Archegos, to meet its margin commitments. The fund was a client of CSi. The Bank was notified by the fund that it would be unable to return margin advances previously extended and recognised as brokerage receivable. Following the failure of the fund, the Bank initiated the process of exiting the fund positions and that process is now complete.

5 Income Tax

The income tax expense / (benefit) is recognised based on management's estimate of the effective annual income tax rate expected for the full financial period. The estimated annual tax rate used for the year to 30 June 2021 is 0.82%, which is less than the UK statutory tax rate of 27%. This primarily reflects the impact of a permanent tax adjustment and deferred tax not recognised related to the Archegos default loss. Other key drivers of the full year estimated effective tax rate were other permanent tax adjustments and the impact of the UK corporation tax rate change substantively enacted in May 2021. The estimated annual tax rate used for the year to 30 June 2020 was 20.3% which included the impact of permanent tax adjustments and the UK corporation tax rate change.

6 Derivatives

				6M21 [1]
	Trading		Hedging	
	Gross Derivative Assets	Gross Derivative Liabilities	Gross Derivative Assets	Gross Derivative Liabilities
Derivatives (USD million)				
Interest rate products	73,220	67,904	–	–
Foreign exchange products	15,839	18,332	14	3
Equity/indexed-related products	42,464	41,126	–	–
Credit products	7,573	7,942	–	–
Other products	318	553	–	–
Total derivative instruments	**139,414**	**135,857**	**14**	**3**

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

				2020 [1]
	Trading		Hedging	
	Gross Derivative Assets	Gross Derivative Liabilities	Gross Derivative Assets	Gross Derivative Liabilities
Derivatives (USD million)				
Interest rate products	107,878	100,829	–	–
Foreign exchange products	19,580	22,478	33	–
Equity/indexed-related products	45,377	42,053	–	–
Credit products	8,066	8,424	–	–
Other products	455	534	–	–
Total derivative instruments	**181,356**	**174,318**	**33**	**–**

[1] Gross Derivative Assets and Liabilities indicate Fair Value. The above table includes both continuing and discontinued operations. Details are included in Note 9 – Discontinued Operations and Assets Held for Sale.

Offsetting of derivative instruments

	6M21			2020 [2]		
	Gross	Offsetting	Net	Gross	Offsetting	Net
Derivative Assets (USD millions)						
Derivative instruments subject to enforceable master netting agreements	133,656	(17,056)	116,600	175,763	(23,419)	152,344
Derivative instruments not subject to enforceable master netting agreements [1]	5,772	–	5,772	5,626	–	5,626
Total derivative instruments presented in the Condensed Consolidated Statement of Financial Position	**139,428**	**(17,056)**	**122,372**	**181,389**	**(23,419)**	**157,970**
of which recorded in trading financial assets mandatorily at fair value through profit or loss	139,414	(17,056)	122,358	181,356	(23,419)	157,937
of which recorded in other assets	14	–	14	33	–	33
Derivative Liabilities						
Derivative instruments subject to enforceable master netting agreements	134,059	(15,507)	118,552	172,794	(20,317)	152,477
Derivative instruments not subject to enforceable master netting agreements [1]	1,801	–	1,801	1,524	–	1,524
Total derivative instruments presented in the Condensed Consolidated Statement of Financial Position	**135,860**	**(15,507)**	**120,353**	**174,318**	**(20,317)**	**154,001**
of which recorded in trading financial liabilities mandatorily at fair value through profit or loss	135,857	(15,507)	120,350	174,318	(20,317)	154,001
of which recorded in other liabilities	3	–	3	–	–	–

[1] Represents derivative instruments where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.
[2] Above table includes Assets and Liabilities held for sale. Details are included in Note – 9 Discontinued Operations and Assets and Liabilities held for sale.

7 Other Assets and Other Liabilities

	6M21	2020
Other assets (USD million)		
Brokerage receivables	5,413	2,905
Interest and fees receivable	356	377
Cash collateral on derivative instruments		
Banks	14,733	18,708
Customers	17,315	19,596
Pension Assets	983	1,093
Cash collateral on non-derivative instruments	67	1,440
Other	361	447
Total other assets	**39,228**	**44,566**

	6M21	2020
Other liabilities (USD million)		
Brokerage payables	3,441	1,314
Interest and fees payable	857	975
Cash collateral on derivative instruments		
Banks	13,431	19,727
Customers	8,924	9,124
Cash collateral on non-derivative instruments	267	179
Share-based compensation liability	211	286
Other	709	813
Total other liabilities	**27,840**	**32,418**

8 Debt in Issuance

	Balance as at 1 January 2021	Issuance	Repayments and other movements	Translation FX and Interest movements	Balance as at 30 June 2021
Debt in issuances (USD million)					
Senior debt	31,179	8,079	(6,617)	(393)	32,248
Subordinated debt	418	–	–	2	420
Total Debt in issuance	**31,597**	**8,079**	**(6,617)**	**(391)**	**32,668**

	Balance as at 1 January 2020	Issuance	Repayments and other movements	Translation FX and Interest movements	Balance as at 30 June 2020
Debt in issuance (USD million)					
Senior debt	13,600	13,043	–	126	26,769
Subordinated debt	408	–	–	6	414
Total Debt in issuance	**14,008**	**13,043**	**–**	**132**	**27,183**

Total debt in issuance principally comprised vanilla debt issuances managed by treasury which do not contain derivative features, these are issued as part of the CSi group's structured issuance activities.

9 Discontinued Operations and Assets and Liabilities Held for Sale

CSi group's approach to mitigating the risks associated with the UK's withdrawal from the EU is outlined in the section "EU Exit Strategy" within the Interim Management Report. The transition of impacted operations and client migration activities commenced during 2018. During 2020, the CSi group had continued to transfer certain loans and advances, derivative financial instruments, cash collateral and trading Securities to CSEB (formerly CSSSV) as part of the UK EU Exit, facilitated through a sale of positions at fair value. The transition is now complete and accordingly there are no Assets/ Liabilities classified as Held for Sale for the period ended 30 June 2021.

	6M21	6M20
Statement of Income for Discontinued Operations (USD million)		
Interest income	–	57
Interest expense	–	(46)
Net interest income	**–**	**11**
Commission and fee income	–	**30**
Allowances for credit losses	–	(4)
Net gains from financial assets/liabilities at FV through profit or loss	–	167
Other revenues	–	31
Net revenues	**–**	**235**
Compensation and benefits	–	(62)
General, administrative and trading expenses	–	(124)
Restructuring expenses	–	–
Total operating expense	**–**	**(186)**
Profit before tax	**–**	**49**
Income tax expense from discontinuing operations	–	(13)
Profit after tax	**–**	**36**

	Total Discontinued Operations – Portfolio migration to CSEB 6M21	2020
Statement of Financial Position for Discontinued Operations (USD million)		
Trading financial assets mandatorily at fair value through profit or loss	–	1,861
of which positive market values from derivative instruments	–	1,782
Non-trading financial assets mandatorily at fair value through profit or loss	–	5
Other assets	–	68
Total assets held for sale	**–**	**1,934**
Trading financial liabilities mandatorily at fair value through profit or loss	–	519
of which negative market values from derivative instruments	–	480
Other liabilities	–	188
Total liabilities held for sale	**–**	**707**

10 Expected Credit Loss Measurement

The CSi group's ECL note does not include information relating to 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 2020 and any public announcements made by the Bank during the interim reporting period.

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

	Not credit impaired				Credit impaired			
	12 Month ECL Stage 1		Lifetime ECL Stage 2		Lifetime ECL (excluding purchased / originated credit impaired) Stage 3		Total	Total
6M21	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Financial Instruments (USD million)								
Loans and Advances	2,757	4	7	–	9	9	2,773	13
Loan Commitments	1,365	3	–	–	9	1	1,374	4
Other Assets	33,485	–	–	–	4,746	4,746	38,231	4,746
Closing balance	**37,607**	**7**	**7**	**–**	**4,764**	**4,756**	**42,378**	**4,763**

The Bank recorded a provision of USD 4,746 million in respect of the failure by Archegos, to meet its margin commitments. The fund was a client of CSi. The Bank was notified by the fund that it would be unable to return margin advances previously extended and recognised as brokerage receivable. Following the failure of the fund, the Bank initiated the process of exiting the fund positions and that process is now complete.

2020	12 Month ECL Stage 1 Gross carrying amount	12 Month ECL Stage 1 Allowance for ECL	Not credit impaired Lifetime ECL Stage 2 Gross carrying amount	Not credit impaired Lifetime ECL Stage 2 Allowance for ECL	Credit impaired Lifetime ECL (excluding purchased / originated credit impaired) Stage 3 Gross carrying amount	Credit impaired Lifetime ECL (excluding purchased / originated credit impaired) Stage 3 Allowance for ECL	Total Gross carrying amount	Total Allowance for ECL
Financial Instruments (USD million)								
Loans and Advances	2,832	11	51	–	11	10	2,894	21
Loan Commitments	1,292	5	42	1	7	–	1,341	6
Other Assets	43,437	1	–	–	–	–	43,437	1
Closing balance	**47,561**	**17**	**93**	**1**	**18**	**10**	**47,672**	**28**

Current-period estimate of expected credit losses

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

As of the end of 2Q21, the forecast macroeconomic scenarios were weighted 60% for the baseline, 30% for the downside and 10% for the upside scenario, compared to 50% for the baseline, 40% for the downside and 10% for the upside scenario as of the end of 1Q21. The weight reduction for the downside scenario at the beginning of 2Q21 reflected the reduced uncertainty with regard to the COVID-19 pandemic and the economic outlook. The forecast range of the increase in eurozone real GDP was 2.3% to 4.2% for 2021 and 1.4% to 4.9% for 2022. The forecast in the baseline scenario for the timing of the recovery of the quarterly series for eurozone real GDP to return to pre-pandemic levels (i.e., 4Q19) was 2Q22. The forecast range for the increase in US real GDP was 4.8% to 7.3% for 2021 and 1.4% to 3.8% for 2022. The forecast in the baseline scenario for the timing of the recovery of the quarterly series for US real GDP to return to pre-pandemic levels was 2Q21. The forecast range for the increase in UK real GDP was 4.8% to 7.0% for 2021 and 3.0% to 7.3% for 2022. The forecast in the baseline scenario for the timing of the recovery of the quarterly series for UK real GDP to return to pre-pandemic levels was 2Q22. The forecast range for the increase in G10 Real GDP was 3.7% to 5.8% for 2021 and 1.5% to 4.2% for 2022. The forecast range for the increase in world industrial production was 7.2% to 10.8% for 2021 and 2.6% to 5.2% for 2022. The macroeconomic and market variable projections incorporate adjustments to reflect the impact and potential withdrawal of the COVID-19 pandemic related economic support programs provided by national governments and by central banks. While GDP and industrial production are significant inputs to the forecast models, a range of other inputs are also incorporated for all three scenarios to provide projections for future economic and market conditions. Given the complex nature of the forecasting process, no single economic variable is viewed in isolation or independently of other inputs.

For extreme and statistically rare events which cannot be adequately reflected in IFRS 9 ECL models, such as the effects of the COVID-19 pandemic on the global economy, the event becomes the baseline scenario. In order to address circumstances where in management's judgment the IFRS 9 ECL model outputs are overly sensitive to the effect of economic inputs that lie significantly outside of their historical range, model overlays are applied. Such overlays are based on expert feedback and portfolio analysis and are applied in response to these exceptional circumstances to consider historical stressed losses and industry and counterparty credit level reviews. Overlays are also used to capture judgment on the economic uncertainty from global or regional developments or governmental actions with severe impacts on economies, such as the lockdowns and other actions directed towards managing the pandemic. As a result of such overlays, provisions for credit losses may not be primarily derived from MEF projections. As of the end of 2Q21, CSi has continued its approach of applying qualitative overlays to the IFRS 9 ECL model outputs in a manner consistent with the end of 4Q20. During 2Q21 we continued to observe more favourable developments in the COVID-19 pandemic, including vaccination rate increases as well as a reduction in lockdown measures, which resulted in a generally more positive economic outlook. This overall favourable trend in 2Q21 was reflected in the CSi overlays, which continue to be aligned with the macroeconomic forecasts.

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 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.

11 Related Parties

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

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

The CSi group generally enters into the above transactions in the ordinary course of business on market terms that could be obtained from unrelated parties. The nature of related party transactions remained consistent for the six months ended 30 June 2021 compared to the year ended 31 December 2020.

12 Contingent Liabilities and Commitments

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

CSi is the defendant in a lawsuit brought by the German public utility company Stadtwerke München GmbH in a German court, in connection with a series of interest rate swaps entered into between 2008 and 2012. The claimant alleges breach of an advisory duty to provide both investor- and investment-specific advice, including in particular a duty to disclose the initial mark-to-market value of the swaps at inception. On 22 March 2019, the trial court (the Regional Court of Frankfurt am Main) dismissed in their entirety claims against CSi. On 29 April 2019, the claimant filed a notice of appeal and an application for a supplementary judgement. On 29 November 2019, the court ruled on the supplementary judgement application, finding that the claimant was entitled to a refund of negative interest from CSi. CSi is appealing this ruling.

Credit Suisse including CSi is in discussion with certain regulatory and enforcement authorities regarding potential resolutions of their inquiries into 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. On 3 January 2019, the United States Attorney for the Eastern District of New York unsealed an indictment against several individuals in connection with the matter, including three former Credit Suisse employees. On 20 May 2019, 19 July 2019 and 6 September 2019, the three former employees pleaded guilty to accepting improper personal benefits in connection with financing transactions carried out with two Mozambique state enterprises. Credit Suisse is cooperating with the authorities on this matter. On 27 February 2019, certain Credit Suisse entities including CSi, 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 defense. 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 defense and counterclaim on 15 January 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 Credit Suisse is void and also seeks unspecified 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. 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 certain Credit Suisse entities seeking, contingent on the Republic of Mozambique's claim, a declaration that Credit Suisse is liable to compensate it for alleged losses suffered as a result of any invalidity of the sovereign guarantee. The Credit Suisse entities filed their defense to this claim on 28 August 2020, to which BIM replied on 16 October 2020.

On 17 December 2020 two members of the ProIndicus syndicate, Beauregarde Holdings LLP and Orobica Holdings LLC filed a claim against certain Credit Suisse entities 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 defense to this claim on 24 February 2021.

On 3 June 2021, United Bank for Africa PLC, a member of the ProIndicus syndicate, brought a claim against certain Credit Suisse entities 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.

A number of regulatory and other investigations and actions have been initiated or are being considered in respect of each of the matters in relation to Archegos and Greensill Capital (UK) Limited, including enforcement actions by FINMA against CS group. Third parties appointed by FINMA will conduct investigations into these matters. As both of these matters develop, CS group, including CSi may become subject to additional litigation, disputes or other actions. Provisions in respect of these matters are recognised only to the extent that an outflow of economic benefits is probable.

13 Financial Instruments

The accounting policies, control framework and hierarchy used to determine fair values at 30 June 2021 are consistent with those applied for the Annual Report and Accounts 2020.

This report is to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by the Bank during the interim reporting period.

The disclosure of the CSi group's financial instruments below includes the following sections:

- Analysis of financial instruments by categories, and
- Fair value measurement

Analysis of financial instruments by categories

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

Financial assets and liabilities by categories

As at 30 June 2021	Total carrying value	Carrying value Mandatorily at FVTPL	Designated at FVTPL	Amortised cost	Total fair value
Financial assets (USD million)					
Cash and due from banks	3,279	–	–	3,279	3,279
Interest-bearing deposits with banks	11,438	–	–	11,438	11,438
Securities purchased under resale agreements and securities borrowing transactions	11,585	–	–	11,585	11,585
Trading financial assets mandatorily at fair value through profit or loss	151,659	151,659	–	–	151,659
Non-trading financial assets mandatorily at fair value through profit or loss	36,874	36,874	–	–	36,874
Loans and advances	2,760	–	–	2,760	2,740
Other assets	38,245	14	–	38,231	38,245
Assets held for sale	–	–	–	–	–
Total financial assets	**255,840**	**188,547**	**–**	**67,293**	**255,820**
Financial liabilities (USD million)					
Due to Banks	565	–	–	565	565
Securities sold under repurchase agreements and securities lending transactions	2,486	–	–	2,486	2,486
Trading financial liabilities mandatorily at fair value through profit or loss	131,998	131,998	–	–	131,998
Financial liabilities designated at fair value through profit or loss	37,368	–	37,368	–	37,368
Borrowings	6,923	–	–	6,923	6,923
Other liabilities	27,066	–	3	27,063	27,066
Debt in issuance	32,668	–	–	32,668	32,736
Liabilities held for sale	–	–	–	–	–
Total financial liabilities	**239,074**	**131,998**	**37,371**	**69,705**	**239,142**

As at 31 December 2020	Total carrying value	Carrying value Mandatorily at FVTPL	Designated at FVTPL	Amortised cost	Total fair value
Financial assets (USD million)					
Cash and due from banks	6,225	–	–	6,225	6,225
Interest-bearing deposits with banks	14,486	–	–	14,486	14,486
Securities purchased under resale agreements and securities borrowing transactions	4,559	–	–	4,559	4,559
Trading financial assets mandatorily at fair value through profit or loss	188,620	188,620	–	–	188,620
Non-trading financial assets mandatorily at fair value through profit or loss	25,516	25,516	–	–	25,516
Loans and advances	2,867	–	–	2,867	2,861
Other assets	43,470 [1]	33	–	43,437 [1]	43,470 [1]
Assets held for sale	1,934	1,866	–	68	1,934
Total financial assets	**287,677**	**216,035**	**–**	**71,642**	**287,671**
Financial liabilities (USD million)					
Due to banks	433	–	–	433	433
Securities sold under repurchase agreements and securities lending transactions	4,783	–	–	4,783	4,783
Trading financial liabilities mandatorily at fair value through profit or loss	164,364	164,364	–	–	164,364
Financial liabilities designated at fair value through profit or loss	29,788	–	29,788	–	29,788
Borrowings	2,436	–	–	2,436	2,436
Other liabilities	31,582 [1]	–	–	31,582 [1]	31,582 [1]
Debt in issuance	31,597	–	–	31,597	31,689
Liabilities held for sale	707	519	–	188	707
Total financial liabilities	**265,690**	**164,883**	**29,788**	**71,019**	**265,782**

[1] 2020 numbers have been restated to exclude non-financial instruments, to conform current period's presentation.

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 2021	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Assets (USD million)					
Debt securities	**4,594**	**7,667**	**740**	**–**	**13,001**
of which UK government	2,787	–	–	–	2,787
of which foreign governments	1,803	1,141	8	–	2,952
of which corporates	4	6,384	725	–	7,113
of which residential mortgage backed securities	–	142	7	–	149
Equity securities	**13,595**	**1,722**	**665**	**–**	**15,982**
Derivatives	**8,641**	**129,595**	**1,178**	**(17,056)**	**122,358**
of which interest rate products	48	72,971	201	(4,855)	68,365
of which foreign exchange products	46	15,610	183	–	15,839
of which equity/index-related products	8,453	33,526	485	(12,068)	30,396
of which credit derivatives	–	7,264	309	–	7,573
of which other derivative products	94	224	–	(133)	185
Other	**–**	**216**	**102**	**–**	**318**
Trading financial assets mandatorily at fair value through profit or loss	**26,830**	**139,200**	**2,685**	**(17,056)**	**151,659**
Securities purchased under resale agreements and securities borrowing transactions	**–**	**37,553**	**–**	**(4,422)**	**33,131**
Loans and advances	**–**	**1,455**	**148**	**–**	**1,603**
of which commercial and industrial loans	–	612	42	–	654
of which loans to financial institutions	–	811	106	–	917
of which government and public institutions	–	32	–	–	32
of which real estate	–	–	–	–	–
Other Non-trading financial assets mandatorily at fair value through profit or loss	**–**	**2,112**	**28**	**–**	**2,140**
of which failed purchases	–	2,080	–	–	2,080
of which other	–	32	28	–	60
Non-trading financial assets mandatorily at fair value through profit or loss	**–**	**41,120**	**176**	**(4,422)**	**36,874**
Total assets at fair value	**26,830**	**180,320**	**2,861**	**(21,478)**	**188,533**

[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.

[2] Fair value of cash flow hedging derivatives of USD 14 million is included in 'Other assets'. These are level 2 instruments.

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

As at 30 June 2021	Level 1	Level 2	Level 3	Impact of netting [1]	Total at fair value
Liabilities (USD million)					
Debt securities	**1,097**	**1,986**	**–**	**–**	**3,083**
of which UK government	447	–	–	–	447
of which foreign governments	605	956	–	–	1,561
of which corporates	45	1,030	–	–	1,075
Equity securities	**8,519**	**46**	**–**	**–**	**8,565**
Derivatives	**8,694**	**125,062**	**2,101**	**(15,507)**	**120,350**
of which interest rate products	65	67,676	163	(3,306)	64,598
of which foreign exchange products	43	18,198	91	–	18,332
of which equity/index-related products	8,564	31,075	1,487	(12,068)	29,058
of which credit derivatives	–	7,582	360	–	7,942
of which other derivative products	22	531	–	(133)	420
Trading financial liabilities mandatorily at fair value through profit or loss	**18,310**	**127,094**	**2,101**	**(15,507)**	**131,998**
Securities sold under resale agreements and securities borrowing transactions	**–**	**25,571**	**–**	**(4,422)**	**21,149**
Borrowings	–	**2,593**	**643**	**–**	**3,236**
Debt in issuance	**–**	**9,095**	**1,706**	**–**	**10,801**
of which structured notes between one and two years	–	2,876	533	–	3,409
of which other debt instruments between one and two years	–	365	–	–	365
of which treasury debt over two years	–	–	5	–	5
of which structured notes over two years	–	1,842	1,108	–	2,950
of which other debt instruments over two years	–	3,873	60	–	3,933
of which non-recourse liabilities	–	139	–	–	139
Other financial liabilities designated at fair value through profit or loss	**103**	**1,921**	**158**	**–**	**2,182**
of which failed sales	40	1,902	123	–	2,065
of which others	63	19	35	–	117
Financial liabilities designated at fair value through profit or loss	**103**	**39,180**	**2,507**	**(4,422)**	**37,368**
Derivatives	**–**	**–**	**–**	**–**	**–**
of which interest rate products	–	–	–	–	–
of which foreign exchange products	–	–	–	–	–
of which equity/index-related products	–	–	–	–	–
Trading financial liabilities at fair value through profit or loss	**–**	**–**	**–**	**–**	**–**
Liabilities held for sale	**–**	**–**	**–**	**–**	**–**
Total liabilities at fair value	**18,413**	**166,274**	**4,608**	**(19,929)**	**169,366**
Net assets/liabilities at fair value	**8,417**	**14,046**	**(1,747)**	**(1,549)**	**19,167**

[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.
[2] Fair value of cash flow hedging derivatives of USD 3 million is included in 'Other liabilities'. These are level 2 instruments.

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

As at 31 December 2020	Level 1	Level 2	Level 3	Impact of netting [1]	Total at fair value
Assets (USD million)					
Debt securities	**9,425**	**7,408**	**776**	**–**	**17,609**
of which UK government	5,741	–	–	–	5,741
of which foreign governments	3,328	375	–	–	3,703
of which corporates	356	6,885	768	–	8,009
of which residential mortgage backed securities	–	148	8	–	156
Equity securities	**11,471**	**2,078**	**399**	**–**	**13,948**
Derivatives	**7,495**	**170,445**	**1,634**	**(23,419)**	**156,155**
of which interest rate products	511	106,289	258	(12,609)	94,449
of which foreign exchange products	44	19,036	200	–	19,280
of which equity/index-related products	6,859	37,308	551	(10,799)	33,919
of which credit derivatives	–	7,438	625	–	8,063
of which other derivative products	81	374	–	(11)	444
Other	**–**	**712**	**196**	**–**	**908**
Trading financial assets mandatorily at fair value through profit or loss	**28,391**	**180,643**	**3,005**	**(23,419)**	**188,620**
Securities purchased under resale agreements and securities borrowing transactions	**–**	**20,955**	**–**	**(73)**	**20,882**
Loans	**–**	**1,142**	**237**	**–**	**1,379**
of which commercial and industrial loans	–	596	190	–	786
of which loans to financial institutions	–	546	14	–	560
of which government and public institutions	–	–	33	–	33
Other non-trading financial assets mandatorily at fair value through profit or loss	**697**	**2,515**	**43**	**–**	**3,255**
of which failed purchases	697	2,494	12	–	3,203
of which other	–	21	31	–	52
Non-trading financial assets mandatorily at fair value through profit or loss	**697**	**24,612**	**280**	**(73)**	**25,516**
Debt securities	**–**	**32**	**–**	**–**	**32**
of which foreign governments	–	19	–	–	19
of which corporates	–	13	–	–	13
Equity securities	**47**	**–**	**–**	**–**	**47**
Derivatives	**–**	**1,747**	**35**	**–**	**1,782**
of which interest rate products	–	787	33	–	820
of which foreign exchange products	–	300	–	–	300
of which equity/index-related products	–	658	1	–	659
of which credit derivatives	–	2	1	–	3
Trading financial assets at fair value through profit or loss	**47**	**1,779**	**35**	**–**	**1,861**
Loans	**–**	**5**	**–**	**–**	**5**
of which commercial and industrial loans	–	5	–	–	5
Assets held for sale	**47**	**1,784**	**35**	**–**	**1,866**
Total assets at fair value	**29,135**	**207,039**	**3,320**	**(23,492)**	**216,002**

[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.

[2] Fair value of cash flow hedging derivatives of USD 33 million is included in 'Other assets'. These are level 2 instruments.The same is not included in the above table.

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

As at 31 December 2020	Level 1	Level 2	Level 3	Impact of netting [1]	Total at fair value
Liabilities (USD million)					
Debt securities	**380**	**866**	**–**	**–**	**1,246**
of which UK government	357	–	–	–	357
of which foreign governments	15	473	–	–	488
of which corporates	8	393	–	–	401
Equity securities	**9,586**	**11**	**–**	**–**	**9,597**
Derivatives	**8,710**	**162,893**	**2,235**	**(20,317)**	**153,521**
of which interest rate products	685	99,641	168	(9,263)	91,231
of which foreign exchange products	46	22,169	140	–	22,355
of which equity/index-related products	7,969	32,909	1,167	(11,045)	31,000
of which credit derivatives	–	7,650	760	–	8,410
of which other derivative products	10	524	–	(9)	525
Trading financial liabilities mandatorily at fair value through profit or loss	**18,676**	**163,770**	**2,235**	**(20,317)**	**164,364**
Securities sold under resale agreements and securities borrowing transactions	**–**	**14,999**	**–**	**(73)**	**14,926**
Borrowings	**–**	**2,613**	**439**	**–**	**3,052**
Debt in issuance	**–**	**8,408**	**1,735**	**–**	**10,143**
of which structured notes between one and two years	–	2,429	263	–	2,692
of which other debt instruments between one and two years	–	240	–	–	240
of which treasury debt over two years	–	–	20	–	20
of which structured notes over two years	–	1,842	1,322	–	3,164
of which other debt instruments over two years	–	3,739	130	–	3,869
of which non-recourse liabilities	–	158	–	–	158
Other financial liabilities designated at fair value through profit or loss	**61**	**1,400**	**206**	**–**	**1,667**
of which failed sales	46	1,392	167	–	1,605
of which other	15	8	39	–	62
Financial liabilities designated at fair value through profit or loss	**61**	**27,420**	**2,380**	**(73)**	**29,788**
Equity securities	**39**	**–**	**–**	**–**	**39**
Derivatives	**–**	**474**	**6**	**–**	**480**
of which interest rate products	–	335	–	–	335
of which foreign exchange products	–	123	–	–	123
of which equity/index-related products	–	2	6	–	8
of which credit derivatives	–	14	–	–	14
Trading financial liabilities at fair value through profit or loss	**39**	**474**	**6**	**–**	**519**
Liabilities held for sale	**39**	**474**	**6**	**–**	**519**
Total liabilities at fair value	**18,776**	**191,664**	**4,621**	**(20,390)**	**194,671**
Net assets/(liabilities) at fair value	**10,359**	**15,375**	**(1,301)**	**(3,102)**	**21,331**

[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 to Level 2 of the fair value hierarchy.

	6M21		2020	
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	294	7,919	47	4,915
Total transfers in assets at fair value	**294**	**7,919**	**47**	**4,915**
Liabilities				
Trading financial liabilities mandatorily at fair value through profit or loss	201	2,861	–	4,153
Total transfers in liabilities at fair value	**201**	**2,861**	**–**	**4,153**

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

6M21	Balance as at 1 January 2021	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 30 June 2021
Assets at fair value (USD million)										
Debt securities	**776**	**112**	**(146)**	**1,326**	**(1,439)**	**–**	**–**	**(6)**	**117**	**740**
of which foreign governments	–	–	–	8	–	–	–	–	–	8
of which corporates	768	112	(146)	1,318	(1,439)	–	–	(6)	118	725
of which residential mortgage-backed securities	8	–	–	–	–	–	–	–	(1)	7
Equity securities	**399**	**204**	**–**	**100**	**(64)**	**–**	**–**	**1**	**25**	**665**
Derivatives	**1,634**	**190**	**(502)**	**–**	**–**	**576**	**(561)**	**15**	**(174)**	**1,178**
of which interest rate products	258	36	(23)	–	–	58	(36)	–	(92)	201
of which foreign exchange products	200	4	(2)	–	–	8	(3)	1	(25)	183
of which equity/index-related products	551	55	(191)	–	–	433	(338)	22	(47)	485
of which credit derivatives	625	95	(286)	–	–	77	(184)	(8)	(10)	309
Other	**196**	**11**	**(17)**	**78**	**(154)**	**32**	**(48)**	**–**	**4**	**102**
Trading financial assets mandatorily at fair value through profit or loss	**3,005**	**517**	**(665)**	**1,504**	**(1,657)**	**608**	**(609)**	**10**	**(28)**	**2,685**
Loans	**237**	**–**	**(65)**	**–**	**(4)**	**13**	**(76)**	**13**	**30**	**148**
of which commercial and industrial loans	190	–	(9)	–	(2)	3	(68)	15	(87)	42
of which loans to financial institutions	14	–	(24)	–	(2)	10	(8)	(1)	117	106
of which government and public institutions	33	–	(32)	–	–	–	–	(1)	–	–
Other non-trading financial assets mandatorily at fair value through profit or loss	**43**	**–**	**(7)**	**–**	**–**	**–**	**(8)**	**2**	**(2)**	**28**
of which failed purchases	12	–	(5)	–	–	–	(8)	1	–	–
of which other	31	–	(2)	–	–	–	–	1	(2)	28
Non-trading financial assets mandatorily at fair value through profit or loss	**280**	**–**	**(72)**	**–**	**(4)**	**13**	**(84)**	**15**	**28**	**176**
	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Derivatives	**35**	**–**	**(35)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
of which interest rate products	33	–	(33)	–	–	–	–	–	–	–
of which equity/index-related products	1	–	(1)	–	–	–	–	–	–	–
of which credit derivatives	1	–	(1)	–	–	–	–	–	–	–
Trading financial assets at fair value through profit or loss	**35**	**–**	**(35)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total assets at fair value	**3,320**	**517**	**(772)**	**1,504**	**(1,661)**	**621**	**(693)**	**25**	**–**	**2,861**

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

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

6M21	Balance as at 1 January 2021	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 30 June 2021
Liabilities at fair value (USD million)										
Equity securities	**–**	**2**	**–**	**1**	**(2)**	**–**	**–**	**–**	**(1)**	**–**
Derivatives	**2,235**	**488**	**(1,069)**	**–**	**–**	**421**	**(497)**	**116**	**407**	**2,101**
of which interest rate products	168	3	(10)	–	–	11	(25)	(1)	17	163
of which foreign exchange products	140	9	(1)	–	–	2	(14)	–	(45)	91
of which equity/index-related products	1,167	361	(725)	–	–	341	(234)	124	453	1,487
of which credit derivatives	760	115	(333)	–	–	67	(224)	(7)	(18)	360
Trading financial liabilities mandatorily at fair value through profit or loss	**2,235**	**490**	**(1,069)**	**1**	**(2)**	**421**	**(497)**	**116**	**406**	**2,101**
Borrowings	**439**	**78**	**(120)**	**–**	**–**	**491**	**(325)**	**–**	**80**	**643**
Debt in issuance	**1,735**	**230**	**(335)**	**–**	**–**	**606**	**(570)**	**22**	**18**	**1,706**
of which structured notes between one and two years	263	131	(211)	–	–	458	(163)	17	38	533
of which treasury debt over two years	20	–	–	–	–	–	(15)	–	–	5
of which structured notes over two years	1,322	99	(124)	–	–	148	(333)	5	(9)	1,108
of which other debt instruments over two years	130	–	–	–	–	–	(59)	–	(11)	60
of which non-recourse liabilities	–	–	–	–	–	–	–	–	–	–
Other financial liabilities designated at fair value through profit or loss	**206**	**2**	**(22)**	**–**	**(13)**	**10**	**(24)**	**1**	**(2)**	**158**
of which failed sales	167	–	(20)	–	–	–	(24)	1	(1)	123
of which others	39	2	(2)	–	(13)	10	–	–	(1)	35
Financial liabilities designated at fair value through profit or loss	**2,380**	**310**	**(477)**	**–**	**(13)**	**1,107**	**(919)**	**23**	**96**	**2,507**
Derivatives	**6**	**–**	**(6)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
of which equity/index-related products	6	–	(6)	–	–	–	–	–	–	–
Trading financial liabilities at fair value through profit or loss	**6**	**–**	**(6)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Liabilities held for sale	**6**	**–**	**(6)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total liabilities at fair value	**4,621**	**800**	**(1,552)**	**1**	**(15)**	**1,528**	**(1,416)**	**139**	**502**	**4,608**
Net assets/liabilities at fair value	**(1,301)**	**(283)**	**780**	**1,503**	**(1,646)**	**(907)**	**723**	**(114)**	**(502)**	**(1,747)**

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

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

6M20	Balance as at 1 January 2020	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 30 June 2020
Assets at fair value (USD million)										
Debt securities	**1,202**	**73**	**(556)**	**1,274**	**(1,205)**	**–**	**–**	**67**	**38**	**893**
of which foreign governments	31	2	(2)	12	(39)	–	–	1	(5)	–
of which corporates	1,171	56	(554)	1,262	(1,166)	–	–	66	48	883
of which residential mortgage-backed securities	–	15	–	–	–	–	–	–	(5)	10
Equity securities	**596**	**–**	**–**	**12**	**(192)**	**–**	**–**	**(9)**	**(31)**	**376**
Derivatives	**1,947**	**654**	**(1,345)**	**–**	**–**	**1,517**	**(1,759)**	**(220)**	**1,376**	**2,170**
of which interest rate products	211	20	(38)	–	–	44	(22)	(21)	(3)	191
of which foreign exchange products	181	19	(30)	–	–	20	(37)	12	21	186
of which equity/index-related products	1,003	251	(959)	–	–	951	(1,085)	(293)	1,034	902
of which credit derivatives	552	364	(318)	–	–	502	(615)	82	324	891
Other	**254**	**103**	**(151)**	**402**	**(510)**	**55**	**(19)**	**(1)**	**(7)**	**126**
Trading financial assets mandatorily at fair value through profit or loss	**3,999**	**830**	**(2,052)**	**1,688**	**(1,907)**	**1,572**	**(1,778)**	**(163)**	**1,376**	**3,565**
Loans	**561**	**148**	**(145)**	**–**	**(217)**	**197**	**(35)**	**(10)**	**107**	**606**
of which commercial and industrial loans	421	148	(145)	–	(217)	145	(29)	(10)	(15)	298
of which loans to financial institutions	137	–	–	–	–	52	(6)	–	125	308
of which government and public institutions	3	–	–	–	–	–	–	–	(3)	–
Other non-trading financial assets mandatorily at fair value through profit or loss	**26**	**3**	**(4)**	**–**	**–**	**1**	**–**	**1**	**(2)**	**25**
of which other	26	3	(4)	–	–	1	–	1	(2)	25
Non-trading financial assets mandatorily at fair value through profit or loss	**587**	**151**	**(149)**	**–**	**(217)**	**198**	**(35)**	**(9)**	**105**	**631**
Loans	**22**	**35**	**–**	**–**	**(22)**	**–**	**(3)**	**–**	**(2)**	**30**
of which commercial and industrial loans	22	35	–	–	(22)	–	(3)	–	(2)	**30**
Assets held for sale	**22**	**35**	**–**	**–**	**(22)**	**–**	**(3)**	**–**	**(2)**	**30**
Total assets at fair value	**4,608**	**1,016**	**(2,201)**	**1,688**	**(2,146)**	**1,770**	**(1,816)**	**(172)**	**1,479**	**4,226**

[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

6M20	Balance as at 1 January 2020	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 30 June 2020
Liabilities at fair value (USD million)										
Derivatives	**2,753**	**450**	**(891)**	**–**	**(3)**	**815**	**(1,340)**	**144**	**42**	**1,970**
of which interest rate products	154	–	(12)	–	(3)	18	(8)	(7)	(5)	137
of which foreign exchange products	110	3	(4)	–	–	2	(49)	25	(1)	86
of which equity/index-related products	1,829	91	(499)	–	–	248	(610)	(307)	108	860
of which credit derivatives	660	356	(376)	–	–	547	(673)	433	(60)	887
Trading financial liabilities mandatorily at fair value through profit or loss	**2,753**	**450**	**(891)**	**–**	**(3)**	**815**	**(1,340)**	**144**	**42**	**1,970**
Borrowings	**617**	**9**	**(80)**	**–**	**–**	**266**	**(535)**	**1**	**(87)**	**191**
Debt in issuance	**1,926**	**94**	**(348)**	**–**	**–**	**483**	**(428)**	**21**	**(174)**	**1,574**
of which structured notes between one and two years	239	40	(166)	–	–	130	(104)	16	(49)	106
of which structured notes over two years	1,545	32	(162)	–	–	301	(303)	8	(126)	1,295
of which other debt instruments over two years	125	22	(20)	–	–	24	(2)	(3)	2	148
of which non-recourse liabilities	17	–	–	–	–	28	(19)	–	(1)	25
Other financial liabilities designated at fair value through profit or loss	**166**	**65**	**(122)**	**–**	**136**	**–**	**–**	**(2)**	**19**	**262**
of which failed sales	135	48	(108)	–	136	–	–	(2)	(5)	204
of which others	31	17	(14)	–	–	–	–	–	24	58
Financial liabilities designated at fair value through profit or loss	**2,709**	**168**	**(550)**	**–**	**136**	**749**	**(963)**	**20**	**(242)**	**2,027**
Debt in issuance	**25**	**–**	**–**	**–**	**–**	**–**	**(25)**	**–**	**–**	**–**
of which other debt instruments over two years	25	–	–	–	–	–	(25)	–	–	–
Liabilities held for sale	**25**	**–**	**–**	**–**	**–**	**–**	**(25)**	**–**	**–**	**–**
Total liabilities at fair value	**5,487**	**618**	**(1,441)**	**–**	**133**	**1,564**	**(2,328)**	**164**	**(200)**	**3,997**
Net assets/liabilities at fair value	**(879)**	**398**	**(760)**	**1,688**	**(2,279)**	**206**	**512**	**(336)**	**1,679**	**229**

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)

	6M21	6M20
Trading revenues (USD million)		
Net realised and unrealised gains/(losses) included in net revenues	(617)	1,343
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	136	800
Non-trading financial assets mandatorily at fair value through profit or loss	–	(6)
Non-trading financial liabilities mandatorily at fair value through profit or loss	–	17
Trading financial liabilities mandatorily at fair value through profit or loss	(595)	(374)
Financial liabilities designated at fair value through profit or loss	(110)	12
Total changes in unrealised gains/(losses) relating to assets and liabilities still held as of the reporting date	**(569)**	**449**

Transfers in and out of Level 3

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

Trading financial assets transferred into and out of Level 3 as at 30 June 2020 amounted to USD 830 million and USD (2,052) million, respectively. Transfers into Level 3 mainly comprised USD 615 million related to equity/index-related and credit derivatives and USD 103 million related to trading loans. Transfers out of Level 3 mainly comprised USD (1,277) million of equity/index-related derivatives and credit derivatives, USD (556) million related to trading debt securities and USD (151) million related to trading loans.

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

Non-trading financial assets mandatorily at fair value through profit or loss transferred into and out of Level 3 in 2020 amounted to USD 151 million and USD (149) million respectively. Both transfers into and out of Level 3 pertain to loans.

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

Trading financial liabilities transferred into and out of Level 3 as at 30 June 2020 amounted to USD 450 million and USD (891) million, respectively. Both transfers into and out of Level 3 were mainly related to equity/index-related and credit derivatives.

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

Financial liabilities designated at fair value through profit or loss transferred into and out of Level 3 as at 30 June 2020 amounted to USD 168 million and USD (550) million, respectively. The transfers into and out of Level 3 were mainly related to debt in issuance and Failed sales.

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

As at 30 June 2021 USD million, except as indicated	Fair Value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average
Assets at fair value						
Debt securities	**740**					
of which corporates	725					
of which	317	Option model	Correlation, in %	(85)	100	67
	5		Fund Gap risk, in %	–	2	–
	336		Volatility, in %	–	137	15
	35		Credit spread in bp	(4)	105	81
of which	23	Discounted cash flow	Credit spread in bp	40	750	305
of which	8	Market comparable	Price in %	–	100	72
of which	1	Price	Price in %	104	104	104
of which foreign governments	8					
of which	6	Price	Price in %	104	104	104
Equity securities	**665**					
of which	3	Price	Price in %	4	4	4
	5		Price, in actuals	–	227	1
	657		Unadjusted NAV, in USD	7	54,565	2,018
Derivatives	**1,178**					
of which interest rate products	201					
of which	12	Option model	Correlation in %	5	100	51
	5		Mean reversion, in %	(10)	(3)	(7)
	102		Prepayment rate in %	3	28	10
	35		Volatility, in %	–	20	19
of which	1	Discounted Cash Flow	Prepayment rate in %	3	10	6
	7		Volatility, in %	–	97	95
of which foreign exchange products	183					
of which	92	Option model	Correlation in %	5	55	28
	4		Mean reversion, in %	(55)	–	(22)
	23		Prepayment rate in %	26	28	27
	56		Volatility in %	–	25	–
of which	1	Discounted Cash Flow	Contingent probability, in %	95	95	95
	3		Credit spread, in bp	162	162	162
of which equity/index-related products	485					
of which	2	Option model	Buyback probability, in %	50	100	77
	189		Correlation, in %	(85)	100	67
	18		Fund Gap Risk, in %	–	2	–
	1		Gap risk, in %	–	4	1
	258		Volatility, in %	(3)	137	13
	15		Dividend Yield, in %	1	8	4
of which	2	Price	Price, in actuals	–	32	18
of which credit derivatives	309					
of which	151	Discounted cash flow	Credit spread, in bp	1	2,695	356
	100		Discount Rate, in %	6	21	16
	51		Recovery rate, in %	–	–	–
	5		Volatility, in %	68	123	69
	6		Funding Spread, in bp	30	154	152
of which	(9)	Option model	Credit spread, in bp	30	804	210
Other	**102**					
of which trading	14	Discounted cash flow	Tax Swap rate (Percentage of VAT receivable PV)	30	30	30
	66	Market Comparable	Price, in %	–	100	93
of which loans held-for-sale	20	Market Comparable	Price, in %	–	98	78
Loans	**148**					
of which commercial and industrial loans	42					
of which	33	Discounted cash flow	Credit spread in bp	544	544	544
of which loans to financial institutions	106					
of which	106	Discounted cash flow	Credit spread in bp	444	559	558

As at 30 June 2021 USD million, except as indicated	Fair Value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average
Liabilities at fair value (USD million)						
Derivatives	**2,101**					
of which interest rate products	163					
of which	3	Discounted cash flow	Volatility, in %	93	97	95
of which	28	Option model	Correlation, in %	5	70	20
	6		Mean reversion, in %	(10)	–	(5)
	88		Prepayment rate, in %	1	28	6
	2		Volatility, in %	–	20	9
of which foreign exchange products	91					
of which	1	Discounted cash flow	Contingent probability, in %	95	95	95
	9		Credit spread, in bp	136	162	145
of which	25	Option model	Mean reversion, in %	(55)	–	(4)
	37		Prepayment rate, in %	26	28	27
	5		Volatility, in %	(2)	25	–
of which equity/index-related products	1,487					
of which	4	Option model	Buyback probability, in %	50	100	77
	170		Correlation, in %	(85)	100	67
	5		Unadjusted NAV, in USD	7	54,565	2,018
	1,237		Volatility, in %	(3)	137	15
of which	37	Price	Price, in actuals	–	227	1
of which credit derivatives	360					
of which	101	Discounted cash flow	Credit spread, in bp	1	2,695	390
	100		Discount Rate, in %	6	21	15
	51		Recovery rate, in %	–	–	–
	38		Funding Spread, in bp	30	154	117
of which	3	Option model	Credit spread, in bp	28	1,129	224
Debt in issuance	**1,706**					
of which structured notes over two years	1,108					
of which	642	Discounted cash flow	Credit spread, in bp	16	16	8
of which	286	Option model	Buyback probability, in %	50	100	77
	138		Correlation, in %	(85)	100	67
	17		Fund Gap Risk, in %	–	2	–
	21		Volatility, in %	–	137	19
of which	3	Price	Price, in %	4	4	4
of which other debt over two years	60					
of which	60	Option model	Buyback probability, in %	50	100	77
of which structured notes between one and two years	533					
of which	24	Option model	Buyback probability, in %	50	100	77
	311		Correlation, in %	(85)	100	67
	112		Fund Gap Risk, in %	–	2	–
	41		Gap risk, in %	–	4	1
	38		Unadjusted NAV, in USD	7	54,565	2,018
	6		Volatility, in %	3	137	15
Borrowings	**643**					
of which	178	Option model	Buyback probability, in %	50	100	77
	259		Correlation, in %	(85)	100	67
	65		Fund Gap Risk, in %	–	2	–
	20		Gap risk, in %	–	4	1
	68		Unadjusted NAV, in USD	7	54,565	2,018
	49		Volatility, in %	3	137	15
Other Financial liabilities	**158**					
of which failed sales	123					
of which	116	Discounted Cash Flow	Credit spread, in bp	444	444	444
of which	5	Market Comparable	Price, in %	–	76	75
of which others	35					
of which	6	Market Comparable	Price, in %	–	92	76

As at 31 December 2020 Group (USD million except as indicated)	Fair Value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average
Assets at fair value						
Debt securities	**776**					
of which corporates	768					
of which	212	Option model	Correlation, in %	(50)	100	56
	31		Credit spread in bp	(9)	80	67
	5		Gap risk, in %	–	2	–
	255		Volatility, in %	–	158	14
of which	54	Discounted cash flow	Credit spread in bp	135	1,509	294
	116	Market comparable	Price in %	–	101	94
Equity securities	**399**					
	396	Vendor price	Fund NAV, in USD	1 [1]	54,565 [1]	639 [1]
Derivatives	**1,634**					
of which interest rate products	258					
of which	20	Option model	Correlation in %	5	100	53
	6		Mean reversion, in %	(10)	15	(7)
	107		Prepayment rate in %	1	26	8
	87		Volatility skew, in %	93	103	98
	46		FX Volatility, in %	(3)	1	(1)
of which foreign exchange products	200					
of which	117	Option model	Correlation in %	5	95	41
	22		Prepayment rate in %	22	26	24
	2		Volatility in %	7	7	7
of which equity/index-related products	551					
of which	2	Option model	Buyback probability, in %	50	100	66
	177		Correlation, in %	(50)	100	60
	263		Volatility, in %	(2)	158	13
of which credit derivatives	625					
of which	–	Discounted cash flow	Correlation, in %	97	97	97
	330		Credit spread, in bp	1	1,468	171
	–		Default rate, in %	1	7	3
	119		Discount rate, in %	6	19	15
	74		Funding spread, in bps	30	641	356
	–		Loss severity, in %	10	100	69
	51		Recovery rate, in %	–	45	23
of which	–	Option model	Prepayment rate, in %	3	9	7
of which	–	Market comparable	Price, in %	99	116	103
Other	**196**					
of which trading	20	Discounted cash flow	Credit spread in bp	30	30	30
	120	Market comparable	Price in %	–	106	85
of which loans held-for-sale	56	Market comparable	Price, in %	–	100	87
Loans	**237**					
of which commercial and industrial loans	190					
	33	Discounted cash flow	Credit spread in bp	549	549	549
	143	Market comparable	Price in %	100	100	100
of which loans to finance institutions	14					
	14	Discounted cash flow	Credit spread in bp	256	442	435
of which government and public institutions	33					
of which	33	Discounted cash flow	Credit spread in bp	88	88	88

[1] 2020 numbers have been amended to rectify inconsistency in rounding off values.

As at 31 December 2020(USD million except as indicated)	Fair Value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average
Liabilities at fair value (USD million)						
Derivatives	2,235					
of which interest rate products	168					
of which	15	Option model	Correlation, in %	5	100	31
	32		Mean reversion, in %	(10)	15	(1)
	97		Prepayment rate, in %	1	26	6
of which foreign exchange products	140					
of which	30	Discounted cash flow	Contingent probability, in %	95	95	95
	18	Option model	Correlation, in %	35	60	53
	40		Prepayment rate, in %	22	26	24
	8		Volatility, in %	(2)	–	(1)
of which equity/index-related products	1,167					
of which	35	Option model	Buyback probability, in %	50	100	66
	122		Correlation, in %	(50)	100	56
	806		Volatility, in %	3	158	15
of which credit derivatives	760					
of which	–	Discounted cash flow	Correlation, in %	97	97	97
	317		Credit spread, in bp	1	1,468	131
	–		Default rate, in %	–	7	3
	119		Discount rate, in %	6	19	14
	194		Funding spread, in bps	55	641	343
	–		Loss severity, in %	–	100	68
	51		Recovery rate, in %	–	81	31
	–		Volatility, in %			
of which	34	Option model	Credit spread, in bp	9	12	11
	–		Prepayment rate, in %	–	9	7
of which	–	Market comparable	Price, in %	99	116	107
Debt in issuance	**1,735**					
of which structured notes over two years	1,322					
of which	900	Discounted cash flow	Credit spread, in bp	(9)	16	4
	–		Recovery rate, in %	40	40	40
	–		CS own spread, in bps			
of which	273	Option model	Buyback probability, in %	50	100	66
	91		Correlation, in %	(50)	100	56
	24		Gap risk, in %	–	2	–
	25		Volatility, in %	12	37	30
of which other debt over two years	130					
of which	127	Option model	Buyback probability, in %	50	100	66
	–		Correlation, in %	–	–	–
	3		Gap risk, in %	–	2	–
of which structured notes between one and two years	263					
of which	6	Option model	Buyback probability, in %	50	100	66
	115		Correlation, in %	(50)	100	56
	114		Gap risk, in %	–	4	1
Borrowings	**439**					
of which	129	Option model	Buyback probability, in %	50	100	66
	176		Correlation, in %	(50)	100	56
	46		Gap risk, in %	–	2	–
Other Financial liabilities designated at fair value	**206**					
	123	Market comparable	Price in %	–	100	100

Sensitivity analysis of unobservable input parameters

The fair value of certain financial instruments recognised in the 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 2021		As at 31 December 2020	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Impact on net income/(loss) (USD million)				
Derivative assets and liabilities	287	(311)	300	(338)
Assets-backed securities, loans and derivatives	–	–	1	(1)
Debt and equity securities	31	(30)	49	(44)
Loans and advances	26	(19)	25	(19)
Total	**344**	**(360)**	**375**	**(402)**

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.

Asset backed securities, loans and derivatives include, ABS CDO and balance guaranteed swap positions. ABS CDO positions were subjected to sensitivities to underlying asset prices, as well as recovery rates on the underlying assets. The underlying asset prices were subjected to a range of downward movements with no movement up. Balance guaranteed swap positions were subjected to sensitivities on prepayment speeds which were estimated based on management's assessment of fast/slow notional bands for movements up and down.

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:

	6M21	2020
Deferred trade date profit (USD million)		
Balance at the beginning of period	550	503
Increase due to new trades	178	253
Reduction due to passage of time	(70)	(77)
Reduction due to redemption, sales, transfers or improved observability	(95)	(129)
Balance at the end of period	**563**	**550**

14 Financial Instruments Risk Position

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

A review of the CSi credit risk appetite framework was performed following the Archegos default, resulting in reduction of appetite across a number of portfolio and counterparty appetite metrics.

Also during 2021, a market risk policy supplement with regards to the UK limit approval grid was updated.

Development of trading portfolio risks

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

Ten-day, 99% VaR – trading portfolios

	Interest rate and credit spread	Foreign exchange	Commodity	Equity	Diversification benefit	Total
6M21 (USD million)						
Average	83	143	7	84	(248)	69
Minimum	34	105	3	58	- [1]	48
Maximum	139	172	17	116	- [1]	89
End of period	62	120	8	65	(189)	66
2020 (USD million)						
Average	83	40	4	41	(122)	46
Minimum	16	2	1	12	– [1]	15
Maximum	162	178	11	92	– [1]	147
End of period	57	172	6	86	(270)	51

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

VaR results

The Bank's ten-day, 99% regulatory VaR as at 30 June 2021 was USD 66 million (31 December 2020: USD 51 million). The increase in VaR is mainly driven by increased Equity risks from the positional changes in the Cash Equities and Prime Services business within the Investment Bank division.

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

For capital purposes, a back-testing multiplier is added to the capital multiplier and increases (up to a maximum of 1) for every back-testing exception over four in the prior rolling 12-month period. This is calculated using the higher number of exceptions under either actual or hypothetical daily trading revenues. The back-testing multiplier is equal to zero as the Bank had zero back-testing exceptions in the 12-months period ending 30 June 2021 (31 December 2020: Nine).

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 0.07 million as at 30 June 2021 unchanged from 31 December 2020.

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 2021, the worst fair value potential impacts were driven by the steepening of the yield curve interest rates leading to a fair value loss of USD 17 million. In comparison, the 31 December 2020 worst fair value potential impacts were generated by a parallel decrease of the yield curve which also drove a fair value loss of USD 17 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) was stable in the six months to June 2021 at USD 13,485 million. CSi saw increased levels of repo exposure due to the transfer of this activity from CSSEL, while there were reductions in both lending and OTC derivatives. The portfolio remains weighted towards strong counterparties in industrialised countries, with 81% of exposure rated investment grade.

The main drivers of exposure are derivatives and lending, which account for USD 7,285 million and USD 2,179 million of exposure respectively. In terms of sectors, the largest drivers of exposure are counterparties in financial industries, with CCPs making up 26% of exposure as at June 2021.

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. Watchlist counterparties are classified as Amber when they are performing but potential weaknesses (early signs of potential financial difficulty) have been identified which require closer and continuous monitoring. Counterparties are classified as Red if they are performing but well-defined weaknesses and actual stress are apparent; there are increasing signs of declining credit worthiness but those signs are not yet severe enough to indicate impairment. During H1 2021 exposure on the Watchlist decreased from USD 489 million in December 2020 to USD 333 million in June 2021. As of June 2021, 11% of Watchlist exposure was classified as Red.

IFRS 9 expected credit losses across stages 1 and 2 decreased from USD 18 million in December 2020 to USD 7 million in June 2021, reflecting more positive forecasts as the global economy emerges from lockdowns, changes in scenario weights, and migrations away from CSi.

There were no write-offs in CSi in 6M21.

15 Subsidiaries and Associates

Composition of the CSi group

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

The following table sets forth the changes from 31 December 2020 in related undertakings in subsidiaries that the CSi group owns, directly or indirectly.

Entity Name	Domicile	Currency	**Percentage of ownership held June 2021**	Percentage of ownership held 2020
Argentum Capital Series 2014-9,2015-79,2016-25, 2016-43, 2016-49, 2017-81	Luxembourg	USD	-	100
Argentum Capital Series 2015-53	Luxembourg	USD	100	-
Boats Investments (Jersey) Ltd Series 621,634,645,646,649,654,657	Jersey	USD	-	100
Boats Investments (Jersey) Ltd Series 658,659,660,661,662,663,664	Jersey	USD	100	-
IRIS SP 3 AUXO – BFO MULTI	Cayman Islands	USD	100	-
Platinum Securities Cayman SPC Limited	Cayman Islands	USD	100	-
SAPIC Separate Account EV (Ecureuil Vie) Segregated Portfolio	Cayman Islands	USD	-	100
VAULT Investments plc – Series 060	Republic of Ireland	JPY	100	-

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