Credit Suisse International

Annual Report 2024

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Board of Directors as at 28 March 2025

John Devine – Chair and Independent Non-Executive

David Todd – Independent Non-Executive

Jeremy Anderson – Non-Executive

Jason Barron – Non-Executive

Jonathan Magee – Non-Executive

Beatriz Martin Jimenez – Chief Executive Officer (CEO)

Caroline Stewart – Chief Financial Officer (CFO)

Edward Jenkins – Chief Risk Officer (CRO)

Nicholas Lovett – Chief Operations Officer (COO)

Company Secretary

Paul Hare

Company Registration Number	02500199

Annual Report for the Year Ended 31 December 2024

Strategic Report Credit Suisse International at a glance

Business Model

Entity Structure

Credit Suisse International ('CSi' or 'Bank') is a private unlimited company domiciled in the United Kingdom ('UK') and together with its subsidiaries is referred to as the 'CSi group'. CSi is authorised by the Prudential Regulation Authority ('PRA') and regulated by the Financial Conduct Authority ('FCA') and the PRA.

The ultimate parent of the Bank is UBS Group AG ('UBS Group') which is incorporated in Switzerland and prepares financial statements under International Financial Reporting Standards ('IFRS'). The immediate parent of the Bank is UBS AG which is incorporated in Switzerland.

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

As of 31 December 2024, UBS Group will report five business divisions namely Global Wealth Management ('GWM'), Personal & Corporate Banking ('P&C'), the Investment Bank ('IB'), Asset Management ('AM') and Non-core and Legacy ('NCL').

CSi group business is predominantly within NCL and IB divisions.

Financial statements

The CSi Financial Statements are presented in United States Dollars ('USD'), which is the functional currency of the Bank, rounded to the nearest million. They have been prepared in accordance with UK-adopted international accounting standards ('UK-adopted IFRS') and the applicable legal requirements of the Companies Act 2006. In addition to complying with UK-adopted IFRS, the consolidated financial statements also comply with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('EU-adopted IFRS'). The Directors present their Strategic Report, Directors' Report and the Financial Statements for the year ended 31 December 2024. The Financial Statements were authorised for issue by the Directors on 28 March 2025.

Purpose

Following the acquisition by UBS Group in 2023, CSi remains in a controlled and solvent wind down (including through sales and transfers) of its business which is expected to take a number of years. CSi expects to maintain an active Treasury function through the wind down to support the residual assets & liabilities that remain in the entity.

Key Business Segments

Post acquisition by UBS Group, CSi group moved certain assets and liabilities of the former Credit Suisse IB to NCL, reducing the former Credit Suisse IB footprint in the entity. CSi group is executing on its integration and wind down plans at pace and this started in the second half of 2023. CSi's total assets have reduced by 58% over 2024.

The following are the key business segments remaining within CSi:

Non-core and Legacy ('NCL')
The NCL division includes positions and businesses that are not aligned with UBS Group's strategy. These consist of the assets and liabilities of the former Capital Release Unit ('CRU') and certain assets and liabilities of the former Credit Suisse IB, and the Corporate Centre.

NCL includes assets and liabilities, operating expenses and funding costs related to the following businesses: loans primarily related to corporate banking and emerging markets, the macro trading business including rates, the equities portfolio including the remaining prime services businesses, electronic trading, equity swaps and share back-lending positions. The portfolio also includes positions relating to legal matters arising from businesses transferred to it at the time of its formation.

The wind down of these businesses involves active risk management of trading positions, including the rolling of hedging transactions and facilitation of client requests.

Investment Bank
Investment Bank contains Markets and Banking businesses aligned with UBS Group's strategy with new business transactions limited from September 2023. As at 31 December 2024 this business was de minimus.

Operating Environment

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

Significant Events

Capital Repatriation
CSi repatriated Share Capital of USD 5.9 billion and Additional Tier 1 ('AT1') Capital of USD 1.2 billion on 05 December 2024 to its parent entities.

Dividend Payment
CSi paid dividends on the AT1 Capital of USD 231 million on 24 April 2024 and USD 235 million on 05 December 2024 to UBS AG. (2023: USD 1.1 billion on ordinary shares)

Regulatory environment
CSi continues to be engaged in open and transparent communication with the PRA and FCA. CSi actively keeps the regulators updated on the progress to wind down the business segments in a

controlled and solvent manner, as well as CSi's capital repatriations which have been executed in 2024 and proposed plans for future years.

Basel III Implementation
On 30 November 2022 the Prudential Regulation Authority (PRA) published consultation paper CP16/22 regarding the implementation of the Basel III Final standards in the UK. The PRA refers to them as 'the Basel 3.1 standards'. Key aspects of the proposals include the removal of the use of internal models in some areas including operational risk and credit valuation adjustment ('CVA') risk; restrictions on the use of internal models in other areas such as exposures to large corporates and other financial institutions; a more risk-sensitive set of standardised approaches and the introduction of a new 'output floor' to be phased in over five years. On 12 September 2024, the PRA published policy statement PS9/24, which set out its near-final rules to implement Basel 3.1 in the PRA rulebook. The publication also delayed the implementation date to 1 January 2026 based on industry feedback and the PRA's ongoing monitoring of implementation timelines in other jurisdictions. On 17 January 2025, the PRA published a news release, further delaying the Basel 3.1 effective date in the UK until 1 January 2027 to allow more time for clarity to emerge about plans for its implementation in the United States.

Consumer Duty
Consumer Duty continues to be a focus for CSi. This Consumer Principle sets a higher standard of care, requiring firms to act to deliver good outcomes for retail customers. It encourages firms to "put themselves in their customers' shoes" expecting them to consistently focus on customer outcomes and evidence that those outcomes are being met. The rules apply to CSi as a prior manufacturer of Structured Products, with material influence, distributed to retail clients. Consumer Duty has been applicable since 31 July 2023, while "closed products" had a longer implementation deadline of 31 July 2024. The CSi Board reviewed and approved the first annual report covering the monitoring of retail consumer outcomes on 1 July 2024. The CSi Consumer Duty champion and relevant UK Senior Managers hold specific responsibilities to ensure the Duty is (i) properly embedded throughout the organisation; (ii) appropriately monitored; and (iii) discussed regularly in relevant governance including relevant discussions at the CSi Board.
The next annual report is due in July 2025 covering a period where CSi has been overseeing a 'Closed Product' portfolio.

Recovery Planning
The UBS Global Recovery Plan ('GRP') is designed to enable UBS Group to cover capital and liquidity shortfalls incurred by a UBS Group subsidiary in the event that they cannot be covered by local entity measures. Key elements of the 2024 CSi Recovery Plan were updated and aligned within the overall Recovery and Resolution Planning ('RRP') framework and integrated into the UBS GRP which was submitted to the PRA and FINMA in July 2024.

Resolution Planning
CSi is part of the global resolution strategy of UBS Group. The UBS Global Resolution Strategy describes measures FINMA, as UBS Group's home supervisory and resolution authority, may take to resolve UBS Group in an orderly manner during a severe crisis that brings UBS Group to the point of impending insolvency. As resolution authority, FINMA has the power to determine the Point of Non-Viability ('PONV') and subsequently has the authority and responsibility to execute a resolution. Ultimately, FINMA is responsible to develop the FINMA Resolution Plan for UBS Group in cooperation with other key authorities through the Crisis Management Group ('CMG'). UBS's Group resolution strategy is based on the Single Point of Entry ('SPE') bail-in of Total loss-absorbing capacity ('TLAC') investors at UBS Group. In such a centrally-led resolution by FINMA, UBS Group would enter resolution proceedings while the operating entities of the UBS Group remain a going concern and would be restructured.

Sustainability
On 31 May 2024 the UK Financial Conduct Authority's ('FCA') anti-greenwashing rule (Rule) came into effect, applying to all communications by UK FCA authorised firms relating to their products and services that refer to environmental and/or social characteristics. The Rule requires that references made to the sustainability characteristics of a product or service, are consistent with the sustainability characteristics of the product or service and are clear, fair and not misleading. The Rule applies not only where a firm communicates a financial promotion to a person in the UK, but also more generally where it communicates with clients in the UK in relation to a product or service. In terms of next steps, the FCA will be monitoring firms' sustainability-related claims and will take supervisory action where necessary.

On 4 June 2024, the European Supervisory Authorities ('ESAs') published their final reports on greenwashing in the financial sector, calling for enhanced supervision and improved market practice on sustainability-related claims. The ESAs reiterated their common high-level understanding of greenwashing applicable to financial market participants within their respective supervisory remit: financial markets for the European Securities and Markets Authority ('ESMA') and banking for the European Banking Authority ('EBA'). The ESAs stress that financial market participants have a responsibility to provide sustainability information that is fair, clear, and not misleading, and that greenwashing may be intentional or not, or due to omission of information, without having to cause damage to consumers or investors. The ESAs will continue monitoring greenwashing risks and supervisory progress.

UBS Group is enhancing its governance, controls, and frameworks in line with evolving market practice, client expectations, and relevant regulatory guidance.

Performance

Key Performance Indicators ('KPIs')

The Bank uses a range of KPIs 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 ensure a controlled wind down in a capital efficient manner.

	2024 [1]	2023 [1]	2022 [1]	2021 [1]	2020 [2]
Earnings					
Net (loss)/profit before tax (USD million):					
Continuing operations	(60)	(1,736)	(331)	(5,386)	191
Discontinued operations	–	–	–	–	10
Total	(60)	(1,736)	(331)	(5,386)	201

	2024	2023	2022	2021	2020
Extracts from Consolidated Statement of Financial Position (USD million):					
Total Assets	51,374	122,418	183,246	244,515	290,246
Total Asset (reduction)/growth	(58.0)%	(33.2)%	(25.1)%	(15.8)%	28.3%
Return on Total Assets	(0.1)%	(1.4)%	(0.2)%	(2.2)%	0.1%

	2024	2023	2022	2021	2020
Capital (USD million):					
Risk Weighted Assets	10,951	34,698	60,646 [3]	62,643	106,476
Tier 1 capital	6,883	13,889	15,809	15,022	20,520
Tier 1 capital ratio (%)	62.9%	40.0%	26.0%	24.0%	19.3%
Return on Tier 1 capital	(0.9)%	(12.5)%	(2.1)%	(35.9)%	1.0%

	2024	2023	2022	2021	2020
Liquidity (USD million):					
Liquidity Buffer	10,564	14,255	13,968	24,280	13,663

[1] All operations were reported as continued in 2024, 2023, 2022 and 2021.
[2] Discontinued operations in 2020 relate to transfer of EU business to European based UBS Group entities.
[3] RWA numbers have been restated to align with December 2022 COREP resubmission numbers

Capital

Risk Weighted Assets ('RWA') decreased by USD 23.8 billion to USD 10.9 billion (2023: USD 34.7 billion) due to reduced trading activity and early termination of trades as the portfolio winds down. The decrease in RWA is seen across credit risk, market risk and the large exposures charge.

Capital resources

CSi's capital resources decreased due to a capital repatriation from Common Equity Tier 1 capital of USD 5.9 billion and Additional Tier 1 capital of USD 1.2 billion. CSi closely monitors its capital resources and requirements to ensure that business booked in the entity and related risk can be supported. This monitoring takes into account business resource demand, any forthcoming changes to the capital framework such as new regulation, and changes to the Bank's business model.

→ Pillar 3 disclosures required under the Capital Requirements Regulation ('CRR') can be found separately at http://www.ubs.com.
→ Changes in senior and subordinated debt are set out in Note 24 – Debt in Issuance.
→ Changes in capital are set out in Note 26 – Share Capital and Capital Contribution.

Liquidity

CSi maintains a strong liquidity position and has a letter of support dated 28 March 2025 from UBS AG providing support for meeting CSi's debt obligations and maintaining a sound financial position for at least the next 18 months from the date of signing.

As at 31st December 2024, at the time of reporting and on a forward-looking basis, all regulatory liquidity metrics are in compliance.

During 2024, the liquidity buffer decreased by USD 3.7 billion to USD 10.6 billion (2023: USD 14.3 billion) as a result of Pillar 1 and 2 risk reductions. Pillar 1 risks reductions were mainly structured notes and derivatives as part of the strategic entity wind down and Pillar 2 add-ons reduced following the Liquidity Supervisory Review and Evaluation Process ('L-SREP').

Commentary on Consolidated Statement of Income

	2024 [1]	2023 [1]	2022 [1]	2021 [1]	2020 [2]
Consolidated Statement of Income (USD million)					
Net revenues	1,046	1,413	2,328	(2,151)	2,312
Total operating expenses	(1,106)	(3,149)	(2,659)	(3,235)	(2,121)
(Loss)/Profit before tax from continuing operations	**(60)**	**(1,736)**	**(331)**	**(5,386)**	**191**
(Loss)/Profit before tax from discontinuing operations	**–**	**–**	**–**	**–**	**10**
(Loss)/Profit before tax	**(60)**	**(1,736)**	**(331)**	**(5,386)**	**201**
Income tax (expense)/benefit from continuing operations	(27)	(57)	(354)	43	12
Income tax expense from discontinuing operations	–	–	–	–	(2)
(Loss)/Profit after tax	**(87)**	**(1,793)**	**(685)**	**(5,343)**	**211**

1 All operations were reported as continued in 2024, 2023, 2022 and 2021.
2 Discontinued operations in 2020 relate to transfer of EU business to European based UBS Group entities

For the year ended 31 December 2024, CSi group reported a net loss attributable to shareholders of USD 87 million (2023: USD 1,793 million loss). Loss before tax for the CSi group was USD 60 million (2023: USD 1,736 million loss).

Net Revenues

	2024 [1]
Reconciliation of reportable segment revenues (USD million)	
Net Revenues	
Investment Bank	147
Non-Core & Legacy	3
Corporate Functions	(27)
Corporate Centre	17
Other	4
Total reportable revenues	144
Transfer pricing agreements	(7)
Treasury funding	722
CSi group to primary reporting reconciliations	187
Net revenues as per Consolidated Statement of income	**1,046**

1 No comparatives available. Refer Note 3 – Segemental Analysis for more details.

Investment Bank revenue of USD 147 million is primarily driven by the reimbursement of expense for staff seconded to UBS AG London Branch, net mark to market gains, market research commission fees and execution fees for jointly executed deals with UBS.

NCL revenue of USD 3 million is driven by gains in NCL Equities from winding down the portfolio offset by losses in NCL Macro from increasing portfolio exit provisions.

Corporate Functions reported a loss of USD 27 million primarily driven by lease liability interest, Fair value, credit valuation and debt valuation adjustments partially offset by secondment reimbursements.

Corporate Centre Revenue of USD 17 million driven by sub-lease income from subletting space in the London Campus.

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

- Treasury funding gain is driven from treasury lending funded by shareholders' equity.
- CSi group to primary reporting reconciliation of USD 187 million is primarily driven by differences in acquisition. accounting implemented for UBS IFRS Group reporting versus IFRS reporting in the stand-alone entity.

Expenses

	2024	2023	Variance	% Variance
Operating expenses (USD million)				
Compensation and benefits	(344)	(642)	298	-46%
General, administrative and trading expenses	(762)	(2,460)	1,698	-69%
Of which Impairment of intangible assets and ROU assets [1]	*(12)*	*(531)*	*519*	-98%
Restructuring expenses	–	(47)	47	-100%
Total operating expenses	**(1,106)**	**(3,149)**	**2,043**	**-65%**

[1] Refer to Note 11 General, Administrative and Trading Expenses

The CSi group's operating expenses decreased by USD 2,043 million to USD 1,106 million (2023: USD 3,149 million).

The decrease of USD 298 million in compensation and benefits is mainly attributed to the transfer of employees to UBS entities effective 1st September 2024. For employees in UBS Group entities who are seconded back to CSi, their costs are recorded in General, Administrative and Trading expenses within the Net overheads allocated to other UBS Group entities.

General, administrative, and trading expenses have decreased by USD 1,698 million mainly due to:

- USD 519 million decrease in Impairment of intangible assets and Right of Use ('ROU') asset due to impairment booked on Internally Developed Software ('IDS'), leasehold improvements and head lease in 2023. No such impairment booked in 2024.
- USD 405 million decrease in professional services due to lower cost allocation of USD 356 million from Credit Suisse Services AG, London Branch and USD 63 million from Credit Suisse Services AG, Pune Branch.
- USD 157 million decrease in occupancy costs due to rent reserve on leases during 2023 due to the building exit of One Cabot Square ('OCS') and 20 Columbus Courtyard ('20CC') Canary Wharf London office.
- USD 160 million decrease in litigation provision across various litigation matters compared with 2023.
- USD 149 million decrease in depreciation on leases due accelerated depreciation and impairment in 2023.
- USD 136 million decrease in brokerage and commission expense due to lower trading activity.
- USD 75 million decrease in transfer pricing expense from CS affiliates is driven by lower trading activity.

The effective tax rate for the period to December 2024 is higher than the UK statutory tax rate. Material items increasing the effective tax rate are permanent adjustments, including that on the lease surrender premium, and impact of the reduction of deferred tax assets recognised on netting against the deferred tax liabilities on the pension surplus, offset from prior year adjustment relating to tax losses used by other entities for which CSi received compensation. The effective tax rate for the period to December 2023 was higher than the UK statutory tax rate. Material items increasing the effective tax rate are recognition of deferred tax liability following the adoption of the UBS netting policy, deferred tax assets not recognised on tax losses arising in the year and non-recoverable withholding taxes.

Commentary on Consolidated Statement of Financial Position

Extracts from Consolidated Statement of Financial Position (USD million)	2024	2023	Variance	% Variance
Assets				
Cash and due from banks	1,858	3,627	(1,769)	(49)%
Interest-bearing deposits with banks	3,961	8,319	(4,358)	(52)%
Securities purchased under resale agreements and securities borrowing transactions	533	1,304	(771)	(59)%
Trading financial assets mandatorily at fair value through profit or loss	22,624	63,309	(40,685)	(64)%
Non-trading financial assets mandatorily at fair value through profit or loss	14,200	24,588	(10,388)	(42)%
Other assets	5,416	17,629	(12,213)	(69)%
Other (aggregated remaining balance sheet assets lines)	2,782	3,642	(860)	(24)%
Total assets	**51,374**	**122,418**	**(71,044)**	**(58)%**
Liabilities				
Trading financial liabilities mandatorily at fair value through profit or loss	22,129	60,519	(38,390)	(63)%
Financial liabilities designated at fair value through profit or loss	2,565	16,050	(13,485)	(84)%
Borrowings	7,387	12,622	(5,235)	(41)%
Other liabilities	6,007	9,025	(3,018)	(33)%
Debt in issuance	5,456	8,108	(2,652)	(33)%
Other (aggregated remaining balance sheet liabilities lines)	491	1,131	(640)	(57)%
Total liabilities	**44,035**	**107,455**	**(63,420)**	**(59)%**
Total shareholders' equity	**7,339**	**14,963**	**(7,624)**	**(51)%**

As at 31 December 2024, the CSi group had total assets of USD 51 billion (31 December 2023: USD 122 billion) as shown in the Consolidated Statement of Financial Position on page 48.

Business driven movements in the Consolidated Statement of Financial Position are:

- Trading financial assets mandatorily at fair value through profit or loss decreased by USD 41 billion driven by USD 35 billion decrease in gross trading derivatives particularly in equity, foreign exchange ('FX'), credit and interest products due to natural maturities or early termination and USD 6 billion decrease in equity and debt positions is due to continued risk reduction and migration of trading and hedging activities.
- Non-Trading financial assets mandatorily at fair value through profit and loss decreased by USD 10 billion due to lower reverse repurchase agreements arising from the reduction in High Quality Liquid Assets ('HQLA') requirement by affiliates of USD 7 billion and of Credit Suisse International for USD 4 billion.
- Trading financial liabilities mandatorily at fair value through profit or loss decreased by USD 38 billion driven by USD 36 billion decrease in gross trading derivatives particularly in equity, FX, credit and interest products due to natural maturities or early termination and USD 2 billion decrease in short positions is due to continued risk reduction and migration of trading and hedging activities.
- Financial liabilities designated at fair value through profit and loss decreased by USD 13 billion primarily due to decreases of USD 6 billion in repurchase agreements due to the reduction in High Quality Liquid Assets ('HQLA') requirement by affiliates, USD 3 billion in structured notes due to trade redemption, USD 3 billion in fully funded derivatives and USD 1 billion in failed sales due to migrations to UBS and USD 1 billion in Long term debt instruments with UBS AG London Branch driven by long term liquidity management.
- Other assets and other liabilities have decreased by USD 12 billion and USD 3 billion respectively due to a decrease in cash collateral provided and received. This is in line with the decrease in derivative exposures.

Further movements in the Consolidated Statement of Financial Position reflect the impacts of managing the required liquidity profile in accordance with risk appetite, regulatory requirements and overall optimisation of the funding profile. This has resulted in:

- A decrease of USD 2 billion in cash and due from banks with UBS AG London Branch due to overnight liquidity management.
- A decrease of USD 4 billion in Interest-bearing deposits with banks and decrease of USD 5 billion in short term borrowings is due to business cash generation, balance sheet net down given entity wind down and optimisation of HQLA currency composition.
- A decrease of USD 3 billion in Debt in issuance is due to re-payment of Bail-in instruments during the year and decrease with UBS AG London Branch for long term liquidity management.
- Total shareholders' equity decreased by USD 7.6 billion. This is due to the USD 5.9 billion decrease in Share Capital, USD 1.2 billion decrease in Other Equity Instruments due to re-payment of AT1 Capital during the year and USD 0.5 billion decrease due to dividend payments on AT1 capital during the year.

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 0.6 billion (2023: USD 1.2 billion) and Level 3 liabilities decreased to USD 0.3 billion as at 31 December 2024 (2023: USD 0.9 billion). The movement in assets is mainly driven by trade migration to UBS. The movement in liabilities is mainly driven by a reduction in trades due to migration of trades to UBS, buybacks and maturity of structured notes. Level 3 assets were equivalent to 1.0% of total assets (2023: 0.9%) and Level 3 liabilities equivalent to 0.5% of total liabilities (2023: 0.8%).

→ For further details, refer to Note 34 – Financial Instruments.

Principal risks and uncertainties

Principal risks

RISK TYPE	DESCRIPTION	HOW RISKS ARE MANAGED
Business and Capital Risk	Business risk is the risk of underperforming against financial objectives as a result of revenue shortfalls and/or cost target overruns. Capital risk is the risk that the bank does not maintain adequate capital to support its activities while exceeding its regulatory requirements and meeting its internal capital goals.	The CSi Strategic Risk Management ('SRM') functions are responsible for oversight of business and capital risks as managed by UK Capital Management and CFO functions. SRM ensures accurate ongoing reporting and monitoring of these risks within the risk appetite framework. Broader themes linked to business and capital risk, e.g. implications of strategic change and transformation risks including those related to UBS integration, are also considered in the course of CSi's risk identification and assessment process. Next to monitoring internal and regulatory capital ratio targets as well as financial reporting, the principal measurement tools used by SRM are firm-wide stress testing and the internal capital adequacy assessment process.
Climate Change	Climate-related risks are potentially adverse direct and indirect impacts on the banks financial metrics, operations or reputation due to transitional or physical effects of climate change. Climate-related risks could manifest themselves through existing risk types such as credit risk, market risk, non-financial risk, business risk or reputational risk.	Climate change risk is managed centrally by the Climate Risk and Sustainability functions. For CSi, the CSi SRM function ensures accurate ongoing reporting and monitoring within the risk appetite framework. The theme of climate change risk has been explicitly considered in the course of CSi's risk identification and assessment process as well as its risk appetite and risk reporting. The CSi strategy to wind-down entity activities, achieving full de-risking of the legacy portfolios, has reduced climate-related risks which are no longer material, while no new business opportunities are being explored.
Credit Risk	The risk of a loss arising as a result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower, or counterparty.	Credit risk in CSi is overseen and controlled by the UK Chief Credit Office ('UK CCO'), with support from the Credit Risk NCL function, which is part of the UBS Group Risk Control function, and sits in the second line of defence. Credit Risk NCL 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 Credit Risk UK based employees. Credit Risk maintains a Watchlist which serves as a tool for monitoring and reporting counterparties with negative factors requiring enhanced monitoring but which are not severe enough for the counterparty to be considered impaired. Counterparties are subject to additional scrutiny through watchlist committees and escalation to senior management. Watchlist counterparties are classified as Amber when they are performing but potential weaknesses (early signs of potential financial difficulty) have been identified, which require closer and continuous monitoring. Counterparties are classified as Red if they are performing but well-defined weaknesses and actual stress are apparent. Credit Risk also relies on the NCL CRO function regarding recovery management services to manage and resolve 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.
Treasury and Liquidity Risk	Treasury risks cover the market risks arising from structural exposures including pension risks, and the risk of insufficient funding or liquidity. Liquidity Risk is the risk of being unable to meet both expected and unexpected current and forecasted cash flows and collateral needs. Funding risk is the risk of being unable to borrow funds to support the firm's current business and desired strategy.	CSi Treasury Risk and Control ('TRC') functions are responsible for the oversight of Treasury and the business divisions involved in managing CSi's liquidity risks as a second line of defence. TRC is responsible for ensuring that CSi maintains adequate liquidity and achieves full compliance with CSi's Risk Appetite Framework and Strategic Risk Objectives, and adherence to all applicable risk constraints covering short-term, medium-term and longer-term liquidity, based on regulatory and internal risk metrics (including those based on the internal liquidity stress testing framework). TRC ensures that various risk controls appropriately limit funding concentration to tenors, products, currencies and counterparties as part of the framework and are adhered to. The liquidity and funding profile reflects CSi's respective strategies and risk appetites, and is driven by business activity levels and the overall operating environment.

RISK TYPE	DESCRIPTION	HOW RISKS ARE MANAGED
Market Risk	The risk of a loss arising from adverse changes in interest rates, credit spreads, foreign currency exchange rates, equity and commodity prices, and other relevant market parameters, such as volatilities and correlations.	Market Risk in CSi is overseen and controlled by the CSi Market Risk functions which sits in the second line of defence. CSi has policies and processes in place to ensure that market risk is captured, accurately modelled and reported, and effectively managed. Trading and non-trading portfolios are managed at various organisational levels, from the overall risk positions at the Bank level down to specific portfolios. CSi uses market risk measurement and management methods in line with regulatory and industry standards. The principal portfolio measurement tools are Value-at-Risk ('VaR'), scenarios and sensitivity analyses, which complement each other in measuring market risk. A Counterparty Market Risk function is focused on assessing and risk managing counterparty market risk, thereby improving the way in which risk is measured by leveraging the subject matter expertise of market risk managers. This function closely collaborates with the Counterparty Credit Risk function within the Investment Bank and Non-Core & Legacy to further progress how risk of counterparties is assessed allowing for enhanced credit decision making.
Model Risk	Model Risk is the potential for financial loss, negative reputational impact and/or adverse regulatory action from decisions made based on model outputs that may be incorrect or used inappropriately.	Model Risk Management's role is to verify whether the model is performing as expected and is appropriate for its intended use. This includes: • Maintaining a model inventory, model type classification, risk tiering and inventory attestation; • Training; • Performing independent validation and approval of Models; • Defining model risk Key Risk Indicators ('KRIs') and assessing, aggregating and reporting model risks; Model validation plans and schedules are communicated to relevant review committees and stakeholders. The function manages validation outcomes, findings and any required follow-up actions and reports them to the relevant review committees and stakeholders.
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 its business, including the systems and processes that support its activities.	Non-Financial Risk oversees the UBS Group's established Non-Financial Risk Framework ('NFRF'), providing a consistent and unified approach to evaluating and monitoring CSi's non-financial risks. The NFRF sets common minimum standards across non-financial risk and control processes and review and challenge activities. Risk and Control Self Assessments ('RCSA's) are in place across all divisions and functionsas well as CSi at an entity level. Material non-financial risks are identified through the Risk ID Process 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 oversight at the CSi Board Risk Committee.
Reputational Risk	Reputational Risk is the risk arising from an unfavorable perception of CSi or decline in the firm's reputation from point of view of clients, shareholders, regulators, employees or society , which may lead to potential financial loss and / or loss of market share.	All employees are responsible for evaluating risks in business activities and adhering to our Code of Conduct and Ethics. Reputational risk is assessed through standard risk identification processes, with primary responsibility lying with business divisions and Group functions. High-risk cases are escalated to the Divisional Management Team for review and decision.

Key risk developments

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

Upon legal close of the acquisition of Credit Suisse Group AG by UBS Group, UBS Group's risk management practices have been applied to material risks of CSi. Positions and businesses not aligned with the core strategy and policies of UBS Group were ringfenced within Non-core and Legacy, with the aim of a timely and orderly wind down. UBS Group's transactional approval authorities were applied to CSi and a set of risk standards and escalation protocols were put in place to ensure the application of the UBS Group risk appetite to the combined organisation. CSi's risk governance continued to operate along its three lines of defense. A significant portion of its risk policies were reviewed and harmonised with UBS Group policies. In 2025, CSi will continue to focus on aligning its policies while moving towards a fully integrated risk framework.

Strategy execution / Transformational Risk
Execution risks around the entity strategy and integration with UBS Group is a key risk for CSi during 2025 in which a bulk of integration and wind down activities are being scheduled. The areas of focus include systems, data and technology integration, operational risks, as well as cultural alignment. People risk remains significant due to the uncertainty around the organisational future of CSi during and post integration. The main risks include staff attrition, key person risk and retention of critical individuals.

Macroeconomic Risks
CSi is exposed to a number of macroeconomic issues, as well as general market conditions and external pressures may have a significant adverse effect on our business activities and related financial results. Accordingly, these macroeconomic factors are considered in the development of stress-testing scenarios for our ongoing risk management activities. Inflation has abated to some extent in major Western economies, though there are still concerns regarding future developments, and central banks' monetary policy is in the spotlight. As business wind down progresses for CSi, we closely monitor volatility in the environment with potential to increase the risk of financial market disruption.

Capital risk
Capital risk is the risk that CSi does not have adequate capital to support its activities and maintain the minimum capital requirements.

Capital risk results from the CSi's risk exposures, available capital resources and needs to consider regulatory requirements and accounting standards. A key risk for CSi is the current uncertainty regarding its associated financial targets which may have a negative impact on available capital resources over time as well as other changes in regulatory capital requirements. CSi maintains a robust and comprehensive framework for assessing capital adequacy, defining internal capital targets and ensuring that these capital targets are consistent with its overall risk profile and the operating environment. The stress testing framework and the internal capital adequacy assessment process are tools used by the CSi to evaluate and manage capital risk.

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

Liquidity risk management
In line with the PRA's internal liquidity and adequacy ('ILAA') rules, liquidity and funding adequacy were maintained at the year-end. In addition, full compliance with CSi Risk Appetite and Strategic Risk Objectives was achieved at year end. This includes maintaining sufficient headroom above applicable regulatory constraints, in particular LCR and Net Stable Funding Ratio ('NSFR'); adherence to all applicable risk constraints including Board of Directors ('BoD') and Risk Management Committee ('RMC') limits/EWIs, covering short-term, medium-term and longer-term liquidity, based on regulatory and internal risk metrics.

Risk Exposures

Credit Risk
CSi has a global portfolio with exposures driven by a number of businesses across diverse industries and countries, and therefore is exposed to broad range of risks. These risks are managed within CSi's Credit Risk Appetite Framework to ensure control and oversight of any concentrations by product, industry or geography. Some of the risk areas which could potentially have an impact on the credit portfolio of the Bank are discussed further.

Credit risk exposure reduced significantly in 2024 given the strategic direction for CSi. On a potential exposure basis, exposure in CSi decreased by USD 12.4 billion in 2024 to USD 4.5 billion (31 December 2023: USD 16.9 billion). Potential exposure for each trading relationship is calculated as 95 percentiles of a distribution of possible future exposures. The main driver of credit risk in CSi is trading in OTC derivatives as lending exposure decreased during 2024 to USD 55 million as at 31 December 2024 (31 December 2023: USD 1 billion) while the CSi repurchase agreement portfolio reduced to USD 98 million (31 December 2023: USD 724 million).

Watchlist exposure decreased by USD 293 million to USD 14 million as at 31 December 2024 (31 December 2023: USD 307 million).

Selected Credit Risk Exposure Views by Country and Industry Segment

The following table shows the top ten largest exposures by country and industry, which accounted for 94% of total exposure in CSi as at 31 December 2024. The largest exposures are in well-developed countries, with net exposure from the United States and United Kingdom accounting for 58% of the total net exposure. With respect to emerging markets, CSi has exposure in a few countries, but none represent 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 derivatives exposure (not limited to credit protection purchased and sold), after consideration of legally enforceable netting agreements. Gross exposures are calculated after netting long and short positions, capped at Nil for net short positions. Net exposures include the impact of risk mitigation such as Credit Default Swaps ('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**		AnnualΔ		
31 December 2024 (USD millions) [1]	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	**Gross Exposure**	**Net Exposure**	Gross Exposure	Net Exposure	Net Exposure as % of All Country Exposures
United States	-	-	2,734	370	101	78	**2,835**	**448**	(3,302)	(2,113)	31%
United Kingdom	-	-	562	378	33	16	**595**	**394**	(2,202)	(1,710)	27%
France	4	-	505	126	88	16	**597**	**142**	(1,511)	(953)	10%
Netherlands	-	-	103	103	-	-	**103**	**103**	(696)	(348)	7%
Germany	91	4	318	90	1	1	**410**	**95**	(1,926)	(1,433)	7%
Italy	11	11	114	71	-	-	**125**	**82**	(132)	(105)	6%
Switzerland	1	-	26	26	-	-	**27**	**26**	(278)	(227)	2%
Japan	-	-	380	22	-	-	**380**	**22**	(1,508)	(1,145)	2%
Brazil	17	17	-	-	1	1	**18**	**18**	(48)	(48)	1%
Belgium	-	-	86	11	-	-	**86**	**11**	(68)	(63)	1%
Total	**124**	**32**	**4,828**	**1,197**	**224**	**112**	**5,176**	**1,341**	**(11,671)**	**(8,145)**	**94%**

1) Russia and Turkiye are not included in the top 10 country exposures. The Net Exposure for Russia was USD 6 million (2023: USD 9 million) and for Turkiye was less than USD 1 million (2023: USD 27 million)

	Sovereign		Financial Institutions		Corporate		**Total**		AnnualΔ		
31 December 2023 (USD millions) [1]	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure	**Gross Exposure**	**Net Exposure**	Gross Exposure	Net Exposure	Net Exposure as % of All Country Exposures
United States	544	544	4,573	1,167	1,020	850	**6,137**	**2,561**	(2,387)	(267)	23%
United Kingdom	146	146	2,137	1,498	514	461	**2,797**	**2,104**	(2,772)	(2,231)	19%
Germany	326	171	1,972	1,319	38	38	**2,336**	**1,528**	508	372	14%
Japan	571	571	806	86	510	510	**1,888**	**1,167**	649	673	10%
France	130	125	1,847	880	132	90	**2,108**	**1,095**	(383)	(321)	10%
Australia	484	484	23	2	7	7	**515**	**494**	378	402	4%
Netherlands	-	-	717	370	82	82	**799**	**451**	(566)	(339)	4%
Switzerland	2	2	273	222	29	29	**305**	**253**	(814)	(748)	2%
Italy	129	88	66	47	62	52	**257**	**187**	(158)	(145)	2%
Saudi Arabia	122	122	-	-	-	-	**122**	**122**	59	59	1%
Total	**2,455**	**2,254**	**12,414**	**5,590**	**2,394**	**2,119**	**17,263**	**9,963**	**(5,487)**	**(2,546)**	**88%**

1) Russia and Turkiye are not included in the top 10 country exposures. The Net Exposure for Russia was USD 9 million (2022: USD 38 million) and for Turkiye was USD 27 million (2022: USD 13 million).

The following table shows the ten largest exposures by Industry in CSi, which make up 97% 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.

	2024			2023 [1]		Annual Δ	
Industry Segments (USD millions)	Gross Exposure	Net Exposure	Net Exposure as % of All Industry Exposures	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
Central Clearing Parties	2,393	804	56%	6,430	3,951	(4,037)	(3,147)
Banks	1,703	138	10%	4,398	576	(2,695)	(438)
Sovereigns, Monetary Authorities, Central and Development Banks	202	111	8%	3,106	2,881	(2,904)	(2,770)
Other Financial Companies	158	83	6%	420	324	(262)	(241)
Funds and Trusts	159	83	6%	693	192	(534)	(109)
Real Estate	54	54	4%	83	83	(29)	(29)
Securitisations	55	36	3%	1,108	573	(1,053)	(537)
Oil and Gas	122	33	2%	184	134	(62)	(101)
Utilities	14	14	1%	87	80	(73)	(66)
Insurance	481	13	1%	1,055	336	(574)	(323)
Total	**5,341**	**1,369**	**97%**	**17,563**	**9,131**	**(12,223)**	**(7,761)**

1) Prior period numbers have been restated to conform to current period's presentation.

Risk Management

Overview

Risk management plays an important role in the Bank's business planning process and is strongly supported by senior management and the Board. As the wind down of the CSi business progresses, the primary objectives of the risk management function are to maintain capital, integrity of operations and conduct oversight to ensure an orderly wind down of CSi activities. The Bank has implemented risk management processes and control systems, and it works to limit the impact of negative developments by monitoring all relevant risks including credit, market, liquidity, enterprise and non-financial risks.

Risk Governance

The Bank's risk governance framework is based on a 'three lines of defense' governance model, where each line has a specific role with defined responsibilities and works in close collaboration to identify, assess and mitigate risks.

The first line of defense represents the business area or function that allows the risk to enter the Bank from clients, employees or other third parties or events and is responsible for identifying, measuring, managing and reporting risks on a front-to-back basis in line with the Board's risk appetite. The first line of defense is fully accountable for managing risks inherent in its activities.

The second line of defense consists of independent risk management, compliance and control functions which are responsible for establishing risk management framework and associated control standards, and providing independent challenge to the activities, processes and controls carried out by the first line of defense. In this context, the risk management function is responsible for articulating and designing the risk appetite framework across the Bank. The second line of defense can perform and complement the responsibility of identification, measurement, management and reporting of risks, while the first line of defense retains the overall accountability for risk management related to its activities.

The third line of defense is the Internal Audit function, which monitors the effectiveness of controls across various functions and operations, including risk management, compliance and governance practices.

Risk Organisation

Risks arise in all of the CSi business activities and are monitored and managed through its risk management framework. The CSi risk management organisation reflects the specific nature of the various risks in order to ensure that risks are taken within limits set in a transparent and timely manner.

The CSi CRO is responsible for managing the operation of risk governance at executive management and operating levels within CSi and is the primary regulatory contact for risk management issues. The CSi CRO is responsible for overseeing CSi's risk profile across all financial risk types and for ensuring that there is an adequate independent risk management function.

The CSi CRO is responsible for overseeing CSi's risk profile across all risk types and for ensuring that there is an adequate independent risk management function.

The CSi CRO function in 2024 comprised of:
- Market Risk Management ('MRM');
- Treasury Risk Control ('TRC');
- Credit Risk ('CR');
- Strategic Risk Management ('SRM'); and
- Non-Financial Risk ('NFR')

The CSi CRO is responsible for providing risk management oversight and establishing an organisational basis to manage all risk management matters through its primary risk functions:
- MRM is responsible for assessing, monitoring and managing the market risk profiles of the Bank and recommends corrective action where necessary;
- TRC is responsible for assessing, monitoring and managing the liquidity risk profiles of the Bank, and recommends corrective action where necessary;
- CR is responsible for approving credit limits, monitoring, and managing individual exposures, and assessing and managing the quality of credit portfolios and allowances;
- SRM is responsible for providing holistic risk coverage focusing on cross-functional and cross-divisional risk governance, frameworks, best practice, policies and processes. It drives risk reporting and analysis; and
- NFR is responsible for the identification, recording, assessment and monitoring of non-financial risks, as well as timely management reporting.
- During 2024, the NFR function was changed to roll up under Compliance & Operational Risk Control ('C&ORC') within Group Compliance, Regulatory & Governance ('GCRG') in line with the UBS Group governance model.

The CSi CRO additionally relies on the following teams within the UBS Group Risk Control ('GRC') function:
- **CRO Non-Core & Legacy ('NCL'):** This comprises (i) the market risk NCL function, which is responsible for assessing, monitoring, and managing the firm's risk due to changes in market conditions across divisions, regions, and legal entities, (ii) the credit risk NCL function which is responsible for managing overall credit risk for NCL and monitoring counterparty exposures and (iii) global credit recovery which manages troubled or impaired credit exposures for the bank's non-core business with the goal of maximising loan and derivative recoveries in restructuring and work-out situations, expeditiously supporting the release of capital for exit positions, improving the velocity of capital from managed positions, protecting the bank's reputation, minimising potential litigation risks, and promoting best practice in impaired loan and credit provision recognition.

- **Quantitative Risk Modelling:** Responsible for Credit Risk Methodology, Market Risk Methodology & Back testing, Political & Country Risk, Stress Methodology & Scenario Analysis, Credit Corporate Risk Models, Market Risk Models, Scenarios & Risk Appetite, QRM Platforms & Tools and Firmwide Stress Testing Models, amongst others.
- **Treasury Risk Control:** Responsible for independently measuring, monitoring, challenging, and controlling firmwide treasury risks, including liquidity & funding risks.
- **Chief Model Risk Officer:** Responsible for providing model risk management globally, including for the UK legal entities. This includes model governance, infrastructure, operations and reporting.
- **Risk Chief Operating Officer ('COO'):** Services from the Risk COO function includes Risk Reporting & Analysis, GRC Framework & Policies, GRC Initiative & Change Management, GRC Finance & Strategy, Risk data as well as Risk Integration Office. The CSi CRO reports to the CEO CSi in respect of matters relating to CSi, and to the CSi Board on all risk matters. The CSi CRO is also a member of the Board of CSi (and so is also an SMF3) as well as being a standing attendee at CSi Board Risk Committee meetings.

Risk Appetite

A system of risk constraints is fundamental to effective risk management. The constraints define the Bank's risk appetite given management capabilities, the market environment, business strategy and financial resources available to absorb potential losses. The overall risk constraints for the Bank are set by the Board.

Within the bounds of the overall risk appetite of the Bank, as defined by the constraints set by the Board, the CSi CRO is the nominated executive who is responsible for implementing a constraint framework. The Bank has a range of more granular constraints for individual businesses and specific risks, including constraints on transactions booked from remote locations.

Market risk constraint measures are typically based on Value at Risk ('VaR') and scenario analysis, although they also include risk sensitivities, notionals and other metrics. Liquidity risk constraints include regulatory and internal metrics based on computing liquidity inflows and outflows under stress scenarios over different time horizons. Credit risk constraints include overall constraints on portfolio credit quality and a system of individual counterparty, country, industry, product and scenario constraints, which are used to mitigate concentration risks. Liquidity risk constraints are set against applicable regulatory constraints (in particular LCR and NSFR) and internal risk metrics, including those based on the internal liquidity stress testing framework. In addition, the Bank has allocated operational risk capital to the businesses and has established thresholds for operational risk losses that trigger additional management action. These thresholds are set in both quantitative (considering historical losses and gains) and qualitative (bank-wide statements linked to risk and control indicators) terms. Alignment to business strategy is a key requirement to ensure the Risk Appetite framework is effective in managing to the entities' acceptable risk profile and acting as an early warning indicator for material changes in risk profile. Capital constraints for each material risk type are determined by SRM and cascaded to each risk area for use as a calibration point for the lower-level constraint cascade. Constraints are reviewed quarterly against the capital plan and are aligned to divisional constraints which are cascaded by the CFO function.

The majority of these constraints are monitored on a daily basis, though some, such as those for which the inherent calculation time is longer or for which the risk profile changes less often (such as some credit portfolio constraints) are monitored on a weekly or monthly basis depending on the nature of the constraint.

Risks Detail

i) Market Risk

Overview

Market Risk is the potential for financial loss due to adverse movements in market variables such as, interest rates, exchange rates, equity prices and commodity prices. It arises from fluctuations in financial markets and can impact the value of assets, liabilities, or future cash flows; the Bank manages Market Risk through various risk measurement techniques, such as Value at Risk (VaR), Scenario Analysis and Sensitivity Analysis, to mitigate financial losses and ensure financial stability.

VaR and other capital metrics

VaR quantifies potential portfolio losses over a specific holding period with a defined confidence level.

It aggregates positions by risk factors rather than by products, for example, interest rates risk VaR reflects losses from interest rate fluctuations across various products, including swaps and derivatives.

VaR enables risk comparisons across businesses and aggregates positions to reflect asset correlations and accounts for diversification benefits. It's a key tool in risk management, used daily to measure market risk, monitor limits, financial reporting and calculate regulatory capital.

The Bank's VaR model is based on historic data moves that derive plausible future trading losses. VaR is calculated for all financial instruments. The model is responsive to changes in market conditions through the use of exponential weighting that applies a greater weight to more recent events. The model avoids any explicit assumptions on the correlation between risk factors leveraging the historical correlation observed.

Under Basel III, regulatory capital is calculated using components such as regulatory VaR, Stressed VaR, Incremental Risk Charge ('IRC'), Risks Not In VaR ('RNIV') and a regulatory prescribed standardised approach for securitisations. Regulatory VaR uses a two-year historical dataset, a ten-day holding period and a

99% confidence level; Stressed VaR implies a similar approach but focuses on a stressed period of one year occurring between 2006 and the present day in order to reduce pro-cyclicality. IRC addresses issuer default risk not captured by VaR. RNIV accounts for risks not fully modeled due to data limitations or complexity.

The VaR model is tested against the banks daily P&L. This monitors the model's performance and where too many exceptions occur (i.e. days when losses are greater than predicted by the VaR model) then the capital requirement is increased using the capital multiplier.

The VaR model is also used to calculate Risk Management VaR (RM VaR) which is used for risk appetite and monitoring purposes. RM VaR is calculated for trading and banking book positions using a two-year historical dataset, a one-day holding period and a 98% confidence level.

Scenario analysis

Scenario analysis quantifies potential losses from market movements due to external events. It includes tailored calculations for specific businesses and broad scenarios to assess risk concentration across the Bank. Scenarios, based on historical or hypothetical events, help us understand risk exposure. They are regularly reviewed and updated to align with market conditions and business strategy.

Sensitivity analysis

Similar to stress testing, the majority of sensitivity analysis calculations performed is specifically tailored towards the risk profile of particular businesses and limits may be established for some of them. Sensitivity analysis may also be used to identify, monitor, and control areas of risk concentration at the Bank's level across a broad range of markets, products, and asset classes.

Trading portfolios

The following table shows the trading related market risk exposure along foreign exchange and commodity risks in the banking book for the Bank, as measured by Regulatory VaR. This VaR model used by the Bank is based on historical simulation approach over a two-year historical dataset. VaR estimates are computed separately for each risk type and for the whole trading book portfolio using the historical simulation methodology. 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.

End of period (Audited)	Interest rate and credit spread [4]	Foreign exchange [1,4]	Commodity [1,4]	Equity [4]	Diversification benefit [2]	Total
2024 (USD million)						
Average	15	3	1	9	(14)	14
Minimum	4	–	–	1	- [3]	6
Maximum	33	8	3	18	- [3]	27
End of period	6	1	–	2	(3)	6
2023 (USD million)						
Average	32	3	4	23	(34)	28
Minimum	20	–	1	12	– [3]	13
Maximum	61	11	12	48	– [3]	55
End of period	20	5	2	12	(22)	16

1 Along with the trading related market risk exposure, foreign exchange and commodity risks in the banking book is included in the VaR computation.
2 VaR is calculated separately for each risk type and for the whole portfolio using the historical simulation methodology.
Diversification benefit reflects the net difference between the sum of the 99% percentile VaR for each risk type compared to the whole portfolio.
3 As the minimum and maximum occur on different days for different risk types, it is not meaningful to calculate a portfolio diversification benefit.
4 Asset class VaR for 2023 is updated to be calculated using risk based approach. This change in approach is driving large reductions in Foreign exchange and Equity VaR.

VaR results

The bank's ten-day, 99% Regulatory VaR as of 31 December 2024 decreased by 63% to USD 6 million, compared to 31 December 2023 (USD 16 million).
The decrease in VaR is primarily driven by de-risking across business in Non-Core and Legacy division.

Banking portfolios

Risk measurement and management

The market risks associated with non-trading portfolios are measured, monitored and limited using several tools, including sensitivity analysis, scenario analysis and VaR. For the purpose of this disclosure, the aggregated market risks associated with the Bank's non-trading portfolios are measured using sensitivity analysis. In addition, scenario analysis measures the amount of potential change in economic value resulting from specified hypothetical shocks to market factors. It is not a measure of the potential impact on reported earnings in the current period, since the non-trading activities generally are not marked to market through earnings. Foreign exchange translation risk is not included in this analysis.

Development of non-trading portfolio risks
Interest rate sensitivity analysis measures the impact of a one-basis-point parallel move in yield curves on the fair value of interest rate-sensitive non-trading book positions. As of the 31 December 2024 it was USD (0.00) million compared to USD 0.04 million as of 31 December 2023. Non-trading interest rate risk is assessed using other measures including the potential value change resulting from significant but possible moves in yield curves applying a floor to negative rates as prescribed in PRA's Internal Capital Adequacy Assessment ('ICAAP') rules. As of 31 December 2024, the fair value impacts were:

- A fair value loss of USD 4.0 million (2023: loss of USD 2 million) for a parallel up move.
- A fair value loss of USD 3.8 million (2023: loss of USD 13 million) for a parallel down move.

Note: CSi has aligned the Interest Rate Risk in the Banking Book ('IRRBB') Delta Economic Value of Equity ('EVE') calculation to the ICAAP: by applying a floor to negative interest rates. Aggregated Delta EVE for each interest rate shock scenario is calculated by adding together any positive or negative Delta EVE in each currency and positive changes are weighted by a factor of 50%. This methodology is consistent with PRA guidelines.

The decrease in interest rate risk is mainly driven by unwinding of GBP and USD interest rate swap hedges in Longevity Markets.

Macro-Economic Environment
CSi periodically conducts deep dive assessments and uses stress scenarios and a range of other risk management techniques to assess the resilience and potential vulnerabilities in its exposures and concentrations should the global economy be impacted by sustained high inflation or deteriorate into recession.

Strategy execution / Transformational Risk
Execution risks around the entity strategy and integration with UBS Group is a key risk for CSi during 2025 in which a bulk of integration and wind down activities are being scheduled. The areas of focus include systems, data and technology integration, operational risks, as well as cultural alignment. People risk remains significant due to the uncertainty around the organisational future of CSi during and post integration. The main risks include staff attrition, key person risk and retention of critical individuals.

ii) Liquidity Risk
Liquidity and Funding ('L&F') risk is an inherent consequence of being in business. CSi defines the principles and associated responsibilities to make sure CSi prudently manages L&F risk at CS, part of the UBS Group.
Liquidity risk is the risk that a bank is unable to meet business-as-usual or stress cash/collateral flows and Funding risk is being unable to borrow funds to support the firm's current business and desired strategy.

Group-wide management of liquidity risk
The liquidity risk governance model follows the three lines of defense ('3LoD') model, with the UBS Group Board of Directors and local Boards (where applicable) set the L&F risk appetite. The UBS Group Asset Liability Committee ('ALCO') and local ALCOs oversee L&F risk management.
1st Line of Defense ('LoD'): Business divisions and Treasury.
2nd LoD: Risk Control functions.

The roles and responsibilities of the relevant functions involved in liquidity risk management are clearly outlined in internal guidelines and policies. All the key stakeholders operate within a comprehensive global governance model that provides management at all levels with the necessary framework to measure, monitor and manage liquidity risk.

The originating business unit or Treasury, as the 1st LoD, identifies risks in any business line, product or transaction. Treasury maintains a diversified, high-quality pool of unencumbered liquid assets under Treasury control. Treasury forecasts liquidity and funding requirements and maintains a funding plan to ensure CSi receives a sufficient funding supply and diversification of funding across counterparties, currencies, products and tenors.

CRO Treasury, as part of the GRC organisation, is responsible for the oversight of Treasury and the business divisions in managing the liquidity and funding risks as a second line of defense. As a reflection of its risk constraint mandate, CRO Treasury is responsible for ensuring that liquidity and funding risk management complies with the overall risk appetite. As an independent oversight function, CRO Treasury oversees and challenges the activities of the first line of defense, for their responsibilities in the context of liquidity and funding risk measurement, funding forecasting, Funds Transfer Pricing ('FTP'), risk mitigating actions, crisis management and reporting. It defines and ensures adherence to CRO Treasury risk processes, risk limits and risk appetite; monitors the risk constraints and their potential breaches including escalation if necessary; and performs stress testing and scenario analysis. In addition, Funding concentration metrics are overseen by CRO Treasury. Treasury monitors funding concentration metrics to manage the funding risk. Funding concentration risk is the over-reliance on a type of instrument or product, tenor, currency, counterparty and/or financial market to raise funding and meet CSi's obligations. Treasury and Treasury CRO monitor the firm's L&F position and ultimately the compliance with regulatory requirements and risk appetite through L&F metrics.

Liquidity and funding Controlling produces both Liquidity Management Information ('MI') and regulatory reporting, which supports Treasury in their decision-making processes. The liquidity MI reports being produced by L&F Controlling including commentary are distributed on a regular basis to Treasury Functional and Regional Management, CRO Treasury as well as to regulators where required.

Business Divisions are responsible for understanding their liquidity risk position, highlighting and communicating material instances of liquidity risk to Treasury and CRO Treasury in the context of the ongoing business activities to wind down the entity. All functions involved in the liquidity risk management governance and risk management framework have regional presence outside head offices to ensure liquidity risk management governance is established locally and satisfies local liquidity requirements, local rules and regulations.

Legal entity management of liquidity risk

The legal entity liquidity risk management framework is aligned with the group-wide approach but also incorporates local regulatory compliance requirements. CSi Board ('BoD') is responsible for approving the CSi entity-level liquidity risk appetite. The Head of TRC UK & UBS AG Standalone & Branches defines, reviews and proposes the liquidity and funding risk appetite and recommends appropriate risk metrics, based on the respective business plans of CSi. The recommended risk appetite and calibration are presented initially to the CSi Risk Management Committee ('RMC') and subsequently submitted to the CSi BoD for approval. The strategic risk objectives, including the liquidity and funding risk appetite metrics and limits, are reviewed at a minimum on an annual basis.

CSi Treasury Risk Control ('TRC') UK, as part of the CRO Treasury organisation, is responsible for the oversight of Treasury and the business divisions in managing CSi's liquidity risks as a second line of defense. As a reflection of its risk control mandate, CSi TRC UK defines related risk management frameworks and processes in line with requirements at entity level. The team works with Regional Treasury, and the business divisions, to ensure comprehensive liquidity and funding risk limit adherence and manage breaches thereof, should they occur.

CSi adhere to the regulatory liquidity measures that must be applied by all regulated banking institutions to ensure that in a stress environment, banks maintain sufficient amount of stable liquidity in the short and long term. The key regulatory liquidity risk metrics are the Liquidity Coverage Ratio ('LCR'), PRA 110 and the Net Stable Funding Ratio ('NSFR').

CSi maintain a suite of internal metrics to complement the regulatory requirements. The Liquidity Stress Test ('LST') is the internal liquidity stress testing tool that provides CSi with a robust liquidity stress testing framework. The model ensures compliance with regulatory and firm standards and promotes consistent liquidity and funding risk management across jurisdictions and entities.

The CSi TRC reviews and challenges the production of the Individual Liquidity Adequacy Process ('ILAAP') document. The document sets out CSi's approach to managing liquidity and funding risks. The purpose of the document is to provide the CSi Board of Directors ('BoD') with an assessment of the liquidity risk in CSi under both our internal stress measure (Liquidity Barometer) and the regulatory defined stress measures.

The following table sets out details of the remaining contractual maturity of all financial liabilities:

Group and Bank 31 December 2024 (Audited)	On Demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	**Total**
Financial liabilities (USD million)						
Due to banks	18	–	–	–	–	**18**
Securities sold under repurchase agreements and securities lending transactions	25	1	–	–	–	**26**
Trading financial liabilities at fair value through profit or loss	22,129	–	–	–	–	**22,129**
Financial liabilities designated at fair value through profit or loss [1]	1,743	682	96	14	30	**2,565**
Borrowings	–	–	6,295	–	1,092	**7,387**
Debt in issuance	–	2,343	3,281	143	–	**5,767**
Other liabilities	5,961	–	–	–	–	**5,961**
Total	**29,876**	**3,026**	**9,672**	**157**	**1,122**	**43,853**
Group 31 December 2023 (Audited)						
Financial liabilities (USD million)						
Due to banks	31	–	–	–	–	**31**
Securities sold under repurchase agreements and securities lending transactions	125	–	233	–	–	**358**
Trading financial liabilities at fair value through profit or loss	60,519	–	–	–	–	**60,519**
Financial liabilities designated at fair value through profit or loss [1]	3,073	8,103	979	3,356	539	**16,050**
Borrowings	–	341	12,281	–	–	**12,622**
Debt in issuance	–	129	4,256	4,494	2	**8,881**
Other liabilities	8,604	–	–	–	–	**8,604**
Total	**72,352**	**8,573**	**17,749**	**7,850**	**541**	**107,065**

[1] Financial liabilities designated at fair value through profit or loss includes certain structured notes and some other other financial instruments that are reported at their fair values, rather than their undiscounted amounts, since these best represent the expected future outflow for these balances.

Bank 31 December 2023 (Audited)	On Demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Total
Financial liabilities (USD million)						
Due to banks	31	–	–	–	–	**31**
Securities sold under repurchase agreements and securities lending transactions	125	–	233	–	–	**358**
Trading financial liabilities at fair value through profit or loss	60,519	–	–	–	–	**60,519**
Financial liabilities designated at fair value through profit or loss [1]	3,073	8,103	963	3,332	420	**15,891**
Borrowings	–	341	12,281	–	–	**12,622**
Debt in issuance	–	129	4,256	4,494	2	**8,881**
Other liabilities	8,604	–	–	–	–	**8,604**
Total	**72,352**	**8,573**	**17,733**	**7,826**	**422**	**106,906**

[1] Financial liabilities designated at fair value through profit or loss includes certain structured notes and some other other financial instruments that are reported at their fair values, rather than their undiscounted amounts, since these best represent the expected future outflow for these balances.

Liabilities in trading portfolios have not been analysed by contractual maturity because these liabilities are used to risk manage positions held across CSi and can be closed out at very short notice. They have been classified as being 'on demand' at their fair value.

For instruments with perpetual features (i.e. no maturity dates), the projected coupons have been excluded. Callable Due to Banks, open ended positions and overnight funding will be recorded at their present value in an 'on demand' categorisation. This classification will be based on the underlying legal and contractual ability of the counterparty or the Bank to put or call the positions at short notice.

iii) Currency Risk

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

The Bank has approval to manage its own trading P&L related foreign exchange risk through a formal trading mandate and has defined risk limits using the Value at Risk ('VaR') methodology. Its currency exposure within the non-trading portfolios is managed through the UBS Group's leveling process as set out in the Corporate Foreign Exchange Policy. The VaR methodology is discussed in more detail in section i) Market Risk of this note.

One of the components of CSi total expenses is operational expenses in GBP which are subject to currency risk when converted into USD, the functional currency of the entity. The exposure is reduced through hedging.

iv) Credit Risk

Credit risk is the possibility of a loss being incurred as the 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. In the event of a customer default a bank generally incurs a loss equal to the amount owed by the debtor, less any recoveries from foreclosure, liquidation of collateral or the restructuring of the debtor company. A change in the credit quality of the counterparty has an impact on the valuation of assets eligible for fair value measurement, with valuation changes recorded in the Consolidated Statement of Income.

Credit risk in CSi is managed by the CSi Chief Credit Officer ('CSi CCO'), who in turn reports to the CSi CRO, with support from the Credit Risk Non-Core & Legacy ('NCL') function. Credit Risk NCL is a part of UBS Group Risk Control function and 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 areas' credit portfolios and allowances. All credit limits in CSi are subject to approval by CSi Credit Risk.

Credit risk management approach

Effective credit risk management is a structured process to assess, quantify, measure, monitor and manage risk on a consistent basis. This requires careful consideration of proposed extensions of credit, the setting of specific limits, monitoring during the life of the exposure, active use of credit mitigation tools and a disciplined approach to recognising credit impairment.

Credit limits are used to manage concentration to individual counterparties. A system of limits is also established to address concentration risk in the portfolio, including country limits, industry limits and limits for certain products. In addition, credit risk concentration is regularly supervised by credit and risk management committees, taking current market conditions and trend analysis into consideration. A credit quality review process provides an early identification of possible changes in the creditworthiness of clients and includes regular asset and collateral quality reviews, business and financial statement analysis and relevant economic and industry studies. Regularly updated watch lists and review meetings are used for the identification of counterparties where adverse changes in creditworthiness could occur.

Counterparty and transaction rating

The CSi group employs a set of credit ratings for the purpose of internally rating counterparties to which it is exposed to credit risk as the contractual party. Credit ratings are intended to reflect the risk of default of each counterparty. Ratings are assigned based on internally developed processes, which are subject to governance and internally independent validation procedures.

The CSi group's internal ratings may differ from counterparties' external ratings. Policy requires the review of internal ratings at least annually. For the calculation of internal risk estimates and Risk Weighted Assets ('RWAs'), a probability of default ('PD') is assigned to each facility, with the PD determined by the internal credit rating. The PD for each rating is calibrated based on historical default experience, using external data from Standard & Poor's, and back tested to ensure consistency with internal experience.

CSi group assigns an estimate of expected loss in the event of a counterparty default based on the structure of each transaction. The counterparty credit rating is used in combination with credit (or credit equivalent) exposure and loss given default assumptions to estimate the potential credit loss. CSi group uses credit risk estimates consistently for the purposes of approval, establishment and monitoring of credit limits and credit portfolio management, credit policy, management reporting and certain financial accounting purposes. This approach also allows pricing of transactions involving credit risk more accurately, based on risk/return estimates.

Credit Risk Overview

All transactions that are exposed to potential losses due to failure of meeting an obligation by counterparty are subject to credit risk exposure measurement and management.

Maximum Exposure to credit risk

The following table presents the maximum exposure to credit risk of balance sheet and off-balance sheet financial instruments, before taking account of the fair value of any collateral held or other credit enhancements unless such credit enhancements meet offsetting requirements as set out in IAS 32. For financial assets recognised on the balance sheet the maximum exposure to credit risk equals their carrying amount as at 31 December 2024. For financial guarantees granted and other credit-related contingencies the maximum exposure to credit risk is the maximum amount that CSi would have to pay if the guarantees and contingencies are called upon. For loan commitments and other credit-related commitments that are irrevocable over the life of the respective facilities the maximum exposure to credit risk is the full amount of the committed facilities.

Maximum exposure to credit risk:

2024 (USD million) (Audited)	Group Gross	Group Collateral and other credit enhance-ments	Group Net	Bank Gross	Bank Collateral and other credit enhance-ments	Bank Net
Maximum exposure to credit risk						
Trading financial assets mandatorily at fair value through profit or loss						
Debt securities	47	–	47	47	–	47
Derivative trading positions	22,484	22,286	198	22,484	22,286	198
Other	–	–	–	–	–	–
Non-trading financial assets mandatorily at fair value through profit or loss						
Loans	8	8	–	8	8	–
Reverse repurchase agreements	14,179	14,179	–	14,179	14,179	–
Other	13	8	5	13	8	5
Maximum exposure to credit risk – total assets	**36,731**	**36,481**	**250**	**36,731**	**36,481**	**250**
Off-balance sheet items						
loan commitments and other credit related commitments	–	–	–	–	–	–
Maximum exposure to credit risk – total off-balance sheet	**–**	**–**	**–**	**–**	**–**	**–**
Maximum exposure to credit risk	**36,731**	**36,481**	**250**	**36,731**	**36,481**	**250**
2023 (USD million) (Audited)						
Maximum exposure to credit risk						
Trading financial assets mandatorily at fair value through profit or loss						
Debt securities	1,841	–	1,841	1,886	–	1,886
Derivative trading positions	57,337	56,006	1,331	57,337	56,006	1,331
Other	164	–	164	164	–	164
Non-trading financial assets mandatorily at fair value through profit or loss						
Loans	270	270	–	274	270	4
Reverse repurchase agreements	23,910	23,910	–	23,910	23,910	–
Other	408	189	219	211	189	22
Maximum exposure to credit risk – total assets	**83,930**	**80,375**	**3,555**	**83,782**	**80,375**	**3,407**
Off-balance sheet items						
loan commitments and other credit related commitments	800	103	697	800	103	697
Maximum exposure to credit risk – total off-balance sheet	**800**	**103**	**697**	**800**	**103**	**697**
Maximum exposure to credit risk	**84,730**	**80,478**	**4,252**	**84,582**	**80,478**	**4,104**

CSi is exposed to credit risk as a result of a counterparty, borrower or issuer being unable or unwilling to honour its contractual obligations. These exposures to credit risk exist within financing relationships, derivatives and other transactions.

CSi typically enters into Master Netting Arrangements ('MNAs') with OTC derivative counterparties. The MNAs allow CSi to offset derivative liabilities against the derivative assets with the same counterparty in the event the counterparty defaults. Collateral on these derivative contracts is usually posted on a net counterparty basis and comprises either cash or marketable securities or a combination thereof. Included in the table above as collateral and other credit enhancements are the derivative liability amounts which would be offset against the derivative asset position upon default of the counterparty as well as any cash or marketable securities collateral held. Amounts disclosed as collateral and credit enhancements are where a counterparty has an offsetting derivative exposure with CSi, a legally enforceable MNA exists, and the credit risk exposure is managed on a net basis or the position is specifically collateralised, typically in the form of cash.

Also included in the table within both loans and advances and financial assets designated at fair value through profit and loss is collateral which CSi holds against loans in the form of guarantees, cash and marketable securities. CSi also mitigates its credit exposures on certain loans primarily with credit default swaps, which economically hedge the position and as such the notional on the relevant credit default swap has been included. For further information on the collateral and credit enhancements held against loans designated at fair value, refer to Note 18 – Financial Liabilities Designated at Fair Value through Profit and Loss.

Reverse repurchase and repurchase agreements and securities lending and borrowing transactions are typically fully collateralised instruments and in the event of default by the counterparty, the agreement provides CSi the right to liquidate the collateral held. Reverse repos and repos are included either within securities or financial assets designated at fair value through profit and loss, based on the accounting methodology. These instruments are collateralised principally by government securities, money market instruments, corporate bonds and cash. CSi monitors the fair value of securities borrowed and lent on a daily basis with additional collateral obtained as necessary. The fair value of the collateral has been included in the table above. For further information on the collateral and credit enhancements held against reverse repurchase and repurchase agreements and securities lending and borrowing refer to Note 15 – Securities Borrowed, Lent and Purchased/Sold under Resale/Repurchase Agreements.

Included within Other (Non-trading financial assets mandatorily at fair value through profit or loss) are failed purchases that arise when a transaction to purchase an asset has not met the conditions for sale accounting. CSi typically holds collateral in the form of insurance or securities against the failed purchases.

Collateral held against financial guarantees and loan commitments typically includes securities and letters of credit. For further information about the collateral and credit enhancements held against financial guarantees and loan commitments refer to Note 32 – Contingent Liabilities, Guarantees and Commitments.

For further information on collateral held as security that CSi is permitted to sell or repledge refer to Note 35 – Assets Pledged or Assigned.

If collateral or the credit enhancement value for a particular instrument is in excess of the maximum exposure then the value of collateral and other credit enhancements included in the table has been limited to the maximum exposure to credit risk.

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Financial assets credit risk exposures by rating grades (Audited)

As at 31 December, 2024 Group In millions of USD	AAA	AA+ to AA–	A+ to A–	BBB+ to BBB–	BB+ to BB–	B+ and below	Gross Carrying amount	Loss allowance	Net Carrying amount
Rating category									
Financial assets measured at amortised cost									
Interest bearing deposits with banks	**–**	**3,961**	**–**	**–**	**–**	**–**	**3,961**	**–**	**3,961**
of which: stage 1	–	3,961	–	–	–	–	3,961	–	3,961
Securities purchases under resale agreements and securities borrowing transactions	**–**	**532**	**1**	**–**	**–**	**–**	**533**	**–**	**533**
of which: stage 1	–	532	1	–	–	–	533	–	533
Cash and Due from Bank	**–**	**1,583**	**205**	**8**	**4**	**27**	**1,827**	**–**	**1,827**
of which: stage 1	–	1,583	205	8	4	27	1,827	–	1,827
of which: stage 2	–	–	–	–	–	–	–	–	–
of which: stage 3	–	–	–	–	–	–	–	–	–
of which: PCI	–	–	–	–	–	–	–	–	–
Loan credit risk exposures	**–**	**–**	**–**	**2,504**	**–**	**–**	**2,504**	**–**	**2,504**
of which: stage 1	–	–	–	2,504	–	–	2,504	–	2,504
of which: stage 2	–	–	–	–	–	–	–	–	–
of which: stage 3	–	–	–	–	–	–	–	–	–
of which: PCI	–	–	–	–	–	–	–	–	–
Loan commitment	**–**	**30**	**–**	**–**	**–**	**–**	**30**	**–**	**30**
of which: stage 1	–	30	–	–	–	–	30	–	30
of which: stage 2	–	–	–	–	–	–	–	–	–
of which: PCI	–	–	–	–	–	–	–	–	–
Other assets	**139**	**1,649**	**2,039**	**981**	**37**	**126**	**4,971**	**–**	**4,971**
of which: stage 1	139	1,649	2,039	981	37	126	4,971	–	4,971
Total financial assets measured at amortised cost	**139**	**7,755**	**2,245**	**3,493**	**41**	**153**	**13,826**	**–**	**13,826**
On-balance sheet financial instruments									
Financial assets measured at FVOCI – debt instruments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total on-balance sheet financial instruments	**139**	**7,755**	**2,245**	**3,493**	**41**	**153**	**13,826**	**–**	**13,826**

As at 31 December, 2023 Group In millions of USD	AAA	AA+ to AA–	A+ to A–	BBB+ to BBB–	BB+ to BB–	B+ and below	Gross Carrying amount	Loss allowance	Net Carrying amount
Rating category									
Financial assets measured at amortised cost									
Interest bearing deposits with banks	**–**	**–**	**8,319**	**–**	**–**	**–**	**8,319**	**–**	**8,319**
of which: stage 1	–	–	8,319	–	–	–	8,319	–	8,319
Securities purchases under resale agreements and securities borrowing transactions	**–**	**–**	**616**	**688**	**–**	**–**	**1,304**	**–**	**1,304**
of which: stage 1	–	–	616	688	–	–	1,304	–	1,304
Cash and Due from Bank	**–**	**291**	**3,131**	**22**	**4**	**180**	**3,628**	**10**	**3,618**
of which: stage 1	–	291	3,131	22	4	150	3,598	–	3,598
of which: stage 2	–	–	–	–	–	–	–	–	–
of which: stage 3	–	–	–	–	–	30	30	10	20
of which: PCI	–	–	–	–	–	–	–	–	–
Loan credit risk exposures	**–**	**–**	**–**	**3,003**	**287**	**–**	**3,290**	**100**	**3,190**
of which: stage 1	–	–	–	3,003	68	–	3,071	3	3,068
of which: stage 2	–	–	–	–	145	–	145	30	115
of which: stage 3	–	–	–	–	74	–	74	67	7
of which: PCI	–	–	–	–	–	–	–	–	–
Loan commitment	**–**	**27**	**–**	**173**	**115**	**162**	**477**	**1**	**476**
of which: stage 1	–	27	–	173	115	160	475	1	474
of which: stage 2	–	–	–	–	–	2	2	–	2
of which: PCI	–	–	–	–	–	–	–	–	–
Other assets	**595**	**4,618**	**5,955**	**3,357**	**58**	**2,394**	**16,977**	**–**	**16,977**
of which: stage 1	**595**	**4,618**	**5,955**	**3,357**	**58**	**2,394**	**16,977**	**–**	**16,977**
Total financial assets measured at amortised cost	**595**	**4,936**	**18,021**	**7,243**	**464**	**2,736**	**33,995**	**111**	**33,884**
On-balance sheet financial instruments									
Financial assets measured at FVOCI – debt instruments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total on-balance sheet financial instruments	**595**	**4,936**	**18,021**	**7,243**	**464**	**2,736**	**33,995**	**111**	**33,884**

Risk Mitigation

CSi actively manages its credit exposure utilising credit hedges and monetiseable collateral (cash and marketable securities). Credit hedges represent the notional exposure that has been transferred to other market counterparties generally through the use of credit default swaps. CSi also actively enters into collateral arrangements for OTC derivatives and other traded products which allow it to limit the counterparty exposure risk associated with these products. Collateral taken generally represents cash or government securities although other securities may be accepted. The value of collateral reflected as a risk mitigant is net of an appropriate haircut. Collateral securing loan transactions includes:

- Financial collateral pledged against loans collateralised by securities (mostly cash and marketable securities); and
- Physical collateral (real estate property for mortgages, mainly retail residential, but also multi-family buildings, offices and commercial properties); and
- Other types of lending collateral such as accounts receivable, inventory and plant and equipment.

Credit approval and reviews

A primary responsibility of Credit Risk is the on-going review of the creditworthiness of the client. Part of the review and approval process involves the consideration of the motivation of the client and the nature of exposures to which CSi is exposed. The sizing of credit limits is based on a combination of the credit engagement with the client, credit rating, the level of comfort the Credit Risk officer has with the strategy of the counterparty, the level of disclosure of financial information and the amount of risk mitigation that is present in the trading relationship (e.g. level of collateral).

Settlement Risk

Settlement risk arises whenever the settlement of a transaction results in timing differences between the disbursement of cash or securities and the receipt of counter-value from the counterparty. This risk arises whenever transactions settle on a 'free of payment' basis and is especially relevant when operating across time zones.

In those instances where market convention and/or products preclude a value-for-value exchange, CSi manages its risk through confirmation and affirmation of transaction details with counterparties. In order to reduce gross settlement risk, CSi leverages clearing houses, central counterparties and central settlement services, and will also net gross cash flows with a given counterparty where possible. CSi group proactively seeks to manage the timing of settlement instructions to agents and the reconciliation of incoming payments in order to reduce the window of exposure. In addition, Credit Risk officers establish and monitor limits to control the amount of settlement risk incurred to each counterparty.

v) Country Risk

Country risk is the possibility of a substantial, systemic loss of value in the financial assets of a country or group of countries, which may be caused by dislocations in the credit, equity and/or currency markets. CSi Credit Risk has incorporated country limits into its Credit Risk Appetite Framework in order to manage this risk in CSi.

For CSi, country limits are set for developed and emerging markets, based on both a potential future exposure view and on a scenario view. Upon CSi UK CCO and the UK Credit Risk Committee recommendation, maximum appetite and country limits are calibrated and approved by the CSi RMC on an annual basis or, if warranted by a fundamental change in strategy or market conditions, more frequently. The measurement of exposures against country limits is reported to the CSi UK CCO and senior management. Front Office representatives are responsible for ensuring limits are respected and any breach is promptly managed.

vi) Legal (including Regulatory) Risk

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

The UBS Group assesses its legal risk and manages it through a combination of controls, including the adoption of policies, the implementation of processes and the use of systems, continuing to refine controls as business activities evolve and the laws that the UBS Group is subject to change. One of the key controls is the involvement of the General Counsel function and engagement of outside legal counsel.

As a participant in the financial services industry, the UBS Group is subject to extensive regulation by governmental agencies, supervisory authorities and self-regulatory organisations around the world. Such regulation is increasingly more extensive and complex in its application, in particular, as laws increasingly purport to be extra-territorial and additional obligations may arise where clients are subject to differing regulatory obligations, in practice, requiring the group to be compliant with such obligations also. These regulations may increase the costs of doing existing business for both the firm and its clients, including the application of increased capital, leverage and liquidity requirements, customer protection and market conduct regulations and direct or indirect restrictions on the businesses in which the UBS Group may operate. Such requirements can have a negative effect on the UBS Group's business and ability to implement strategic initiatives.

The financial services industry continues to be affected by the increasing complexity of ongoing regulatory reforms, alongside the significant impact on the firm of implementing its plans relating to the withdrawal of the United Kingdom from the European Union. Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect the UBS Group.

vii) Non-financial risk

Definition and sources of non-financial risk

Non-financial risk is the risk of undue monetary loss and/or non-monetary adverse consequences to CSi, its clients or markets resulting from compliance risk, financial crime risk, operational risk and technology and cyber risk. Non-financial risk is inherent in most aspects of our business, including the systems and processes that support our activities. It comprises a large number of disparate risks that can manifest in a variety of ways.

Compliance risk, financial crime risk and operational risk are independently overseen by Group Compliance, Regulatory & Governance ('GCRG') and are covered in this section. Legal risk is overseen by Group Legal. Reputational risk is managed by the business divisions and Group functions and overseen by control functions.

Non-financial risk can have a variety of drivers including internal and external forces. These include human error, inappropriate conduct, failures in systems, processes and controls, deliberate attack or natural and man-made disasters. Outsourcing and external third parties may also create risks around maintaining business processes, system stability, data loss, data management, reputation and regulatory compliance. The main categories and sources of non-financial risk are described below.

Operational risk

Operational risk is the risk of an adverse impact arising from inadequate or failed internal processes, people or systems, or from external events. Legal entity integration, including that of existing Credit Suisse businesses incl. CSi, and the closing of legacy businesses introduce operational complexity and the risk that businesses in wind down are not effectively managed. These risks continue to be carefully monitored.

Technology risk

Technology risk is the risk that system-related failures, such as service outages or information security incidents, may disrupt business. Technology risk is inherent not only in our IT assets, but also in the people and processes that interact with them including the dependency on third-party suppliers and the worldwide telecommunications infrastructure. CSi seeks to ensure that the data used to support key business processes and reporting is secure, complete, accurate, available, timely and meets appropriate quality and integrity standards. UBS Group requires CSi's critical IT systems to be identified, secure, resilient and available to support our ongoing operations, decision-making, communications and reporting in CSi. The systems must also have the capabilities, capacity, scalability and adaptability to meet business objectives, the needs of our customers and regulatory and legal expectations. Failure to meet these standards and requirements may result in adverse events that could subject CSi to reputational damage, fines, litigation, regulatory sanctions, financial losses or loss of market share. Technology risks are managed through our technology risk management program, business continuity management plan and business contingency and resiliency plans. Technology risks are included as part of CSi's overall non-financial risk assessments based upon a forward-looking approach focusing on the most significant risks in terms of potential impact and likelihood. As part of the non-financial risk frame-work ('NFRF'), the CSi Board and CSi Risk Management committees are given updates on the broader technology risk exposure.

Cyber risk

Cyber risk is the risk that a malicious internal or external act, or a failure of IT hardware or software, or human error may have a material impact on confidentiality, integrity, or availability of CSi's data or information systems.
Any such event could subject CSi to litigation or cause it to suffer a financial loss, a disruption of businesses, liability to our clients, regulatory intervention or reputational damage. CSi could also be required to expend significant additional resources to investigate and remediate vulnerabilities or other exposures.
UBS Group recognises that cyber risk represents a rapidly evolving external risk landscape. The financial industry continues to face cyber threats from a variety of actors who are driven by monetary, political and other motivations. UBS Group actively monitors external incidents and threats and assesses and responds accordingly, including modifying our protective measures, to any potential vulnerabilities that this may reveal. UBS Group is also an active participant in industry forums and information exchange initiatives and engage in regulatory consultation on this subject. Significant incidents are escalated to the CSi Board Risk Committee together with key findings and mitigating actions. Related business continuity and response plans are tested and simulations are reported up to the CSi Board.

Legal risk

Legal risk is the risk of: (i) being held liable for a breach of applicable laws, rules or regulations; (ii) being held liable for a breach of contractual or other legal obligations; (iii) an inability or failure to enforce or protect contractual rights or non-contractual rights sufficiently to protect UBS's interests; and (iv) being party to a claim or investigated by a regulator or public authority in respect of any of the above (and the risk of loss of attorney–client privilege in the context of any such claim.

Compliance risk

Compliance risk is the risk of legal or regulatory sanctions or financial loss that may result from the failure to comply with applicable laws, regulations, rules or market standards.
Achieving fair outcomes for CSi's clients, upholding market integrity and cultivating the highest standards of employee conduct are of critical importance to CSi. Therefore, CSi maintains a conduct risk framework across its activities, which is designed to align standards and conduct with these objectives and to retain momentum on fostering a strong culture.

Regulatory risk

Regulatory risk is the risk that changes in laws, regulations, rules or market standards may limit our activities and have a negative effect on our business or our ability to implement strategic initiatives or can result in an increase in operating costs for the business or make our products and services more expensive for clients.

Conduct risk

CSi defines 'conduct risk' as the risk that the conduct of the firm or its individuals unfairly impacts clients or counterparties, undermines the integrity of the financial system or impairs effective competition to the detriment of consumers.

Evaluation and management of non-financial risks

CSi aims to maintain the integrity of its business, operations and reputation as a core principle guiding the management and oversight of non-financial risks by ensuring that day-to-day operations are sustainable and resilient, do not expose CSi to significant losses and enable its employees to make decisions and conduct business in line with its values and desired reputation as a firm.

CSi follows the Group-wide non-financial risk framework ('NFRF') that establishes requirements for identifying, controlling, managing, assessing and mitigating compliance risk, financial crime risk and operational risk to protect safety and soundness, including the financial position and reputation of the firm. It is built on the following pillars:

- classifying inherent risks through 19 non-financial risk taxonomies, which define the universe of non-financial risks that can arise as a consequence of our business activities and external factors;
- performing control assurance activities, including self-assessing the design and operating effectiveness of controls, first and second-line-of-defense control reviews, and independent control testing;
- defining the non-financial risk appetite (including relevant indicators for each non-financial risk taxonomy) and assessing risk exposure against appetite;
- assessing inherent and residual risk through risk assessment processes and determining whether additional remediation plans are required to address identified deficiencies; and
- proactively and sustainably remediating identified control deficiencies.

Reputational risk is an integral part of the non-financial risk framework. It is one of the key impacts of non-financial risk, alongside regulatory and financial risks.

Non-Financial Risk is responsible for setting minimum standards for managing non-financial risks at CSi. This includes ensuring the cohesiveness of policies and procedures, tools and practices throughout CSi, aligning to UBS Group, particularly with regard to the identification, evaluation, mitigation, monitoring and reporting of these risks. Other second line of defense oversight functions are responsible for setting supplemental policies and procedures where applicable. Non-Financial Risk also oversees the global read-across framework, including performing comprehensive reviews of risk events and/or emerging risks to identify underlying root causes, and considers their applicability across other business divisions, significant legal entities or corporate functions with the goal of minimising re-occurrence in a sustainable manner through enhancements of processes and/or key controls to support reduction of relevant residual risk.

The non-financial risk framework forms the common basis for managing and assessing compliance risk, financial crime risk and operational risk, and there are additional C&ORC activities intended to ensure we are able to demonstrate compliance with applicable laws, rules and regulations.

All functions supporting CSi, through UBS Group, are required to periodically assess the design and operating effectiveness of key internal non-financial risk controls. The output of these reviews supports the assessment and testing scope of internal controls over financial reporting as required by Section 404 of the Sarbanes–Oxley Act (SOX 404).

Non-financial risk capital management

CSi leverages UBS Group activities to manage non-financial risk capital include scenario analysis and operational risk regulatory capital measurement, as further described below. In addition, CSi transfers the risk of potential losses from certain non-financial risks to third-party insurance companies in certain instances.

Non-financial risk scenario analysis

Non-financial risk scenario analysis is forward-looking and is used to identify and measure exposure to a range of potential adverse events, such as unauthorised trading, transaction processing errors and compliance issues. These scenarios help businesses and functions assess the suitability of controls in light of existing risks and estimate hypothetical but plausible risk exposures. Scenarios are developed as qualitative estimation approaches to support stressed loss projections and capital calculations (both economic and regulatory capital) as part of regulatory requirements set by regulatory agencies in the jurisdictions in which CSi operates.

Non-financial risk stress loss projections

Operational losses may increase in frequency and magnitude during periods of economic stress and/or market volatility. CSi, through UBS Group, estimates the potential operational loss that may be experienced under a variety of adverse economic conditions through stress testing by quantifying historically observed relationships between various types of operational losses and the economy, and through expert consideration of impacts on key non-financial risks.

Non-financial risk regulatory capital measurement

UBS Group uses a set of internally validated and approved models to calculate its regulatory capital requirements for non-financial risk (also referred to as "operational risk capital") across the UBS Group and for legal entities. For UBS Group regulatory capital requirements, it uses a model under the AMA. The model is based on a loss distribution approach that uses relevant historical internal and external loss data to estimate frequency and severity distributions for different types of potential non-financial risk losses, such as an unauthorised trading incident, execution delivery errors, fraud, litigation events or a material business disruption. Business experts and senior management review and challenge model parameters in light of changes of business environment and internal control factors to ensure that the capital projection is reasonable and forward-looking. Deductions are taken from the regulatory capital requirement for non-financial risk to account for the mitigating values of insurance policies held by the UBS Group. The regulatory capital requirement represents the 99.9th percentile of the estimated distribution of total operational losses for the UBS Group over a one-year time horizon. A risk-sensitive approach is applied to allocate capital to the businesses.

Governance of non-financial risks

Effective governance processes establish clear roles and responsibilities for managing non-financial risks and define appropriate escalation processes for outcomes that are outside expected levels. CSi utilises UBS Group's comprehensive set of policies and procedures that set out how employees are expected to conduct their activities, including clearly defined roles for each of the three lines of defense to achieve appropriate segregation of duties.

Non-Financial risk exposures, metrics, issues and remediation efforts are discussed in various risk management committees, including in the CSi RMC, CSi Board and CSi Board Risk Management Committee. Key significant and trending non-financial risk themes are discussed in governance forums where appropriate, including risk themes that may emerge due to significant internal or external events and any corresponding tactical or strategic control enhancements that may be required in order to maintain adequate internal controls in response to such events.

viii) Reputational Risk

CSi highly values its reputation and is fully committed to protecting it through a prudent approach to risk-taking, and responsible approach to business. This is achieved through use of dedicated processes, resources and policies focused on identifying, evaluating, managing and reporting potential reputational risks.

Our reputation is ultimately defined by our ability to adhere to the three keys: our Pillars, Principles and Behaviors. In accordance with our Code of Conduct and Ethics, it is the responsibility of the Board of Directors (the BoD) and each employee to refrain from any conduct which may pose a risk to our reputation.

All employees are responsible for carefully evaluating the reputational risks involved in all business activities. Reputational risk is considered as part of standard risk identification and assessment processes governed by relevant frameworks relating to new and existing clients, transactions, products, and services. The business divisions and Group functions have primary responsibility for identifying, assessing, and managing reputational risk. The control functions are responsible for providing independent oversight and challenge and must raise their concerns if they disagree with the assessment of the business divisions or Group functions of any reputational risk. In instances where the inherent reputational risk is determined to be high, these cases must be escalated to the relevant Divisional Management Team ('MT') for review and decision. CSS(E)L legal entity representation would be included in the Divisional MT for CSi relevant cases (i.e. CSi CEO and CRO).

Corporate Responsibility (Non-Financial and Sustainability Information Statement)

Overview

UBS Group publishes a comprehensive Sustainability Report which can be found on UBS Group's website at https://www.ubs.com/global/en/sustainability-impact.html. The Sustainability Report describes how UBS Group including CSi, assumes its various responsibilities towards society and the environment.

Environmental Matters

Climate-related financial disclosures

Introduction
Companies Act 2006 requires certain climate-related financial disclosures to be included in the strategic report which are detailed in the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. The following report section covers in particular the required disclosures pertaining to section 414CB Clause 2A items (a) to (d) along with some information on items (e) to (h). It has been determined that items (e) to (h) are not strictly necessary for an understanding of the nature of the company's business, given the strategic wind down of CSi, in line with the guidance in clause 4A of the regulations. The CSi strategy to wind down entity activities, achieving material de-risking of the legacy portfolios, implies climate-related risks will continue to reduce substantially over time.

As part of ongoing integration of Credit Suisse into UBS Group during 2024 CSi's approach to the management of sustainability and climate risk from its remaining activities has been broadly aligned with that of UBS Group, in parallel with the integration of underlying processes and controls. For more detailed information on UBS Group's firm-wide sustainability and climate risk management framework and related policy, standards and guidelines, please refer to UBS Group Annual Report and Sustainability Report.

Definition of climate risks
CSi defines sustainability and climate risk as the risk that UBS Group negatively impacts, or is impacted by, climate change, natural capital, human rights and other environmental and social matters. Sustainability and climate risks may manifest as credit, market, liquidity, business and non-financial risks for UBS Group, resulting in potential adverse financial, liability and reputational impacts.

Climate-driven physical risks arise from acute hazards, which are increasing in severity and frequency, while chronic climate risks arise from an incrementally changing climate. Climate-driven physical risks may contribute to a structural change across economies and consequently affect banks and the stability of the broader financial sector.

Similarly, climate-driven transition risks, which arise from the efforts to mitigate the effects of climate change, may contribute to a structural change across economies and consequently affect banks and the stability of the broader financial sector. Both these risks extend to the value of investments and may also affect the value of collateral.

Governance
Climate change-related responsibilities are explicitly embedded in the relevant CSi governance charters as well as within the wider UBS Group.
Group Risk Control ('GRC') is responsible for UBS Group's firm-wide Sustainability and Climate Risk ('SCR') framework and the management of exposure to sustainability and climate (financial) risks on an ongoing basis as a second line of defense, while its Group Compliance, Regulatory & Governance ('GCRG') function monitors the adequacy of its control environment for non-financial risks (/'NFR'), applying independent control and oversight. GRC manages sustainability and climate risk under the dedicated risk management framework.
In the UK, the CSi CRO is the Senior Manager for climate-related risk and climate risk is captured in CSi Risk Committee charters. The CSi Board Risk Committee receives regular updates on the risk management of climate-related risks and developments in regulatory requirements. Climate related risks are assessed annually as part of the regular risk governance within each of the functional risk areas, and subsequently aggregated up to the CSi Risk Committee and Board for review and approval.
Climate opportunities are in the first instance assessed by the business divisions and aggregated through governance at the UBS Group level. Progress against strategy and the associated targets related to opportunities are reviewed at least once a year by the UBS Group Executive Board and the Corporate Culture and Responsibility Committee.

→ More details can be found at: https://www.ubs.com/global/en/sustainability-impact.html

Strategy
CSi recognises its share of responsibilities in combating climate change by supporting the transition to a low-carbon and climate-resilient economy. As a financial institution, it is committed to playing its part in addressing this global challenge through its role as a financial intermediary between the economy, the environment and society.

CSi's strategic climate objectives as part of UBS Group aligns to the UBS Group's sustainability and impact strategy which is based on three overarching strategic pillars:

- **Protect** our business by managing climate risks and supporting our clients' low-carbon transition to protect their assets.
- **Grow** our business by embedding an innovative UBS climate transition offering across all business divisions.
- **Attract** and be the bank of choice for clients and employees by being recognised as a leader in climate and leading by example in our own operations.

Note that some of these pillars are not directly applicable to CSi given its business wind down strategy.

Risk Management

UBS Group's firm-wide sustainability and climate risk management framework and related policy, standards and guidelines form the basis of the management practices and control principles of the firm, enabling the identification and management of potential adverse impacts on the climate, the environment and human rights, as well as the associated risks affecting the firm and its clients while supporting the transition to a low-carbon world. Overseen by senior management, the framework applies to UBS Group's balance sheet, its own operations and its supply chain.

UBS Group UBS Group has set standards in product development, investments, financing and supply-chain management decisions.

- **Risk identification and measurement:** UBS Group assesses the materiality of the sustainability- and climate-driven risks and impacts on an annual basis. This is underpinned by an assessment of how key risk drivers may impact UBS Group through financial and non-financial risks (e.g. credit losses or reputational incidences resulting in lost revenues) and assessing the proximity of our activities to potential negative impact on the environment (including climate) and human rights. In 2024, as in prior years, CSi applied a dedicated bespoke risk identification process, with result described below.
- **Risk monitoring and appetite setting:** UBS Group's Sustainability and Climate Risk policy framework defines the qualitative risk appetite for climate and sustainability risk and is subject to periodic updates and enhancements. As part of the sustainability and climate risk monitoring process, UBS Group has developed methodologies and metrics to assess continued exposure to carbon-related assets and climate-related risk-sensitive sectors. When developing its metrics, UBS Group considers the inputs and guidance provided by standard-setting organisations as well as new or enhanced regulatory requirements for climate disclosures.
- **Risk management and control:** This part of the framework includes the development of solutions to integrate sustainability and climate risks into traditional risk categories, such as UBS Group's credit, market, liquidity, non-financial risk and reputational risk frameworks.
- **Risk reporting:** Sustainability and climate risk updates are an integral part of UBS Group's quarterly risk reporting cycle. Key sustainability and climate risk considerations are included in quarterly internal risk reports for key legal entities and business divisions.

CSi has been monitoring climate-related risks through internal reports, including dedicated climate risk reports to the Board Risk Committee. A dedicated internal CSi Climate Risk Management Procedure describes the detailed legal entity specific risk management process. Climate risks are embedded in CSi's risk appetite and risk management and control framework.

In 2024, CSi performed its annual climate risk identification process to assess material risks for the entity. Risk materiality was determined following the internal CSi Risk Identification and Assessment Framework, informed by both quantitative estimates and expert judgement. The results of this exercise were presented to and approved by various CSi risk sub-committees and the Board Risk Committee., In order to provide an understanding on the evolution of the risk profile over time, different time horizons were considered in the analysis; short term defined as less than three years, medium term three to ten years and long term beyond ten years. For 2024 the climate risk identification process identified no material risks since the materiality has reduced over the year due to the progress made in delivering CSi's wind down strategy.

The assessment of potentially relevant climate-related opportunities is performed by the business divisions at UBS Group level and is encompassing commercial products and services, social finance, resource efficiency and energy consumption, operational resilience, as well as green funding. In doing so, a two-step approach is followed: i) identifying relevant opportunities; and ii) assessing their relative materiality for the UBS Group over the short, medium and longer terms. Results of this analysis can be found in the UBS Sustainability Report.
For CSi's specific business model and forward strategy, there is no impact from the principal climate related-risks and opportunities assessment. The CSi strategy to wind down entity activities and achieve material de-risking of the legacy portfolios suggests no relevant opportunities, while climate related risks will substantially reduce over time.

Scenario Analysis

Companies Act 2006 requires an analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios. Given the CSi strategy to wind down entity activities, material de-risking of the legacy portfolios has been achieved in 2024 with further residual climate related risks expected to fully reduce in the short term. Given the low residual risk profile, CSi conducted limited scenario analysis in 2024 and plans to fully retire its scenario analysis during 2025.

Metrics and Targets

In 2024, CSi used various internal metrics to assess and manage relevant climate-related risks and reported on them in the quarterly climate risk report to the Board Risk Committee.

During 2024, the risk exposures covered by these internal CSi metrics showed a decreasing trend owing to the business wind down strategy. None of these metrics were identified as key performance indicators for CSi as they were not a material consideration for the wind down strategy and therefore no specific targets were set. Non-financial and liquidity risks are covered in other regular internal risk reporting, if considered material. The internal quarterly climate risk report contained the following internal metrics:

- **Exposure to carbon-related assets and climate-sensitive sectors:** Analysis of the banking book lending gross exposure to provide transparency on direct financing to climate-sensitive sectors. As compared to 2023 there has been a significant decreasing trend in the carbon related exposure mainly driven by the de-risking of the portfolio, natural expiry and wind down of business activity;

- **Exposures by Industry sector:** Analysis of potential exposure ('PE') by sector, includes trading book exposures. As part of Risk appetite targets, a Carbon-Related PE constraint and Climate sensitive Industries PE constraint are applied;
- **Counterparty Concentration:** Analysis of top individual counterparty exposures in the banking book for carbon related and climate sensitive counterparties;
- **Collateral Concentration:** Analysis of top equity and corporate bond collateral issuers with poor carbon transition scores posing potential collateral concentration risk;
- **Market Risk:** Equity and traded credit portfolio market risk sensitivities. The trading book exposures are bucketed in different bands based on level of transition risk scores and different market risk sensitivity shocks are subsequently applied;
- **Country Risk:** Top credit exposures by country with poor climate transition risk ratings. Transition risk can affect entire countries if for example they are dependent on tax revenues associated with climate sensitive industries. The analysis assesses its potential credit exposure to such countries; and
- **CSi Own Emissions:** Details of CSi's emissions from its own operations are reported annually.

Note that the classification approach of carbon related, and climate sensitive related exposures historically has differed between Credit Suisse and UBS Group. The potential exposure ('PE') metric used to report exposure by Industry sector is uniquely defined for the CSi entity for internal local risk management purposes and follows the historical Credit Suisse internal classifications.

As a part of UBS Group's sustainability and climate risk monitoring process, the firm has developed methodologies and metrics to assess its continued exposure to carbon-related assets and climate-related risk-sensitive sectors. When developing such metrics, UBS Group considers the inputs and guidance provided by standard-setting organisations as well as new or enhanced regulatory requirements for climate disclosures.

Streamlined Energy and Carbon Reporting ('SECR') Disclosure

Introduction

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the Bank is required to report on its annual UK energy use in kWh relating to purchased electricity and gas consumption, transport fuel used for business purposes and the associated greenhouse gas emissions in tonnes of carbon dioxide equivalent. The Bank falls into scope of this regulation as it is deemed 'large' (as per s465 and s466 of the Companies Act 2006) and its energy consumption exceeds 40,000 kWh.

GHG emissions and energy use data for the period	**2024** [1]	2023 [1,2]
Scope 1 emissions from activities which the Bank own or control including combustion of fuel & operation of facilities (tCO2e)	99.44	175.91
Scope 2 emissions from the purchase of electricity, heat, steam and cooling purchased for own use (location-based) (tCO2e)	6,510.14	6,614.74
Emissions from business travel in rental cars or employee-owned vehicles where the Bank is responsible for purchasing the fuel (Scope 3) (tCO2e)	0.20	2.02
Total gross emissions (tCO2e)	**6,609.78**	**6,792.67**
Energy consumption used to calculate above emissions (kWh)	**31,988,716**	**34,835,198**
Intensity Ratios		
tCO2e per USD million revenue	6.31	4.81

1 No overseas operations.
2 Prior period numbers have been restated to conform to current period's presentation.

Methodology
The above disclosure shows the Bank's energy usage and accompanying greenhouse gas emissions as prepared using the 'Greenhouse Gas Reporting Protocol – Corporate Standard' and uses the 2024 UK Government greenhouse gas conversion factors for company reporting.

Building Energy Consumption Apportionment
CSi's electricity and natural gas consumption was allocated based on three models:
- The first allocation model runs from 1 January 2024 to 30 April 2024, when the first legal transfer of Credit Suisse employees to UBS took place. Utilities from the London Campus – Credit Suisse's real estate portfolio – are apportioned based on the number of CSi FTEs as a proportion of total Credit Suisse UK based FTEs.
- The second allocation model runs from 1 May 2024 to 31 July 2024, after which all Credit Suisse employees relocated to UBS offices. Utilities are again apportioned on an FTE basis.
- The third allocation model runs from 1 August 2024 to the end of the year during which time no Credit Suisse FTEs remained in the London Campus. Consumption of the vacant buildings are reported solely by CSi, since this entity is the leaseholder.

The utility consumption apportionment is calculated on a monthly basis using the number of FTEs for each month.

CSi employees moved to 5 Broadgate on 1 August 2024. They were subsequently legally transferred to other UBS entities on 1 September 2024. To estimate the emissions associated with the employees' presence in 5 Broadgate in August 2024, the electricity, gas and solar data of 5 Broadgate was used to calculate relevant FTE intensity metrics (kWh/FTE). These intensities were then multiplied by the number of CSi employees in August 2024 to estimate their associated share of electricity and gas consumption. No utilities were apportioned to CSi from 1 September 2024 onwards.

Fleet and Transport
CSi mileage was not apportioned, as each claim on the Credit Suisse mileage report was itemised per entity.

Key Drivers and Energy Efficiency Measures:
No energy efficiency initiatives were delivered on the London Campus in 2024. All emissions reductions are resultant of the vacation of the London Campus, and a reduction in the number of FTEs following the legal transfer of CSi employees into UBS entities.

Economy and Society

Prior to its wind down status, CSi played an important role as a financial intermediary, bringing together borrowers and lenders of capital globally, from companies and public sector bodies to private individuals and institutions. They also supplied businesses with the capital resources they needed to expand their activities and finance innovation, thus helping to drive economic growth and job creation.
Post acquisition by UBS, all Credit Suisse Corporate Citizenship and Foundations activities ceased at the end of 2023.
All philanthropy and community engagement initiatives for the combined Group are delivered by the Social Impact and Philanthropy function at UBS, part of Group Sustainability and Impact.

→ More details can be found at:
https://www.ubs.com/global/en/sustainability-impact/social-impact.html.

People and Culture

Effective 1 September 2024 CSi employees transferred employment to UBS legal entities.

Our Culture

Our culture is grounded in our three keys to success[1]: our Pillars, Principles and Behaviours. Together, these keys support our business decisions and our approach to people management.

Our employees drive our success. We therefore invest in measures to attract, develop and retain highly skilled talent, and we aim to ensure a workplace culture that engages and supports our employees, enabling them to unlock their full potential.

→ [1] More details can be found at:
https://www.ubs.com/global/en/our-firm/our-culture.html

Workforce Inclusion

At UBS, we are committed to being a diverse and inclusive workplace based on meritocracy, and aim to build a culture of belonging where all employees are recognised and valued, and where everyone can be successful and thrive. At UBS, we aim to hire and retain the best people for the right roles, to deliver for our clients, our businesses, our shareholders and the communities we serve. In order to achieve this, we continue to seek employees with a variety of skills, experiences, and backgrounds that reflects the diversity of our clients to serve them at our best. It is also critically important to us that we respect an environment where all our employees are treated fairly and able to reach their potential. In every location in which we operate, we continue to act in accordance with the current law and regulations and will monitor any changes to ensure to remain consistent.

Our workforce inclusion strategy is built on four pillars: transparency, hiring, developing and belonging. We leverage these four pillars to help support our entire workforce across a variety of personal characteristics, including, but not limited to, gender, culture, race, ethnicity, sexual orientation and identity, disability, family, veterans, generations, to create an inclusive culture for everyone.

Employee engagement

Our employees want to be heard and to be involved in shaping their daily experience. As such, we offer opportunities throughout the year for employees to connect with management and provide feedback on topics such as strategic alignment, employee engagement, well-being, our work environment and line manager effectiveness.

Performance management

Our performance management approach reflects our strategy and supports our high-performance culture. The objective-setting process fosters accountability with objectives that align the organisation on what matters most. Performance and behaviour-related objectives help the firm assess both what an employee accomplishes and how our Behaviours (accountability with integrity, collaboration and innovation) are demonstrated.

Fair and equitable pay

Fair and consistent pay practices are designed to ensure that employees are appropriately rewarded for their contribution. We pay for performance, and we take pay equity seriously. We have embedded clear commitments in our compensation policies and practices and apply the same fair pay standards across all locations. We annually review our approach and policies, in line with established equal pay methodologies, to support our continuous improvement.

At UBS, we also aim to ensure that all employees are paid at least a living wage. We regularly assess employees' salaries against local living wages, using benchmarks defined by the Fair Wage Network. Our analysis in 2024 showed that employees' salaries were at or above the respective benchmarks.

Employee support

At UBS, we are committed to being a responsible employer, and that includes supporting our employees' overall health and wellbeing. Social, physical, mental and financial well-being elements are woven into our HR policies and practices, as well as into employee education.

Respect for Human Rights

CSi follows UBS Human Rights statement as UBS's commitment to respecting internationally recognised human rights across the firm. This includes the Modern Slavery and Human Trafficking Statement pursuant to the UK Modern Slavery Act 2015.

→ More details on the topic of human rights, including its Modern Slavery and Human Trafficking Transparency Statement, can be found at https://www.ubs.com/global/en/sustainability-impact.html.

Anti-Bribery and Corruption Matters

CSi follows UBS Group's policies related to Anti-bribery and Corruption. UBS Group has a zero-tolerance approach to bribery and corruption. It is the responsibility of each employee to:

- Comply with UBS Group's zero tolerance approach to bribery and corruption and the requirements set forth in the Group Policy Against Corruption and related procedures;
- Take reasonable steps to detect and prevent bribery;
- Maintain accurate books and records, fairly reflecting employees expenditure; and
- Report cases of concern or doubt to Financial Crime Prevention Anti-Bribery and Corruption ('FCP ABC') or via the Group Policy on Whistleblowing Protection for Employees, where reporting may be done without fear of retaliation.

The Anti-Bribery & Corruption function is responsible for managing compliance, regulatory and reputation risks of bribery and corruption.

Corporate Governance Statement

FRC Wates Governance Principles

CSi has adopted the FRC Wates Corporate Governance Principles relating to Purpose and Leadership, Board Composition, Board Responsibilities, Risk, Remuneration and Stakeholder Relationships and Engagement including environmental reporting requirements. CSi's adherence to these Principles is addressed in this Corporate Governance Statement, which includes the Section 172 Statement.

Board of Directors

The CSi Board of Directors ('Board') is responsible for governance arrangements that ensure effective and prudent management of CSi, including the segregation of duties and the prevention of conflicts of interest. The Board approves and oversees the implementation of strategic objectives, risk strategy and internal governance; ensures the integrity of the accounting and financial reporting systems; oversees disclosure and communications processes; provides effective oversight of senior management; and assesses the effectiveness of governance arrangements.

A number of Board composition changes have been effected since 1 January 2024, including the appointment of Nicholas Lovett as Executive Director and Caroline Stewart as Executive Director and CFO (previously Non-Executive Director), as well as the resignation of Michael Ebert as Non-Executive Director and Caroline Waddington as Executive Director and CFO.

Members of the Board of Directors

	Board member since	Independence	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee	Conflicts Committee	Disclosure Committee
John Devine, Chair	2017	independent	member	member	chair	member	chair	–
David Todd	2022	independent	chair	chair	member	member	member	–
Jeremy Anderson	2023	–	member	member	member	member	–	–
Jason Barron	2023	–	–	–	–	–	–	–
Jonathan Magee	2023	–	member	member	–	chair	–	–
Beatriz Martin Jimenez, CEO	2023	–	–	–	–	–	–	–
Caroline Stewart, CFO	2023	–	–	–	–	–	–	chair
Edward Jenkins, CRO	2022	–	–	–	–	–	–	member
Nicholas Lovett, COO	2024	–	–	–	–	–	–	–

Internal Control and Financial Reporting

Board Responsibilities

The directors are ultimately responsible for the effectiveness of internal control in CSi. Procedures have been designed for safeguarding assets, for maintaining proper accounting records; and for assuring the reliability of financial information used within the business and provided to external users. Such procedures are designed to mitigate and manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud.

The key procedures that have been established are designed to provide effective internal control for CSi. Such procedures for the ongoing identification, evaluation and management of the significant risks faced by CSi have been in place throughout the year and up to 28 March 2025, the date of approval of the CSi Annual Report for 2024.

The Risk Appetite Statement is formally reviewed at least once a year by the Board. Key risks are also formally reviewed and assessed on a quarterly basis by the Board Risk Committee, and by the Board as required. In addition, key business risks are identified, evaluated, and managed by operating management on an ongoing basis by means of policies and processes such as credit and market risk limits and other operational metrics, including authorisation limits, and segregation of duties.

The Board receives regular reports on any risk matters that need to be brought to its attention. Significant risks are subject to consideration by the Board Risk Committee and the Board. There are well-established planning procedures in place and reports are presented regularly to the Board aligned with UBS Group integration and strategic plans.

The Board's duties relate to Strategy and Management; Culture; Risk Management; Financial Reporting, and Internal Control as set out in the Board Terms of Reference. During 2024 the Board has taken decisions in line with its duties and the Board objectives, including the review and approval/noting of the Strategy and Financial Plan; the Risk Appetite Statements and Limits; ICAAP; ILAAP; Operational Resilience Assessment; Recovery Assessment Framework; Compliance Plan; the MLRO Report; the Financial Statements and Pillar 3 Disclosures; the Modern Slavery Act Statement; UK Consumer Duty; Share Restructuring; Dividend; Auditor Change; Tax Strategy; and Whistleblowing

Report. The Board has delegated execution of certain duties to the Board Committees and escalated significant issues.

Board Evaluation and Composition

Each year, the Board undertakes a formal Board Evaluation against the responsibilities listed in its Terms of Reference and the Board's annual objectives to assess Board effectiveness and to decide on future objectives and focus aligned with the UBS Group strategy, and to identify internal briefings required by individual Directors. The Evaluation assists the Board Nomination Committee to assess the composition and performance of the Board, and the knowledge, skills, experience and diversity of Board members and the Board succession plan as aligned with the CSi wind down strategy. At the beginning of 2025, the Board performed a self-evaluation of its own performance in 2024. The 2024 self-assessment concluded that the Board and Board Committees are operating effectively and Board composition was satisfactory. The Board has approved updated Board and Board Committees' objectives for 2025.

Board Training

In addition to an initial Board Director Induction, Board Directors undertake internal briefings, which are tailored to CSi's strategy, Board objectives and decisions to be taken by the Board.

Board Diversity Policy

CSi recognises and embraces the benefits of a diverse and inclusive culture and having a diverse Board. The Board Diversity Policy sets out the approach to diversity on the Board of Directors. A diverse Board will include and make good use of differences in the skills, regional and industry experience, independence and knowledge, background, race, gender and other distinctions between Directors. The Nomination Committee will consider these attributes in determining the optimum composition of the Board aligned with the CSi wind down strategy. The Board will continue to evaluate the composition in 2025 through annual review of structure, size and performance of the Board.

The aforementioned Board responsibilities and Board committees comply with the requirements defined in the PRA Rulebook for 'General Organisational Requirements', chapter 5 (Management Body).

Board Meetings

12 Board meetings were held in 2024 including scheduled Board meetings and ad hoc Boards. Board members also attended internal briefing sessions to prepare for technical Board discussions. All members of the Board are expected to spend the necessary time outside of these meetings to discharge their responsibilities. The Chair convenes the meetings with sufficient notice and prepares an agenda. The Chair has the discretion to invite management to attend the meetings. The Board also holds separate private sessions without management present. Minutes are kept of the Board meetings. The members of the Board are encouraged to attend all Board and committee meetings on which they serve.

Board Committees

The Board has delegated certain powers to Board Committees, while retaining responsibility and accountability, which assists the Board in carrying out its functions and ensure that there is independent oversight. Each Board Committee apart from the Disclosure Committee is comprised solely of independent Non-Executive Directors appointed to provide robust and effective challenge of the matters within its remit. The Chair of each Board Committee reports to the Board.

Audit Committee
The Audit Committee assists the Board in fulfilling the Board's oversight responsibilities by monitoring (i) financial reporting and accounting; (ii) internal controls; (iii) internal audit; and (iv) external auditors. During 2024, the Audit Committee has taken decisions in line with its duties and objectives, including the review and approval of the Internal Audit Strategy and Plan, Non-Audit Services, and the annual Risk & Controls Self-Assessment, and has recommended for Board approval the Audit Committee Objectives, the Annual and Interim Financial Statements and Pillar 3 Disclosures.

Risk Committee
The Risk Committee assists the Board in fulfilling the Board's risk management by reviewing risk appetite, strategies and polices, the risk management function, the compliance function, the ICAAP and risk limits and reports. During 2024 the Risk Committee has taken decisions aligned with its duties and objectives, including the review and the approval of the Risk Appetite Statement and Limits, ICAAP, ILAAP, the Compliance Plan and the Financial Crime Compliance Plan.

Nomination Committee
The Nomination Committee assists the Board in (i) the identification and recruitment of Board and Committee members; (ii) the gender target policy; (iii) the assessment of the skill set, composition and performance of the Board; and (iv) selection and appointment of senior management.

Remuneration Committee
The Board has delegated responsibility for remuneration matters to the CSi Remuneration Committee ('RemCo') while retaining responsibility and accountability. In 2024 the Advisory RemCo changed to a Board RemCo to align with UBS Group Governance. The RemCo in line with its objectives, reviews Incentive Spend and Pay-for-Performance, Gender and Equal Pay Process, Individual Compensation Awards and Regulatory Compensation Reporting.

UBS' Total Reward Principles provide a strong link to strategic imperatives and encourage individuals with a CSi nexus to engage in a strong and inclusive culture that is grounded in UBS' three keys to success: Pillars, Principles and Behaviors. These guiding principles underpin the approach to compensation and define the compensation framework. UBS' compensation approach supports UBS' capital strength and risk management and provides for simplification and efficiency. It encourages individuals to focus on client centricity, connectivity, and sustainable impact. UBS' rewards behaviors that build and protect the firm's reputation, specifically Accountability with integrity, Collaboration and Innovation. Compensation for each individual is based on individual, team, business division and UBS Group performance, within the context of the markets in which UBS operates.

Conflicts Committee
The Conflicts Management Framework assists the Board in fulfilling its responsibilities to consider and mitigate conflicts of interest and, where they arise, declare, and manage conflicts consistent with the Board of Directors Terms of Reference and Framework. The Conflicts Committee duties include review of the Framework; training; review of declared conflicts, resolution and lessons learned; and an annual assessment on conflicts governance and effectiveness of the Framework.

CSi Disclosure Committee
In connection with the EU listed structured products, the Committee is delegated by the Board to set out the governance framework and ensure that CSi complies with the disclosure requirements set out in the EU Prospectus Regulation and EU Transparency Directives. The Committee reviews CSi's disclosures set out in the relevant disclosure documents / supplements and the ongoing updates to such disclosure documents.

Executive Management

The activities of CSi are managed on a day-to-day basis by the CSi senior management team. The primary oversight committee is the CSi CSS(E)L Executive Committee ('ExCo'). It is co-chaired by the CSi CEO and CSS(E)L CEO and members include the CSi CSS(E)L CFO, CRO, and other GF Senior Managers.

The ExCo has an established support structure and has delegated particular aspects of its mandate to subsidiary committees which are chaired by members of the ExCo and are all accountable to the ExCo. Dedicated committees so established, cover amongst other areas, risk, operational matters and asset and liability management.

Section 172 Statement

The CSi Board complies with the Companies Act Section 172 general duty to act in the way it considers, in good faith, would be most likely to promote the success of CSi for the benefit of its shareholders as a whole and having regard to the consequences of decisions and the interests of Senior Managers, MRTs and individuals with a CSi nexus and stakeholders.

The Strategic Report includes disclosures to illustrate how the Board has discharged its duty under Section 172 of the Companies Act 2006 and how it has engaged and addressed the interests of its stakeholders including shareholders clients, individuals with a CSi nexus and suppliers and how this has informed the Board's decision making.

Purpose and Leadership

CSi recognises the importance of its relationship with all stakeholders and seeks to regularly engage with clients, individuals, regulators and shareholders in an open dialogue. Following the UBS acquisition in 2023, CSi continues to be in a controlled and solvent wind down and will remain financially sound to support the complex and lengthy process to reduce the business.

Corporate Responsibility

For CSi, corporate responsibility has been to create sustainable value for clients, shareholders, individuals and other stakeholders. CSi has been committed to comply with principles set out in the UBS Group Code of Conduct and Ethics in every aspect of its work, including in the relationship with stakeholders. CSi does so based on a broad understanding of its duties as a financial services provider and as an integral part of the economy and society. This approach also reflects CSi's commitment to protecting the environment.

Stakeholder Relationships and Engagement

CSi, as part of UBS Group, engages in a dialogue with stakeholders including clients, individuals with a CSi nexus, regulators, policymakers and legislators, NGOs and the local community.

Clients

The CSi Board has acted to promote the success of the company aligned with the CSi wind down strategy for the benefit of its clients including a transparent and well managed process to reduce the business. The CSi Board has remained actively aware of relevant regulatory client obligations such as UK Consumer Duty with frameworks, policies and processes in place ensuring appropriate compliance.

Regulators, Policymakers, Legislators

CSi, as part of the UBS Group, working with partner organisations, has been committed to contribute to economic and social development. CSi, as part of UBS Group, has cultivated a dialogue with policymakers, legislators and regulators, as well as members of the business community and other stakeholder groups. CSi complies with financial laws and regulations and responds appropriately to regulatory developments, including new capital and liquidity requirements, rules governing transparency and combating financial market crime. The Governmental & Regulatory Affairs UK team is committed to act as reliable dialogue partners and play an active role in associations and governing bodies. CSi liaises closely with relevant regulators to provide regulators transparency on strategy risk management and business performance, and to ensure it meets regulatory requirements and expectations. The primary regulatory engagement for CSi is with the PRA and FCA. CSi also has regular reporting obligations to the Commodity Futures Trading Commission associated with its US Swap Dealer registration.

Workplace and Individuals with a CSi nexus

CSi, as part of UBS Group, is committed to keeping individuals with a CSi nexus informed of changes within the organisation, including but not limited to, financial and economic factors affecting the performance of CSi and UBS Group. This is achieved through regular town hall meetings and Q&A sessions with senior leaders, management meetings, webcasts, intranet updates, email bulletins, and active UBS Group employee networks. Feedback is frequently sought and is actively encouraged for consideration in decision making.

Suppliers

CSi, as a material legal entity of UBS Group, has been committed to maintain a fair and professional working relationship with its suppliers. CSi considers factors like quality and shared values when forming such relationships and has been committed to work with those who conduct their businesses responsibly.

UBS Group consider human rights issues in its risk management processes and are aware of its responsibilities as an employer. The Modern Slavery and Human Trafficking Transparency. Statement sets out the steps that UBS Group, including CSi, is taking to prevent the occurrence of modern slavery and human trafficking in its business operations and within its supply chain. Further detail on Modern Slavery and Human Trafficking Transparency. Statement can be found at below link. Modern slavery & human trafficking transparency statement https://www.ubs.com/global/en/sustainability-impact.html.

Environment NGOs/IGOs

CSi, as part of UBS Group, follows applicable UBS Group policies and procedures with respect to sustainability and climate, within the context of CSi's wind down strategy. For an overview of UBS Group sustainability initiatives and memberships, please refer to: https://www.ubs.com/global/en/sustainability-impact.html.

Local communities

CSi, as part of UBS Group, cultivates constructive relationships with local organisations and institutions and supports charitable projects through financial contributions, individual volunteering, fundraising initiatives and expertise sharing.

The Strategic Report is approved by Order of the Board.

Paul E Hare
Company Secretary

One Cabot Square
London E14 4QJ
28 March 2025

Directors' Report for the year ended 31 December 2024

International Financial Reporting Standards

The CSi group and Bank 2024 audited Financial Statements have been prepared on a going concern basis and in accordance with UK-adopted international accounting standards ('UK-adopted IFRS') and the applicable legal requirements of the Companies Act 2006. In addition to complying with UK-adopted IFRS, the consolidated financial statements also comply with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the EU.

The Annual Report and financial statements were authorised for issue by the directors on 28 March 2025. As permitted by section 414C(11) of the Companies Act 2006, certain information is not shown in the Directors' Report because it is shown in the Strategic Report.

Capital Repatriation

CSi repatriated Share Capital of USD 5.9 billion and Additional Tier 1 ('AT1') Capital of USD 1.2 billion on 5 December 2024 to its parent entities.

Dividends

CSi paid dividends on its AT1 Capital of USD 231 million on 24 April 2024 and USD 235 million on 5 December 2024. (2023: USD 1.1 billion on ordinary shares).

Directors

The names of the Directors as at the date of this report are set out on page 1. Changes in the directorate since 31 December 2023 and up to the date of this report are as follows:

Appointments:	
Nicholas Lovett	18.10.24

The following ceased to be directors:	
Michael Ebert	04.07.24
Caroline Waddington	01.08.24

None of the Directors who held office at the end of the financial year were directly beneficially interested, at any time during the year, in the shares of the Bank. Directors of the Bank benefitted from qualifying third party indemnity provisions in force during the financial year and up to the date of approval of the financial statements.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the CSi group and Bank financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the directors have prepared the CSi group and Bank financial statements in accordance with UK-adopted IFRS. CSi group and Bank have also prepared financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the EU ('EU-adopted IFRS').

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the CSi group and Bank and of the profit or loss of the CSi group for that period. In preparing the financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted IFRS and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the CSi group and Bank will not continue in business.

The directors are responsible for safeguarding the assets of the CSi group and Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the CSi group's and Bank's transactions and disclose with reasonable accuracy at any time the financial position of the CSi group and Bank and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Bank's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ('ESEF Regulation').

For the purposes of applying the ESEF Regulation, the official version of the consolidated financial statements is the ESEF version identified as 'csinternational-2024-12-31-0-en.zip'.

Directors' confirmations

Each of the directors, whose names and functions are listed in 'Members of the Board of Directors' within the Corporate Governance Statement confirm that, to the best of their knowledge;
- the CSi group and Bank financial statements, which have been prepared in accordance with UK-adopted IFRS and

international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the CSi group, comprising the Bank and the undertakings included in the consolidation taken as a whole, and of the profit of the Bank; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of CSi group, comprising the Bank and the undertakings included in the consolidation as a whole, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the director's report is approved;
- so far as the director is aware, there is no relevant audit information of which the CSi group's and Bank's auditors are aware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the CSi group's and Bank's auditors are aware of that information.

Going concern

Going concern is detailed in Note 1 – Significant Accounting Policies.

Risk and Capital

Risks and the way in which these risks are managed are detailed in the Risk Management Section of the Strategic Report.

Details of capital are set out in Note 26 – Share Capital and Capital Contribution and Note 39 – Capital Adequacy.

Pillar 3 disclosures required under the Capital Requirements Regulation ('CRR') can be found separately at:

→ https://www.ubs.com/global/en/investor-relations/financial-information/pillar-3-disclosures.html

Future Developments

Future developments impacting the Bank are detailed in the Purpose and Operating Environment section of the Strategic Report.

Individuals with CSi Nexus

On 1 September 2024, CSi transferred all front office staff to UBS AG London Branch and all back office staff to UBS Business Solutions AG London Branch.

Information in relation to employees is detailed within the Employee Matters within the Strategic Report.

Research and Development

In the ordinary course of business, the Bank develops new products and services in each of its business divisions.

SECR

The SECR disclosures have been disclosed in the Strategic Report.

Donations

During the year the CSi group made USD Nil (2023: USD 87,241) charitable donations. There were no political donations made by the CSi group during the year (2023: USD Nil).

Independent Auditors

The Audit Committee is responsible for the oversight of the external auditors. The external auditors reports directly to the Audit Committee and the Board with respect to its audit of the CSi's group and Bank financial statements and is ultimately accountable to the shareholders. The Audit Committee considers and, where appropriate pre-approves the retention of, and fees paid to, the external auditors for all audit and non-audit services. For further details, refer to the Committees section of the Strategic Report.

Following its acquisition of Credit Suisse Group AG, UBS Group AG has appointed the UBS external auditor, Ernst & Young Ltd ('EY'), to conduct the financial and regulatory audits for the acquired subsidiaries of Credit Suisse Group AG for the financial year 2024, replacing PricewaterhouseCoopers LLC and consolidating the financial and regulatory audits UBS-wide with EY.

The CSi audit committee has appointed EY as the regulatory and statutory auditor of CSi for the financial year 2024.

On behalf of the Board

Caroline Stewart
Director

One Cabot Square
London E14 4QJ
28 March 2025

Independent Auditors' Report to the Members of Credit Suisse International

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDIT SUISSE INTERNATIONAL

Opinion

In our opinion:

- Credit Suisse International's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards and IFRS as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Credit Suisse International (the 'parent company' or 'bank') and its consolidated subsidiaries (the 'group') for the year ended 31 December 2024 which comprise:

Group	Parent company
Consolidated statement of Income for the year ended 31 December 2024	Bank statement of financial position as at 31 December 2024
Consolidated statement of comprehensive income for the year ended 31 December 2024	Bank statement of changes in equity for the year ended 31 December 2024
Consolidated statement of financial position as at 31 December 2024	Bank statement of cash flows for the year ended 31 December 2024
Consolidated statement of changes in equity for the year ended 31 December 2024	Related notes 1 to 39 to the financial statements including significant accounting policies
Consolidated statement of cash flows for the year ended 31 December 2024	Risk Management sections identified as 'audited'
Related notes 1 to 39 to the financial statements, including significant accounting policies	
Risk Management sections identified as 'audited'	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, UK adopted international accounting standards, as applied in accordance with section 408 of the Companies Act 2006 and IFRS as adopted by the EU. The financial reporting framework that has been applied in the preparation of the bank financial statements is UK adopted international accounting standards, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Performing a first-year audit

In preparation for our first-year audit of the 31 December 2024 financial statements, we performed a number of transitional audit procedures. As part of our appointment, we undertook procedures to establish our independence of the group. We held discussions with the Group's predecessor auditor and reviewed their 2023 financial statement audit work papers. We performed procedures to identify whether opening balances contained misstatements that materially affect the current period's financial statements and to identify whether appropriate accounting policies reflected in the opening balances have been consistently applied in the current period's financial statements. We gained an understanding of the group's processes and controls. We used the understanding the audit team had formed to establish our audit base and assist in the formulation of our audit strategy for the 2024 Group audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the group's financial close process, we confirmed our understanding of the directors' going concern assessment process. The assessment considered the results of internal stress tests and other factors including non-financial risks.

- We evaluated the directors' going concern assessment, considering the ability of the parent, UBS AG, to provide the committed funding support. Our procedures included reviewing management's evaluation of the impact of business and strategic plans on future capital adequacy, liquidity and funding positions of the group and bank and challenging the directors' assertion that they do not have an intention to cease trading.

- We challenged the appropriateness and achievability of the assumptions in management's three year strategic plan, including revenue and future cost reduction forecasts associated with the execution of the ongoing wind down strategy, considering the timing of management's planned exits and migrations to other UBS Group entities. We also applied our own independently developed scenarios to stress the three year strategic plan and assessed the impact of these scenarios on going concern.

- We reviewed the group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 12 months from when the financial statement are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We perform a full scope audit of the Credit Suisse International group as a whole, treating the bank and its consolidated entities as a single component.
Key audit matters	• Inappropriate fair valuation of significant estimation uncertainty products
Materiality	• Overall group materiality of USD 73m which represents 1% of total shareholder's equity.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the group and parent. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the group and parent and effectiveness of controls and changes in the business environment when assessing the level of work to be performed.

The bank constitutes substantially all of the group (comprising in excess of 99.9% of total assets and loss for the year). The transactions and balances in the entities consolidated within the group are also managed within the same portfolios as those in the bank. We therefore consider the bank and its subsidiaries to represent a single component for the purposes of our audit.

We concluded that the procedures performed were sufficient for the purposes of issuing our opinion.

Climate change

Stakeholders are increasingly interested in how climate change will impact Credit Suisse International. The group has determined that the most significant future impacts from climate change on their operations will be from credit risk, market risk, non-financial risk, business risk and reputational risk. These are explained in the climate change section in the principal risks and uncertainties. They have also explained their climate commitments on pages 28 to 29. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The group has explained in Climate-related financial disclosures section from page 28 how they have reflected the impact of climate change in their financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>Our response to the risk</th></tr>
<tr><td>Inappropriate fair valuation of significant estimation uncertainty products

At 31 December 2024, as explained in Note 34 to the consolidated financial statements, the group held financial assets and liabilities measured at fair value of USD 37 billion and USD 25 billion, respectively, including financial instruments that did not trade in active markets. These instruments are reported within the following accounts: trading financial assets/liabilities mandatorily at fair value through profit or loss, non-trading financial assets mandatorily at fair value through profit or loss and financial liabilities designated at fair value through profit or loss.

Management applies a significant degree of judgment in determining the fair value of the financial instruments, particularly the estimates on valuation and related adjustments, specifically related to inappropriate fair valuation of significant estimation uncertainty products, including the risk of management override. As a result, unrealized gains/losses may be affected.

Managements estimates which required significant judgement include:

- Use of complex models; Highly judgemental modelling assumptions resulting from a range of different models or model calibrations
- Illiquid inputs; Valuation inputs which were particularly complex and subjective included those with a limited degree of observability</td><td>We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over management’s financial instrument valuation processes, including controls over market data inputs, model and methodology governance, and valuation adjustments.

We tested the valuation techniques, models and methodologies, and the inputs used in those models, as outlined above, by performing an independent revaluation of certain complex or illiquid financial assets and liabilities with the support of EY internal valuation specialists. We used independent models and inputs and compared inputs to available market data among other procedures. We also independently challenged key judgments in relation to a sample of material fair value adjustments.

We assessed management’s financial statement disclosures regarding fair value measurement (within Note 34 to the consolidated financial statements).

Based on the results of our procedures we are satisfied that the assumptions used by management to reflect the fair value of financial instruments with higher risk characteristics are reasonable and applied in accordance with IFRS.</td></tr>
<tr><td colspan="2">Key observations communicated to the Audit Committee</td></tr>
<tr><td colspan="2">We are satisfied that the assumptions used by management to reflect the fair value of significant estimation uncertainty products in accordance with IFRS. We highlighted the following to the Audit Committee:

• The valuation of significant estimation uncertainty products were appropriate based on the output of our independent revaluations, analysis of trade activity, assessment of the output of the independent price verification process and peer benchmarking

• The fair value estimates of financial instruments with illiquid inputs appropriately reflected pricing information available at 31 December 2024</td></tr>
</table>

- Valuation adjustments applied to derivative portfolios for credit, funding and other risks were recorded in accordance with the requirements of IFRS

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group and parent to be USD 73 million, which is 1% of total shareholder's equity. We believe that total shareholder's equity is the most appropriate basis on which to calculate materiality and reflects our understanding of the expectations of the users of the financial statements.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely USD 36.5m. We have set performance materiality at this percentage since this is a first-year audit.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of USD 4m, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 37, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the regulations of the Prudential Regulation Authority, the Financial Conduct Authority and the Companies Act 2006.
- We understood how the Group is complying with those frameworks by making inquiries of management, Internal Audit and those responsible for legal and compliance matters. We also reviewed correspondence between the Group and regulatory bodies; reviewed minutes of the Board and other key committees; and gained an understanding of the Group's governance framework.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the controls established to address risks identified to prevent or detect fraud. We also assessed the risks of fraud in our key audit matters. Our procedures over our key audit matters and other significant accounting estimates included challenging management on the assumptions made and judgements required in determining these estimates. Our procedures also involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business.
- We designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved inquiries of legal counsel, management and Internal Audit. We also tested controls and performed procedures to respond to any financial statement impacts of non-compliance with laws and regulations.
- The Group operates in the banking industry which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, involving specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the company on 8th May 2024 to audit the financial statements for the year ending 31 December 2024 and subsequent financial periods. This our first year audit of the group and bank.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

European Single Electronic Format

The directors are responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Our responsibility is to assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We have checked the compliance of the consolidated financial statements of the group as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the group it relates to:

- Financial statements prepared in a valid xHTML format; and

- The XBRL markup of the consolidated financial statement using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statement of the group as at 31 December 2024, identified as csinternational-2024-12-31-0-en.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Simon Ludlam (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
28 March 2025

Financial Statements for the year ended 31 December 2024

Consolidated Statement of Income for the Year ended 31 December 2024

	Reference to note	Year ended 31 December	
		2024	2023
Consolidated Statement of Income (USD million)			
Interest income	4	2,275	2,976
- of which Interest income from instruments at amortised cost		*1,235*	*2,195*
Interest expense	4	(1,654)	(2,532)
- of which Interest expense on instruments at amortised cost		*(1,467)*	*(2,128)*
Net interest income/(expense)		621	444
Commission and fee income	5	54	139
Allowance for credit losses	7	92	(68)
Net gains from financial assets/liabilities at fair value through profit or loss	8	163	796
Other revenues	9	116	102
Net revenues		**1,046**	**1,413**
Compensation and benefits	10	(344)	(642)
General, administrative and trading expenses	11	(762)	(2,460)
- of which Impairment on Intangibles and ROU asset		*(12)*	*(531)*
Restructuring expenses	12	–	(47)
Total operating expenses		**(1,106)**	**(3,149)**
Loss before taxes		**(60)**	**(1,736)**
Income tax expense	13	(27)	(57)
Loss for the year		**(87)**	**(1,793)**

Consolidated Statement of Comprehensive Income for the Year ended 31 December 2024

	Year ended 31 December	
	2024	2023
Consolidated Statement of Comprehensive Income (USD million)		
Loss for the year	**(87)**	**(1,793)**
Cash flow hedges – effective portion of changes in fair value	(3)	12
Items that are or may be reclassified subsequently to Statement of income	**(3)**	**12**
Remeasurements of defined benefit asset	(152)	(56)
Related tax on remeasurements of defined benefit asset	43	16
Realised gain relating to credit risk on designated financial liabilities extinguished during the period reclassed to retained earnings	1	–
Unrealised gains/(losses) on designated financial liabilities relating to credit risk	3	(23)
Related tax on unrealised gain/(loss) on designated financial liabilities relating to credit risk	–	3
Items that will not be reclassified to Statement of income	**(105)**	**(60)**
Total other comprehensive loss for the period (net of taxes)	**(108)**	**(48)**
Total comprehensive loss	**(195)**	**(1,841)**
Attributable to Credit Suisse International shareholders	(195)	(1,841)

The notes on pages 55 to 124 form an integral part of the Financial Statements.

Consolidated Statement of Financial Position as at 31 December 2024

	Reference to note	As at 31 December 2024	2023
Assets (USD million)			
Cash and due from banks		1,858	3,627
Interest-bearing deposits with banks		3,961	8,319
Securities purchased under resale agreements and securities borrowing transactions	15	533	1,304
Trading financial assets mandatorily at fair value through profit or loss [1]	16	22,624	63,309
of which positive market values from derivative instruments	*16*	*22,484*	*57,337*
Non-trading financial assets mandatorily at fair value through profit or loss	17	14,200	24,588
Loans and advances	19	2,548	3,411
Current tax assets		194	121
Other assets	20	5,416	17,629
Property and equipment		9	27
Intangible assets	22	31	83
Total assets		**51,374**	**122,418**
Liabilities (USD million)			
Due to banks		18	31
Securities sold under repurchase agreements and securities lending transactions	15	26	358
Trading financial liabilities mandatorily at fair value through profit or loss	16	22,129	60,519
of which negative market values from derivative instruments	*16*	*22,111*	*58,562*
Financial liabilities designated at fair value through profit or loss	18	2,565	16,050
Borrowings		7,387	12,622
Current tax liabilities		3	3
Deferred tax liabilities	14	37	59
Other liabilities	20	6,007	9,025
Provisions	23	116	168
Debt in issuance	24	5,456	8,108
Lease liabilities	21	291	512
Total liabilities		**44,035**	**107,455**
Shareholders' equity (USD million)			
Share capital	26	1,368	7,267
Other equity instrument		–	1,200
Capital contribution	26	917	887
Retained earnings		5,611	6,058
Accumulated other comprehensive income	25	(557)	(449)
Total shareholders' equity		**7,339**	**14,963**
Total liabilities and shareholders' equity		**51,374**	**122,418**

[1] Trading Financial assets mandatorily at fair value through profit or loss includes trading assets pledged of USD Nil (2023: USD 3,742 million). For further details, refer Note 35- Assets Pledged or Assigned.

The financial statements on pages 47 to 124 were approved by the Board of Directors on 28 March 2025 and signed on its behalf by:

Caroline Stewart
Director

The notes on pages 55 to 124 form an integral part of the Financial Statements.

Bank Statement of Financial Position as at 31 December 2024

	Reference to note	As at 31 December 2024	2023
Assets (USD million)			
Cash and due from banks		1,858	3,616
Interest-bearing deposits with banks		3,961	8,319
Securities purchased under resale agreements and securities borrowing transactions	15	533	1,304
Trading financial assets mandatorily at fair value through profit or loss [1]	16	22,624	63,354
of which positive market values from derivative instruments	*16*	*22,484*	*57,337*
Non-trading financial assets mandatorily at fair value through profit or loss	17	14,200	24,395
Loans and advances	19	2,548	3,411
Current tax assets		194	121
Other assets	20	5,416	17,629
Property and equipment		9	27
Intangible assets	22	31	83
Total assets		**51,374**	**122,259**
Liabilities (USD million)			
Due to banks		18	31
Securities sold under repurchase agreements and securities lending transactions	15	26	358
Trading financial liabilities mandatorily at fair value through profit or loss	16	22,129	60,519
of which negative market values from derivative instruments	*16*	*22,111*	*58,562*
Financial liabilities designated at fair value through profit or loss	18	2,565	15,891
Borrowings		7,387	12,622
Current tax liabilities		3	3
Deferred Tax Liabilities	14	37	59
Other liabilities	20	6,007	9,025
Provisions	23	116	168
Debt in issuance	24	5,456	8,108
Lease liabilities	21	291	512
Total liabilities		**44,035**	**107,296**
Shareholders' equity (USD million)			
Share capital	26	1,368	7,267
Other equity instrument		–	1,200
Capital contribution	26	917	887
Retained earnings		5,611	6,058
Accumulated other comprehensive income	25	(557)	(449)
Total shareholders' equity		**7,339**	**14,963**
Total liabilities and shareholders' equity		**51,374**	**122,259**

[1] Trading Financial assets mandatorily at fair value through profit or loss includes trading assets pledged of USD Nil (2023: USD 3,742 million). For further details, refer Note 35- Assets Pledged or Assigned.

The Bank's loss was USD 87 million for the year ended 31 December 2024 (2023: Loss USD 1,793 million). As permitted by s408 of the Companies Act 2006, no separate statement of income is presented in respect of the Bank.

The financial statements on pages 47 to 124 were approved by the Board of Directors on 28 March 2025 and signed on its behalf by:

Caroline Stewart
Director

The notes on pages 55 to 124 form an integral part of the Financial Statements.

Consolidated Statement of Changes in Equity for the Year ended 31 December 2024

	Share Capital	Capital Contribution	Other Equity Instruments	Retained Earnings	AOCI [1]	Total
Consolidated Statement of Changes in Equity (USD million)						
Balance at 1 January 2024	**7,267**	**887**	**1,200**	**6,058**	**(449)**	**14,963**
Net loss for the year	–	–	–	(87)	–	(87)
Realised gain/(loss) relating to credit risk on designated financial liabilities extinguished during year reclassed to retained earnings	–	–	–	(1)	1	–
Unrealised gain on designated financial liabilities relating to credit risk	–	–	–	–	3	3
Cash flow hedges – effective portion of changes in fair value	–	–	–	–	(3)	(3)
Remeasurement of defined benefit pension assets	–	–	–	–	(152)	(152)
Related tax on remeasurement of defined benefit pension assets	–	–	–	–	43	43
Total comprehensive loss for the period	**–**	**–**	**–**	**(88)**	**(108)**	**(196)**
Transactions with owners of the Bank						
Capital reduction	(5,899)	–	–	–	–	(5,899)
Additional Tier 1 capital repatriation	–	–	(1,200)	–	–	(1,200)
Interest payment on Additional Tier 1 capital	–	–	–	(466)	–	(466)
Related Tax on Interest payment on Additional Tier 1 capital	–	–	–	107	–	107
Gain on transfer of business to UBS Group entities	–	30	–	–	–	30
Balance at 31 December 2024	**1,368**	**917**	**–**	**5,611**	**(557)**	**7,339**
Consolidated Statement of Changes in Equity (USD million)						
Balance at 1 January 2023	**11,366**	**887**	**1,200**	**4,852**	**(401)**	**17,904**
Net loss for the year	–	–	–	(1,793)	–	(1,793)
Unrealised loss on designated financial liabilities relating to credit risk	–	–	–	–	(23)	(23)
Related tax on unrealised gain on designated financial liabilities relating to credit risk	–	–	–	–	3	3
Cash flow hedges – effective portion of changes in fair value	–	–	–	–	12	12
Remeasurement of defined benefit pension assets	–	–	–	–	(56)	(56)
Related tax on remeasurement of defined benefit pension assets	–	–	–	–	16	16
Total comprehensive loss for the period	**–**	**–**	**–**	**(1,793)**	**(48)**	**(1,841)**
Transactions with owners of the Bank						
Capital reduction	(4,099)	–	–	4,099	–	–
Dividend payment	–	–	–	(1,100)	–	(1,100)
Balance at 31 December 2023	**7,267**	**887**	**1,200**	**6,058**	**(449)**	**14,963**

[1] AOCI refers to Accumulated Other Comprehensive Income

CSi paid dividends on its AT1 equity of USD 231 million on 24 April 2024 and USD 235 million on 05 December 2024 to UBS AG during the year. There was a USD 1.1 billion dividend paid to its parent entities during 2023 on ordinary shares.

The notes on pages 55 to 124 form an integral part of the Financial Statements.

Bank Statement of Changes in Equity for the Year ended 31 December 2024

	Share Capital	Capital contribution	Other Equity Instruments	Retained Earnings	AOCI [1]	Total
Bank Statement of Changes in Equity (USD million)						
Balance at 1 January 2024	**7,267**	**887**	**1,200**	**6,058**	**(449)**	**14,963**
Net loss for the year	–	–	–	(87)	–	(87)
Realised gain/(loss) relating to credit risk on designated financial liabilities extinguished during year reclassed to retained earnings	–	–	–	(1)	1	–
Unrealised gain on designated financial liabilities relating to credit risk	–	–	–	–	3	3
Cash flow hedges – effective portion of changes in fair value	–	–	–	–	(3)	(3)
Remeasurement of defined benefit pension assets	–	–	–	–	(152)	(152)
Related tax on defined benefit pension assets	–	–	–	–	43	43
Total comprehensive loss for the period	**–**	**–**	**–**	**(88)**	**(108)**	**(196)**
Transactions with owners of the Bank						
Capital reduction	(5,899)	–	–	–	–	(5,899)
Additional Tier 1 capital repatriation	–	–	(1,200)	–	–	(1,200)
Interest payment on Additional Tier 1 capital	–	–	–	(466)	–	(466)
Related Tax on Interest payment on Additional Tier 1 capital	–	–	–	107	–	107
Gain on transfer of business to UBS Group entities	–	30	–	–	–	30
Balance at 31 December 2024	**1,368**	**917**	**–**	**5,611**	**(557)**	**7,339**
Bank Statement of Changes in Equity (USD million)						
Balance at 1 January 2023	**11,366**	**887**	**1,200**	**4,852**	**(401)**	**17,904**
Net loss for the year	–	–	–	(1,793)	–	(1,793)
Unrealised loss on designated financial liabilities relating to credit risk	–	–	–	–	(23)	(23)
Related tax on unrealised gain on designated financial liabilities relating to credit risk	–	–	–	–	3	3
Cash flow hedges – effective portion of changes in fair value	–	–	–	–	12	12
Remeasurement of defined benefit pension assets	–	–	–	–	(56)	(56)
Related tax on defined benefit pension assets	–	–	–	–	16	16
Total comprehensive loss for the period	**–**	**–**	**–**	**(1,793)**	**(48)**	**(1,841)**
Transactions with owners of the Bank						
Capital reduction	(4,099)	–	–	4,099	–	–
Dividend payment	–	–	–	(1,100)	–	(1,100)
Balance at 31 December 2023	**7,267**	**887**	**1,200**	**6,058**	**(449)**	**14,963**

[1] AOCI refers to Accumulated Other Comprehensive Income

CSi paid dividends on its AT1 equity of USD 231 million on 24 April 2024 and USD 235 million on 05 December 2024 to UBS AG during the year. There was a USD 1.1 billion dividend paid to its parent entities during 2023 on ordinary shares.

The notes on pages 55 to 124 form an integral part of the Financial Statements.

Consolidated Statement of Cash Flows for the Year ended 31 December 2024

	Reference to note	Year ended 31 December 2024	2023
Cash flows from operating activities (USD million)			
Loss before tax for the period		(60)	(1,736)
Adjustments to reconcile loss before tax to net cash generated from/(used in) operating activities (USD million)			
Non-cash items included in loss before tax and other adjustments:			
Depreciation, impairment and amortisation	11, 22	71	771
(Reversal of charge)/Share based compensation charge		(2)	59
Pension plan credits	28	(6)	(25)
Accrued interest on debt in issuance	4	458	734
Accrued interest on lease liability	4	16	16
Net unearned income on loans and advances	19	(2)	–
(Release of allowance for loan losses)/Provision for credit losses	7	(64)	37
Foreign exchange (gain)/loss [2]		(9)	313
Provisions	23	37	323
Total adjustments		**499**	**2,228**
Cash generated from /(used in) before changes in operating assets and liabilities		**439**	**492**
Net (increase)/decrease in operating assets:			
Interest bearing deposit with banks		4,358	3,766
Securities purchased under resale agreements and securities borrowing transactions	15	771	9,223
Trading financial assets mandatorily at fair value through profit or loss	16	40,685	44,664
Non-trading financial assets mandatorily at fair value through profit or loss	17	10,385	(1,762)
Loans and advances	19	966	(476)
Other assets	20	12,051	4,104
Net decrease in operating assets		**69,216**	**59,519**
Net increase/ (decrease) in operating liabilities:			
Securities sold under repurchase agreements and securities lending transactions	15	(332)	(2,566)
Trading financial liabilities mandatorily at fair value through profit or loss	16	(38,390)	(32,879)
Financial liabilities designated at fair value through profit or loss	18	(13,482)	(11,126)
Borrowings		(5,235)	6,597
Share based compensation (Reported as other liabilities & provisions)	20, 23	(7)	(75)
Other liabilities and provisions	20, 23	(3,559)	(8,582)
Net decrease in operating liabilities		**(61,005)**	**(48,631)**
Income taxes refunded		5	10
Income taxes paid		(2)	(13)
Group relief received/ (paid)		20	10
Net cash generated from operating activities		**8,673**	**11,387**
Cash flows from investing activities (USD million)			
Proceeds from property, equipment and intangible assets	22	3	12
Capital expenditures for property, equipment and intangible assets	22	(2)	(38)
Net cash used in investing activities		**1**	**(26)**
Cash flow from financing activities (USD million)			
Issuances of debt in issuance	24	–	8,452
Repayments of debt in issuance	24	(2,627)	(19,039)
Repayments of lease liability	21	(217)	(62)
Interest payment on Additional Tier 1 capital		(466)	–
Dividend payout		–	(1,100)
Repatriation of Additional Tier I capital		(1,200)	–
Capital Retriation to Parent	26	(5,899)	–
Net cash flow used in financing activities		**(10,409)**	**(11,749)**
Net change in cash and cash equivalents		**(1,735)**	**(388)**
Cash and cash equivalents at beginning of period [1]		3,596	3,883
Effect of exchange rate fluctuations on cash and cash equivalents		(21)	101
Cash and cash equivalents at end of period (USD million)		**1,840**	**3,596**
Cash and due from banks		1,858	3,627
Due to banks		(18)	(31)
Cash and cash equivalents at end of period (USD million) [1]		**1,840**	**3,596**

Interest received was USD 2,342 million (2023: USD 2,973 million), interest paid was USD 1,706 million (2023: USD 2,518 million)

1 At 2024, USD Nil (2023: USD 31 million) was not available for use by CSi relating to mandatory deposits at central banks.

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

The notes on pages 55 to 124 form an integral part of the Financial Statements.

Bank Statement of Cash Flows for the Year ended 31 December 2024

	Reference to notes	Year ended 31 December 2024	2023
Cash flows from operating activities (USD million)			
Loss before tax for the period		(60)	(1,736)
Adjustments to reconcile loss to net cash generated from/(used in) operating activities (USD million)			
Non-cash items included in loss before tax and other adjustments:			
Depreciation, impairment and amortisation	11, 22	71	771
Share based compensation charge/(Reversal of charge)		(2)	59
Pension plan credits	28	(6)	(25)
Accrued interest on debt in issuance	4	458	734
Accrued interest on lease liability	4	16	16
Net unearned income on loans and advances	19	(2)	–
Provision for credit losses/(Release of allowance for loan losses)	7	(64)	37
Foreign exchange loss/(gain) [2]		(9)	313
Provisions	23	37	323
Total adjustments		**499**	**2,228**
Cash generated from /(used in) before changes in operating assets and liabilities		**439**	**492**
Net decrease/(increase) in operating assets:			
Interest bearing deposits with banks		4,358	3,766
Securities purchased under resale agreements and securities borrowing transactions	15	771	9,223
Trading financial assets mandatorily at fair value through profit or loss	16	40,730	44,633
Non-trading financial assets mandatorily at fair value through profit or loss	17	10,192	(2,142)
Loans and advances	19	966	(476)
Other assets	20	12,051	4,104
Net decrease in operating assets		**69,068**	**59,108**
Net (decrease)/increase in operating liabilities:			
Securities sold under repurchase agreements and securities lending transactions	15	(332)	(2,566)
Trading financial liabilities at fair value through profit or loss	16	(38,390)	(33,142)
Financial liabilities designated at fair value through profit or loss	18	(13,323)	(10,447)
Borrowings		(5,235)	6,597
Share Based Compensation (Reported as other liabilities & provisions)	20, 23	(7)	(75)
Other liabilities and provisions	20, 23	(3,559)	(8,583)
Net decrease in operating liabilities		**(60,846)**	**(48,216)**
Income taxes refunded		5	10
Income taxes paid		(2)	(13)
Group relief received/ (paid)		20	10
Net cash generated from operating activities		**8,684**	**11,391**
Cash flows from investing activities (USD million)			
Proceeds from property, equipment and intangible assets	22	3	12
Capital expenditures for property, equipment and intangible assets	22	(2)	(38)
Net cash used in investing activities		**1**	**(26)**
Cash flows from financing activities (USD million)			
Issuances of debt in issuance	24	–	8,452
Repayments of debt in issuance	24	(2,627)	(19,038)
Repayments of lease liability	21	(217)	(62)
Interest payment on Additional Tier 1 capital		(466)	–
Dividend payout		–	(1,100)
Repatriation of Additional Tier I capital		(1,200)	–
Capital reduction of ordinary shares	26	(5,899)	–
Net cash flow used in financing activities		**(10,409)**	**(11,748)**
Net (decrease)/ increase in cash and cash equivalents		**(1,724)**	**(383)**
Cash and cash equivalents at beginning of period [1]		3,585	3,867
Effect of exchange rate fluctuations on cash and cash equivalents		(21)	101
Cash and cash equivalents at end of period (USD million)		**1,840**	**3,585**
Cash and due from banks		1,858	3,616
Due to banks		(18)	(31)
Cash and cash equivalents at end of period (USD million) [1]		**1,840**	**3,585**

Interest received was USD 2,342 million (2023: USD 2,973 million), interest paid was USD 1,706 million (2023: USD 2,518 million).

[1] At 2024, USD Nil (2023: USD 31 million) was not available for use by CSi relating to mandatory deposits at central banks.

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

The notes on pages 55 to 124 form an integral part of the Financial Statements.

Notes to the consolidated financial statements

Notes to the Financial Statements for the year ended 31 December 2024

1 Significant Accounting Policies

a) General:

Credit Suisse International ('CSi' or the 'Bank') is a bank incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of the Bank's registered office is One Cabot Square, London, E14 4QJ. The Consolidated Financial Statements for the year ended 31 December 2024 comprise CSi and its subsidiaries (together referred to as the 'CSi group'). The Consolidated Financial Statements were authorised for issue by the Directors on 28 March 2025.

b) Statement of compliance

The financial statements of CSi group have been prepared on a going concern basis and in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 as applicable to companies using IFRS. The consolidated financial statements also comply with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('EU-adopted IFRSs')

c) Basis of preparation

The Consolidated Financial Statements are presented in United States Dollars ('USD') rounded to the nearest million. They are prepared on the historical cost basis except that 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 and loss.

The preparation of Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. 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 may differ from these estimates. Critical accounting estimates and judgements applied to these Financial Statements are set out in Note 2 – Critical Accounting Estimates and Judgements in Applying Accounting policies.

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. Revisions to accounting estimates are recognised in the period of revision and future periods if the revision has a significant effect on both current and future periods. Accounting policies have been applied consistently by the CSi group entities.

Amendments to IFRS

Effective from 1 January 2024, CSi group has adopted several minor amendments to IFRS, which have had no material effect on the CSi group.

Going Concern

The Board has assessed the ability of 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 which includes financial projections, stress testing and scenario analysis, the Board is satisfied that CSi group has adequate resources to continue in operation for this period, and it therefore continues to adopt the going concern basis in preparing the financial statements.

CSi is a regulated entity currently in wind down with core assets in transition to target UBS entities and non-core and legacy assets being exited in a safe, controlled and commercial manner ensuring ongoing compliance with all internal and regulatory capital and liquidity requirements. The wind down of the entity involves active risk management of trading positions, including the rolling of hedging transactions, facilitation of client requests and an active Treasury function. Management has no plans to cease trading. Progress during 2024 has been significant with a reduction of total assets of 58% to USD 51 billion, RWA reduction of USD 23.8 billion to USD 10.9 billion and the return of capital to UBS AG and UBS Group AG of USD 7.1 billion.

CSi is reliant on funding from UBS AG which has provided a letter of support to ensure CSi can meet its debt obligations from 28 March 2025 for the next 18 months. UBS AG runs a global liquidity rebalancing process across major legal entities to respond to liquidity demands across the UBS Group.

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

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

d) Basis of consolidation

The consolidated financial statements include the profit and loss and positions of the CSi group and its subsidiaries (which includes consolidated structured entities). Subsidiaries are entities controlled by the CSi group.

The CSi group controls an entity when it is exposed to, or 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. When the CSi group has decision making rights, it assesses whether it controls an entity and determines whether it is a principal or an agent. The CSi group also determines whether another entity with decision-making rights is acting as an agent for the CSi group. An agent is a party primarily engaged to act on behalf and for the benefit of another party (the principal) and therefore does not control the entity when it exercises its decision-making authority. A decision maker considers the overall relationship between itself and other parties involved with the entity, in particular all of the factors below, in determining whether it is an agent:

- The scope of its decision making authority over the entity.
- The rights held by other parties.
- The remuneration to which it is entitled.
- The decision maker's exposure to variability of returns from other interests that it holds in the entity.

The CSi group makes significant judgements and assumptions when determining if it has control of another entity. The CSi group may control an entity even though it holds less than half of the voting rights of that entity, for example if the CSi group has control over an entity on a de facto basis because the remaining voting rights are widely dispersed and/or there is no indication that other shareholders exercise their votes collectively. Conversely, the CSi group may not control an entity even though it holds more than half of the voting rights of that entity, for example where the CSi group holds more than half of the voting power of an entity but does not control it, as it has no right to variable returns from the entity and is not able to use its power over the entity to affect those returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date which control commences until the date on which control ceases. The CSi group reassesses consolidation status on at least a quarterly basis.

The CSi group engages in various transactions that include entities which are considered structured entities. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Transactions with structured entities are generally executed to facilitate securitisation activities or to meet specific client needs, such as providing liquidity or investment opportunities, and, as part of these activities, the CSi group may hold interests in the structured entities. If the CSi group controls the structured entity then that entity is consolidated within the CSi group's consolidated financial statements.

The effects of intra-group transactions and balances, and any unrealised income and expenses arising from such transactions have been eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the CSi group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The acquisition method of accounting is used to account for business combinations by the CSi group. The CSi group accounts for a combination of entities or businesses under common control at book value. If the consideration transferred in such a transaction is higher than the carrying amount of the net assets received and the CSi group is the acquirer in the transaction, the difference is recorded as a reduction in retained earnings. If the CSi group is the seller in the transaction, the difference is recorded as an increase in Capital contribution. If the consideration transferred in such a transaction is lower than the carrying amount of the net assets received and the CSi group is the acquirer in the transaction, the difference is recorded as an increase in Capital contribution. If the CSi group is the seller in the transaction, the difference is recorded as a reduction in retained earnings. No goodwill or gain or loss is recorded in such a transaction.

e) Foreign currency

The Bank's functional and presentation currency is United States Dollars ('USD') which is the currency of the primary economic environment in which the entity operates. Transactions denominated in currencies other than the functional currency of the reporting entity are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to USD at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the Consolidated Statement of Income. Nonmonetary assets and liabilities, unless revalued at fair value, denominated in foreign currencies at the reporting date are not revalued for movements in foreign exchange rates.

Assets and liabilities of the CSi group companies with functional currencies other than USD are translated to USD at foreign exchange rates ruling at the Statement of Financial Position date. The revenue and expenses of the CSi group companies are translated to USD at the average foreign exchange rates for the year. The resulting translation differences are recognised directly in a separate component of equity. On disposal, these translation differences are reclassified to the Consolidated Statement of Income as part of gain or loss on disposal.

f) Financial assets and liabilities

The CSi group's financial assets are classified on the basis of two criteria: 1) the business model which refers to how the group manages a financial asset in order to generate cash flows and 2) the contractual cash flow characteristics of the financial asset.

The business model assessments are performed by considering the way in which the financial assets are managed to achieve a particular business objective as determined by management. The assessment is made at the level at which the group of financial assets are managed. These assessments are based on reasonable expectations. All relevant and objective evidence are considered while performing the business model assessments, for example:

- How the performance of the financial assets are evaluated and reported to key management personnel.
- The risks that affect the performance of the financial assets and how those risks are managed.
- How managers of the business are compensated.

The 'Hold to Collect' business model is a model with the objective to hold a financial asset to collect contractual cash flows. Sales are incidental to the objective of this model. The 'Hold to Collect and Sell' business model is a model with the objective to both hold financial assets to collect contractual cash flows and to sell financial assets. This model has a greater frequency of sales than a Hold to Collect business model. The CSi group does not have any financial assets which are under the Hold to Collect and Sell business model.

The financial assets which are not classified under the 'Hold to Collect' business models are measured at fair value. These include financial assets that meet the trading criteria; those that are managed on a fair value basis or designated at fair value as well as equity instruments where an irrevocable election is made on initial recognition to present changes in fair value in other comprehensive income ('OCI'). Refer sections below for further details.

For the 'Hold to Collect' business model, the contractual cash flows of the financial assets are assessed to determine if they consist of solely payments of principal and interest. For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the group will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

These criteria determine how a financial asset is subsequently measured.

Amortised Cost
Financial assets which have contractual cash flows which consist solely of payments of principal and interest and are held in a 'Hold to Collect' business model are subsequently measured at amortised cost and are subject to impairment (Refer note j). Financial liabilities (other than derivatives) which are not held for trading or which have not been designated at FVTPL are subsequently measured at amortised cost.

Trading financial assets and liabilities mandatorily at Fair Value through Profit or Loss
Trading financial assets and financial liabilities include mainly debt and equity securities, derivative instruments and loans. These assets and liabilities are included as part of the trading portfolio based on management's intention to sell the assets or repurchase the liabilities in the near term, and are carried at fair value.

Related realised and unrealised gains and losses are included in 'Net gains/(losses) from financial assets/liabilities at fair value through profit or loss'.

Non-trading financial assets mandatorily at Fair Value through Profit or Loss
Financial assets which are held in hold to sell business model are classified as 'Non-trading financial assets mandatorily at fair value through profit or loss' and measured at fair value through profit or loss. Related realised and unrealised gains and losses are included in 'Net gains/(losses) from financial assets/liabilities at fair value through profit or loss'.

A financial asset is considered to be managed in a hold to sell business model if at least two of these three conditions are fulfilled:
- the performance of these assets is evaluated and reported to the management by using the fair value of the financial assets
- the managers of the business are compensated on the fair value of the assets (for example their variable compensation is linked to how well the assets they are managing perform).
- the risks that affect the performance of the financial assets are managed on a fair value basis. Primary focus is on fair value information and using that information to assess the performance of the assets and to make decisions about that asset.

Financial liabilities designated as held at Fair Value through Profit or Loss
Financial liabilities are designated as held at fair value through profit or loss if the instruments contain one or more embedded derivatives, or when doing so results in more relevant information, because either:

(i) it eliminates or significantly reduces a measurement or recognition inconsistency, also referred to as accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or

(ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the CSi group is provided internally on that basis to the entity's key management personnel.

For all instruments designated at fair value through profit or loss, the business maintains a documented strategy explaining why the election was made. In the case of criteria (ii) the business maintains a documented strategy that states that these instruments are risk managed on a fair value basis and that management relies upon the fair value of these instruments in evaluating the performance of the business.

Financial liabilities designated at fair value through profit and loss must present all changes in the fair value in the 'Net gains/(losses) from financial assets/liabilities at fair value through profit or loss' except for which changes in the own credit risk of the liability is recorded in OCI. Upon extinguishment of financial liability any amount of own credit remaining in OCI relating to the extinguished debt remains in equity but is reclassified to retained earnings.

The CSi group does not recognise a dealer profit or unrealised gains or losses at the inception of a derivative or non-derivative transaction unless the valuation underlying the unrealised gains or losses is evidenced by quoted market prices in an active market, observable prices of other current market transactions, or other observable data.

The fair value measurement guidance establishes a single authoritative definition of fair value and sets out a framework for measuring fair value. Refer to Note 34 Financial Instruments.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements. Issued financial instruments or their components are classified as equity if the contractual arrangement does not result in an obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument. The proceeds from such issuances are included in equity, net of transaction costs.

g) Derivative financial instruments and hedging

All freestanding derivative contracts are carried at fair value in the Consolidated Statement of Financial Position regardless of whether these instruments are held for trading or risk management purposes. Derivatives classified as trading assets and liabilities include those held for trading purposes and those used for risk management purposes that do not qualify for hedge accounting. Derivatives held for trading purposes arise from proprietary trading activity and from customer-based activity, with changes in fair value included in 'Net gains/(losses) from financial assets/liabilities at fair value through profit or loss'. Derivative contracts, which are both designated and qualify for hedge accounting, are reported in the Consolidated Statement of Financial Position as 'Other assets' or 'Other liabilities'.

Embedded derivatives

When derivative features embedded in certain liability contracts meet the definition of a derivative and are not considered closely related to the host liability instrument, either the embedded feature will be accounted for separately at fair value, with changes in fair value recorded in the Consolidated Statement of Income, or the instrument, including the embedded feature, is accounted for at fair value either under the fair value option or due to classification as held for trading. In the latter case the entire instrument is recorded at fair value with changes in fair value recorded in the Consolidated Statement of Income. If separated for measurement purposes, the derivative is recorded in the same line in the Consolidated Statement of Financial Position as the host instrument.

h) Recognition and derecognition

Recognition

The CSi group recognises financial instruments on its Consolidated Statement of Financial Position when the CSi group becomes a party to the contractual provisions of the instrument.

Regular-way securities transactions

A regular-way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned. The CSi group recognises regular-way purchases or sales of trading financial assets at the settlement date unless the instrument is a derivative. After trade date, changes in fair value relating to regular-way purchases are recognised in the 'Net gains/(losses) from financial assets/liabilities at fair value through profit or loss'.

Derecognition

The CSi group enters into transactions where it transfers assets including securitisation assets, recognised on its Consolidated Statement of Financial Position, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the Consolidated Statement of Financial Position. Transactions where substantially all risk and rewards are retained include securities purchased or sold under repurchase agreements, securities borrowing and lending transactions, and sales of financial assets with concurrent return swaps on the transferred assets. Transactions where substantially all risks and rewards are transferred are derecognised from the Consolidated Statement of Financial Position.

In transactions where the CSi group neither retains nor transfers substantially all risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the CSi group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The CSi group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Where the CSi group has a financial liability and a financial instrument is exchanged for a new financial instrument with the same counterparty, which is substantially different, or when an existing financial instrument classified as a financial liability is substantially modified, the old financial instrument is deemed to be extinguished and a new financial liability is recognised. Any gain or loss due to derecognition of the extinguished instrument is recorded in the Consolidated Statement of Income.

Securitisation
The CSi group securitises assets, which generally results in the sale of these assets to structured entities, which in turn issue securities to investors. The transferred assets may qualify for derecognition in full or in part, under the above mentioned policy on derecognition of financial assets.

Interests in securitised financial assets may be retained in the form of senior or subordinated tranches, interest only strips or other residual interests (collectively referred to as 'retained interests'). Provided the CSi group's retained interests do not result in consolidation of the structured entity, nor in continued recognition of the transferred assets, these retained tranches are typically recorded in 'Trading financial assets at fair value through profit or loss'. Gains or losses on securitisation are recognised in the Consolidated Statement of Income. The line item in the Consolidated Statement of Income, in which the gain or loss is presented, will depend on the nature of the asset securitised.

i) Netting

The CSi group only offsets financial assets and liabilities and presents the net amount on the Consolidated Statement of Financial Position where it:
- currently has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and liability simultaneously.

In many instances the CSi group's net position on multiple bilateral OTC derivative transactions with the same counterparty is legally protected by Master Netting Agreements. Such agreements normally ensure that the net position is settled in the event of default of either counterparty and effectively limits credit risk on gross exposures.

However, because such contracts are not currently enforceable in the normal course of business and the transactions themselves are not intended to be settled net, nor will they settle simultaneously, it is not permissible to offset transactions falling under Master Netting Agreements. For certain derivative transactions cleared with a central clearing counterparty ('CCP'), the offsetting criteria are met because the CSi group has the current legally enforceable right to set off (based on the offsetting provisions in the CCP rulebook) and the intention to settle net or simultaneously (considering the daily payment process with the CCP). For securities purchased or sold under resale agreements or repurchase agreements, such legally enforceable agreements qualify for offsetting, if the gross settlement mechanism for these transactions has features that eliminate or result in insignificant credit and liquidity risk and that will process receivables and payables in a single settlement process or cycle and will therefore meet the net settlement criterion as an equivalent.

j) Impairment of financial assets, loan commitments and financial guarantees

CSi group assesses on a forward-looking basis the expected credit losses associated with its instruments carried at amortised cost, certain loan commitments and financial guarantee contracts including: Cash, interest-bearing deposits, loans and advances, reverse repurchase agreements, brokerage receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For financial instruments that include both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component, the ECL on the loan commitment is recognised together with the loss allowance for the financial asset. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses is recognised as a provision.

All financial assets attract a 12 month ECL on origination (Stage 1) except for loans that are purchased or originated credit-impaired. When credit risk has increased significantly since initial recognition of the financial instrument, the impairment measurement is changed from 12-month expected credit losses (Stage 1) to lifetime expected credit losses (Stage 2).

The assessment of a significant increase in credit risk since initial recognition is based on different quantitative and qualitative factors that are relevant to the particular financial instrument in scope. If the financial assets are credit-impaired they are then moved to Stage 3. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired.

Measurement of ECLs
ECLs are a probability-weighted estimate of potential credit losses and application of measurement is as follows:
- Financial assets that are not credit-impaired at the reporting date (Stage 1 or Stage 2), apply the present value of all cash

shortfalls – i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the CSi group expects to receive. The CSi group applies a PD/LGD approach under which term structures of point-in-time probability of defaults ('PD'), point-in-time loss given defaults ('LGD') and exposure at defaults ('EADs') are estimated;
- Financial assets that are credit-impaired at the reporting date (Stage 3), apply the difference between the gross carrying amount and the present value of estimated future cash flows.
- Undrawn loan commitments apply the present value of the difference between the contractual cash flows that are due to the CSi group if the commitment is drawn down and the cash flows that the CSi group expects to receive;
- Financial guarantee contracts apply the present value of the expected payments to reimburse the holder less any amounts that the CSi group expects to recover; and
- The CSi group applies the simplified approach to providing for expected credit losses which permits the use of the lifetime expected loss provision for all fee receivables. To measure the expected credit losses, the CSi group will apply a provision matrix in the form of aging analysis, including relevant forward looking information. The fee receivables do not contain a significant financing component.

Definition of default

The definition of default is aligned with the regulatory definition of default which is based on 90 days past due and unlikely to pay on material obligation.

In assessing whether a borrower is in default, the CSi group considers indicators that are:
- Qualitative: e.g. breaches of covenants;
- Quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the CSi group; and
- Based on data developed internally and obtained from external sources.

Forward looking information

The estimation and application of forward-looking information requires a combination of expert judgement and quantitative analysis. Since the acquisition by UBS, this estimation process and related analysis and procedures are embedded in a group-wide process. As part of this group-wide process, CSi has aligned its scenarios, scenario weightings and model inputs to those used by UBS. As of December 31, 2024, CSi's estimation of expected credit losses is based on a weighted selection of future macroeconomic scenarios: a baseline scenario, a downside scenario (mild debt crisis), a severe downside scenario (stagflationary geopolitical crisis) and an upside scenario (asset price appreciation). The baseline scenario represents the most likely outcome. The downside scenarios represent more pessimistic outcomes and the upside scenario represents an optimistic outcome.

Significant increases in credit risk ('SICR')

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions.

The CSi group has established a framework that incorporates both quantitative and qualitative information to determine whether the credit risk on a particular financial instrument has increased significantly since initial recognition. The framework aligns with the CSi group's internal credit risk management process. The criteria for determining whether credit risk has increased significantly vary by portfolio.

The assessment of significant increases in credit risk is generally based on two indicators:
- changes in probability-weighted forward-looking lifetime PD, using the same macroeconomic scenarios as the calculation of expected credit losses for newly originated financial instruments (forward book); or changes in credit rating for financial instruments originated prior to the effective date of IFRS 9 (back book), and
- credit watch list as specific qualitative information.

The rebuttable presumption of more than 30 days past due has not been used because financial instruments are considered credit-impaired and therefore transferred into Stage 3 earlier than 30 days past due, unless credit risk management determines the default to be operational in nature and it is rectified in a short period of time (normally within a week).

The CSi group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:
- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month ECL and lifetime ECL measurements.

A financial instrument is transferred from Stage 2 to Stage 1, if it no longer meets the stage transition criteria. The stage transition criteria implicitly reflect a probation period, either by the idiosyncratic nature of PDs or by the credit watch list process.

A financial instrument is transferred from Stage 3 to Stage 2 or 1 after a probation period in line with the CSi group's credit risk management practices. If the financial instrument has not met the criteria to be considered credit-impaired for a minimum number of months, it will be returned to either Stage 2 or Stage 1 depending on the characteristics of the financial instrument.

The low credit risk exemption has not been used in the context of determining significant increases in credit risk.

Reverse repurchase agreements and securities borrowing transactions are not impacted by the SICR process due to the risk management practices adopted, including regular margin calls. If margin calls are not satisfied, positions will be closed out immediately with any shortfall generally classified as a Stage 3 position.

Expected life
The maximum period to consider when measuring expected credit losses is the maximum contractual period (including borrower-only extension options) over which the CSi group is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice. There is an exemption from this limit for certain revolving credit facilities. For these financial instruments expected credit losses are measured over the period that the entity is exposed to credit risk and expected credit losses would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.

Grouping financial assets measured on a collective basis
For Stage 1 and Stage 2 ECLs, financial assets are grouped based on shared credit risk characteristics, e.g. product type and geographic location. However, for each financial asset within the grouping an ECL is calculated based on the PD/LGD approach. Financial assets are grouped as follows:
- Financial institutions
- Corporates
- Fallback (assets not included in any of the above categories)

For all Stage 3 assets, regardless of the class of financial assets, the CSi group calculates ECL on an individual basis.

Write-off of loans
When it is considered certain that there is no reasonable prospect of recovery and all collateral has been realised or transferred to the CSi group, the loan and any associated allowance is written off. If the amount of loss on write-off is greater than the accumulated loss allowance, the differences result in an additional impairment loss. The additional impairment loss is first recognised as an addition to the allowance that is then applied against the gross carrying amount. Any repossessed collateral is initially measured at fair value. The subsequent measurement depends on the nature of the collateral.

k) Loans and advances

Loans are measured at amortised cost or mandatorily at fair value through profit or loss depending on the business model and the solely payment of principal and interest application (refer note f). When calculating the effective interest on non-credit impaired loans measured at amortised cost, the CSi group estimates cash flows considering all contractual terms of the financial instruments including premiums, discounts, fees and transactions costs but not expected credit losses. However, for purchased or originated credit impaired loans, the initial lifetime expected credit losses are included in the estimated cash flows when computing the effective interest method.

→ For detailed impairment guidance, refer note j.

l) Cash and due from banks

For the purpose of preparation and presentation of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the components of cash and due from banks that are short term, highly liquid instruments with original maturities of three months or less which are subject to an insignificant risk of changes in their fair value and that are held or utilised for the purpose of cash management. Overdrawn bank accounts are reported as 'Due to Banks' and are initially recognised at fair value. Subsequently they are recognised at amortised cost, which represents the nominal values of due to banks less any unearned discounts or nominal value plus any unamortised premiums.

Where cash is received or deposited as collateral, the obligation to repay or the right to receive that collateral is recorded in 'Other assets' or 'Other liabilities'.

The CSi group does not recognise on its Consolidated Statement of Financial Position client cash balances subject to the following contractual arrangements:
- The CSi group will pass through to the client all interest paid by the CCP, Broker or Deposit Bank on cash deposits;
- The CSi group is not permitted to transform cash balances into other assets; and
- The CSi group does not guarantee and is not liable to the client for the performance of the CCP, Broker or Deposit Bank.

Examples of unrecognised transactions would include CCP initial margin balances that the CSi group brokers for its clients in an agency capacity and client cash balances designated as 'client money' under the Client Assets ('CASS') client money rules of the UK's Financial Conduct Authority ('FCA').
Cash and cash equivalents which are measured at amortised cost are subject to impairment (refer note j).

m) Interest income and expense

Interest income and expense includes interest income and expense on the CSi group's loans, deposits, borrowings, debt issuances, reverse repurchase and repurchase agreements and securities borrowed and securities lending transactions. Interest income and expense does not include interest flows on the CSi group's trading derivatives (except for hedging relationships) and certain financial instruments classified as at fair value through profit or loss which are included in 'Net gains from financial assets/liabilities at fair value through profit or loss'. Interest income and expense on instruments measured at amortised cost is accrued, and any related net deferred premiums, discounts, origination fees or costs are amortised as an adjustment to the yield over the life of the related asset or liability. When a financial asset becomes credit-impaired (or 'Stage 3), interest income is calculated by applying the effective interest rate to the amortised cost (i.e. net of the expected credit loss provision).

n) Commissions and fees

Fee and commission revenue is recognised from a diverse range of services provided by CSi group to its customers. CSi group provides advisory services related to mergers and acquisitions (M&A), divestitures, takeover defence strategies, business restructurings and spin-offs as well as debt and equity underwriting of public offerings and private placements. For the advisory services, the performance obligation is the provision of advisory for and until the completion of the agreed upon transaction. For the debt and equity underwriting, the performance obligation is the provision of underwriting services for and until the completion of the underwriting, i.e. the placing of the securities. CSi group recognises revenue when it satisfies a contractual performance obligation. CSi group satisfies a performance obligation when control over the underlying services related to the performance obligation is transferred to the customer. Control is the ability to direct the use of, and obtain substantially all of the remaining benefits from, the service. CSi group must determine whether control of a service is transferred over time. If so, the related revenue is recognised over time as the service is transferred to the customer. If not, control of the service is transferred at a point in time. The performance obligations are typically satisfied as the services in the contract are rendered. For the advisory services and underwriting, revenue is recognised at a point in time which is generally at the completion of the transaction, i.e. at close date. Revenue is measured based on the consideration specified in the contract with a customer, and excludes any amounts collected by third parties. The transaction price can be a fixed amount or can vary because of performance bonuses or other similar items. Variable consideration is only included in the transaction price once it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the amount of variable consideration is subsequently resolved. CSi group does not consider the highly probable criteria to be met where the contingency on which the income is dependent is beyond the control of CSi group. In such circumstances, CSi group only recognises revenue when the contingency has been resolved. For example, M&A advisory fees that are dependent on a successful client transaction are not recognised until the transaction on which the fees are dependent has been executed. Generally no significant judgement is required with respect to recording variable consideration.

When another party is involved in providing goods or services to a customer, CSi group must determine whether the nature of its promise is a performance obligation to provide the specified services itself (that is, CSi group is a principal) or to arrange for those goods or services to be provided by the other party (that is, CSi group is an agent). CSi group determines whether it is a principal or an agent for each specified service provided to the customer. Gross presentation (revenue on the revenue line and expense on the expense line) is appropriate when CSi group acts as principal in a transaction. Conversely, net presentation (revenue and expenses reported net) is appropriate when CSi group acts as an agent in the transaction.

Transaction-related expenses are expensed as incurred. Underwriting expenses are deferred and recognised along with the underwriting revenue. Where each member of the syndicate group, including the lead and participating underwriters, is acting as principal for their proportionate share of the syndication, the individual underwriters will reflect their proportionate share of underwriting revenue and underwriting costs on a gross basis.

o) Securities purchased or sold under resale agreements or repurchase agreements

Securities purchased under resale agreements ('reverse repurchase agreements') and securities sold under repurchase agreements ('repurchase agreements') do not meet the criteria for derecognition and are therefore treated as collateralised financing transactions.

Securities received under reverse repurchase agreements and securities delivered under repurchase agreements are not recognised or derecognised unless all or substantially all the risks and rewards are obtained or relinquished. The CSi group monitors the market value of the securities received or delivered on a daily basis and provides or requests additional collateral in accordance with the underlying agreements.

In reverse repurchase agreements, the cash advanced, is recognised on the Consolidated Statement of Financial Position as an asset and is measured at either amortised cost or mandatorily at fair value through profit or loss (Refer note f). The reverse repurchase agreements that are measured at amortised cost are subject to impairment (Refer note j). In repurchase agreements, the cash received, is recognised on the Consolidated Statement of Financial Position as a liability and is measured at either amortised cost or designated at fair value through profit or loss.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements is recognised on an effective yield basis and recorded as interest income or interest expense.

p) Securities borrowing and lending transactions

Securities borrowing and securities lending transactions are generally entered into on a collateralised basis. The transfer of the securities themselves is not reflected on the Consolidated Statement of Financial Position unless the risks and rewards of ownership are also transferred. If cash collateral is advanced or received, securities borrowing and lending activities are recorded at the amount of cash collateral advanced (cash collateral on securities borrowed) or received (cash collateral on securities lent). The sale of securities received in a security borrowing transaction results in the recognition of a trading liability (short sale).

Securities borrowing and lending transactions generally do not result in the de-recognition of the transferred assets because the CSi group retains risks & rewards of owning the transferred security. If securities pledged to collateralise a securities borrowing trade endow the securities lender with the right to re-hypothecate those collateral assets, the CSi group will present the collateral assets as encumbered on the Consolidated Statement of Financial Position.

The CSi group monitors the market value of the securities borrowed and lent on a daily basis and provides or requests additional collateral in accordance with the underlying agreements.

Securities borrowing transactions are measured at either amortised cost or mandatorily at fair value through profit or loss and are recognised on the Consolidated Statement of Financial Position as an asset (refer note f).

Securities lending transactions are measured at either amortised cost or designated at fair value through profit or loss and are recognised on the Consolidated Statement of Financial Position as a liability.

Fees are recognised on an accrual basis and interest received or paid is recognised on an effective yield basis and recorded as interest income or interest expense in the Consolidated Statement of Income.

q) Income tax

Income tax recognised in the Consolidated Statement of Income and the Statement of Other Comprehensive Income for the year comprises current and deferred taxes. Income tax is recognised in the Consolidated Statement of Income unless it relates to items recognised in the Statement of Other Comprehensive Income or directly in equity, in which case the income tax is recognised in the Statement of Other Comprehensive Income or directly in equity respectively. For items initially recognised in equity and subsequently recognised in the Consolidated Statement of Income, the related income tax initially recognised in equity is also subsequently recognised in the Consolidated Statement of Income.

Current tax is the expected tax payable on the taxable income for the year and includes any adjustment to tax payable in respect of previous years. Current tax is calculated using tax rates enacted or substantively enacted at the reporting date. Withholding taxes are treated as income taxes.

For UK corporation tax purposes CSi group may surrender or claim certain losses from another UK group company. The surrendering company will be compensated in full for the value of the tax losses surrendered to the claimant company. The surrendering entity will show a benefit received for the losses surrendered which will be recorded as a reduction to current tax expense and taxes payable whereas the claimant entity will have an increase in current tax expense and taxes payable respectively.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax-base. The amount of deferred tax provided is based on the amount at which it is expected to recover or settle the carrying amount of assets and liabilities on the Consolidated Statement of Financial Position, using tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the Consolidated Statement of Financial Position date.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Tax assets and liabilities of the same type (current or deferred) are offset when they arise from the same tax reporting group, they relate to the same tax authority, the legal right to offset exists, and they are intended to be settled net or realised simultaneously.

Additional income taxes that may arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend arises. Information as to the calculation of income tax recognised in the Consolidated Statement of Income for the periods presented is included in Note 13 – Income Tax.

Tax contingencies
A judgement is required in determining the effective tax rate and in evaluating uncertain tax positions. The CSi group may accrue for tax contingencies on a weighted average or single best estimate basis depending on the best prediction that could resolve the uncertainty. Tax contingency accruals are adjusted due to changing facts and circumstances, such as case law, progress of tax authority audits or when an event occurs that requires a change to the tax contingency accruals. Management regularly assesses the appropriateness of provisions for income taxes. Management believes that it has appropriately accrued for any contingent tax liabilities.

r) Intangible assets

Intangible assets consist primarily of internally developed software. Expenditure on internally developed software is recognised as an asset when the CSi group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software.

Internally developed software that is capitalised is depreciated on a straight-line basis over a maximum useful life of seven years. The amortisation of the intangible assets is included in the 'General, Administrative and Trading expenses' in the Consolidated Statement of Income.

The carrying amounts of the CSi group's intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Income.

s) Provisions

Provisions are recognised for present obligations as a result of past events which can be reliably measured, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as of the Consolidated Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation. The expense recognised when provisions are established is recorded in 'General, Administrative and Trading expenses' on the Consolidated Statement of Income.

A provision for onerous contracts is measured at the present value of the lowest net cost of exiting from the contract, which is the lower of the expected cost of terminating the contract and the expected cost of fulfilling it. Before a provision is established, the CSi group recognises any impairment loss on the assets associated with that contract.

t) Debt in issuance

Debt issuances are initially recognised on the date on which the cash is received and are measured at amortised cost or designated at fair value through profit or loss.

Debt instruments designated at fair value through profit or loss are disclosed as a separate line item on the face of the balance sheet. Direct costs incurred upon the issuance of debt instruments designated at fair value through profit or loss are recognised as incurred in the respective non-interest expense classification relating to the expense incurred, e.g. legal expenses, printing, accounting fees, etc. Debt instruments issued by the entity which are not carried at fair value are recorded at par (nominal value) net of any premiums or discounts. Direct costs incurred with the issuance of the debt (debt issuance costs) are deferred and recorded as a direct deduction from the carrying amount of the related liability. Premiums and discounts and debt issue costs are amortised using the effective interest method.

The CSi group issues structured products with embedded derivatives. A structured product that contains a bifurcatable embedded derivative is designated at fair value through profit or loss.

u) Retirement benefit obligations

Defined benefit plans
The Bank is the legal sponsor of the UK Defined Benefit Plan ('UK DB Plan') and accounts for the entire plan using defined benefit accounting.

Defined benefit plans specify an amount of benefit that an employee will receive, which usually depends on one or more factors, such as age, years of service and compensation. The defined benefit liability recognised in the balance sheet is the present value of the defined benefit obligation, measured using the projected unit credit method, less the fair value of the plan's assets at the balance sheet date, with changes resulting from remeasurements recorded immediately in OCI. If the fair value of the plan's assets is higher than the present value of the defined benefit obligation, the recognition of the resulting net asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Calculation of the net defined benefit obligation or asset takes into account the specific features of the plan, and is calculated periodically by independent qualified actuaries.

Defined contribution plans
The Bank also contributes to various defined contribution pensions primarily in the UK.

A defined contribution plan pays fixed contributions into a separate entity from which retirement and other benefits are paid. The Bank has no legal or constructive obligation to pay further amounts if the plan does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods. Compensation expense is recognised when the employees have rendered services in exchange for contributions. This is generally in the year of contribution. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

v) Share-based payments

For share awards granted to employees of the Bank prior to the acquisition of Credit Suisse Group by UBS Group on 12th June 2023, a liability equal to the portion of the services received is recognised at the current market value determined at each balance sheet date. The Bank pays for UBS Group shares at market value at the time of settlement to employees.

For share awards granted following the date of acquisition, the grantor is UBS Group. The Bank is invoiced over the requisite service period for the grant price of awards relating to employees of the Bank. No further payments are required to be made by the Bank at the time of settlement to employees.

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

The majority of share awards granted include the right to receive dividend equivalents on vested shares in the form of cash or additional shares.

w) Other compensation plans

The CSi group has other deferred compensation plans which can be in the form of variable deferred cash compensation. A liability equal to the portion of the services received in respect of outstanding deferred compensation is recognised at each balance sheet date. The expense for these awards is recognised over the service period, which is the period the employee is obligated to work in order to become entitled to the cash compensation. For certain variable deferred cash compensation awards the final cash payout is determined by the performance of certain assets. The awards are expensed over the required service period and accruals are adjusted for changes to the expected final payout.

x) Financial guarantee contracts

Financial guarantee contracts require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Such financial guarantee contracts are given to banks, financial institutions and other parties on behalf of customers to secure loans, overdrafts and other payables. Financial guarantee contracts are initially recognised in the Consolidated Financial Statements at fair value on the date the guarantee was given, which is generally the fee received or receivable. Financial guarantees not measured at fair value through profit or loss are in scope of ECL impairment. The maximum contractual period over which the reporting entity has a present contractual obligation to extend credit is considered as estimation period for measuring ECL, and not the period over which the entity expects to extend credit. This takes into consideration if a guarantee was contingent or cancellable.
The ECL is based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs under the guaranteed financial asset less any amounts that the entity expects to receive from the holder, the debtor or any other party. In Stage 1, the time horizon of a credit loss incurring is 12 months. In Stage 2 and 3, the time horizon is the lifetime of the guarantee contract.
If the asset is fully guaranteed, the estimation of cash shortfalls for a financial guarantee contract would be consistent with the estimations of cash shortfalls for the asset subject to the guarantee.
Financial guarantees are subsequently measured at the higher of the amount of the provision for ECL and the amount recorded at the initial recognition, less the cumulative amount of income subsequently recognised in accordance with IFRS 15 Revenue from Contracts with Customers.
Any increase in the liability based on the subsequent measurement related to financial guarantee contracts is recorded in the Consolidated Statement of Income under 'Provision for credit losses'.

y) Leases

The CSi group recognises lease liabilities and right-of-use ('ROU') assets, which are reported as property and equipment. Lease liabilities are recognised at the lease commencement date based on the present value of lease payments over the lease term. ROU assets are initially measured based on the lease liability, adjusted for any initial direct costs, any lease payments made prior to lease commencement and for any lease incentives.

For certain leases, there are options that permit the CSi group to extend or terminate these leases. Such options are only included in the measurement of ROU assets and lease liabilities when it is reasonably certain that the CSi group would exercise the extension option or would not exercise the termination option.

Lease payments which depend on an index or a referenced rate are considered to be unavoidable and are included in the lease liability. Subsequent changes in the index or reference rate result in a remeasurement of the lease liability. Other variable lease payments not depending on an index or rate are excluded from the lease liabilities.

The CSi group's incremental borrowing rate, which is used in determining the present value of lease payments, is derived from information available at the lease commencement date. Lease ROU assets are depreciated on straight-line basis over the lease term. Depreciation expense on ROU assets are recognised in general, administrative and trading expenses. Interest expense on lease liabilities is recognised in interest expense. ROU assets are subject to the same impairment guidance as property and equipment.

The CSi group enters into operating and finance subleases. For finance subleases, the group de-recognises the related ROU asset from the headlease and recognises a net investment in the lease with the related interest income being included in interest income. For operating subleases, the CSi group continues to present the related ROU asset from the headlease in its financial statements and recognises lease income on a straight-line basis over the period of the lease.

z) Contingent liabilities

Contingent liabilities are possible obligations that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or are present obligations where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation, cannot be measured with sufficient reliability. A contingent liability is not recognised as a liability but rather is disclosed, except for those acquired under business combinations, which are recognised at fair value.

aa) Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when declared.

2 Critical Accounting Estimates and Judgements in Applying Accounting Policies

In order to prepare the Consolidated Financial Statements, management is required to make critical judgements. Management also makes certain accounting estimates to ascertain the value of assets and liabilities and determine the impact to the Consolidated Statement of Income. Judgements and estimates are based upon the information available at the time, and actual results may differ materially. The following critical judgements and estimates are sources of uncertainty and as a result have the risk of having a material effect on the amounts recognised in the financial statements.

In the course of preparing the financial statements, judgements have been made in the process of applying the accounting policies, in regard to taxes and structured entities. Several estimates have been made that have had a significant effect on the amounts recognised in the financial statements.

Fair Value

A significant portion of the CSi group's financial instruments (trading financial assets and liabilities, derivative instruments and financial assets and liabilities designated at fair value) are carried at fair value in the Consolidated Statement of Financial Position. Related changes in the fair value are recognised in the Consolidated Statement of Income. Deterioration of financial markets could significantly impact the fair value of these financial instruments and the results of operations.

The fair value of the majority of the CSi group's financial instruments is based on quoted prices in active markets or observable inputs. These instruments include government and agency securities, certain commercial papers ('CP'), most investment grade corporate debt, certain high grade debt securities, exchange traded and certain over the counter ('OTC') derivative instruments and most listed equity securities.

Key Estimates
The CSi group holds some financial instruments for which no prices are publicly available, and which have little or no observable inputs. For these instruments, the determination of fair value requires subjective assessment and judgement on key estimates to be made depending on liquidity, pricing assumptions, the current economic and competitive environment and the risks affecting the specific instrument. In such circumstances, the valuation of financial instruments involves a significant degree of judgement, in particular where valuation models make use of unobservable inputs.

Instruments that use valuation models that make use of unobservable inputs include certain OTC derivatives, including equity and credit derivatives, certain corporate equity-linked securities, mortgage-related and Collateralised Debt Obligations ('CDO's'), securities, private equity investments, certain loans, and credit products, (including leveraged finance, certain syndicated loans and certain high yield bonds).

→ For more details regarding the valuation models used for each of these instruments please refer to Note 34– Financial Instruments.

The critical accounting estimate of the fair value of financial assets and liabilities is impacted by factors such as benchmark interest rates, prices of financial instruments issued by third parties, commodity prices, foreign exchange rates and index prices or rates. These factors are a key source of uncertainty as their volatility has the potential to have a material impact to the valuation of the fair value of financial assets and liabilities. In addition, valuation adjustments are an integral part of the valuation process when market prices are not indicative of the credit quality of a counterparty and are applied to both OTC derivatives and debt instruments. Conversely the CSi group's own credit spreads are considered when measuring the FV of its liabilities.

→ For more details regarding the valuation models and techniques used for each of these instruments please refer to Note 18 Financial Liabilities Designated at Fair Value Through Profit or Loss and Note 34– Financial Instruments.

Control processes are applied to ensure that the fair value of the financial instruments reported in the Bank and the CSi group Financial Statements, including those derived from pricing models, are appropriate and determined on a reasonable basis.

→ For further information to the CSi group's control and governance processes on the fair value of financial instruments, refer to Note 34 – Financial Instruments.

Litigation contingencies

The CSi group is involved in a variety of legal, regulatory and arbitration matters in connection with the conduct of its businesses.

Key Estimates
It is inherently difficult to predict the outcome of many of these matters, particularly those cases in which the matters are brought on behalf of various classes of claimants, which seek damages of unspecified or indeterminate amounts or which involve questionable legal claims. A provision is recognised if, and only if a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event).

In presenting the Consolidated Financial Statements, management makes critical accounting estimates regarding the outcome of legal, regulatory and arbitration matters and takes a charge to income when losses with respect to such matters are probable and can be reliably estimated. Charges are not established for matters when losses cannot be reliably estimated.

Estimates, by their nature, are based on key judgement and currently available information and involve a variety of factors, including but not limited to the type and nature of the litigation, claim or proceeding, the progress of the matter, the advice of legal counsel and other advisers, the CSi group's defences and its experience in similar cases or proceedings, as well as the CSi group's assessment of matters, including settlements, involving other defendants in similar or related cases or proceedings.

→ Please see Note 23 – Provisions for more information.

Retirement Benefit Obligations

The Bank has both defined contribution and defined benefit pension plans. The following relates to the assumptions the Bank, as sponsor of the UK DB Plan, has made in arriving at the valuations of the various components of the plan.

Key Estimates

The net defined benefit liability or asset at the balance sheet date and the related pension expense depend on the expected future benefits to be provided, determined using a number of economic and demographic assumptions. A range of assumptions could be applied, and different assumptions could significantly alter the defined benefit liability or asset and pension expense recognised. The most significant assumptions include life expectancy, discount rate, inflation rate, and pension increases.

→ Please see Note 28 – Retirement Benefit Obligations for more information.

Structured Entities

As part of normal business, the CSi group engaged in various transactions that include entities which are considered structured entities. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Transactions with structured entities were generally executed to facilitate securitisation activities or to meet specific client needs, such as providing liquidity or investment opportunities, and, as part of these activities, the CSi group may hold interests in the structured entities. If the CSi group controls the structured entity, then that entity is included in the CSi group's consolidated financial statements.

Key Judgements

The CSi group exercised judgement in assessing whether an entity is a structured entity. The assessment performed considers whether the CSi group is the sponsor with a variable return, is the sponsor with no variable return but with additional involvement or is not a sponsor but has a variable return. Additionally, the CSi group exercised judgements in assessing whether the CSi group has (joint) control of, or significant influence over, another entity including structured entities. The assessment considered whether the CSi group has power over the entity, exposure or rights to variable returns from its involvement with the entity, and whether the CSi group has the ability to use its power over the entity to affect the amount of returns. Significant judgement is applied in determining whether the CSi group has power over the entity, and is based on the current ability of the CSi group to direct the relevant activities. Significant judgement is also applied when considering the substance of voting and similar rights. Entities are consolidated when the CSi group obtains control. The CSi group provides disclosures with regards to unconsolidated structured entities such as when it sponsors or has an interest in such an entity.

→ Please see Note 33 – Interests in Other Entities for more information.

Taxes

Deferred tax valuation

Deferred tax assets ('DTA') and deferred tax liabilities ('DTL') are recognised for the estimated future tax effects of operating losses carried forward and temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases at the Statement of Financial Position date.

Key Judgements

The realisation of deferred tax assets on temporary differences is dependent upon the generation of taxable income in future accounting periods after those temporary differences become deductible. The realisation of deferred tax assets on net operating losses is dependent upon the generation of future taxable income. On a quarterly basis management makes the key judgement to determine whether deferred tax assets can be realised. Only if management considers it probable that a deferred tax asset will be realised is a corresponding deferred tax asset established without impairment.

In making the key judgement to determine whether deferred tax assets can be realised, management considers both positive and negative evidence, including projected future taxable income, the scheduled reversal of deferred tax liabilities and tax planning strategies. This evaluation requires significant management judgement primarily with respect to projected taxable income. These key judgements have been made in relation to employee benefits, decelerated tax depreciation, unpaid interest and other provisions.

→ Please see Note 14 – Deferred Taxes for more information.

Key Estimates

The future taxable income can never be predicted with certainty, but management also evaluates the factors contributing to the losses carried forward and considers whether or not they are temporary or indicate an expected permanent decline in earnings. The critical accounting estimate is derived from budgets and strategic business plans but is dependent on numerous factors, some of which are beyond management's control, such as the fiscal and regulatory environment and external economic growth conditions. Substantial variance of actual results from estimated future taxable profits, or changes in the CSi group's estimate of future taxable profits and potential restructurings, could lead to changes in the amount of deferred tax assets that are realisable, or considered realisable, and would require a corresponding adjustment to the level of recognised DTA.

→ Please see Note 14 – Deferred Taxes for more information.

3 Segmental Analysis

CSi group has 3 reportable segments namely, Investment Bank, Non-Core & Legacy 'NCL' and Corporate Centre, that are regularly reviewed by the Chief Operating Decision Maker ('CODM') when assessing the performance and allocation of resources. The CODM has been determined to be the Board. Following the UBS Group's acquisition of CSG AG announced in March 2023, the NCL division has been created and businesses not part of ongoing UBS Group strategy moved into the division and are actively being wound-down. The Investment Bank holds businesses aligned with UBS Group strategy.
For the period ended 31 December 2023, CSi group had 4 reportable segments namely, Investment Bank, Transition, Non-Core & Legacy 'NCL' and Corporate Centre. In addition, the Transition division was set-up and holds businesses where migration to a UBS entity is planned.

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

Segment performance is assessed by the Board based on the CEO report, which details revenues by segment. In 2024 the monthly board summaries have been prepared under Group IFRS as adopted by UBS Group. Previously board summaries were prepared under US GAAP. CSi is unable to restate comparatives due to Group IFRS reporting only commencing on 12th June 2023 when UBS Group merged with CSG. It is also to be noted CSi's current purpose of managing an orderly wind down differs from the entity's strategy during 2023. As a result, the Board are not managing the current business strategy through comparison to prior year's results.

CSi group assets and liabilities are not managed by segment. Expenses are managed as part of wider UBS 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 of the entity as well as the relevant tax jurisdiction. Substantially all revenues are generated in the UK region and substantially all non-current assets are located in the UK region.

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

The following table shows the revenue of each operating segment during the year:

	2024
Revenues (USD million)	
Investment Bank	**147**
- CS Banking	36
- CS Markets	53
- CS IB Other / Central Office	58
Non-Core and Legacy	**3**
- NCL Credit	2
- NCL Securitised Products	(6)
- NCL Equities	102
- NCL Macro	(100)
- NCL Other	5
Corporate Centre	**17**
Corporate Functions	**(27)**
Others	**4**
Total	**144**

	2023
Revenues (USD million)	
Investment Bank	**85**
Transition	**221**
Non-Core Legacy	**106**
- NCL Credit	(62)
- NCL Securitised Products	(33)
- NCL Equities	201
- NCL Macro	(73)
- NCL Management	69
- NCL Others	4
Corporate centre (includes ARU)	**6**
Other	**11**
Total	**429**

Reconciliation of reportable segment revenues

	2024
Reconciliation of reportable segment revenues (USD million)	
Total revenues for reportable segments	144
Transfer pricing agreements	(7)
Treasury funding	722
Allowance for Credit Losses	–
CSi group to primary reporting reconciliations	187
Net revenues as per Consolidated Statement of Income	**1,046**

	2023
Reconciliation of reportable segment revenues (USD million)	
Total revenues for reportable segments	429
Transfer pricing agreements and cross divisional revenue share agreements	67
Treasury funding	694
Corporate Functions	(48)
Allowance for Credit Losses	(40)
CSi group to primary reporting reconciliations	311
Net revenues as per Consolidated Statement of Income	**1,413**

CSi's Pre Tax Income is not managed by segment. Expenses are managed as part of the wider CSi group management process 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.

CSi group Assets:
Non-current assets, other than financial instruments, deferred tax assets and post-employment benefit assets, consist of property and equipment and intangible assets totaling USD 40 million (2023: USD 110 million).

4 Net Interest income / (expense)

	2024	2023
Net interest income/(expense) (USD million)		
Loans and advances	182	221
Securities purchased under resale agreements and securities borrowing transactions	1,037	1,182
Cash collateral paid on OTC derivatives transactions	501	780
Interest income on cash and cash equivalents	555	793
Interest income	**2,275**	**2,976**
Due to banks	(1)	–
Borrowings	(503)	(576)
Securities sold under repurchase agreements and securities lending transactions	(198)	(463)
Debt in issuance	(458)	(734)
Lease liabilities	(21)	(16)
Cash collateral received on OTC derivatives transactions	(473)	(743)
Interest expense	**(1,654)**	**(2,532)**
Net interest income/(expense)	**621**	**444**
of which		
Interest income on financial assets measured at fair value through profit or loss	1,040	781
Interest income on financial assets measured at amortised cost	1,235	2,195
Interest expenses on financial liabilities measured at fair value through profit or loss	(187)	(404)
Interest expenses on financial liabilities measured at amortised cost	(1,467)	(2,128)

5 Commission and Fee Income

	2024	2023
Commission and fee income (USD million)		
Lending business	5	10
Brokerage	1	52
Underwriting	–	21
Investment research fees [1]	31	36
Other client services [1]	17	20
Total commission and fee income	**54**	**139**

[1] Prior period numbers have been restated to conform to current period's presentation.

Income under other client services primarily consists of fees from mergers and acquisitions and advisory services.

	2024	2023
Fee income from financial instruments (USD million)		
Commitment fees	2	4
Total fee income	**2**	**4**

The table above represents fees generated from financial assets and financial liabilities measured at amortised cost. Such fees are generated within the lending business or other client services.

6 Revenue from Contracts with Customers

Nature of services

The following is a description of the principal activities from which the CSi group generates its revenues from contracts with customers.

The performance obligations are typically satisfied as the services in the contract are rendered. The contract terms are generally such that they do not result in any contract assets. The contracts generally do not include a significant financing component or obligations for refunds or other similar obligations. Any variable consideration is only included in the transaction price and recognised as revenue when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the amount is subsequently resolved.

The CSi group's capital markets businesses underwrite and sell securities on behalf of customers. Typically, the fees in these businesses are recognised at a single point in time once the transaction is complete, i.e. when the securities have been placed with investors, and recognised as underwriting revenue. All expenses incurred in satisfying the performance obligation are deferred and recognised once the transaction is complete. Generally the CSi group and other banks form a syndicate group to underwrite and place the securities for a customer. The CSi group may act as the lead or a participating member in the syndicate group. Each member of the syndicate group, including the lead and participating underwriters, is acting as principal for their proportionate share of the syndication. As a result, the individual underwriters reflect their proportionate share of underwriting revenue and underwriting costs on a gross basis.

The CSi group also offers brokerage services in its investment banking businesses, including global securities sales, trading and execution and investment research. For the services provided, for example the execution of customer trades in securities or derivatives, CSi group typically earns a brokerage commission when the trade is executed. CSi group generally acts as an agent when buying or selling exchange-traded cash securities, exchange-traded derivatives or centrally cleared OTC derivatives on behalf of customers. The line item 'Transfer pricing arrangement and other services' includes revenues from services provided by CSi to other group companies. Nature of Services provided by CSi to other group companies are similar to that of the services provided to third parties'

The CSi group's investment banking businesses provide services that include advisory services to customers in connection with corporate finance activities. The term 'advisory' includes any type of service the CSi group provides in an advisory capacity. For these types of services, the CSi group typically receives a non-refundable retainer fee and/or a success fee which usually represents a percentage of the transaction proceeds if and when the corporate finance activity is completed. Additionally, the contract may contain a milestone fee such as an 'announcement fee' that is payable upon the public announcement of the corporate finance activity. Typically the fees in the investment banking business are recognised at a specific point in time once it is determined that the performance obligation related to the transaction has been completed. A contract liability will be recorded if the CSi group receives a payment such as a retainer fee or announcement fee for an advisory service prior to satisfying the performance obligation. The advisory fees are recognised ratably over time in scenarios where the contracted service of the CSi group is to act as an advisor over a specified period not related to or dependent on the successful completion of a transaction. Revenues recognised from these services are reflected in Other Services in the following table which explains disaggregation of the revenue from service contracts with customers into different categories:

	2024 [2]	2023 [2]
Type of Services (USD million)		
Lending business [1]	–	1
Other securities business	1	42
Brokerage	1	10
Underwriting	–	20
Transfer pricing arrangement and other services	23	110
Total	**25**	**183**

[1] Lending fees include loan syndication fees received by the CSi group for arranging loans for which it retains no part of the loan package (or retains a part at the same effective interest rate for comparable risk as other participants).
[2] The table above differs from note 5 – Commission and Fee income as it includes only those contracts with customers that are in scope of IFRS 15 – Revenue from contracts with customers.

Contract balances (USD million)	2024	2023
Contract receivables	–	14

The CSi group did not recognise any revenues in the reporting period from performance obligations satisfied in previous periods.

The CSi group had no impairment loss on contract receivables for 2024 and 2023.

Remaining performance obligations
The practical expedient allows the CSi group to exclude from its remaining performance obligations disclosure of any performance obligations which are part of a contract with an original expected duration of one year or less. Additionally, any variable consideration, for which it is probable that a significant reversal in the amount of cumulative revenue recognised will occur when the uncertainty associated with the variable consideration is subsequently resolved, is not subject to the remaining performance obligations disclosure because such variable consideration is not included in the transaction price (e.g. investment management fees). Upon review, the CSi group determined that no material remaining performance obligations are in scope of the remaining performance obligations disclosure.

7 Allowance for Credit Losses

	2024	2023
Additional/Release of allowance for credit losses (USD million)		
Allowances for credit losses	(1)	(94)
Allowances for off-balance sheet exposure	–	(1)
Additional allowance for credit losses	**(1)**	**(95)**
Release of allowance for credit losses	92	24
Release of allowance for off-balance sheet exposures	1	3
Release of allowance for credit losses	**93**	**27**
Release/(Additional allowance) for credit losses	**92**	**(68)**

The reversal of allowance for credit losses on loans held at amortised cost includes reversal of ECL on NCL loans being measured at FVTPL effective 1 January 2024 as these loans were transferred to be held for sale, and then most were subsequently sold to UBS AG. The remaining loans measured at amortised cost are held within UBS Group AG.

Further information about Allowance for Credit Losses are presented in Note 27 – Expected Credit Loss Measurement.

8 Net Gains from Financial Assets/Liabilities at Fair Value through Profit or Loss

	2024	2023
Net gains/(losses) from financial assets/liabilities at fair value through profit or loss (USD million)		
Net gains/(losses) from financial assets/liabilities mandatorily measured at fair value through profit or loss	(757)	1,710
Net (losses)/gains from financial liabilities designated at fair value through profit or loss	920	(914)
Total net gains from financial assets/liabilities at fair value through profit or loss	**163**	**796**

	2024	2023
Total net gains/(losses) from trading financial assets/liabilities mandatorily measured at fair value through profit or loss	**(788)**	**1,744**
Non-trading financial assets mandatorily measured at fair value through profit or loss (USD million)		
Securities purchased under resale agreements and securities borrowing transactions	12	5
Loans and advances	17	23
Other financial assets	2	(62)
Total net gains/(losses) from non trading financial assets mandatorily measured at fair value through profit or loss	**31**	**(34)**
Total net gains/(losses) from financial assets/liabilities mandatorily measured at fair value through profit or loss	**(757)**	**1,710**

	2024		2023	
	Profit or Loss	OCI	Profit or Loss	OCI
Net gains/(losses) from financial liabilities designated at fair value through profit or loss (USD million)				
Securities sold under repurchase agreements and securities lending transactions	(2)	–	2	–
Borrowings	1	–	(637)	–
Debt in issuance	926	4	(399)	(23)
Other financial liabilities designated at fair value through profit or loss	(5)	–	120	–
Total net gains/(losses) from financial liabilities designated at fair value through profit or loss	**920**	**4**	**(914)**	**(23)**

The previous tables represent revenues on a product basis which are not representative of business results within segments, as segments utilise financial instruments across various product types.

9 Other Revenues

	2024	2023
Other revenues (USD million)		
Transfer pricing arrangements	6	54
Other	110	48
Total other revenues	**116**	**102**

Other Revenue majorly comprises of secondment income. The transfer pricing arrangements reflect the revenues allocated to CSi group from other companies in the UBS Group under transfer pricing policies.

10 Compensation and Benefits

	2024	2023
Compensation and benefits (USD million)		
Salaries and variable compensation	(284)	(551)
Social security costs	(46)	(75)
Pension costs	(12)	(9)
Other	(2)	(7)
Total compensation and benefits	**(344)**	**(642)**

Included in the above table are amounts relating to Directors' remuneration, details of which are disclosed in Note 30 – Related Parties.

The following table gives details about monthly average number of persons employed by CSi group during the year by division. On 1 September 2024, CSi transferred all front office staff to UBS AG London Branch and all Corporate Functions staff to UBS Business Solutions AG London Branch for a consideration of USD 9 million. CSi now receives services from these UBS entities for the running of the Bank. CSi group receives a range of services from related companies, in particular from Credit Suisse Services AG, London Branch. The headcount related to these services is not included in the following numbers.

	2024	2023
Division		
Front Office	298	726
Corporate Functions	613	1,154
Total monthly average	**911**	**1,880**

11 General, Administrative and Trading Expenses

	2024	2023
General, administrative and trading expenses (USD million)		
Brokerage charges and clearing house fees	(53)	(188)
Insurance charges	–	(1)
Trading expenses	**(53)**	**(189)**
Depreciation and amortisation expenses [1]	(60)	(250)
Litigation	(22)	(182)
Professional services	(419)	(823)
Impairment of intangible assets and ROU assets	(12)	(531)
Occupancy Expenses	(93)	(250)
Net overheads allocated to other UBS Group entities	25	180
Transfer pricing arrangements	(62)	(292)
UK Bank Levy	1	(6)
Other [2]	(67)	(117)
General and administrative expenses	**(709)**	**(2,271)**
Total general, administrative and trading expenses	**(762)**	**(2,460)**

1 Depreciation and amortisation expense includes depreciation on leasehold improvements of USD 1 million (2023: USD 68 million) and depreciation on right-of-use assets of USD 7 million (2023: USD 57 million).
2 Prior period numbers have been restated to conform to current period's presentation.

CSi group incurs expenses on behalf of other UBS Group companies under common control. These are subsequently recharged to the relevant companies through net overheads allocated to other UBS Group entities.

The recharges comprise compensation and benefit expenses and general administrative expenses. For further information about litigation expenses, refer to Note 23 – Provisions.

Auditor's remuneration

Auditor's remuneration in relation to the statutory audit amounted to USD 6 million (2023: USD 6 million). The following fees were payable by the CSi group to the auditors, Ernst and Young in 2024 and PricewaterhouseCoopers LLP in 2023.

CSi Auditor's remuneration (USD '000)	2024	2023
Fees payable to the Bank's auditors for the audit of the Bank's annual financial statements	(5,541)	(5,631)
Audit-related assurance services	(361)	(1,084)
Total fees	**(5,902)**	**(6,715)**

12 Restructuring Expenses

CSi recorded restructuring expenses of USD Nil in 2024 (2023: USD 47 million). Restructuring expenses include severance expenses, expenses in connection with the acceleration of certain deferred compensation and other personnel related charges. General administrative expenses include amortisation on internally developed software and other professional expenses.

	2024 [1]	2023
Restructuring expenses by type (USD million)		
Compensation and benefits-related expenses	**–**	**(15)**
of which severance	–	(11)
of which accelerated deferred compensation	–	(4)
General and administrative-related expenses	–	(32)
Total Restructuring expenses	**–**	**(47)**

1 There is no formal restructuring governance board. USD 16 million reported in Compensation and benefits expenses relates to severance expenses associated with personnel redundancy.

	Severance expenses	
	2024	2023
Restructuring provision (USD million)		
Balance at beginning of the period/year	27	12
Net additional charges	8	50
Utilisation and foreign exchange fluctuations	(35)	(35)
Balance at end of the period/year	**–**	**27**

Liability relating to accelerated deferred compensation, not included in the above table, is included in Share-based compensation liability. For details, refer Note 20 – Other Assets and Other Liabilities.
Amortisation relating to internally developed software, not included in the above table, is included in accumulated depreciation for intangible assets. For details, refer Note 22 – Intangible assets.

13 Income Tax (Expense)/ Benefit

Group and Bank	2024	2023
Current and deferred taxes (USD million)		
Current tax		
Current tax benefit for the period [1]	(21)	24
Adjustments in respect of previous periods	15	(4)
Current income tax benefit	**(6)**	**20**
Deferred tax		
Deferred tax expense for the period	(21)	(77)
Deferred income tax (expense)	**(21)**	**(77)**
Income tax (expense)	**(27)**	**(57)**

1 Withholding taxes are included within income taxes.

Legislation has been enacted in the UK to implement the Organisation for Economic Co-operation and Development's Pillar Two framework introducing a minimum tax rate for UK entities and their controlled entities. The legislation is effective for the

CSi group's financial year beginning 1 January 2024. There is no impact of the minimum tax rate to the Bank in the period.

For the period ended 31 December 2024, the Bank has applied the IASB amendment to "IAS 12, Income Taxes", which provides a mandatory temporary exception from recognising or disclosing deferred taxes related to Pillar Two.

The income tax expense for the year can be reconciled to the loss per the statement of income as follows:

Reconciliation of taxes computed at the UK statutory rate

Group and Bank	**2024**	2023
Reconciliation of taxes computed at the UK statutory rate (USD million)		
Loss before tax	(60)	(1,736)
Income tax benefit computed at the statutory rate of 25% (2023: 23.52%)	15	408
(Increase)/decrease in income taxes resulting from:		
Other permanent differences	22	(25)
Impact of UK bank corporation tax surcharge	(2)	(5)
Non-recoverable foreign taxes including withholding taxes [1]	–	(13)
Other movement in unrecognised deferred tax assets	(20)	(418)
Impact of onerous lease settlement	(57)	–
Adjustments to current tax in respect of previous periods	15	(4)
Income tax (expense)	**(27)**	**(57)**

[1] Withholding taxes are included within income taxes.

Income tax of USD 150 million (2023: USD 18 million) was credited directly to equity.

14 Deferred Taxes

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 28% (2023: 28%), which includes the impact of the UK banking surcharge. Deferred taxes are calculated on carry forward tax losses using effective tax rates of 25% or 28% (2023: 25% or 28%).

Group and Bank	**2024**	2023
Deferred tax (USD million)		
Deferred tax assets	76	97
Deferred tax liabilities	(113)	(156)
Net position	**(37)**	**(59)**
Balance at 1 January	**(59)**	**–**
Debit to statement of income for the period	(21)	(77)
Tax impact on Unrealised gain/(loss) on designated financial liabilities relating to credit risk	–	3
Tax impact of remeasurement of defined benefit pension plan assets	43	15
Balance at 31 December	**(37)**	**(59)**

Deferred tax assets and liabilities are attributable to the following items:

Group and Bank	**2024**	2023
Components of net deferred tax assets (USD million)		
Decelerated tax depreciation	39	38
Tax losses	37	59
Deferred tax assets netted against deferred tax liabilities	(76)	(97)
Balance at 31 December	**–**	**–**

Group and Bank	**2024**	2023
Components of net deferred tax liabilities (USD million)		
Pensions and other post-retirement benefits	(113)	(156)
Deferred tax liabilities netted against deferred tax assets	76	97
Balance at 31 December	**(37)**	**(59)**

Details of the deferred tax (expense)/benefit in the statement of income:

Group and Bank	**2024**	2023
Tax effect of temporary differences (USD million)		
Derivative financial instruments	–	1
Employee benefits	–	(24)
Defined benefit pension assets	–	(12)
Decelerated tax depreciation	1	(82)
Other provisions	–	(18)
Leases	–	(1)
Tax losses	(22)	59
Total deferred tax (expense) in the Statement of Income	**(21)**	**(77)**

Group and Bank	**2024**	2023
Income Tax (expense)/benefit recognised in Equity (USD million)		
Unrealised gain/ (loss) on designated financial liabilities relating to credit risk	–	3
Re-measurement of defined benefit pension assets	43	15
Related Tax on Interest payment on Additional Tier 1 capital	107	–
Total Income Tax benefit recognised in Equity	**150**	**18**

Following management's evaluation of the deferred tax asset recoverability as at the balance sheet date, deferred tax assets of USD 3,152 million (2023: USD 3,158 million) on net operating losses of USD 11,903 million (2023: USD 12,001 million) and deferred tax assets on temporary difference of USD 238 million (2023: USD 222 million) have not been recognised. If strategies and business plans will significantly deviate in the future from current management assumptions, the current level of deferred tax assets may need to be adjusted if full recovery of the remaining deferred tax asset balance is no longer probable.

The deferred tax asset on net operating losses includes that arising from the transactions with the Archegos Capital Management

fund arising in 2021 net of recoveries in 2022. The above amount includes tax losses that have not been included in the tax returns filed by CSi; the quantum of the tax losses available to CSi is subject to agreement with the UK tax authorities. Management have accounted for the tax losses in CSi, and the associated unrecognised deferred tax asset, based on the expected position that this may wholly allocated to CSi. A change in the quantum of the tax losses upon agreement with the UK tax authorities will not have an impact on the Balance Sheet.
The use of tax losses carried forward by UK banks is restricted to a maximum of 50% of taxable profits (25% for losses incurred prior to 1 April 2015). There is no loss expiry in the United Kingdom.

15 Securities Borrowed, Lent and Purchased/Sold under Resale/Repurchase Agreements

The following table summarises the securities purchased under agreements to resell and securities borrowing transactions, at their respective carrying values:

Group and Bank	**2024**	2023
Securities purchased under resale agreements and securities borrowing transactions (USD million)		
Securities purchased under resale agreements	525	641
Deposits paid for securities borrowed	8	663
Total securities purchased under resale agreements and securities borrowing transactions	**533**	**1,304**

The total carrying value of securities sold under repurchase agreements and securities lending transactions is USD 26 million (2023: USD 358 million) comprises of securities sold under repurchase agreements of USD Nil (2023: USD 52 million) and deposits received for securities lent of USD 26 million (2023: USD 306 million)

Repurchase and resale agreements represent collateralised financing transactions used to earn net interest income, increase liquidity or facilitate trading activity. These instruments are collateralised principally by government securities and money market instruments and generally have terms ranging from overnight to a longer or unspecified period of maturity. The CSi group monitors the fair value of securities received or delivered. For securities purchased under resale agreements, the CSi group requests additional securities, or the return of a portion of the cash disbursed when appropriate, in response to a decline in the market value of the securities received. Similarly, the return of excess securities or additional cash is requested, when appropriate, in response to an increase in the market value of securities sold under repurchase agreements.

Deposits paid for securities borrowed and deposits received for securities lent are recorded at the amount of cash paid or received. These transactions are typically collateralised by cash or marketable securities. For securities lending transactions, the CSi group receives cash or securities as collateral in an amount generally in excess of the market value of securities lent. The CSi group monitors the market value of securities borrowed and securities lent on a daily basis and additional collateral is obtained as necessary.

For information and details on the balances with related parties, refer Note 30 – Related Parties.

16 Trading Financial Assets and Liabilities Mandatorily at Fair Value through Profit or Loss

	Group		Bank	
	2024	2023	**2024**	2023
Trading financial assets at fair value through profit or loss (USD million)				
Debt securities	47	1,841	47	1,886
Equity securities	93	3,968	93	3,968
Derivative instruments	22,484	57,337	22,484	57,337
Loans	–	162	–	162
Other	–	1	–	1
Trading financial assets at fair value through profit or loss	**22,624**	**63,309**	**22,624**	**63,354**
Trading financial liabilities at fair value through profit or loss (USD million)				
Short positions	18	1,957	18	1,957
Derivative instruments	22,111	58,562	22,111	58,562
Trading financial liabilities at fair value through profit or loss	**22,129**	**60,519**	**22,129**	**60,519**

Debt securities primarily consist of corporate bonds and government securities.

Trading financial assets include USD Nil (2023: USD 3,742 million) which are encumbered. The transactions in relation to the encumbered assets are conducted under terms that are usual and customary for securities lent, repurchase agreements or other collateralised borrowings. Refer Note 34 – Financial Instruments and Note 35 – Assets Pledged or assigned for more details. For information and details on the balances with related parties, refer Note 30 – Related Parties.

17 Non-Trading Financial Assets Mandatorily at Fair Value Through Profit or Loss

	Group		Bank	
	2024	2023	**2024**	2023
Non-trading financial assets mandatorily at fair value through profit or loss (USD million)				
Loans and advances	8	270	8	274
Securities purchased under resale agreements and securities borrowing transactions	14,179	23,910	14,179	23,910
Other non-trading financial assets mandatorily at fair value through profit or loss [1]	13	408	13	211
Total non-trading financial assets mandatorily at fair value through profit or loss	**14,200**	**24,588**	**14,200**	**24,395**

[1] This includes balances relating to Failed Purchases USD Nil (2023:USD 385 million).

For loans mandatorily at fair value through profit or loss, the maximum fair value exposure to credit risk as at 31 December 2024 was USD 8 million (2023: USD 270 million). To mitigate this credit risk, securities are held as collateral, and credit default swaps with a notional value of USD Nil (2023: USD 40 million) have been transacted to transfer this risk into the capital markets.

The fair value movement attributable to counterparty credit on loans designated at fair value through profit or loss is calculated using credit spreads applicable to specific points in time. All other risk variables are held constant and the credit spreads are moved based on current market conditions. During the year ended 31 December 2024, this fair value movement was an increase of USD 5 million (2023: USD 2 million increase). The cumulative effect at the year-end was a decrease of USD 98 million (2023: USD 14 million increase). The corresponding decrease in fair value of the swaps and securities in place to mitigate this risk was USD 7 million (2023: USD 4 million decrease). The cumulative effect at the year-end was a decrease of USD 13 million (2023: USD 6 million decrease).

For securities purchased under resale agreements, the Bank's credit exposure to the counterparties of these trades is mitigated by posted collateral and through subsequent margin calls. Accordingly, the Bank does not enter into hedges to mitigate credit exposure to its counterparties. Also, given that the credit exposure is almost eliminated, the fair value changes attributable to credit risk are insignificant.

For information and details on the balances with related parties, refer Note 30 – Related Parties.

18 Financial Liabilities Designated at Fair Value Through Profit or Loss

	Group		Bank	
	2024	2023	**2024**	2023
Financial Liabilities designated at fair value through profit or loss (USD million)				
Structured notes and other hybrid instruments	140	7,073	140	6,914
Securities sold under repurchase agreement and securities lending transactions	2,395	8,000	2,395	8,000
Other [1]	30	977	30	977
Total financial liabilities designated at fair value through profit or loss	**2,565**	**16,050**	**2,565**	**15,891**

[1] This includes balances relating to Failed Sales USD 22 million (2023: USD 969 million).

Of the financial liabilities designated at fair value through profit or loss and repurchase agreements were primarily elected to alleviate an accounting mismatch, while structured notes were mainly elected because they are managed on a fair value basis.

The fair value of a financial liability incorporates the credit risk of that financial liability. If the instrument is quoted in an active market, the movement in fair value due to credit risk is calculated as the amount of change in fair value that is not attributable to changes in market conditions that give rise to market risk. If the instrument is not quoted in an active market, the fair value is calculated using a valuation technique that incorporates credit risk by discounting the contractual cash flows on the debt using a credit-adjusted yield curve which reflects the level at which CSi group would issue similar instruments as of the reporting date.

The fair value of structured notes is calculated using a yield curve which reflects CSi group's credit rating in the market. This is achieved by adjusting the relevant yield curve by CSi group's credit spread, dependent on the tier of the debt, at each point in the curve to provide an own credit adjusted valuation.

The carrying amount is USD 138 million (2023: USD 2,554 million) lower than the principal amount that CSi group would be contractually required to pay to the holder of these financial liabilities at maturity. For information and details on the balances with related parties, refer Note 30 – Related Parties.

	2024	2023
Changes in fair value of financial liabilities designated at fair value through profit or loss due to credit risk (USD million)		
Financial liabilities designated at fair value through profit or loss that present the effects of changes in that liability's credit risk in OCI		
Cumulative change in the fair value		
Debt in issuance		
of which structured notes over two years	21	17
Total Cumulative Change	**21**	**17**
YTD change in the fair value		
Debt in issuance		
of which structured notes over two years	4	(23)
Total YTD Change	**4**	**(23)**

19 Loans and Advances

The following table sets forth details of the domestic (United Kingdom) and foreign portfolios:

Group and Bank	2024	2023
Loans and advances (USD million)		
Loans and advances other than leases	2,504	3,187
Net investment in leases	44	224
Loans and advances	**2,548**	**3,411**

Group and Bank	2024	2023
Loans and advances other than leases (USD million)		
Gross loans and advances	**2,504**	**3,290**
of which domestic	2,504	3,114
of which foreign	–	176
Net unearned income	–	(2)
Allowance for credit losses	–	(101)
Loans and advances	**2,504**	**3,187**
Gross impaired loans	**–**	**74**
of which loans with an individual allowance	–	74

Loans and advances due within one year for the CSi group and Bank, amount to USD 2,504 million (2023: USD 3,057 million). For information and details on the balances with related parties, refer Note 30 – Related Parties.

Group and Bank (USD million)	2024	2023
Net investment in leases		
Receivable within 1 year	14	32
Receivable between 1 and 2 years	14	32
Receivable between 2 and 3 years	11	33
Receivable between 3 and 4 years	2	29
Receivable between 4 and 5 years	1	20
Receivable after 5 years	8	119
Total lease payments receivable	**50**	**265**
Unearned finance income	**(6)**	**(41)**
Net investment in leases	**44**	**224**

Net investment in leases represents the sublease of certain buildings in the UK.

Reconciliation of the allowance for loan losses by class

The following table sets forth the movements in the allowances for impairment losses on Loans and advances:

	Total
Group and Bank Allowance for credit losses (USD million)	
Balance at 1 January 2024	(101)
Additional allowances for credit losses	–
Reversal of allowances for credit losses	92
Movement recognised in Consolidated Statement of Income	**92**
Utilisation of allowances for credit losses	**9**
Balance at 31 December 2024	**–**
Balance at 1 January 2023	(20)
Additional allowances for credit losses	(85)
Reversal of allowances for credit losses	4
Movement recognised in Consolidated Statement of Income	**(81)**
Utilisation of allowances for credit losses	**–**
Balance at 31 December 2023	**(101)**

→ Refer Note 27- Expected Credit Loss Measurement for details on ECL.

The reversal of allowance for credit losses on loans held at amortised cost includes reversal of ECL on NCL loans being measured at FVTPL effective 1 January 2024 as these loans were transferred to be held for sale, and then most were subsequently sold to UBS AG. The remaining loans measured at amortised cost are held within UBS Group AG.

20 Other Assets and Other Liabilities

Group and Band	**2024**	2023
Other Assets (USD million)		
Brokerage receivables		
Due from customers	190	399
Due from banks, brokers and dealers	245	255
Interest and fees receivable	308	378
Cash collateral on derivative instruments		
Banks	3,236	7,121
Customers	908	8,607
Cash collateral on non-derivative instruments	23	139
Net defined benefit asset [1]	399	556
Others	107	174
Total other assets	**5,416**	**17,629**

[1] For more information on net defined benefit asset, refer Note 28 – Retirement Benefit Obligations

Other assets are primarily due within one year with the exception of the net defined benefit asset.

Group and Bank	**2024**	2023
Other Liabilities (USD million)		
Brokerage payables		
Due to customers	58	119
Due to banks, brokers and dealers	224	126
Interest and fees payable	322	613
Cash collateral on derivative instruments		
Banks	4,049	6,347
Customers	798	1,207
Cash collateral on non-derivative instruments [1]	325	239
Share-based compensation liability	16	37
Others	215	337
Total other liabilities	**6,007**	**9,025**

[1] It includes USD Nil (2023 USD: 100 million) inter-company deposit which is security for a separate guarantee agreement.

Other liabilities are mainly due within one year. Others include liability towards restructuring cost of USD Nil during the current year (2023: USD 27 million). Refer Note 12 – Restructuring Expenses.

During the current reporting period there were no defaults or breaches in respect of third party brokerage payables. Included within Brokerage payables are liabilities identified in respect of client money received from clients, but only where it has been determined that the cash received represents an asset of the CSi group. The CSi group and Bank held USD Nil of client money as at 31 December 2024 (2023: USD 6 million), USD Nil as of 31 December 2024 (2023: USD 4 million) of which was not recorded in the Consolidated Statement of Financial Position as those balances did not represent assets of the CSi group. This cash, when recognised on the balance sheet, is recorded under 'Cash and due from banks', 'Other assets' and 'Other liabilities'.

21 Lease Liabilities

Lease Liabilities

The following table sets forth details of the maturity analysis of contractual lease liabilities:

Group and Bank (USD million)	**2024**	2023
Maturity of contractual lease liabilities		
Due within 1 year	45	65
Due between 1 and 2 years	45	65
Due between 2 and 3 years	42	65
Due between 3 and 4 years	27	62
Due between 4 and 5 years	27	46
Thereafter	149	301
Total	**335**	**604**
Future interest payable	(44)	(92)
Lease liabilities	**291**	**512**

CSi group enters into leases for property (land and building). CSi has commenced the exit of its lease agreements. In 2024, CSi has vacated several buildings and as a result various leases were terminated within its London campus.

Variable lease payments that depend on an index or rate are included in the lease payments at lease commencement, as such payments are considered unavoidable. Other variable lease payments are excluded from the lease payments. CSi has entered into 4 lease agreements with variable lease agreements as they provide for greater flexibility for CSi. The amount of exposure to variable lease payments not reflected in the lease liabilities is USD 111 million (2023: USD 160 million) as compared to USD 335 million (2023: USD 604 million) of fixed payments.

Future cash outflows from extension options and termination options that the lessee may be exposed to are not reflected in the lease liabilities. For some leases where CSi group is the lessee, there is an option that permits CSi group to extend or renew the lease (this includes the scenario of not exercising a termination option). Such options are only included in the measurement of lease liabilities and lease assets when it is reasonably certain that CSi group would exercise the option. Cash flows of the extensions options, if exercised would be USD 609 million (2023: USD 836 million); these are not reflected in the discounted amount of lease liability amount of USD 291 million (2023: USD 512 million) for both CSi group and Bank.

22 Intangible Assets

Group and Bank	2024	2023
Group and Bank Intangible Assets (USD million)	Total	Total
Cost:		
Cost as at 1 January	**997**	**1,717**
Additions	4	129
Reclassification	(4)	(98)
Impairment	(1)	(751)
Cost as at 31 December	**996**	**997**
Accumulated amortisation:		
Accumulated amortisation as at 1 January	**(914)**	**(1,235)**
Amortisation for the year	(51)	(98)
Impairment	–	419
Accumulated amortisation as at 31 December	**(965)**	**(914)**
Net book value as at 1 January	**83**	**482**
Net book value as at 31 December	**31** [1]	**83**

[1] Intangible Assets includes Work-in-progress of USD 0.05 million (2023: USD 5 million) and not subject to amortisation.

The recoverable amount of CSi's intangible assets is estimated based on their value-in-use. A semi-annual impairment assessment was performed in 2024 and the carrying amount of certain intangible assets was determined to be higher than their recoverable amount and consequently, impairment of USD 1 million is recognised for the year ended 31 December 2024 (2023: USD 332 million). The impairment of USD 1 million was recognised on work-in-progress. The value-in-use is calculated based on detailed reviews and specific information regarding the individual projects and their capitalisation.

23 Provisions

Group and Bank	Property	Litigation	Total
2024 Provisions (USD million)			
Balance at 1 January 2024	163	5	168
Charges/Additions during the year	27	22	49
Released during the year	–	–	–
Utilised during the year	(75)	(23)	(98)
Revaluation	(3)	–	(3)
Balance at 31 December 2024	**112**	**4**	**116**
2023 Provisions (USD million)			
Balance at 1 January 2023	16	29	45
Charges/Additions during the year	151	172	323
Released during the year	–	–	–
Utilised during the year	(4)	(196)	(200)
Balance at 31 December 2023	**163**	**5**	**168**

Property provision

The CSi group accrues property provisions based on assumptions such as the property will remain vacant until the lease period ends and will not be sub-let; future expected cash outflows in relation to the infrastructure costs, non-rent operating costs and inflation related estimates have been considered. Further, future cash outflow has been discounted at a risk free interest rate. The property provision primarily includes Onerous and Integration related Real Estate provisions for One Cabot Square, Five Canda Square Buildings in London & Slough Data Centre.

The property provisions also consist of property reinstatement obligations that will be incurred when the leases expire, as highlighted in the below table.

Building	Provision	Utilisation period
5 Canada Square, London	USD 2 million	30 October 2027
5 Canada Square	USD 3 million	30 October 2027
Global Switch	USD 2 million	30 September 2025

Litigation provision

The CSi group accrues litigation provisions in connection with certain judicial, regulatory and arbitration proceedings then reasonably possible losses, additional losses or ranges of loss are more likely than not and can be reliably estimated. The balance of litigation provisions as at 31 December 2024 was USD 4 million (2023: USD 5 million). General Counsel in consultation with the business reviews UBS Group judicial, regulatory and arbitration proceedings each month to determine the adequacy of its litigation provisions and may increase or release provisions based on management's judgement and the advice of counsel. The anticipated utilisation of these litigation provisions typically ranges from six to eighteen month period, however certain litigation provisions are anticipated to extend beyond this period. Further provisions or releases of litigation provisions may be necessary in the future as developments in such litigation, claims or proceedings warrant. The CSi group has established provisions in line with the above process for all cases but believes that disclosure of the specific facts of such case would violate confidentiality obligations to which CSi group is subject or to prejudice seriously CSi group's management of the matter. The exact timing of outflow of economic benefits cannot be ascertained at 31 December 2024. Other Legal cases are disclosed in the contingent liabilities and other commitments note.

24 Debt In Issuance

Group and Bank (USD million)	Balance as at 1 January	Issuances	Cash Flows Repayments	Non Cash Changes Transactional FX	Balance as at 31 December
2024					
Debt in issuance	8,108	–	(2,627)	(25)	5,456
2023					
Debt in issuance (Group)	18,309	8,452	(19,039)	386	8,108
Debt in issuance (Bank)	18,308	8,452	(19,038)	386	8,108

Total debt in issuance is principally comprised of debt issuances managed by Treasury which do not contain derivative features (vanilla debt), which are issued as part of the CSi group's structured activities. Further, these instruments are measured at amortised cost.

Group and Bank Category of instrument	Counterparty Name	Currency	2024 (In USD million)	2023 (In USD million)	Interest Rate Type
Senior Debt					
	DLJ Group	USD	2,405	2,405	Fixed
	DLJ UK Holding	USD	8	8	Fixed
	ARGENTUM CAPITAL S.A. A/C ARGENTUM CAPITAL SA – SERIES 2022-26	USD	–	2	Variable
	UBS AG London Branch	USD	3,043	4,586 [1]	Variable
	UBS AG London Branch	EUR	–	1,107 [1]	Variable
Total Senior debt			**5,456**	**8,108**	

[1] Following the Parent Bank Merger, CS AG has merged into UBS AG and so the prior period numbers with CS AG London Branch have been reported against UBS AG London Branch to confirm to the current period's presentation.

For information and details on the balances with related parties, refer Note 30 – Related Parties.

Above is the reconciliation of liabilities arising from financing activities.

25 Accumulated Other Comprehensive Income

Group and Bank	Cash flow hedges	Gains/ (losses) on designated financial liabilities relating to credit risk	Unrealised Gains/ (losses) on Pension Fund	Accumulated other comprehensive income
Accumulated other comprehensive income (USD million)				
Balance at 1 January 2024	**3**	**(5)**	**(447)**	**(449)**
(Increase)/decrease:				
Unrealised gain on designated financial liabilities relating to credit risk	–	3	–	3
Realised gain relating to credit risk on designated financial liabilities extinguished during year reclassed to retained earnings	–	1	–	1
Cash flow hedges – effective portion of changes in fair value	(3)	–	–	(3)
Remeasurement of defined benefit pension assets	–	–	(152)	(152)
Related tax on remeasurement of defined benefit pension assets	–	–	43	43
Balance at 31 December 2024	**–**	**(1)**	**(556)**	**(557)**
Balance at 1 January 2023	**(9)**	**15**	**(407)**	**(401)**
(Increase)/decrease:				
Unrealised loss on designated financial liabilities relating to credit risk	–	(23)	–	(23)
Related tax on unrealised gain/ (loss) on designated financial liabilities relating to credit risk	–	3	–	3
Cash flow hedges – effective portion of changes in fair value	12	–	–	12
Remeasurement of defined benefit pension assets	–	–	(56)	(56)
Related tax on remeasurement of defined benefit pension assets	–	–	16	16
Balance at 31 December 2023	**3**	**(5)**	**(447)**	**(449)**

26 Share Capital and Capital Contribution

Group and Bank	**2024**	2023
Share Capital **Allotted called-up and fully paid (USD million)**		
Total allotted called-up and fully paid capital as at 1 January 2024		
131,158,070,611 Ordinary shares of USD 0.08666 each	–	11,366
131,158,070,611 Ordinary shares of USD 0.05541 each (b/f)	7,267	–
26 September 2023:		
Capital reduction of Ordinary shares (131,158,070,611 of USD 0.03125 each)	–	(4,099)
5 December 2024:		
Capital reduction of Ordinary shares (131,158,070,611 of USD 0.04498 each)	(5,899)	–
Total allotted called-up and fully paid capital as at 31 December 2024		
2024: 131,158,070,611 Ordinary shares of USD 0.01043 each	**1,368**	**7,267**
Capital Contribution		
Capital Contribution	917	887

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

The Bank is a private unlimited company having share capital.

The share capital was reduced by USD 5,899 million from USD 7,267 million to USD 1,368 million cancelling and extinguishing capital to the extent of USD 0.04498 on each issued fully paid-up Ordinary share of USD 0.05541 each in the Bank and reducing the nominal value of each issued fully paid-up Ordinary Share from USD 0.05541 to USD 0.01043.

A dividend of USD Nil (2023: USD 1,100 million) was paid during the year.

27 Expected Credit Loss Measurement

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument as well as reconciliations of the gross carrying amounts.

Group and Bank	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
2024	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Loans and advances (USD million)								
Opening balance	3,071	4	145	30	74	67	3,290	101
Financial assets that have been derecognised (including write-offs)	(567)	(4)	(145)	(30)	(9)	(9)	(721)	(43)
Financial Assets reclassified to Fair Value through Profit or Loss	–	–	–	–	(65)	(58)	(65)	(58)
Closing balance	**2,504**	**–**	**–**	**–**	**–**	**–**	**2,504**	**–**
2023								
Loans and advances (USD million)								
Opening balance	2,717	4	29	1	28	15	2,774	20
Transfer to 12 Month ECL	4	1	(4)	(1)	–	–	–	–
Transfer to lifetime ECL not credit impaired	(68)	–	68	(1)	–	–	–	(1)
Transfer to lifetime ECL credit impaired financial assets	(53)	–	–	–	53	51	–	51
Net remeasurement of loss allowance	–	–	–	31	–	–	–	31
New financial assets originated or purchased	548	1	62	–	2	–	612	1
Financial assets that have been derecognised (including write-offs)	(77)	(2)	(10)	–	(9)	–	(96)	(2)
Changes in Model/ Risk parameters (model inputs) used for ECL calculation	–	–	–	–	–	1	–	1
Closing balance	**3,071**	**4**	**145**	**30**	**74**	**67**	**3,290**	**101**

Group and Bank	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
2024	Gross commitment amount	Allowance for ECL	Gross commitment amount	Allowance for ECL	Gross commitment amount	Allowance for ECL	Gross commitment amount	Allowance for ECL
Loan commitments (USD million)								
Opening balance	475	1	2	–	–	–	477	1
New financial liabilities originated or purchased	3	–	–	–	–	–	3	–
Financial assets that have been derecognised (including write-offs)	(448)	(1)	(2)	–	–	–	(450)	(1)
Closing balance	**30**	**–**	**–**	**–**	**–**	**–**	**30**	**–**
2023								
Loan commitments (USD million)								
Opening balance	985	2	186	1	–	–	1,171	3
Transfer to 12 Month ECL	180	1	(180)	(1)	–	–	–	–
Transfer to lifetime ECL not credit impaired	(2)	–	2	–	–	–	–	–
New financial liabilities originated or purchased	70	–	–	–	–	–	70	–
Financial liabilities that have been derecognised (including write-offs)	(758)	(2)	(6)	–	–	–	(764)	(2)
Closing balance	**475**	**1**	**2**	**–**	**–**	**–**	**477**	**1**

Other changes mainly constitute movements in existing commitments.

Group and Bank	**2024**	2023
Other assets- Stage 3 (USD million)		
Opening balance	**–**	**4,374**
Net remeasurement of loss allowance	–	(4,374)
Foreign exchange	–	–
Closing balance	**–**	**–**

No material ECL have been recognised on Securities purchased under resale agreements and securities borrowing transactions and Others assets (stage 1).

The changes in the ECL estimation techniques and assumptions made during the reporting period did not have a significant impact to the ECL estimate.

The key inputs into the measurement of ECLs (Stage 1 and Stage 2) are the term structures of the following variables:
- Probability of Default ('PD');
- Loss given default ('LGD'); and
- Exposure at default ('EAD').

These parameters derive from internally developed statistical models and historical data that leverage regulatory models. They are adjusted to reflect forward-looking information as described below to derive point-in-time, forward-looking term structures.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally and externally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between rating classes, then this leads to a change in the estimate of the associated PD. Lifelong PDs are estimated considering the contractual maturities of exposures and estimates prepayment rates.

LGD is the magnitude of the expected loss if there is a default. The CSi group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, geography, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

EAD represents the expected exposure in the event of a default. The CSi group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is the gross carrying amount at default. For lending commitments and financial guarantees, the EAD considers the amount drawn, as well as potential future amounts that may be drawn or repaid under the contract, which will be estimated based on historical observations. For some financial assets, the CSi group determines EAD by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

Where a relationship to macroeconomic indicators is statistically sound and in line with economic expectations, the parameters are modelled accordingly and, thus, incorporate the CSi group's forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the CSi group measures ECLs considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the CSi group considers a longer period. The maximum contractual period extends to the date at which the CSi group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

As at 31 December 2024 Macroeconomic Factors (MEF)	Function-Corporates/ Financial Institutions	ECL Scenario	Assigned Weights	Latest data [1]	End Period Projections					Impact on ECL from an increase in MEF
			%	December 24 %	2025 %	2026 %	2027 %	2028 %	2029 %	
Eurozone Real GDP Growth Rate (%YoY)										↓
	Both	Upside	0	1.4	2.3	1.7	1.2	1.1	1.0	
	Both	Downside	15	0.1	-1.1	0.5	1.7	1.3	1.0	
	Both	Baseline	60	1.2	1.2	1.1	1.1	1.1	1.0	
	Both	Severe Downside	25	-1.5	-3.8	-0.5	1.1	1.1	1.0	
US Real GDP (%YoY)										↓
	Global Corporates	Upside	0	2.6	3.3	2.6	2.0	1.9	1.8	
	Global Corporates	Downside	15	1.2	-0.9	0.8	1.9	1.9	1.8	
	Global Corporates	Baseline	60	2.0	1.6	1.7	1.8	1.8	1.8	
	Global Corporates	Severe Downside	25	-0.2	-3.5	-0.4	1.8	1.9	1.8	
US Nominal GDP (%YoY)										↓
	Fallback IB	Upside	0	5.2	5.8	5.4	5.0	4.2	3.8	
	Fallback IB	Downside	15	3.2	-0.9	1.8	3.9	3.9	3.8	
	Fallback IB	Baseline	60	4.2	3.6	3.7	3.8	3.8	3.8	
	Fallback IB	Severe Downside	25	5.6	3.3	2.3	3.9	3.9	3.8	
iTraxx Crossover 3Y (Basis points)										↑
	Global Corporates	Upside	0	245.2	241.8	241.8	243.3	255.7	264.9	
	Global Corporates	Downside	15	401.3	745.0	677.0	486.1	369.0	281.1	
	Global Corporates	Baseline	60	263.4	268.3	266.6	266.5	266.5	266.5	
	Global Corporates	Severe Downside	25	542.3	1275.2	1260.9	1072.0	642.4	320.2	
CDX HY (Basis points)										↑
	Global Corporates	Upside	0	285.9	228.4	228.4	233.4	273.0	302.7	
	Global Corporates	Downside	15	445.2	795.9	726.5	531.7	412.2	322.6	
	Global Corporates	Baseline	60	304.5	309.5	307.8	307.7	307.7	307.7	
	Global Corporates	Severe Downside	25	589.1	1336.8	1322.2	1129.5	691.2	362.5	
iTraxx Senior Financial 5Y (Basis points)										↑
	Financial Institutions	Upside	0	66.8	75.8	68.7	59.6	63.6	66.6	
	Financial Institutions	Downside	15	98.9	160.8	144.5	109.3	86.8	69.9	
	Financial Institutions	Baseline	60	61.9	66.1	66.8	67.0	67.1	67.1	
	Financial Institutions	Severe Downside	25	122.1	260.9	245.8	218.2	137.6	77.1	

[1] Latest estimates have been used for the MEFs used for 4Q24 ECL valuation

As at 31 December 2023 Macroeconomic Factors (MEF)	Function-Corporates/Financial Institutions	ECL Scenario	Assigned Weights %	Latest data [1] December 23 %	End Period Projections 2024 %	2025 %	2026 %	2027 %	2028 %	Impact on ECL from an increase in MEF
Eurozone Real GDP Growth Rate (%YoY)										↓
	Both	Downside	15	-0.8	-1.1	0.5	1.7	1.5	1.1	
	Both	Baseline	60	0.0	0.9	1.1	1.1	1.1	1.1	
	Both	Severe Downside	25	-2.4	-3.8	-0.5	1.1	1.2	1.1	
US Real GDP (%YoY)										↓
	Global Corporates	Downside	15	1.7	-1.0	0.8	1.9	1.9	1.8	
	Global Corporates	Baseline	60	2.0	1.0	2.5	1.8	1.8	1.8	
	Global Corporates	Severe Downside	25	0.4	-3.5	-0.4	1.8	1.9	1.8	
US Nominal GDP (%YoY)										↓
	Fallback IB	Downside	15	3.9	-1.1	1.8	3.9	3.9	3.8	
	Fallback IB	Baseline	60	6.6	2.4	4.2	3.8	3.8	3.8	
	Fallback IB	Severe Downside	25	6.5	3.3	2.3	3.9	3.9	3.8	
iTraxx Crossover 3Y (Basis points)										↑
	Global Corporates	Downside	15	461.4	676.2	619.8	482.0	405.2	328.3	
	Global Corporates	Baseline	60	364.1	388.3	388.3	384.5	353.5	322.6	
	Global Corporates	Severe Downside	25	559.6	1,034.5	1,000.8	860.7	605.7	350.6	
CDX HY (Basis points)										↑
	Global Corporates	Downside	15	540.3	791.9	725.9	562.7	459.1	355.5	
	Global Corporates	Baseline	60	388.3	402.9	405.1	401.8	373.9	346.0	
	Global Corporates	Severe Downside	25	655.3	1,211.9	1,172.4	1,006.5	694.1	381.6	
iTraxx Senior Financial 5Y (Basis points)										↑
	Financial Institutions	Downside	15	130.4	167.6	147.8	120.6	101.5	82.4	
	Financial Institutions	Baseline	60	81.3	87.5	89.2	89.0	84.7	80.5	
	Financial Institutions	Severe Downside	25	144.8	246.3	210.5	197.8	142.3	86.9	

[1] Latest estimates have been used for the MEFs used for 4Q23 ECL valuation

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 growth rates. These MEFs are used in the portfolio- and region-specific ECL models and have been selected based on statistical criteria and expert judgement to explain expected credit losses. The above table includes CSi's forecast of selected MEFs estimated as of 31 December 2024. The comparative information includes the forecast of MEFs selected and estimated as of 31 December 2023.

28 Retirement Benefit Obligations

The Bank operates a defined benefit pension plan ('UK DB Plan') in the UK. The UK DB Plan is a funded, final salary pension plan. The UK DB Plan is closed to future defined benefit accrual. Prior to 1 September 2024, past service benefits for active members were still linked to pensionable salary.

The assets of the UK DB Plan are held independently of the Bank's assets in a separate trustee administered fund. Responsibility for governance and running of the UK DB Plan, including investment decisions (after consultation with the Bank) and contribution schedules (which requires the agreement of the Bank) lies with the board of trustees.

The UK DB Plan completed a buy-in with an external insurance company in 2024. The insurer commenced paying the scheme pensioner payroll from December 2024. The buy-in policy has been included as a scheme asset. The buy-in value has been set equal to 97% of the Defined Benefit Obligation ('DBO') and CSi's pension surplus reduced by USD 108 million.

Approximately 1% of the UK DB Plan's obligations are attributable to current employees, 60% to former employees yet to retire and 39% to current pensioners and dependents of former members currently in receipt of benefits. The weighted average duration of the UK DB Plan is 15 years.

Accounting for Defined Benefit Plans

The Bank is the legal sponsor of the UK DB Plan and has no contractual agreement or stated policy for charging the net defined benefit cost to the other participating entities. Therefore, as the legal sponsor, the Bank accounts for the entire plan using defined benefit accounting based on a full actuarial valuation completed by independent actuaries once a year using the projected unit credit method and updated for each Consolidated Statement of Financial Position date.

The following disclosures contain the entire balances for UK DB Plan sponsored by the Bank.

Defined Benefit Costs

All expenses arising from retirement benefit obligations are recorded in the Bank's Consolidated Statement of Income under 'Compensation and benefits'. The following tables show the defined benefit (credits)/costs for the UK DB Plan for 2024 and 2023.

	UK DB Plan	
Group and Bank	**2024**	2023
Defined benefit pension plans (USD million)		
Operating Cost		
Current service costs on benefit obligation	1	2
Past service costs (including curtailments)	18	–
Administrative expense	2	2
Financing Cost		
Net Interest credits	(27)	(29)
Defined benefit costs/(credits)	**(6)**	**(25)**

Defined Benefit Obligation and Fair Value of Plan Assets

The following table shows the changes in the defined benefit obligation and the fair value of plan assets during 2024 and 2023:

	UK DB Plan	
Group and Bank	**2024**	2023
Defined benefit pension plans (USD million)		
Defined benefit obligation – 1 January	**1,087**	**1,008**
Current service cost	1	2
Interest cost	52	50
Actuarial gains on assumptions	(148)	(25)
arising out of changes in demographic assumptions	(2)	(12)
arising out of changes in financial assumptions	(146)	(13)
Actuarial (gains)/losses – experience	(9)	25
Benefit payments	(27)	(30)
Past service costs (including curtailments)	18	–
Exchange rate (gains)/losses	(19)	57
Defined benefit obligation – 31 December	**955**	**1,087**
Fair value of plan assets – 1 January	**1,643**	**1,575**
Interest on plan assets	79	79
Actuarial losses on plan assets	(309)	(56)
Actual return on plan assets	**(230)**	**23**
Employer contributions	(7)	(11)
Administrative expense	(2)	(2)
Benefit payments	(27)	(30)
Exchange rate gains/(losses)	(23)	88
Fair value of plan assets – 31 December	**1,354**	**1,643**
Total funded status – 31 December		
Plan assets	1,354	1,643
Defined benefit obligation related to funded plans	(955)	(1,087)
Funded status for funded plans	**399**	**556**
Funded status recognised – 31 December	**399**	**556**

As of 31 December 2024, the Bank recognised net pension asset of USD 399 million (2023: USD 556 million) in its Consolidated Statement of Financial Position for the UK DB Plan.

The total estimated impact of amendments was an increase in the DBO of USD 18 million which has been included as a past service cost.

For the year ending 31 December 2024, a remeasurement loss of USD 152 million was recognised by the Bank in OCI for the UK DB Plan mainly due to USD 309 million losses on the asset portfolio which were partially offset by USD 157 million gains on the benefit obligation, mainly due to changes in financial assumptions. For the year ending 31 December 2023, a remeasurement loss of USD 56 million was recognised by the Bank in OCI for the UK DB Plan mainly due to losses on the asset portfolio.

Funding requirements

UK legislation requires that pension schemes are funded prudently. The latest funding valuation of the UK DB Plan was carried out by a qualified actuary as at 31 December 2020 and showed a surplus of USD 550 million. The next funding valuation measured as at 31 December 2023 is expected to be finalised by 31 March 2025.

Assumptions

The assumptions used in the measurement of the benefit obligation and defined benefit cost for the UK DB Plan as at 31 December 2024 and 2023 were as follows:

Group and Bank	**2024**	2023
Benefit obligation (%)		
Discount rate	5.79%	4.80%
Retail Price Inflation	3.13%	3.02%
Consumer Price Inflation	2.63%	2.40%
Pension increases [1]	2.89%	2.81%
Salary increases	3.88%	3.65%
Defined benefit cost (%)		
Discount rate	5.06%	5.18%
Salary increases	3.74%	3.68%

[1] Pensions earned pre 6 April 1997 which are subject to pension increases on a discretionary basis are considered to be Nil.

A full yield curve valuation was carried out to determine the DBO. The above assumptions are the equivalent flat-rate assumptions that would result in the same DBO being calculated.

Mortality Assumptions

The assumptions for life expectancy for the 2024 UK DB benefit obligation pursuant to IAS 19 are based on the "SAPS 4 light" base table with improvements in mortality in line with the 2023 CMI model with S=7.0,A=0.5 and a scaling factor consistent with the latest mortality analysis of the Fund. Underpins to future mortality improvement have also been incorporated, the annual long term rate of improvement being 1.25% p.a.

On this basis the post-retirement mortality assumptions are as follows:

	2024	2023
Life expectancy at age 60 for current pensioners aged 60 (years)		
Males	27.9	27.8
Females	29.7	29.6
Life expectancy at age 60 for future pensioners currently aged 40 (years)		
Males	29.2	29.3
Females	31.0	31.0

Sensitivity Analysis

Changes in the principal assumptions used to measure the benefit obligation would have had the following effects:

Defined Benefit obligation	Defined Benefit Obligation (USD million)	Increase %	Defined Benefit Obligation (USD million)	Decrease %
2024				
Percentage change				
- 0.5%/ +0.5% Discount rate	1,024	7	893	(6)
+0.5% / -0.5% Inflation rate	992	4	920	(4)
+0.5% / -0.5% Salary increases rate	955	–	955	–
+1 / -1 year to life expectancy at 60	980	3	930	(3)
2023 [1]				
Percentage change				
- 0.5%/ +0.5% Discount rate	1,176	8	1,008	(7)
+0.5% / -0.5% Inflation rate	1,136	5	1,041	(4)
+0.5% / -0.5% Salary increases rate	1,088	–	1,087	–
+1 / -1 year to life expectancy at 60	1,117	3	1,057	(3)

[1] Prior period numbers have been restated to conform to current period's presentation.

The sensitivity analysis has been derived from the full valuation run that have been carried out using the data used for calculating the 31 December 2024 defined benefit obligation. For the sensitivities the impact on the UK funded status will be lower to the impact on the benefit obligation, as the buy-in asset matches around 97% of the DBO.

Plan Assets and Investment Strategy

The majority of the scheme's assets are invested in a buy-in policy. The value of the policy matches 97% of DBO.

Plan assets measured at fair value

	Quoted	Un-quoted	Total	% of total fair value of scheme assets
Plan assets measured at fair value (USD million)				
2024				
Cash and cash equivalents	396	–	396	29.2%
Debt Securities	31	–	31	2.3%
of which governments	31	–	31	2.3%
of which corporates	–	–	–	–%
Derivatives	–	–	–	–%
Buy-in insurance contract	–	927	927	68.5%
Total plan assets UK Plans	**427**	**927**	**1,354**	**100.0%**
2023				
Cash and cash equivalents	–	262	262	15.9%
Debt Securities	1,393	–	1,393	84.8%
of which governments	1,159	–	1,159	70.5%
of which corporates	234	–	234	14.2%
Derivatives	–	(12)	(12)	(0.7)%
Total plan assets UK Plans	**1,393**	**250**	**1,643**	**100.0%**

At 31 December 2024 and 2023, the pension fund plan assets held no material amounts of the UBS Group debt and equity securities.

Risks Associated with UK DB Plan

The majority of assets are invested in a buy-in insurance contract. The value of the insurance contract matches 97% of DBO, such that the UK DB Plan is materially hedged.

The results shown in this report reflect the benefits due at the date of the report and make no allowance for any potential impact on benefits of recent case law.

During 2024, the Court of Appeal upheld the High Court's judgement in Virgin Media v NTL Pension Trustees II Limited & others, calling into question the validity of amendments made between 6 April 1997 and 31 March 2004 (when the scheme closed to the future accrual of pension). Following that judgement, an amendment from the relevant period was judged as material and was reviewed. While uncertainties remain, the review indicated the risk of a change in the defined benefit obligation ('DBO') was remote, so no adjustment was made to the DBO value.

Expected Contributions

No contributions are expected to be paid to the UK DB plan in 2025. The Trustees of the UK Pension Fund have agreed with the Bank to meet the cost of the active members' contributions into the UK DC Plus plan from the pension assets of the UK DB plan. The annual expected contributions paid from the UK DB plan to the UK DC Plus plan is USD 1 million.

Defined Contribution Pension Plans

The Bank also contributes to various defined contribution pensions primarily in the UK. The contributions in these plans during 2024 were USD 18 million (2023: USD 34 million).

29 Employee Share-based Compensation and Other Compensation Benefits

Share-based compensation benefits

For share awards granted to employees of the Bank prior to the acquisition of Credit Suisse Group by UBS Group on 12th June 2023, a liability equal to the portion of the services received is recognised at the current market value determined at each balance sheet date. The Bank pays for UBS Group shares at market value at the time of settlement to employees.
For share awards granted following the date of acquisition, the grantor is UBS Group. The Bank is invoiced over the requisite service period for the grant price of awards relating to employees of the Bank. No further payments are required to be made by the Bank at the time of settlement to employees.
The expense for share-based payments is determined by treating each tranche as a separate grant of share awards and is accrued over the vesting period for each tranche, unless the employee is eligible for early retirement or retirement before the end of the vesting period, in which case recognition of the expense would be accelerated over the shorter period.
The majority of share awards granted include the right to receive dividend equivalents on vested shares.

Employee Share-based Compensation and Other Compensation Benefits

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

Share Awards

Share awards generally vest over three years with one third of the share awards vesting on each of the three anniversaries of the grant date (ratable vesting), with the exception of awards granted to individuals classified as Risk Manager Material Risk Takers ('MRTs') or Senior Managers or equivalents under the EU or UK Capital Requirements Directive V related provisions. Share awards granted to Risk Manager MRTs vest over five years with one fifth of the award vesting on each of the five anniversaries of the grant date. Share awards granted to Senior Managers vest over seven years, with one fifth of the award vesting on each of the third to seventh anniversaries of the grant date. Share awards are expensed over the service period of the awards. The value of the share awards is solely dependent on the UBS Group AG share price at the time of delivery.

The share awards include other awards, such as blocked shares, Strategic Delivery Plan ('SDP'), Performance Share Award ('PSA'), Transformation Award ('TA') and special awards, which may be granted to new employees. These awards entitle the holder to receive one UBS Group AG share and are generally subject to continued employment with UBS Group, contain restrictive covenants and cancellation provisions and generally vest between zero and five years.

SDP was a one-off share-based award granted in February 2022. The SDP awards are subject to service conditions and performance-based metrics over the course of 2022-2024.

SDP awards are scheduled to vest on the third anniversary of the grant date, with the exception of awards granted to individuals classified as material risk takers ('MRTs'), risk manager MRTs or senior managers or equivalents under the EU Capital Requirements Directive V and UK Investment Firms Prudential Regime, where a longer vesting period applies. Prior to settlement, the principal amount of the SDP awards will be written down to zero and forfeited if the UBS Group's reported CET1 ratio falls below 7% as of December 31st of the calendar year 2024.

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

Total compensation expense/(income) for cash-settled share-based compensation plans recognised during 2024 and 2023 was USD 29 million and USD 38 million respectively. The total stock award liability recorded as at 31 December 2024 was USD 16 million (2023: USD 87 million). The fair value used to calculate the stock award liability was the closing UBS Group AG share price as at 31 December 2024 CHF 27.73 (2023: CHF 26.10). The average weighted fair value of awards granted in 2024 was CHF 25.94 (2023: CHF 18.43). The intrinsic value of vested share-based awards outstanding as at year end was USD 11 million (2023: USD 16 million).

Movements in the number of share outstanding were as follows:

Group and Bank				**2024**				2023
Number of units (millions)	Phantom Share	SDP	PSA	TA	Phantom Share	SDP	PSA	TA
As at 1 January	1.10	0.22	0.18	0.22	15.49	6.04	8.72	–
Granted	0.15	–	–	–	24.59	(0.37)	(0.44)	5.55
Shares transferred in/out	(0.52)	(0.11)	(0.07)	(0.18)	(0.15)	0.02	0.02	–
Delivered	(0.30)	–	(0.05)	–	(4.48)	–	(2.86)	–
Forfeited	(0.07)	(0.01)	–	(0.01)	(1.26)	(0.29)	(0.68)	(0.02)
Conversion to UBS shares	–	–	–	–	(33.09)	(5.18)	(4.58)	(5.31)
As at 31 December	**0.36**	**0.10**	**0.06**	**0.03**	**1.10**	**0.22**	**0.18**	**0.22**

Upfront Cash Awards

Upfront cash awards are subject to repayment (clawback) by the employee in the event of voluntary resignation, termination for cause or in connection with other specified events or conditions within three years of the award grant. The amount subject to repayment is reduced in equal monthly instalments during the three-year period following the grant date. The expense recognition will occur over the three-year vesting period subject to service conditions.

Total compensation expense recognised during the year ended 31 December 2024 was USD 0.3 million (2023: USD 22 million).

Deferred cash awards

Deferred Deferred cash awards include special awards, merger retention cash awards (vested in 60 days after grant), transformation cash awards, Contingent Capital Awards ('CCA'), Deferred Contingent Cash Plan ('DCCP'), Fund Ownership Plan ('FOP') cash awards, Deferred Cash Allowance Plan and employee investment plans. Compensation expense was primarily driven by their vesting schedule as well as mark to market adjustments, where applicable.

Total compensation expense recognised for these other deferred cash awards during the year ended 31 December 2024 was USD 16 million (2023: USD 29 million).

30 Related Parties

The CSi group is controlled by UBS Group AG, its ultimate parent and also the largest group of undertakings to consolidate these financial statements. The registered office of UBS Group AG is at Bahnhofstrasse 45, 8001 Zurich, Switzerland. The CSi group's parent company, which holds a majority of the voting rights in the undertaking, is UBS AG, which is incorporated in Switzerland. The two registered addresses of UBS AG are Bahnhofstrasse 45, 8001 Zurich, Switzerland and Aeschenvorstadt 1, CH-4051 Basel, Switzerland.

The CSi group has significant related party balances with subsidiaries and affiliates of UBS Group. These transactions largely comprise of derivative trades, as the Bank is the principal risk taker for derivatives as well as funding trades via use of loans or due to banks, reverse repurchase or repurchase agreements. In addition, the ordinary shares are held by UBS Group and subsidiaries. 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 UBS Group entities that provide services in respect of the global derivatives business which is centrally booked in the Bank. The CSi group enters 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 year ended 31st December 2024 compared to the year ended 31 December 2023. The magnitude of balances has decreased consistent with overall reductions in the balance sheet.

a) Related party assets and liabilities

	31 December 2024			31 December 2023		
Group	Parent [1]	Fellow group companies	Total	Parent [1]	Fellow group companies	Total
Assets (USD million)						
Cash and due from banks	1,478	53	1,531	2,905	45	2,950
Interest-bearing deposits with banks	3,961	–	3,961	8,319	–	8,319
Securities purchased under resale agreements and securities borrowing transactions	532	–	532	601	695	1,296
Trading financial assets mandatorily at fair value through profit or loss	10,151	134	10,285	19,373	4,334	23,707
Non-trading financial assets mandatorily at fair value through profit or loss	7,400	682	8,082	2,426	1,106	3,532
Loans and advances	–	2,504	2,504	665	2,504	3,169
Other assets	548	200	748	218	1,776	1,994
Total assets	**24,070**	**3,573**	**27,643**	**34,507**	**10,460**	**44,967**
Liabilities and Equity (USD million)						
Due to banks	17	–	17	–	1	1
Securities sold under repurchase agreements and securities lending transactions	3	23	26	42	311	353
Trading financial liabilities mandatorily at fair value through profit or loss	8,467	140	8,607	16,768	4,485	21,253
Financial liabilities designated at fair value through profit or loss	20	2,405	2,425	7,043	1,801	8,844
Borrowings	7,387	–	7,387	12,622	–	12,622
Debt in issuance	3,051	2,405	5,456	5,693	2,413	8,106
Other liabilities	2,686	270	2,956	2,094	617	2,711
Share capital	1,368	–	1,368	7,267	–	7,267
Other Equity Instrument	–	–	–	1,200	–	1,200
Total liabilities and equity	**22,999**	**5,243**	**28,242**	**52,729**	**9,628**	**62,357**

[1] The term parent refers to the immediate parent, UBS AG and also the ultimate parent UBS Group AG (CSG for 2023). The above table includes other liabilities balances with UBS Group AG of USD 2 million (2023: USD Nil).

Bank	31 December 2024 Parent [1]	Fellow group companies	Subsidiaries	Total	31 December 2023 Parent [1]	Fellow group companies	Subsidiaries	Total
Assets (USD million)								
Cash and due from banks	1,478	53	–	1,531	2,905	45	–	2,950
Interest-bearing deposits with banks	3,961	–	–	3,961	8,319	–	–	8,319
Securities purchased under resale agreements and securities borrowing transactions	532	–	–	532	601	695	–	1,296
Trading financial assets mandatorily at fair value through profit or loss	10,151	134	–	10,285	19,373	4,334	(33)	23,674
Non-trading financial assets mandatorily at fair value through profit or loss	7,400	682	–	8,082	2,229	1,106	4	3,339
Loans and advances	–	2,504	–	2,504	665	2,504	–	3,169
Other assets	552	200	–	752	223	1,771	–	1,994
Total assets	**24,074**	**3,573**	**–**	**27,647**	**34,315**	**10,455**	**(29)**	**44,741**
Liabilities and Equity (USD million)								
Due to banks	17	–	–	17	–	1	–	1
Securities sold under repurchase agreements and securities lending transactions	3	23	–	26	43	311	–	354
Trading financial liabilities at fair value through profit or loss	8,466	140	–	8,606	16,767	4,485	159	21,411
Financial liabilities designated at fair value through profit or loss	20	2,405	–	2,425	7,043	1,801	(1)	8,843
Borrowings	7,387	–	–	7,387	12,622	–	–	12,622
Debt in issuance	3,051	2,405	–	5,456	5,693	2,414	–	8,107
Other liabilities	2,691	270	–	2,961	2,099	616	–	2,715
Share capital	1,368	–	–	1,368	7,267	–	–	7,267
Other Equity Instrument	–	–	–	–	1,200	–	–	1,200
Total liabilities and equity	**23,003**	**5,243**	**–**	**28,246**	**52,734**	**9,628**	**158**	**62,520**

[1] The term parent refers to the immediate parent, UBS AG and also the ultimate parent UBS Group AG (CSG for 2023). The above table includes other liabilities balances with UBS Group AG of USD 2 million (2023: USD Nil).

Related party off-balance sheet transactions

Group and Bank (USD million)	31 December 2024 Parent	Fellow group companies	Total	31 December 2023 Parent	Fellow group companies	Total
Guarantees and Commitments						
Irrevocable loan commitments	–	–	–	–	173	173
Gross Irrevocable Loan commitments	**–**	**–**	**–**	**–**	**173**	**173**
Irrevocable Loan commitments – sub-participation	–	–	–	–	–	–
Net Irrevocable Loan commitments	**–**	**–**	**–**	**–**	**173**	**173**

b) Related party revenues and expenses

Group (USD million)	2024 Parent [2]	Fellow group companies	Total	2023 Parent [2]	Fellow group companies	Total
Interest income	692	245	937	920	709	1,629
Interest expense	(1,051)	(276)	(1,327)	(1,599)	(357)	(1,956)
Net interest expense	**(359)**	**(31)**	**(390)**	**(679)**	**352**	**(327)**
Commissions and fees	13	–	13	22	(35)	(13)
Transfer pricing arrangements	2	4	6	12	41	53
Other revenue	67	(39)	28	(2)	(32)	(34)
Total non-interest revenues	**82**	**(35)**	**47**	**32**	**(26)**	**6**
Net operating income	**(277)**	**(66)**	**(343)**	**(647)**	**326**	**(321)**
Total operating expenses [1]	**(261)**	**(169)**	**(430)**	**(585)**	**(467)**	**(1,052)**

[1] Net overheads allocated to other UBS Group entities of USD 25 million (2023: USD 180 million) are not included in the Total operating expenses.
[2] Above table includes operating expenses balances with UBS Group AG of USD 2 million (2023: USD 7 million)

c) Remuneration

Remuneration of Directors

(USD '000)	2024	2023
Emoluments	3,220	4,435
Long term incentive schemes:		
Amounts Paid under Deferred Cash Awards	220	654
Amounts Delivered under Share Based Awards	1,340	544
Total	**4,780**	**5,633**
Compensation for loss of office	–	950
Bank's contributions to defined contribution	59	56
Total	**4,839**	**6,639**

Emoluments include amounts paid to or receivable by the Directors. Only vested Cash Retention Awards are included in emoluments. Long term incentive schemes consist of deferred cash awards and share based awards and are only given to Executive Directors. The Non-Executive Directors only receive a fixed fee. Deferred cash awards are included in the period when the amounts vest and are paid, and share based awards are included in the period when the amounts vest and are delivered.

Where directors perform services for a number of companies within the UBS Group, the total remuneration payable to each director has been apportioned to the respective entities based on a time spent per company allocation for that director.

The aggregate of emoluments and deferred cash awards paid to or receivable by the highest paid director was USD 1,511,000 (2023: USD 2,453,000). There were Nil contributions made for defined contribution pension plan in 2024 (2023: USD Nil). There were Nil contributions made for defined benefit lump sum (2023: USD Nil).

The amounts included in the Companies Act disclosures are on a different basis than the recognition requirements of IFRS 2 and IAS 19 and the disclosure requirements of IAS 24. The aggregate amount of remuneration accrued in the Bank's accounts for directors in accordance with IFRS requirements for 2024 was USD 4,373,000 (2023: USD 5,382,000).

d) Number of Directors and Benefits

(Number of Directors)	2024	2023
Retirement benefits are accruing to the following number of Directors under:		
Defined contribution schemes	5	3
No scheme	4	9
Directors in respect of whom services were received or receivable under long term incentive scheme	5	5

e) Remuneration of Key Management Personnel

(USD' 000)	2024	2023
Remuneration of Key Management Personnel		
Emoluments	7,342	11,717
Long term incentive schemes	2,010	1,874
Total	**9,352**	**13,591**
Compensation for loss of office	236	398
Bank's contributions to defined contribution plan	143	200
Total	**9,731**	**14,189**

The numbers disclosed in the 'Remuneration of Key Management Personnel' are based on amounts accrued in the financial statements for all emoluments and long-term incentive schemes.

Where Key Management Personnel perform services for a number of companies within the UBS Group, the total remuneration payable to each key management person has been apportioned to the respective entities based on a time spent per company allocation for that key management person.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the CSi group, directly or indirectly, including any director of the CSi group.

Key management personnel include Directors and the members of the CSi Executive Committee.

Shares awarded to Key Management Personnel

	2024	2023
Number of shares	192,585	115,589

The shares included in the table are the shares accrued in the period under the requirements of IFRS 2. These numbers differ from the share awards included in the Companies Act disclosures above, which are disclosed in the period in which they vest and are delivered.

f) Loans and Advances to Directors and Key Management Personnel

Loans outstanding to or due from Directors or key management personnel of the CSi group as at 31 December 2024 were USD Nil (2023: USD Nil), of which loans to Directors were USD Nil (2023: USD Nil).

31 Derivatives and Hedging Activities

Derivatives are generally either bilateral OTC contracts or standard contracts transacted through regulated exchanges. The Bank's most frequently used freestanding derivative products, entered into for trading and risk management purposes, include interest rate, equity, cross currency and credit default swaps, interest rate and foreign currency options, foreign exchange forward contracts, and foreign currency and interest rate futures.

Furthermore, the Bank entered contracts that are not considered derivatives in their entirety but include embedded derivative features. Such transactions primarily included issued and purchased structured debt instruments where the return may be calculated by reference to an equity security, index, or third-party credit risk or that have non-standard or foreign currency terms.

On the date the derivative contract is entered into, the Bank designated the derivative as belonging to one of the following categories:

- a trading activity;
- a risk management transaction that does not qualify as a hedge under accounting standards (referred to as an economic hedge)

The following table sets forth details of trading and hedging derivatives instruments:

	31 December 2024				31 December 2023			
	Trading		Hedging		Trading		Hedging	
Group and Bank	Gross Derivative Assets	Gross Derivative Liabilities	Gross Derivative Assets	Gross Derivative Liabilities	Gross Derivative Assets	Gross Derivative Liabilities	Gross Derivative Assets	Gross Derivative Liabilities
Trading and hedging derivatives instruments (USD million)								
Interest rate products	13,453	12,496	–	–	33,876	33,284	–	–
Foreign exchange products	8,043	8,631	–	–	13,457	15,156	3	–
Equity/indexed-related products	803	788	–	–	9,073	8,891	–	–
Credit products	157	169	–	–	1,851	2,107	–	–
Other products	28	27	–	–	76	64	–	–
Total derivative instruments	**22,484**	**22,111**	**–**	**–**	**58,333**	**59,502**	**3**	**–**

	2024		2023	
Group and Bank	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Derivative Assets and Liabilities (USD million)				
Derivative Assets and Liabilities (trading and hedging) before netting	22,484	22,111	58,336	59,502
Derivative Assets and Liabilities (trading and hedging) after netting	22,484	22,111	57,340	58,562

For information and details on the balances with related parties, refer Note 30 – Related Parties.

Trading Activities

The Bank is active in most of the principal trading markets and transacts in many popular trading and hedging products. As noted above, this includes the use of swaps, futures, options and structured products (custom transactions using combinations of derivatives) in connection with its sales and trading activities. Trading activities include market making and customer-based trading. The majority of the Bank's derivatives held as at 31 December 2024 were used for trading activities.

Economic Hedges

Economic hedges arise when the UBS Group AG group enters derivative contracts for its own risk management purposes, but the contracts entered into do not qualify for hedge accounting under IFRS. These economic hedges include the following types:

- interest rate derivatives to manage net interest rate risk on certain banking business assets and liabilities;
- foreign exchange derivatives to manage foreign exchange risk on certain banking business revenue and expense items, as well as on banking business assets and liabilities;
- credit derivatives to manage credit risk on certain loan portfolios; and
- economic hedges are accounted for and presented in the same way as trading derivatives, since hedge accounting is not applied.

Disclosures relating to contingent credit risk

Certain of the Bank's derivative instruments contain provisions that require it to maintain a specified credit rating from each of the major credit rating agencies. If the ratings fall below the level specified in the contract, the counterparties to the agreements could request payment of additional collateral on those derivative instruments that are in a net liability position. Certain of the derivative contracts also provide for termination of the contract, generally upon a downgrade of either UBS Group AG or the counterparty, at the existing mark to market replacement value of the derivative contract.

On a daily basis, the level of incremental collateral that would be required by derivative counterparties in the event of a UBS Group AG ratings downgrade is monitored. Collateral triggers are maintained by the Collateral Management department and vary by counterparty.

The impact of downgrades in the UBS Group AG's debt in issuance ratings are considered in the stress assumptions used to determine the liquidity and funding profile of the Bank. The Bank holds a liquidity pool made up of 'High Quality Liquid Assets' ('HQLA') to meet any additional collateral calls as a result of a downgrade. The assessment takes into consideration a two-notch downgrade in credit rating of UBS Group AG.

32 Contingent Liabilities, Guarantees and Commitments

The following tables set forth details of contingent liabilities associated with guarantees and other commitments:

Group and Bank	Maturity <1 year	1-3 years	3-5 years	>5 years	Total gross amount	Secured by collateral	Net of collateral
31 December 2024							
Guarantees (USD million)							
Credit guarantees and similar instruments	–	–	–	–	–	–	–
Forward reverse repurchase agreements	–	–	–	–	–	–	–
Total guarantees	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other commitments (USD million)							
Loan commitments	–	–	–	30	30	–	30
Other commitments – commitments to purchase cash securities <1 year	–	–	–	–	–	–	–
Total other commitments	**–**	**–**	**–**	**30**	**30**	**–**	**30**
31 December 2023							
Guarantees (USD million)							
Credit guarantees and similar instruments	118	25	–	–	143	3	140
Forward reverse repurchase agreements	183	–	–	–	183	175	7
Total guarantees	**301**	**25**	**–**	**–**	**326**	**178**	**147**
Other commitments (USD million)							
Loan commitments	189	680	151	114	1,134	372	763
Other commitments – commitments to purchase cash securities <1 year	222	5	–	–	227	–	228
Total other commitments	**411**	**685**	**151**	**114**	**1,361**	**372**	**991**

Credit guarantees are contracts that require the CSi group to make payments, should a third party fail to do so under a specified existing credit obligation. For example, in connection with its corporate lending business and other corporate activities, the CSi group provides guarantees to counterparties in the form of standby letters of credit, which represent obligations to make payments to third parties if the counterparty fails to fulfil its obligation under a borrowing arrangement or other contractual obligation.

Performance guarantees and similar instruments are arrangements that require contingent payments to be made when certain performance-related targets or covenants are not met. Such covenants may include a customer's obligation to deliver certain products and services or to perform under a construction contract. Performance-related guarantees are frequently executed as part of project finance transactions.

Loan commitments include unused credit facilities that cannot be revoked at any time without prior notice.

Commitments to purchase cash securities represents the value of debt and equity cash security contracts which requires CSi group to make payments to customers, banks, brokers and dealers which have not settled as at the reporting date.

Contingent Liabilities and Other Commitments

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

CSi has a litigation provision of USD 4 million as at year end 31 December 2024. Below are the potentially more significant litigation matters.

CSi and other Credit Suisse entities were subject to investigations by regulatory and enforcement authorities, as well as civil litigation, regarding certain Credit Suisse entities' arrangement of loan financing to Mozambique state enterprises, Proindicus S.A. and Empresa Mocambiacana de Atum S.A. ('EMATUM'), a distribution to private investors of Loan participation notes ('LPN') related to the EMATUM financing in September 2013, and certain Credit Suisse entities' subsequent role in arranging the exchange of those LPNs for Eurobonds issued by the Republic of Mozambique. In 2019, three former Credit Suisse employees pleaded guilty in the Eastern District of New York ('EDNY') to accepting improper personal benefits in connection with financing transactions carried out with two Mozambique state enterprises.

In October 2021, Credit Suisse reached settlements with the Department of Justice ('DOJ'), the US Securities Exchange Commission ('SEC'), the UK Financial Conduct Authority ('FCA') and FINMA to resolve inquiries by these agencies, including findings that CSi, CSS(E)L, and Credit Suisse AG ('CSAG'), London Branch had failed to conduct business with due skill, care and diligence and to take reasonable care to organise and control their affairs responsibly and effectively, with adequate risk management systems. CSi, CSS(E)L, and CSAG paid a penalty of approximately USD 200 million and further to an agreement with the FCA, forgave USD 200 million of debt owed to Credit Suisse by Mozambique. Credit Suisse Group AG entered into a three-year Deferred Prosecution Agreement ('DPA') with the DOJ in connection with the criminal information charging Credit Suisse Group AG with conspiracy to commit wire fraud and CSS(E)L entered into a Plea Agreement and pleaded guilty to one count of conspiracy to violate the US federal wire fraud statute. Under the terms of the DPA, UBS Group AG (as successor to Credit Suisse Group AG) continued compliance enhancement and remediation efforts agreed by Credit Suisse, and to undertake additional measures as outlined in the DPA. In January 2025, as permitted under the terms of the DPA, the DOJ elected to extend the term of the DPA by one year.

CS AG entities, including CSi, have received requests for documents and information in connection with inquiries, investigations, enforcement and other actions relating to the supply chain finance funds ('SCFF') matter by Swiss Financial Market Supervisory Authority ('FINMA'), the FCA and other regulatory and governmental agencies.

In February 2023, FINMA announced the conclusion of its enforcement proceedings against Credit Suisse in connection with the SCFF matter. In its order, FINMA reported that Credit Suisse had seriously breached applicable Swiss supervisory laws in this context with regard to risk management and appropriate operational structures. While FINMA recognised that Credit Suisse has already taken extensive organisational measures, the regulator ordered certain additional remedial measures. In May 2023, FINMA opened an enforcement proceeding against Credit Suisse in order to confirm compliance with supervisory requirements in response to inquiries from FINMA's enforcement division in this matter. FINMA has closed the enforcement proceeding, finding that Credit Suisse breached its cooperation obligations with FINMA, with no remedial measures being ordered. In December 2024, the Luxembourg Commission de Surveillance du Secteur Financier ('CSSF') concluded its investigation. The CSSF identified non-compliance with several obligations under Luxembourg law and imposed a sanction of EUR 250,000. The Attorney General of the Canton of Zurich has initiated a criminal procedure in connection with the SCFFs matter and several fund investors have joined the procedure as interested parties. Certain former and active Credit Suisse employees, among others, have been named as accused persons, but Credit Suisse itself was not made a party to the proceeding.

Certain civil actions have been filed by fund investors and other parties against Credit Suisse entities, including CSi, and/or certain officers and directors in various jurisdictions, which make allegations including mis-selling and breaches of duties of care, diligence and other fiduciary duties. Certain investors and other private parties have also filed criminal complaints against Credit Suisse and other parties in connection with this matter. In June 2024, the Credit Suisse SCFFs made a voluntary offer to the SCFFs' investors to redeem all outstanding fund units. The offer expired on 31 July 2024, and fund units representing around 92% of the SCFFs' net asset value were tendered in the offer and accepted. Fund units accepted in the offer were redeemed at 90% of the net asset value determined on 25 February 2021, net of any payments made by the relevant fund to the fund investors since that time. Investors whose units were redeemed released any claims they may have had against the SCFFs, Credit Suisse or UBS. The offer was funded by UBS through the purchase of units of feeder sub-funds.

In relation to the Archegos matter, Credit Suisse entities, including CSi, have received requests for documents and information in connection with inquiries, investigations and/or actions relating to their relationships with Archegos Capital Management ('Archegos'), including from FINMA (assisted by a third party appointed by FINMA), the DOJ, the SEC, the US Federal

Reserve, the US Commodity Futures Trading Commission ('CFTC'), the US Senate Banking Committee, the PRA, the FCA, COMCO, the WEKO, the Hong Kong Competition Commission and other regulatory and governmental agencies. Credit Suisse is cooperating with the authorities in these matters.

In July 2023, CSi and CSS(E)L entered into a settlement agreement with the PRA providing for the resolution of the PRA's investigation. Also in July 2023, FINMA issued a decree ordering remedial measures and the Federal Reserve Board issued an Order to Cease and Desist. Under the terms of the order, Credit Suisse paid a civil money penalty and agreed to undertake certain remedial measures relating to counterparty credit risk management, liquidity risk management and non-financial risk management, as well as enhancements to board oversight and governance. UBS Group, as the legal successor to Credit Suisse Group AG, is a party to the FINMA decree and Federal Reserve Board Cease and Desist Order.

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

33 Interests in Other Entities

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 full list of related undertakings in subsidiaries of the CSi group owns, directly or indirectly.

Composition of the CSi group

Entity Name	Domicile	Currency	**Percentage of ownership held 2024**	Percentage of ownership held 2023
31 December 2024				
AI3 (USD) Segregated Portfolio	Cayman Islands	USD	–	100
Albalatin LLC	Qatar	USD	100	100
Andrea Cell 1000 EUR [1]	Jersey	EUR	100	100
Andrea Cell 1000 USD [1]	Jersey	USD	100	100
Andrea Investments (Jersey) PCC (MASTER VEHICLE) [1]	Jersey	GBP	100	100
Andrea Investments (Jersey) PCC: 1000 [1]	Jersey	USD	100	100
Argentum Capital Series 2015-32	Luxembourg	USD	–	100
Argentum Capital Series 2016-36	Luxembourg	USD	–	100
Ascent Finance Limited 2020-25	Cayman Islands	USD	–	100
Ascent Finance Limited 2021-9015	Cayman Islands	USD	–	100
Boats Investments (Jersey) Ltd Series 630, 641, 647, 663 [1]	Jersey	USD	–	100
Clearwater Seller Limited [2]	United Kingdom	USD	–	100
Credit Suisse First Boston Trustees Limited	United Kingdom	USD	100	100
Custom Markets QIAIF plc	Ireland, Republic of	USD	100	100
Global Bond Fund	Ireland, Republic of	USD	–	100
GIFS Capital Company LLC Silo 2 Technical purpose	United States	USD	–	100
Interleuvenlaan 15 Real Estate Ltd	Gibraltar	EUR	100	100
Morstan Investments B.V.	Netherlands	USD	–	100
New Jersey S.A.	Luxembourg	EUR	–	100
Platinum Securities Cayman SPC Limited	Cayman Islands	USD	100	100
Silver Hake Limited	Gibraltar	EUR	–	100
Westwood S.A	Portugal	EUR	–	100

[1] For these entities, the financial year ends on 30 September each year.
[2] For these entities, the financial year ends on 31 March each year.

	Security	Immediate Parent	Ultimate Parent	Country	Registered Office
31 December 2024 Subsidiaries					
AI3 Segregated Portfolio	USD 100 Participating shares	Credit Suisse International	UBS Group AG	Cayman Islands	Walkers SPV Limited Walker House, Mary Street PO Box 908GT George Town, Grand Cayman, Cayman Islands
Albalatin LLC	No shares	TMF Group LLC	TMF Group EMEA B.V	Qatar	Office No. 1422 14th Floor, Al Fardan Office Towers No. 12 Doha – Qatar
Andrea Investments (Jersey) PCC – Cell Series 1000 EUR	EUR Preference shares	Andrea Investments (Jersey) PCC	Borowska Trust	Jersey	22 Grenville Street, St Helier, Channel Islands JE4 8PX, Jersey
Andrea Investments (Jersey) PCC – Cell Series 1000 USD	USD Preference shares	Andrea Investments (Jersey) PCC	Borowska Trust	Jersey	22 Grenville Street, St Helier, Channel Islands JE4 8PX, Jersey
Andrea Investments (Jersey) PCC	No shares	Borowska Trust	Borowska Trust	Jersey	22 Grenville Street, St Helier, Channel Islands JE4 8PX,Jersey
Andrea Investments (Jersey) PCC – Cell Series 1000 PC	No shares	Andrea Investments (Jersey) PCC	Borowska Trust	Jersey	22 Grenville Street, St Helier, Channel Islands JE4 8PX, Jersey
Argentum Capital Series 2015-32, 2016-36		No shares	Argentum Capital S.A. Capital S.A.	Argentum	Luxembourg 51, avenue John F. Kennedy, Luxembourg L-1855, Luxembourg
Ascent Finance Limited Series 2020-25	No shares	Ascent Fiance Limited	Ascent Fiance Limited	Cayman Islands	One Nexus Way,Camana Bay, Grand Cayman – Cayman Islands
Boats Investments (Jersey) Ltd Series 630, 641, 647, 663	No shares	Boats Investments (Jersey) Limited (Master Vehicle)	Boats Investments (Jersey) Limited (Master Vehicle)	Jersey	22 Grenville Street, St Helier JE2 4UF, Jersey
Clearwater Seller Limited	No shares	Credit Suisse International	UBS Group AG	United Kingdom	35 Great St. Helen's,London EC3A 6AP, United Kingdom
Credit Suisse First Boston Trustees Limited	Ordinary Shares	Credit Suisse International	UBS Group AG	United Kingdom	One Cabot Square London E14 4QJ – United Kingdom
Custom Markets QIF PLC	No shares	Credit Suisse International	UBS Group AG	Republic of Ireland	MFD Secretaries Limited, 2nd Floor Beaux Lane House, Dublin 2, Republic of Ireland
Global Bond Fund	Investment Fund Share	Credit Suisse International	UBS Group AG	Republic of Ireland	2nd Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Republic of Ireland
GIFS Capital Company LLC Silo 2 Technical purpose	No shares	Guggenheim Treasury Services, LLC	Guggenheim Partners (via Liberty Hampshire Holdings, LLC)	United States of America	227 West Monroe Suite 4900 Chicago, Illinois 60606 – USA
Interleuvenlaan 15 Real Estate Ltd	No shares	Credit Suisse International	UBS Group AG	Gibraltar	124 Irish Town, Gibraltar, Gibraltar
Morstan Investments B.V.	No shares	Credit Suisse International	UBS Group AG	Jersey	Prins Hendriklaan 26, Amsterdam 1075 BD,Netherlands
New Jersey S.A.	No shares	Credit Suisse International	UBS Group AG	Luxembourg	51, avenue John F. Kennedy , Luxembourg L-1855, Luxembourg
Platinum Securities Cayman SPC Limited	No shares	Credit Suisse International	UBS Group AG	Cayman Islands	c/o Maples Corporate Services Limited, Limited Islands P.O. Box 309, Ugland House,George Town, Grand Cayman KY1-1104 – Cayman Islands
Silver Hake Limited	No shares	Credit Suisse International	UBS Group AG	Gibraltar	Suite 7b & 8b, Finsbury Trust, 50 Town Range, PO Box 472, Gibraltar
Westwood S.A	No shares	Credit Suisse International	UBS Group AG	Portugal	Edificio Atrium Saldanha Praca Duque de Saldanha, Lisbon 1050 094, Portugal
Xanthos Holding – [1] Segregated Portfolio	Non-Participating USD 1 shares	Credit Suisse International	UBS Group AG	Cayman Islands	Walkers SPV Limited Walker House, Mary Street PO Box 908GT George Town, Grand Cayman, Cayman Islands

[1] All subsidiaries in above table are consolidated except Xanthos Holding – Segregated Portfolio.

In accordance with Section 409 of the Companies Act 2006 a list of CSi's subsidiaries and associates, the country of incorporation and the effective percentage of equity owned at 31 December 2024 is disclosed above.

Restrictions

The CSi group and its subsidiaries have certain restrictions which may restrict the ability of the CSi group to access or use the assets and settle the liabilities of the CSi group. These restrictions may be statutory, contractual or regulatory in nature.

The Bank must at all times monitor and demonstrate compliance with the relevant regulatory capital requirements set out in the EU Capital Requirements Regulation ('CRR') and additionally as laid down by the PRA. The Bank has put into place processes and controls to monitor and manage its capital adequacy. For more information regarding the Bank's capital adequacy and how the capital resources are managed and monitored please refer to Note 39 – Capital Adequacy.

The Bank is required to maintain minimum levels of capital in the form of equity shares and reserves to meet PRA requirements.

Restricted assets also include those assets protected under client segregation rules. Please refer to Note 20 – Other Assets and Other Liabilities for further information.

The CSi group pledges assets mainly for repurchase agreements and other securities financing. Certain pledged assets may be encumbered, meaning the counterparty has the right to resell or repledge the pledged asset. Please refer to Note 16 – Trading Financial Assets and Liabilities Mandatorily at Fair Value Through Profit or Loss for more information on encumbered assets.

Other restrictions include those that prevent some subsidiaries from making any distributions to the parent such as restrictions on redemption or the payments of dividends.

Unconsolidated structured entities

The CSi group has interests in structured entities which are not consolidated. An interest is either a contractual or non-contractual involvement that exposes the CSi group to variability in returns from the performance of another entity. An interest in another entity can be evidenced by, but is not limited to, the holding of equity or debt instruments as well as other forms of involvement such as the provision of funding, liquidity, credit enhancement and guarantees.

The CSi group does not have an interest in another entity solely because of a typical customer supplier relationship such as fees other than management and performance fees that are passively earned and are typically one-off in nature.

Type of structured entity

Collateralised Debt Obligations
The CSi group engages in CDO transactions to meet client and investor needs, earn fees and sell financial assets. The CSi group may act as underwriter, placement agent or asset manager and may warehouse assets prior to the closing of a transaction. As part of its structured finance business, the CSi group purchases loans and other debt obligations from and on behalf of clients for the purpose of securitisation. The loans and other debt obligations are sold to structured entities, which in turn issue CDOs to fund the purchase of assets such as investment grade and high yield corporate debt instruments.

The maximum exposure to loss consists of the fair value of instruments issued by such structures that are held by the CSi group.

Financial Intermediation
The CSi group has significant involvement with structured entities in its role as a financial intermediary on behalf of clients. Financial intermediation consists of securitisations, funds, loans and other vehicles.

Securitisations
Securitisations are primarily CMBS, RMBS and Asset Backed Securities ('ABS') vehicles. The CSi group acts as an underwriter, market maker, liquidity provider, derivative counterparty and/or provider of credit enhancements to structured entities related to certain securitisation transactions.

The maximum exposure to loss is the carrying value of the loan securities and derivative positions that are variable returns if any, plus the exposure arising from any credit enhancements the CSi group provided. The CSi group's maximum exposure to loss does not include any effects from financial instruments used to economically hedge the risks of the structured entities.

Funds
Funds include investment structures such as mutual funds, funds of funds, private equity funds and fund-linked products, where the investors' interest is typically in the form of debt rather than equity, thereby making them structured entities. The CSi group may have various relationships with such structured entities in the form of structurer, investment advisor, investment manager, administrator, custodian, underwriter, placement agent, market maker and/or as prime broker. These activities include the use of structured entities in structuring fund-linked products, hedge funds of funds or private equity investments to provide clients with investment opportunities in alternative investments. In such transactions, a structured entity holds underlying investments and issues securities that provide the investors with a return based on the performance of those investments.

The maximum exposure to loss consists of the fair value of instruments issued by such structures that are held by the CSi group. The investors typically retain the risk of loss on such transactions, but for certain fund types, the CSi group may provide principal protection on the securities to limit the investors' exposure to downside market risk. The CSi group's maximum exposure to loss does not include any effects from financial instruments used to economically hedge the risk of the structured entities.

Loans
Loans are single-financing vehicles where the CSi group provides financing for specified assets or business ventures and the respective owner of the assets or manager of the businesses provides the equity in the vehicle. These tailored lending arrangements are established to purchase, lease or otherwise finance and manage clients' assets.

The maximum exposure to loss is the carrying value of the CSi group's loan exposure, which is subject to the same credit risk management procedures as loans issued directly to clients. The clients' creditworthiness is carefully reviewed, strict loan-to-value ratios are set and, in addition, clients provide equity, additional collateral or guarantees, all of which significantly reduce the CSi group's exposure. The CSi group considers the likelihood of incurring a loss equal to the maximum exposure to be remote because of the CSi group's risk mitigation efforts which includes over-collateralisation and effective monitoring to ensure that a sufficient loan-to-value ratio is maintained.

The following table provides the carrying amounts and classifications of the assets and liabilities of interests recorded in the CSi group's Consolidated Statement of Financial Position, the maximum exposure to loss and the total assets of the unconsolidated structured entities.

Interests in unconsolidated structured entities

Line item in consolidated statement of financial position (USD million)	CDO	Securiti-sations	Funds	Loans	Other Financial intermediation	Total
	Type of structured entity					
31 December 2024						
Trading financial assets mandatorily at fair value through profit or loss						
Equity securities	–	–	–	–	–	–
Derivative instruments	20	–	–	–	–	20
Non-trading financial assets mandatorily at fair value through profit or loss						
Loans	–	–	–	–	–	–
Other Assets						
Other Assets	–	–	–	–	–	–
Total assets	**20**	**–**	**–**	**–**	**–**	**20**
Trading financial liabilities mandatorily at fair value through profit or loss						
Derivative instruments	–	–	–	–	–	–
Financial liabilities designated at fair value through profit or loss						
Structured Notes	–	–	–	–	–	–
Total liabilities	**–**	**–**	**–**	**–**	**–**	**–**
Maximum exposure to loss	**20**	**–**	**–**	**–**	**–**	**20**
Unconsolidated structured entity assets	**91**	**–**	**25,242**	**–**	**–**	**25,333**

Line item in consolidated statement of financial position (USD million)	CDO	Securiti-sations	Funds	Loans	Other Financial intermediation	Total
	Type of structured entity					
31 December 2023						
Trading financial assets mandatorily at fair value through profit or loss						
Equity securities	–	–	17	–	–	17
Derivative instruments	20	99	6	–	201	326
Non-trading financial assets mandatorily at fair value through profit or loss						
Loans	–	–	–	1	–	1
Other Assets						
Other Assets	–	–	1	–	–	1
Total assets	**20**	**99**	**24**	**1**	**201**	**345**
Trading financial liabilities mandatorily at fair value through profit or loss						
Derivative instruments	–	28	7	–	–	35
Financial liabilities designated at fair value through profit or loss						
Structured Notes	–	–	–	–	88	88
Total liabilities	**–**	**28**	**7**	**–**	**88**	**123**
Maximum exposure to loss	**20**	**99**	**24**	**1**	**201**	**345**
Unconsolidated structured entity assets	**93**	**1,989**	**1,866,284**	**57**	**1,330**	**1,869,753**

The unconsolidated structured entity assets relate to where the CSi group has an interest in the unconsolidated structured entity. These amounts represent the assets of the entities themselves and are typically unrelated to the exposures the CSi group has with the entity and thus are not amounts that are considered for risk management purposes.

Income and losses from unconsolidated structured entities

Structured entity type (USD million)	Derivative (Loss)/Gain	Other Fair Value (Loss)/Gain	(Loss)/Gain on Sale of Assets	Interest (Expense)/ Income	(Other Losses)/ Other Income	(Other Expenses)/ Commission and Fees	Total
	(Losses)/Income						
31 December 2024							
Securitisations	3	–	–	–	–	–	3
Funds	1	15	(4)	–	7	–	19
Other	8	–	–	–	(4)	1	5
Total	**12**	**15**	**(4)**	**–**	**3**	**1**	**27**
31 December 2023							
Securitisations	7	–	–	–	–	1	8
Funds	(3)	48	(16)	–	3	–	32
Other	12	2	–	(2)	–	–	12
Total	**16**	**50**	**(16)**	**(2)**	**3**	**1**	**52**

The previous table shows the income earned from unconsolidated structured entities during the reporting period. Income from an unconsolidated structured entity includes but is not limited to recurring and non-recurring fees, interest and commission received, gains or losses from the transfer of assets and liabilities and changes in the fair value of instruments, including derivatives.

The CSi group considers itself the sponsor of a structured entity when either its name appears in the name of the structured entity or in products issued by it or there is a general expectation from the market that the CSi group is associated with the structured entity or the CSi group was involved in the design or set up of the structured entity and has a form of involvement with the structured entity.

The following table shows information about the unconsolidated structured entities sponsored by the CSi group where no interest is held by the CSi group.

Sponsored unconsolidated structured entities

Structured entity type (USD million)	Derivative (Loss)/Gain	(Loss)/Gain on Sale of Assets	(Other Losses)/ Other Income	(Other Expenses)/ Commission and Fees	Interest (Expense)/ Income	Total	Carrying Value of Assets transferred
	(Losses)/Income						
31 December 2024							
Securitisations	35	–	(8)	–	–	27	–
Funds	(2)	–	–	–	–	(2)	–
Loans	(4)	–	–	–	–	(4)	–
Other	1	–	–	–	–	1	–
Total	**30**	**–**	**(8)**	**–**	**–**	**22**	**–**
31 December 2023							
Securitisations	(1)	(1)	(1)	–	(6)	(9)	121
Funds	–	–	(38)	–	–	(38)	–
Other	2	–	–	–	–	2	–
Total	**1**	**(1)**	**(39)**	**–**	**(6)**	**(45)**	**121**

The previous table shows the income earned from sponsored unconsolidated structured entities during the reporting period and the carrying amount of any assets transferred to those structured entities during the reporting period. Income from an unconsolidated structured entity includes but is not limited to gains or losses from the transfer of assets and liabilities and changes in the fair value of derivative instruments.

For some funds, the CSi group is contractually obliged to fund certain minimal operating expenses.

CSi group has not provided financial or other support to unconsolidated structured entities that it was not contractually required to provide.

CSi group does not have the intention to provide financial or other support to unconsolidated structured entities that it is not contractually required to provide.

34 Financial Instruments

The following disclosure of the CSi group's financial instruments below includes the following sections:
- Analysis of financial instruments by categories;
- Fair value measurement;
- Fair value of financial instruments not carried at fair value.

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 value and fair value of the CSi group's financial instruments.

Financial assets and liabilities by categories

As at 31 December 2024				Carrying value	Total fair value
Group and Bank	Total carrying value	Mandatorily at FVTPL	Designated at FVTPL	Amortised cost	
Financial assets (USD million)					
Cash and due from banks	1,858	–	–	1,858	1,858
Interest-bearing deposits with banks	3,961	–	–	3,961	3,961
Securities purchased under resale agreements and securities borrowing transactions	533	–	–	533	533
Trading financial assets mandatorily at fair value through profit or loss	22,624	22,624	–	–	22,624
Non-trading financial assets mandatorily at fair value through profit or loss	14,200	14,200	–	–	14,200
Loans and advances	2,504	–	–	2,504	2,517
Other assets	4,971	–	–	4,971	4,971
Total financial assets	**50,651**	**36,824**	**–**	**13,827**	**50,664**
Financial liabilities (USD million)					
Due to banks	18	–	–	18	18
Securities sold under repurchase agreements and securities lending transactions	26	–	–	26	26
Trading financial liabilities mandatorily at fair value through profit or loss	22,129	22,129	–	–	22,129
Financial liabilities designated at fair value through profit or loss	2,565	–	2,565	–	2,565
Borrowings	7,387	–	–	7,387	7,387
Other liabilities	5,961	–	–	5,961	5,961
Debt in issuance	5,456	–	–	5,456	5,480
Total financial liabilities	**43,542**	**22,129**	**2,565**	**18,848**	**43,566**

Financial assets and liabilities by categories

As at 31 December 2023 Group	Total carrying value	Mandatorily at FVTPL	Designated at fair value	Carrying value Amortised cost	Total fair value
Financial assets (USD million)					
Cash and due from banks	3,627	–	–	3,627	3,627
Interest-bearing deposits with banks	8,319	–	–	8,319	8,319
Securities purchased under resale agreements and securities borrowing transactions	1,304	–	–	1,304	1,304
Trading financial assets mandatorily at fair value through profit or loss	63,309	63,309	–	–	63,309
Non-trading financial assets mandatorily at fair value through profit or loss	24,588	24,588	–	–	24,588
Loans and advances	3,187	–	–	3,187	3,254
Other assets	16,977	–	–	16,977	16,977
Total financial assets	**121,311**	**87,897**	**–**	**33,414**	**121,378**
Financial liabilities (USD million)					
Due to banks	31	–	–	31	31
Securities sold under repurchase agreements and securities lending transactions	358	–	–	358	358
Trading financial liabilities mandatorily at fair value through profit or loss	60,519	60,519	–	–	60,519
Financial liabilities designated at fair value through profit or loss	16,050	–	16,050	–	16,050
Borrowings	12,622	–	–	12,622	12,622
Other liabilities	8,604	–	–	8,604	8,604
Debt in issuance	8,108	–	–	8,108	8,125
Total financial liabilities	**106,292**	**60,519**	**16,050**	**29,723**	**106,309**

Financial assets and liabilities by categories

As at 31 December 2023 Bank	Total carrying value	Mandatorily at FVTPL	Designated at fair value	Carrying value Amortised cost	Total fair value
Financial assets (USD million)					
Cash and due from banks	3,616	–	–	3,616	3,616
Interest-bearing deposits with banks	8,319	–	–	8,319	8,319
Securities purchased under resale agreements and securities borrowing transactions	1,304	–	–	1,304	1,304
Trading financial assets mandatorily at fair value through profit or loss	63,354	63,354	–	–	63,354
Non-trading financial assets mandatorily at fair value through profit or loss	24,395	24,395	–	–	24,395
Loans and advances	3,187	–	–	3,187	3,254
Other Assets	16,977	–	–	16,977	16,977
Total financial assets	**121,152**	**87,749**	**–**	**33,403**	**121,219**
Financial liabilities (USD million)					
Due to banks	31	–	–	31	31
Securities sold under repurchase agreements and securities lending transactions	358	–	–	358	358
Trading financial liabilities mandatorily at fair value through profit or loss	60,519	60,519	–	–	60,519
Financial liabilities designated at fair value through profit or loss	15,891	–	15,891	–	15,891
Borrowings	12,622	–	–	12,622	12,622
Other liabilities	8,604	–	–	8,604	8,604
Debt in issuance	8,108	–	–	8,108	8,125
Total financial liabilities	**106,133**	**60,519**	**15,891**	**29,723**	**106,150**

Certain financial instruments are carried at amortised cost on the balance sheet and their fair value is disclosed in the 'Total fair value' column in the above tables. In determining their fair values certain assumptions have been made, namely where the financial asset and financial liability is short dated, the fair value is approximated to carrying value due to the relatively short period of time between their origination and expected realisation, as well as the minimal credit risk inherent in these instruments. These instruments include: cash and due from banks, Interest-bearing deposits with banks, Securities purchased under resale agree-ments and securities borrowing transactions, cash collateral receivables and payables, other receivables and payables arising in the ordinary course of business (included in Other Assets and Other Liabilities), Due to banks, Securities sold under repurchase agreements and securities lending transactions and Borrowings. The Loans and advances and Debt in issuance instruments are long dated with greater than one year original maturity and have met the IFRS 9 – Solely Payments of Principal and Interest ('SPPI') test, therefore, are reported at amortised cost on the balance sheet and their calculated fair value is disclosed in the above tables.

Fair value measurement and hierarchy

All financial and non-financial assets and liabilities measured or disclosed at fair value are categorised into one of three fair value hierarchy levels in accordance with IFRS Accounting Standards. The fair value hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. In certain cases, the inputs used to measure fair value may fall within different levels of the fair value hierarchy. For disclosure purposes, the level in the hierarchy within which an instrument is classified in its entirety is based on the lowest level input that is significant to the position's fair value measurement:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets and liabilities;
- **Level 2:** valuation techniques for which all significant inputs are, or are based on, observable market data; or
- **Level 3:** valuation techniques for which significant inputs are not based on observable market data.

Fair values are determined using quoted prices in active markets for identical assets or liabilities, where available. Where the market for a financial instrument or non-financial asset or liability is not active, fair value is established using a valuation technique, including pricing models. Valuation adjustments may be made to allow for additional factors, including model, liquidity, credit and funding risks, which are not explicitly captured within the valuation technique, but which would nevertheless be considered by market participants when establishing a price. The limitations inherent in a particular valuation technique are considered in the determination of the classification of an asset or liability within the fair value hierarchy. Generally, the unit of account for a financial instrument is the individual instrument, and CSi group applies valuation adjustments at an individual instrument level, consistent with that unit of account. However, if certain conditions are met, CSi group may estimate the fair value of a portfolio of financial assets and liabilities with substantially similar and offsetting risk exposures on the basis of the net open risks.

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 31 December 2024 (Group and Bank)	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Assets (USD million)					
Debt securities	17	30	–	–	47
Equity securities	4	23	66	–	93
Derivatives	–	21,974	510	–	22,484
of which interest rate products	–	13,279	174	–	13,453
of which foreign exchange products	–	7,894	149	–	8,043
of which equity/index-related products	–	665	138	–	803
of which credit derivatives	–	108	49	–	157
of which other derivative products	–	28	–	–	28
Other	–	–	–	–	–
Trading financial assets mandatorily at fair value through profit or loss	**21**	**22,027**	**576**	**–**	**22,624**
Securities purchased under resale agreements and securities borrowing transactions	–	14,207	–	(28)	14,179
Loans	–	8	–	–	8
Other non-trading financial assets mandatorily at fair value through profit or loss	3	8	2	–	13
Non-trading financial assets mandatorily at fair value through profit or loss	**3**	**14,223**	**2**	**(28)**	**14,200**
Total assets at fair value	**24**	**36,250**	**578**	**(28)**	**36,824**

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

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

As at 31 December 2024 (Group and Bank)	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Liabilities (USD million)					
Debt securities	–	2	–	–	2
Equity securities	8	7	1	–	16
Derivatives	–	21,926	185	–	22,111
of which interest rate products	–	12,482	14	–	12,496
of which foreign exchange products	–	8,617	14	–	8,631
of which equity/index-related products	–	679	109	–	788
of which credit derivatives	–	121	48	–	169
of which other derivative products	–	27	–	–	27
Other	–	–	–	–	–
Trading financial liabilities mandatorily at fair value through profit or loss	**8**	**21,935**	**186**	**–**	**22,129**
Securities sold under resale agreements and securities borrowing transactions	–	2,422	–	(28)	2,394
Borrowings	–	14	–	–	14
Debt in issuance	–	44	82	–	126
Other financial liabilities designated at fair value through profit or loss	–	30	1	–	31
Financial liabilities designated at fair value through profit or loss	**–**	**2,510**	**83**	**(28)**	**2,565**
Total liabilities at fair value	**8**	**24,445**	**269**	**(28)**	**24,694**
Net assets/(liabilities) at fair value	**16**	**11,805**	**309**	**–**	**12,130**

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

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

As at 31 December 2023 (Group)	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Assets (USD million)					
Debt securities	60	1,681	100	–	1,841
Equity securities	3,110	718	140	–	3,968
Derivatives	1,342	56,088	903	(996)	57,337
of which interest rate products	8	33,685	183	(17)	33,859
of which foreign exchange products	–	13,280	177	–	13,457
of which equity/index-related products	1,330	7,403	340	(979)	8,094
of which credit derivatives	–	1,648	203	–	1,851
of which other derivative products	4	72	–	–	76
Other	–	160	3	–	163
Trading financial assets mandatorily at fair value through profit or loss	**4,512**	**58,647**	**1,146**	**(996)**	**63,309**
Securities purchased under resale agreements and securities borrowing transactions	–	25,236	–	(1,326)	23,910
Loans	–	283	43	(56)	270
Other non-trading financial assets mandatorily at fair value through profit or loss	2	401	5	–	408
Non-trading financial assets mandatorily at fair value through profit or loss	**2**	**25,920**	**48**	**(1,382)**	**24,588**
Total assets at fair value	**4,514**	**84,567**	**1,194**	**(2,378)**	**87,897**

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

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

As at 31 December 2023 (Group)	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Liabilities (USD million)					
Debt securities	115	69	–	–	184
Equity securities	1,741	611	5	(584)	1,773
Derivatives	1,135	57,720	647	(940)	58,562
of which interest rate products	1	33,197	86	(2)	33,282
of which foreign exchange products	–	15,151	5	–	15,156
of which equity/index-related products	1,129	7,404	358	(938)	7,953
of which credit derivatives	–	1,909	198	–	2,107
of which other derivative products	5	59	–	–	64
Other	–	–	–	–	–
Trading financial liabilities mandatorily at fair value through profit or loss	**2,991**	**58,400**	**652**	**(1,524)**	**60,519**
Securities sold under resale agreements and securities borrowing transactions	–	8,835	–	(835)	8,000
Borrowings	–	2,484	3	–	2,487
Debt in issuance	–	4,331	255	–	4,586
Other financial liabilities designated at fair value through profit or loss	–	973	4	–	977
Financial liabilities designated at fair value through profit or loss	**–**	**16,623**	**262**	**(835)**	**16,050**
Total liabilities at fair value	**2,991**	**75,023**	**914**	**(2,359)**	**76,569**
Net assets/(liabilities) at fair value	**1,523**	**9,544**	**280**	**(19)**	**11,328**

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

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

As at 31 December 2023 (Bank)	Level 1	Level 2	Level 3	Impact of netting [1]	**Total at fair value**
Assets (USD million)					
Debt securities	60	1,744	82	–	1,886
Equity securities	3,110	718	140	–	3,968
Derivatives	1,342	56,088	903	(996)	57,337
of which interest rate products	8	33,685	183	(17)	33,859
of which foreign exchange products	–	13,280	177	–	13,457
of which equity/index-related products	1,330	7,403	340	(979)	8,094
of which credit derivatives	–	1,648	203	–	1,851
of which other derivative products	4	72	–	–	76
Other	–	160	3	–	163
Trading financial assets mandatorily at fair value through profit or loss	**4,512**	**58,710**	**1,128**	**(996)**	**63,354**
Securities purchased under resale agreements and securities borrowing transactions	–	25,236	–	(1,326)	23,910
Loans	–	287	43	(56)	274
Other non-trading financial assets mandatorily at fair value through profit or loss	2	204	5	–	211
Non-trading financial assets mandatorily at fair value through profit or loss	**2**	**25,727**	**48**	**(1,382)**	**24,395**
Total assets at fair value	**4,514**	**84,437**	**1,176**	**(2,378)**	**87,749**

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

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

As at 31 December 2023 (Bank)	Level 1	Level 2	Level 3	Impact of netting [1]	Total at fair value
Liabilities (USD million)					
Debt securities	115	69	–	–	184
Equity securities	1,741	611	5	(584)	1,773
Derivatives	1,135	57,720	647	(940)	58,562
of which interest rate products	1	33,197	86	(2)	33,282
of which foreign exchange products	–	15,151	5	–	15,156
of which equity/index-related products	1,129	7,404	358	(938)	7,953
of which credit derivatives	–	1,909	198	–	2,107
of which other derivative products	5	59	–	–	64
Other	–	–	–	–	–
Trading financial liabilities mandatorily at fair value through profit or loss	**2,991**	**58,400**	**652**	**(1,524)**	**60,519**
Securities sold under resale agreements and securities borrowing transactions	–	8,835	–	(835)	8,000
Borrowings	–	2,484	3	–	2,487
Debt in issuance	–	4,199	228	–	4,427
Other financial liabilities designated at fair value through profit or loss	–	973	4	–	977
Financial liabilities designated at fair value through profit or loss	**–**	**16,491**	**235**	**(835)**	**15,891**
Total liabilities at fair value	**2,991**	**74,891**	**887**	**(2,359)**	**76,410**
Net assets/liabilities at fair value	**1,523**	**9,546**	**289**	**(19)**	**11,339**

[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

	2024		2023	
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	18	19	67	1,982
Total transfers in assets at fair value	**18**	**19**	**67**	**1,982**
Liabilities				
Trading financial liabilities mandatorily at fair value through profit or loss	4	38	16	2,217
Total transfers in liabilities at fair value	**4**	**38**	**16**	**2,217**

The transfers from Level 1 to Level 2 are mainly driven by debt and equity securities where the liquidity had decreased and subsequently lacked pricing transparency. The transfers from Level 2 to Level 1 are mainly driven by the transfer of exchange traded options as they moved closer to maturity and the instrument becomes observable. All transfers were reported at the end of the quarterly reporting period, with the annual disclosure reflecting the sum of quarters.

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

Group	Balance as at 1 January 2024	Transfers in	Transfers out	Purchases	Sales	Issuances [2]	Settlements [2]	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 31 December 2024
Assets at fair value (USD million)										
Debt securities	100	7	(4)	57	(82)	–	–	(5)	(73)	–
Equity securities	140	1	(2)	15	(16)	–	–	(18)	(54)	66
Derivatives	**903**	**319**	**(178)**	**–**	**–**	**129**	**(512)**	**36**	**(187)**	**510**
of which interest rate products	183	9	(38)	–	–	20	(79)	15	64	174
of which foreign exchange products	177	15	–	–	–	26	(84)	–	15	149
of which equity/index-related products	340	272	(118)	–	–	57	(238)	23	(198)	138
of which credit derivatives	203	23	(22)	–	–	26	(111)	(2)	(68)	49
of which other derivative products	–	–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	(3)	–
Trading financial assets mandatorily at fair value through profit or loss	**1,146**	**327**	**(184)**	**72**	**(98)**	**129**	**(512)**	**13**	**(317)**	**576**
Loans	43	105	(49)	–	(27)	55	(93)	–	(34)	–
Other non-trading financial assets mandatorily at fair value through profit or loss	5	–	(3)	–	–	–	–	–	–	2
Non-trading financial assets mandatorily at fair value through profit or loss	**48**	**105**	**(52)**	**–**	**(27)**	**55**	**(93)**	**–**	**(34)**	**2**
Total assets at fair value	**1,194**	**432**	**(236)**	**72**	**(125)**	**184**	**(605)**	**13**	**(351)**	**578**

[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.
[2] Issuance of derivatives is where cash is paid on a derivative contract. Settlement of derivatives is where cash is received on a derivative contract.

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

Group	Balance as at 1 January 2024	Transfers in	Transfers out	Purchases	Sales	Issuances [2]	Settlements [2]	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 31 December 2024
Liabilities at fair value (USD million)										
Debt securities	–	–	–	–	–	–	–	–	–	–
Equity securities	5	–	–	–	–	–	–	–	(4)	1
Derivatives	**647**	**389**	**(229)**	**–**	**–**	**200**	**(427)**	**57**	**(452)**	**185**
of which interest rate products	86	22	(17)	–	–	16	(65)	(1)	(27)	14
of which foreign exchange products	5	20	(1)	–	–	1	(2)	(1)	(8)	14
of which equity/index-related products	358	281	(180)	–	–	167	(218)	63	(362)	109
of which credit derivatives	198	66	(31)	–	–	16	(142)	(4)	(55)	48
of which other derivative products	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Trading financial liabilities mandatorily at fair value through profit or loss	**652**	**389**	**(229)**	**–**	**–**	**200**	**(427)**	**57**	**(456)**	**186**
Borrowings	3	–	(1)	–	–	–	–	–	(2)	–
Debt in issuance	255	10	(10)	–	(26)	–	(86)	(2)	(59)	82
Other financial liabilities designated at fair value through profit or loss	4	–	(5)	–	(1)	–	–	–	3	1
Financial liabilities designated at fair value through profit or loss	**262**	**10**	**(16)**	**–**	**(27)**	**–**	**(86)**	**(2)**	**(58)**	**83**
Total liabilities at fair value	**914**	**399**	**(245)**	**–**	**(27)**	**200**	**(513)**	**55**	**(514)**	**269**
Net assets/liabilities at fair value	**280**	**33**	**9**	**72**	**(98)**	**(16)**	**(92)**	**(42)**	**163**	**309**

[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.
[2] Issuance of derivatives is where cash is received on a derivative contract. Settlement of derivatives is where cash is paid on a derivative contract.

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

Bank	Balance as at 1 January 2024	Transfers in	Transfers out	Purchases	Sales	Issuances [2]	Settlements [2]	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 31 December 2024
Assets at fair value (USD million)										
Debt securities	82	7	(4)	57	(64)	–	–	(5)	(73)	–
Equity securities	140	1	(2)	15	(16)	–	–	(18)	(54)	66
Derivatives	**903**	**319**	**(178)**	**–**	**–**	**129**	**(512)**	**36**	**(187)**	**510**
of which interest rate products	183	9	(38)	–	–	20	(79)	15	64	174
of which foreign exchange products	177	15	–	–	–	26	(84)	–	15	149
of which equity/index-related products	340	272	(118)	–	–	57	(238)	23	(198)	138
of which credit derivatives	203	23	(22)	–	–	26	(111)	(2)	(68)	49
of which other derivative products	–	–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	(3)	–
Trading financial assets mandatorily at fair value through profit or loss	**1,128**	**327**	**(184)**	**72**	**(80)**	**129**	**(512)**	**13**	**(317)**	**576**
Loans	43	105	(49)	–	(27)	55	(93)	–	(34)	–
Other non-trading financial assets mandatorily at fair value through profit or loss	5	–	(5)	–	–	–	–	–	2	2
Non-trading financial assets mandatorily at fair value through profit or loss	**48**	**105**	**(54)**	**–**	**(27)**	**55**	**(93)**	**–**	**(32)**	**2**
Total assets at fair value	**1,176**	**432**	**(238)**	**72**	**(107)**	**184**	**(605)**	**13**	**(349)**	**578**

[1] For all transfers to Level 3 or out of Level 3, the CSi group determines and discloses as Level 3 events only gains or losses through the last day of the reporting period.
[2] Issuance of derivatives is where cash is paid on a derivative contract. Settlement of derivatives is where cash is received on a derivative contract.

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

Bank	Balance as at 1 January 2024	Transfers in	Transfers out	Purchases	Sales	Issuances [2]	Settlements [2]	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 31 December 2024
Liabilities at fair value (USD million)										
Debt securities	–	–	–	–	–	–	–	–	–	–
Equity securities	5	–	–	–	–	–	–	–	(4)	1
Derivatives	**647**	**389**	**(229)**	**–**	**–**	**200**	**(427)**	**57**	**(452)**	**185**
of which interest rate products	86	22	(17)	–	–	16	(65)	(1)	(27)	14
of which foreign exchange products	5	20	(1)	–	–	1	(2)	(1)	(8)	14
of which equity/index-related products	358	281	(180)	–	–	167	(218)	63	(362)	109
of which credit derivatives	198	66	(31)	–	–	16	(142)	(4)	(55)	48
of which other derivative products	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Trading financial liabilities mandatorily at fair value through profit or loss	**652**	**389**	**(229)**	**–**	**–**	**200**	**(427)**	**57**	**(456)**	**186**
Borrowings	3	–	(3)	–	–	–	–	–	–	–
Debt in issuance	228	10	(10)	–	–	1	(85)	(2)	(60)	82
Other financial liabilities designated at fair value through profit or loss	4	–	(5)	–	(1)	–	–	–	3	1
Financial liabilities designated at fair value through profit or loss	**235**	**10**	**(18)**	**–**	**(1)**	**1**	**(85)**	**(2)**	**(57)**	**83**
Total liabilities at fair value	**887**	**399**	**(247)**	**–**	**(1)**	**201**	**(512)**	**55**	**(513)**	**269**
Net assets/liabilities at fair value	**289**	**33**	**9**	**72**	**(106)**	**(17)**	**(93)**	**(42)**	**164**	**309**

[1] For all transfers to Level 3 or out of Level 3, the CSi group determines and discloses as Level 3 events only gains or losses through the last day of the reporting period.
[2] Issuance of derivatives is where cash is received on a derivative contract. Settlement of derivatives is where cash is paid on a derivative contract.

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

Group	Balance as at 1 January 2023	Transfers in	Transfers out	Purchases	Sales	Issuances [2]	Settlements [2]	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 31 December 2023
Assets at fair value (USD million)										
Debt securities	645	82	(70)	660	(1,048)	–	–	(22)	(147)	100
Equity securities	374	25	(39)	8	(200)	–	–	(2)	(26)	140
Derivatives	**1,104**	**513**	**(521)**	**–**	**–**	**483**	**(645)**	**81**	**(112)**	**903**
of which interest rate products	216	33	(35)	–	–	41	(68)	(1)	(3)	183
of which foreign exchange products	144	17	(11)	–	–	26	(45)	3	43	177
of which equity/index-related products	572	264	(373)	–	–	349	(402)	78	(148)	340
of which credit derivatives	172	199	(102)	–	–	67	(130)	1	(4)	203
of which other derivative products	–	–	–	–	–	–	–	–	–	–
Other	70	3	(54)	1	(10)	–	(12)	1	4	3
Trading financial assets mandatorily at fair value through profit or loss	**2,193**	**623**	**(684)**	**669**	**(1,258)**	**483**	**(657)**	**58**	**(281)**	**1,146**
Loans	28	27	–	–	(3)	–	(17)	–	8	43
Other non-trading financial assets mandatorily at fair value through profit or loss	3	6	–	–	(4)	–	(7)	7	–	5
Non-trading financial assets mandatorily at fair value through profit or loss	**31**	**33**	**–**	**–**	**(7)**	**–**	**(24)**	**7**	**8**	**48**
Total assets at fair value	**2,224**	**656**	**(684)**	**669**	**(1,265)**	**483**	**(681)**	**65**	**(273)**	**1,194**

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.
2 Issuance of derivatives is where cash is paid on a derivative contract. Settlement of derivatives is where cash is received on a derivative contract.

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

Group	Balance as at 1 January 2023	Transfers in	Transfers out	Purchases	Sales	Issuances [2]	Settlements [2]	Trading revenues On transfers in/out [1]	Trading revenues On all other	Balance as at 31 December 2023
Liabilities at fair value (USD million)										
Debt securities	20	–	–	–	–	–	–	–	(20)	–
Equity securities	8	–	–	–	(51)	–	–	–	48	5
Derivatives	**1,462**	**439**	**(660)**	**–**	**–**	**475**	**(1,260)**	**212**	**(21)**	**647**
of which interest rate products	157	26	(18)	–	–	26	(125)	12	8	86
of which foreign exchange products	5	10	(13)	–	–	5	(6)	1	3	5
of which equity/index-related products	1,072	244	(559)	–	–	408	(946)	197	(58)	358
of which credit derivatives	228	159	(70)	–	–	36	(183)	2	26	198
of which other derivative products	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Trading financial liabilities mandatorily at fair value through profit or loss	**1,490**	**439**	**(660)**	**–**	**(51)**	**475**	**(1,260)**	**212**	**7**	**652**
Borrowings	242	15	(37)	–	–	47	(212)	(95)	43	3
Debt in issuance	1,962	124	(221)	–	–	55	(1,695)	13	17	**255**
Other financial liabilities designated at fair value through profit or loss	7	–	(1)	–	(1)	–	–	(1)	–	4
Financial liabilities designated at fair value through profit or loss	**2,211**	**139**	**(259)**	**–**	**(1)**	**102**	**(1,907)**	**(83)**	**60**	**262**
Total liabilities at fair value	**3,701**	**578**	**(919)**	**–**	**(52)**	**577**	**(3,167)**	**129**	**67**	**914**
Net assets/liabilities at fair value	**(1,477)**	**78**	**235**	**669**	**(1,213)**	**(94)**	**2,486**	**(64)**	**(340)**	**280**

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.
2 Issuance of derivatives is where cash is received on a derivative contract. Settlement of derivatives is where cash is paid on a derivative contract.

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

Bank	Balance as at 1 January 2023	Transfers in	Transfers out	Purchases	Sales	Issuances [2]	Settlements [2]	Trading revenues: On transfers in/out [1]	Trading revenues: On all other	Balance as at 31 December 2023
Assets at fair value (USD million)										
Debt securities	580	82	(70)	656	(1,047)	–	–	(22)	(97)	82
Equity securities	373	25	(38)	8	(200)	–	–	(2)	(26)	140
Derivatives	**1,104**	**513**	**(522)**	**–**	**–**	**483**	**(644)**	**81**	**(112)**	**903**
of which interest rate products	216	33	(35)	–	–	41	(68)	(1)	(3)	183
of which foreign exchange products	144	17	(12)	–	–	26	(44)	3	43	177
of which equity/index-related products	572	264	(373)	–	–	349	(402)	78	(148)	340
of which credit derivatives	172	199	(102)	–	–	67	(130)	1	(4)	203
of which other derivative products	–	–	–	–	–	–	–	–	–	–
Other	70	3	(54)	1	(10)	–	(12)	1	4	3
Trading financial assets mandatorily at fair value through profit or loss	**2,127**	**623**	**(684)**	**665**	**(1,257)**	**483**	**(656)**	**58**	**(231)**	**1,128**
Loans	28	27	–	–	(3)	–	(17)	–	8	43
Other non-trading financial assets mandatorily at fair value through profit or loss	3	6	–	–	(4)	–	(7)	7	–	5
Non-trading financial assets mandatorily at fair value through profit or loss	**31**	**33**	**–**	**–**	**(7)**	**–**	**(24)**	**7**	**8**	**48**
Total assets at fair value	**2,158**	**656**	**(684)**	**665**	**(1,264)**	**483**	**(680)**	**65**	**(223)**	**1,176**

[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.
[2] Issuance of derivatives is where cash is paid on a derivative contract. Settlement of derivatives is where cash is received on a derivative contract.

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

Bank	Balance as at 1 January 2023	Transfers in	Transfers out	Purchases	Sales	Issuances [2]	Settlements [2]	Trading revenues: On transfers in/out [1]	Trading revenues: On all other	Balance as at 31 December 2023
Liabilities at fair value (USD million)										
Debt securities	20	–	–	–	–	–	–	–	(20)	–
Equity securities	8	–	–	–	(51)	–	–	–	48	5
Derivatives	**1,462**	**439**	**(660)**	**–**	**–**	**475**	**(1,260)**	**212**	**(21)**	**647**
of which interest rate products	157	26	(18)	–	–	26	(125)	12	8	**86**
of which foreign exchange products	5	10	(13)	–	–	5	(6)	1	3	5
of which equity/index-related products	1,072	244	(559)	–	–	408	(946)	197	(58)	358
of which credit derivatives	228	159	(70)	–	–	36	(183)	2	26	198
of which other derivative products	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Trading financial liabilities mandatorily at fair value through profit or loss	**1,490**	**439**	**(660)**	**–**	**(51)**	**475**	**(1,260)**	**212**	**7**	**652**
Borrowings	242	15	(37)	–	–	47	(212)	(95)	43	**3**
Debt in issuance	1,898	124	(221)	–	–	52	(1,685)	12	48	**228**
Other financial liabilities designated at fair value through profit or loss	7	–	(1)	–	(1)	–	–	(1)	–	**4**
Financial liabilities designated at fair value through profit or loss	**2,147**	**139**	**(259)**	**–**	**(1)**	**99**	**(1,897)**	**(84)**	**91**	**235**
Total liabilities at fair value	**3,637**	**578**	**(919)**	**–**	**(52)**	**574**	**(3,157)**	**128**	**98**	**887**
Net assets/liabilities at fair value	**(1,479)**	**78**	**235**	**665**	**(1,212)**	**(91)**	**2,477**	**(63)**	**(321)**	**289**

[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.
[2] Issuance of derivatives is where cash is received on a derivative contract. Settlement of derivatives is where cash is paid on a derivative contract.

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

Group and Bank	**2024**	2023
Trading revenues (USD million)		
Net realised/unrealised (losses)/gains included in net revenues	121 [1]	(404) [1]
Whereof:		
Trading financial assets mandatorily at fair value through profit or loss	(138)	138
Non-trading financial assets mandatorily at fair value through profit or loss	–	4
Trading financial liabilities mandatorily at fair value through profit or loss	(52)	(187)
Financial liabilities designated at fair value through profit or loss	41	31
Total changes in unrealised (losses)/gains relating to assets and liabilities still held as of the reporting date	**(149)**	**(14)**

[1] Bank gain of USD 122 million (2023: USD 384 million loss)

Level 3 assets and liabilities may be hedged with instruments classified as Level 1 or Level 2 in the fair value hierarchy, and, as a result, realised and unrealised gains and losses included in the table may not include the effect of related hedging activity. Furthermore, the realised and unrealised gains and losses presented in the table are not limited solely to those arising from Level 3 inputs, as valuations are generally derived from both observable and unobservable parameters.

Transfers in and out of Level 3

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

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

Qualitative disclosures of valuation techniques

Valuation governance

CSi group's fair value measurement and model governance framework includes numerous controls and other procedural safeguards that are intended to maximise the quality of fair value measurements reported in the financial statements. New products and valuation techniques must be reviewed and approved by key stakeholders from the risk and finance control functions. Responsibility for the ongoing measurement of financial and non-financial instruments at fair value is with the business divisions.

Fair value estimates are validated by the risk and finance control functions, which are independent of the business divisions. Independent price verification is performed by Finance through benchmarking the business divisions' fair value estimates with observable market prices and other independent sources. A governance framework and associated controls are in place in order to monitor the quality of third-party pricing sources where used. For instruments where valuation models are used to determine fair value, independent valuation and model control groups within Finance and Risk Control evaluate CSi group's models on a regular basis, including valuation and model input parameters, as well as pricing. As a result of the valuation controls employed, valuation adjustments may be made to the business divisions' estimates of fair value to align with independent market data and the relevant accounting standard.

Valuation techniques

CSi group uses widely recognised valuation techniques for determining the fair value of financial and non-financial instruments that are not actively traded and quoted. The most frequently applied valuation techniques include discounted value of expected cash flows, relative value and option pricing methodologies.

Discounted value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these cash flows using a discount rate or discount margin that reflects the credit and / or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by using industry-standard cash flow projection models. The discount factors within the calculation are generated using industry-standard yield curve modeling techniques and models.

Relative value models measure fair value based on the market prices of equivalent or comparable assets or liabilities, making adjustments for differences between the characteristics of the observed instrument and the instrument being valued.

Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry-standard yield curve modeling techniques and models. The option pricing model may be implemented using a closed-form analytical formula or other mathematical techniques (e.g., binomial tree or Monte Carlo simulation).

Where available, valuation techniques use market-observable assumptions and inputs. If such data is not available, inputs may be derived by reference to similar assets in active markets, from recent prices for comparable transactions or from other observable market data. In such cases, the inputs selected are based on historical experience and practice for similar or analogous instruments, derivation of input levels based on similar products with observable price levels, and knowledge of current market conditions and valuation approaches.

For more complex instruments, fair values may be estimated using a combination of observed transaction prices, consensus pricing services and relevant quotes. Consideration is given to the nature of the quotes (e.g., indicative or firm) and the relationship of recently evidenced market activity to the prices provided by consensus pricing services. CSi group also uses internally developed models, which are typically based on valuation methods and techniques recognised as standard within the industry. Assumptions and inputs used in valuation techniques include benchmark interest rate curves, credit and funding spreads used in estimating discount rates, bond and equity prices, equity index prices, foreign exchange rates, levels of market volatility and correlation. The discount curves used by the CSi group incorporate the funding and credit characteristics of the instruments to which they are applied.

The following information on the valuation techniques and significant unobservable inputs of the various financial instruments, and the sensitivity of fair value measurements to changes in significant unobservable inputs, should be read in conjunction with the table “Quantitative disclosure of valuation techniques”.

Financial instruments excluding derivatives: valuation and classification in the fair value hierarchy

Product	Valuation and classification in the fair value hierarchy	
Corporate and municipal bonds	Valuation	· Generally valued using prices obtained directly from the market for the security, or similar securities, adjusted for seniority, maturity and liquidity. · When prices are not available, instruments are valued using discounted cash flow valuation techniques incorporating the credit spread of the issuer or similar issuers. · For convertible bonds without directly comparable prices, issuances may be priced using a convertible bond model.
	Fair value hierarchy	· Generally classified as Level 1 or Level 2, depending on the depth of trading activity behind price sources. · Level 3 instruments have no suitable pricing information available.
Traded loans and loans measured at fair value	Valuation	· Valued directly using market prices that reflect recent transactions or quoted dealer prices, where available. · Where no market price data is available, loans are valued by relative value benchmarking using pricing derived from debt instruments in comparable entities or different products in the same entity, or by using a credit default swap valuation technique, which requires inputs for credit spreads, credit recovery rates and interest rates. · Securitisation lending facilities are valued using a discounted cashflow analysis that incorporates adjustments for any bespoke features of the loan and collateral. Recently originated commercial real estate loans are measured using a securitisation approach based on rating agency guidelines.
	Fair value hierarchy	· Instruments with suitably deep and liquid pricing information are classified as Level 2. · Positions requiring the use of valuation techniques, or for which the price sources have insufficient trading depth, are classified as Level 3.
Investment fund units	Valuation	· Predominantly exchange-traded, with readily available quoted prices in liquid markets. Where market prices are not available, fair value may be measured using net asset values ('NAVs').
	Fair value hierarchy	· Listed units are classified as Level 1, provided there is sufficient trading activity to justify active-market classification, while other positions are classified as Level 2. · Positions for which NAVs are not available, or where the unit or underlying investments are illiquid are classified as Level 3.
Equity instruments	Valuation	· Listed equity instruments are generally valued using prices obtained directly from the market. · Unlisted equity holdings, including private equity positions, are initially marked at their transaction price and are revalued when reliable evidence of price movement becomes available or when the position is deemed to be impaired.
	Fair value hierarchy	· The majority of equity securities are actively traded on public stock exchanges where quoted prices are readily and regularly available, resulting in Level 1 classification. · Equity securities less actively traded will be classified as Level 2 and illiquid positions as Level 3.
Debt in issuance and Borrowings	Valuation	· The risk management and the valuation approaches for these instruments are closely aligned with the equivalent derivatives business and the underlying risk, and the valuation techniques used for this component are the same as the relevant valuation techniques described below.
	Fair value hierarchy	· The observability is closely aligned with the equivalent derivatives business and the underlying risk.
Securities purchased/sold under resale/repurchase agreements and securities borrowing/lending transactions	Valuation	· Securities are measured at fair value using discounted cash flow analysis. Future cash flows are discounted using observable market interest rate repurchase/resale curves for the applicable maturity and underlying collateral of the instruments. · Structured resale and repurchase agreements include embedded derivatives, which are measured using the same techniques as described below for stand-alone derivative contracts held for trading purposes or used in hedge accounting relationships.
	Fair value hierarchy	· The significant majority of both securities purchased under resale agreements and securities sold under repurchase agreements are discounted using observable market rates and so are included in Level 2 of the fair value hierarchy.

Derivative instruments: valuation and classification in the fair value hierarchy

The curves used for discounting expected cash flows in the valuation of collateralised derivatives reflect the funding terms associated with the relevant collateral arrangement for the instrument being valued. These collateral arrangements differ across counterparties with respect to the eligible currency and interest terms of the collateral. The majority of collateralised derivatives are measured using a discount curve based on funding rates derived from overnight interest in the cheapest eligible currency for the respective counterparty collateral agreement.

Uncollateralised and partially collateralised derivatives are discounted using the alternative reference rate (the 'ARR') (or equivalent) curve for the currency of the instrument. The fair value of uncollateralised and partially collateralised derivatives is then adjusted by credit valuation adjustments ('CVAs'), debit valuation adjustments ('DVAs') and funding valuation adjustments ('FVAs'), as applicable, to reflect an estimation of the effect of counterparty credit risk, CSi's own credit risk, and funding costs and benefits.

Derivative product	Valuation and classification in the fair value hierarchy	
Interest rate contracts	Valuation	Interest rate swap contracts are valued by estimating future interest cash flows and discounting those cash flows using a rate that reflects the appropriate funding rate for the position being measured. The yield curves used to estimate future index levels and discount rates are generated using market-standard yield curve models using interest rates associated with current market activity. The key inputs to the models are interest rate swap rates, forward rate agreement rates, short-term interest rate futures prices, basis swap spreads and inflation swap rates. Interest rate option contracts are valued using various market-standard option models, using inputs that include interest rate yield curves, inflation curves, volatilities and correlations. When the maturity of an interest rate swap or option contract exceeds the term for which standard market quotes are observable for a significant input parameter, the contracts are valued by extrapolation from the last observable point using standard assumptions or by reference to another observable comparable input parameter to represent a suitable proxy for that portion of the term.
	Fair value hierarchy	The majority of interest rate swaps are classified as Level 2, as the standard market contracts that form the inputs for yield curve models are generally traded in active and observable markets. Options are generally treated as Level 2, as the calibration process enables the model output to be validated to active-market levels. Models calibrated in this way are then used to revalue the portfolio of both standard options and more exotic products. Interest rate swap or option contracts are classified as Level 3 when the terms exceed standard market-observable quotes. Exotic options for which appropriate volatility or correlation input levels cannot be implied from observable market data are classified as Level 3.
Credit derivative contracts	Valuation	Credit derivative contracts are valued using industry-standard models based primarily on market credit spreads, upfront pricing points and implied recovery rates. Where a derivative credit spread is not directly available, it may be derived from the price of the reference cash bond. Asset-backed credit derivatives are valued using a valuation technique similar to that of the underlying security with an adjustment to reflect the funding differences between cash and synthetic form.
	Fair value hierarchy	Single-entity and portfolio credit derivative contracts are classified as Level 2 when credit spreads and recovery rates are determined from actively traded observable market data. Where the underlying reference name(s) are not actively traded and the correlation cannot be directly mapped to actively traded tranche instruments, these contracts are classified as Level 3. Asset-backed credit derivatives follow the characteristics of the underlying security and are therefore distributed across Level 2 and Level 3.
Foreign exchange contracts	Valuation	Open spot foreign exchange ('FX') contracts are valued using the FX spot rate observed in the market. Forward FX contracts are valued using the FX spot rate adjusted for forward pricing points observed from standard market-based sources. Over-the-counter ('OTC') FX option contracts are valued using market-standard option valuation models. The models used for shorter-dated options (i.e. maturities of five years or less) tend to be different from those used for longer-dated options, because the models needed for longer-dated OTC FX contracts require additional consideration of interest rate and FX rate interdependency. The valuation for multi-dimensional FX options uses a multi-local volatility model, which is calibrated to the observed FX volatilities for all relevant FX pairs.
	Fair value hierarchy	The markets for FX spot and FX forward pricing points are both actively traded and observable and, therefore, such FX contracts are generally classified as Level 2. A significant proportion of OTC FX option contracts are classified as Level 2 as inputs are derived mostly from standard market contracts traded in active and observable markets.
Equity / index contracts	Valuation	Equity forward contracts have a single stock or index underlying and are valued using market-standard models. The key inputs to the models are stock prices, estimated dividend rates and equity funding rates (which are implied from prices of forward contracts observed in the market). Estimated cash flows are then discounted using market-standard discounted cash flow models using a rate that reflects the appropriate funding rate for that portion of the portfolio. When no market data is available for the instrument maturity, they are valued by extrapolation of available data, use of historical dividend data, or use of data for a related equity. Equity option contracts are valued using market-standard models that estimate the equity forward level as described for equity forward contracts and incorporate inputs for stock volatility and for correlation between stocks within a basket. The probability-weighted expected option payoff generated is then discounted using market-standard discounted cash flow models applying a rate that reflects the appropriate funding rate for that portion of the portfolio. When volatility, forward or correlation inputs are not available, they are valued using extrapolation of available data, historical dividend, correlation or volatility data, or the equivalent data for a related equity.
	Fair value hierarchy	As inputs are derived mostly from standard market contracts traded in active and observable markets, a significant proportion of equity forward contracts are classified as Level 2. Equity option positions for which inputs are derived from standard market contracts traded in active and observable markets are also classified as Level 2. Level 3 positions are those for which volatility, forward or correlation inputs are not observable.

Quantitative information about level 3 assets and liabilities at fair value

The tables below present material Level 3 assets and liabilities, together with the valuation techniques used to measure fair value, the inputs used in a given valuation technique that are considered significant as of 31 December 2024 and unobservable, and a range of values for those unobservable inputs.

The range of values represents the highest- and lowest-level inputs used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input or an assessment of the reasonableness of the Group's estimates and assumptions, but rather the different underlying characteristics of the relevant assets and liabilities held by CSi group. The ranges will therefore vary from period to period and parameter to parameter based on characteristics of the instruments held at each balance sheet date. Furthermore, the ranges of unobservable inputs may differ across other financial institutions, reflecting the diversity of the products in each firm's inventory.

Valuation techniques and inputs used in the fair value measurement of Level 3 assets and liabilities

	Fair value						Range of inputs						
	Assets		Liabilities				2024			2023			
Group (USD million except as indicated)	2024	2023 [5]	2024	2023 [5]	Valuation technique(s)	Significant unobservable input(s) [1]	low	high	weighted average [2]	low	high	weighted average [2]	unit [1]
Debt securities	**–**	**100**	**–**	–									
Corporate and municipal bonds	–	95	–	–	Relative value to market comparable	Bond price equivalent	–	–	–	1	100	12	points
					Discounted expected cash flows	Credit spreads	–	–	–	4	370	318	basis points
Traded loans, loans measured at fair value and guarantees	**–**	**47**	**–**	–									
Traded loans, loans measured at fair value and guarantees	–	47	–	–	Relative value to market comparable	Loan price equivalent	–	–	–	–	76	70	points
					Discounted expected cash flows	Credit spreads	–	–	–	–	1,217	1,119	basis points
Equity Securities	**66**	**140**	**1**	**5**									
Investment fund units [3]	66	110	–	–	Relative value to market comparable	Net asset value	–	–	–	–	–	–	-
Equity instruments [3]	–	30	1	5	Relative value to market comparable	Price	–	–	–	–	–	–	-
Debt in issuance and Borrowings [4]	**–**	–	**82**	**257**									
Other financial liabilities designated at fair value	**–**	–	**1**	**4**									
Derivative financial instruments	**510**	**903**	**185**	**647**									
Interest rate products	**174**	183	**14**	86	Option model	IR / IR correlation	**69**	**97**		25	100		%
						Volatility of interest rates	**50**	**176**		47	154		basis points
						IR / FX Correlation	**2**	**8**		(25)	8		%
						IR Mean Reversion	**15**	**25**		(21)	25		%
						Prepayment Speed	**11**	**26**		15	21		%
Credit derivatives	**49**	203	**48**	198	Discounted expected cash flows	Bond price equivalent	**100**	**100**		13	102		points
						Credit spreads	**4**	**123**		3	2,002		basis points
Equity / index related products	**138**	340	**109**	358	Option model	Volatility of equity stocks, equity and other indices	**4**	**126**		2	142		%
						Equity dividend yields	**–**	**16**		–	17		%
						Equity-to-FX correlation	**(14)**	**32**		(35)	77		%
						Equity / Equity Correlation	**66**	**85**		(50)	100		%

1 The ranges of significant unobservable inputs are represented in points, percentages and basis points. Points are a percentage of par (e.g., 100 points would be 100% of par).
2 Weighted averages are provided for most non-derivative financial instruments and were calculated by weighting inputs based on the fair values of the respective instruments. Weighted averages are not provided for inputs related to Other financial liabilities designated at fair value and Derivative financial instruments, as this would not be meaningful.
3 The range of inputs is not disclosed, as there is a dispersion of values given the diverse nature of the investments.
4 Debt in issuance and Borrowings primarily consists of structured notes, which include variable maturity notes with various equity and foreign exchange underlying risks, as well as rates-linked and credit-linked notes, all of which have embedded derivative parameters that are considered to be unobservable. The equivalent derivative instrument parameters for debt issued or embedded derivatives for over-the-counter debt instruments are presented in the respective derivative financial instruments lines in this table.
5 Prior period numbers have been restated to conform to current period's presentation.

Qualitative discussion of the ranges of significant unobservable inputs

This section discusses the significant unobservable inputs used in the valuation of Level 3 instruments and assesses the potential effect that a change in each unobservable input in isolation may have on a fair value measurement. Relationships between observable and unobservable inputs have not been included in the summary below:

Input	Description
Bond price equivalent	· Where market prices are not available for a bond, fair value is measured by comparison with observable pricing data from similar instruments. Factors considered when selecting comparable instruments include credit quality, maturity and industry of the issuer. Fair value may be measured either by a direct price comparison or by conversion of an instrument price into a yield (either as an outright yield or as a spread to the relevant benchmark rate). · For corporate and municipal bonds, the range represents the range of prices from reference issuances used in determining fair value. Bonds priced at 0 are distressed to the point that no recovery is expected, while prices significantly in excess of 100 or par relate to inflation-linked or structured issuances that pay a coupon in excess of the market benchmark as of the measurement date. · For credit derivatives, the bond price range represents the range of prices used for reference instruments, which are typically converted to an equivalent yield or credit spread as part of the valuation process.
Loan price equivalent	· Where market prices are not available for a traded loan or a loan commitment, fair value is measured by comparison with observable pricing data for similar instruments. Factors considered when selecting comparable instruments include industry segment, collateral quality, maturity and issuer-specific covenants. Fair value may be measured either by a direct price comparison or by conversion of an instrument price into a yield. The range represents the range of prices derived from reference issuances of a similar credit quality used to measure fair value for loans classified as Level 3. Loans priced at 0 are distressed to the point that no recovery is expected, while a current price of 100 represents a loan that is expected to be repaid in full.
Credit spread	· Valuation models for many credit derivatives and other credit sensitive products require an input for the credit spread, which is a reflection of the credit quality of the associated referenced underlying. The credit spread of a particular security is quoted in relation to the yield on a benchmark security or reference rate, typically either US Treasury or ARR, and is generally expressed in terms of basis points. An increase / (decrease) in credit spread will increase / (decrease) the value of credit protection offered by credit default swaps and other credit derivative products. The income statement effect from such changes depends on the nature and direction of the positions held. Credit spreads may be negative where the asset is more creditworthy than the benchmark against which the spread is calculated. A wider credit spread represents decreasing creditworthiness. The range represents a diverse set of underlyings, with the lower end of the range representing credits of the highest quality and the upper end of the range representing greater levels of credit risk.
Prepayment Speed	· Prepayment speeds may vary between collateral pools, and are driven by a variety of collateral-specific factors, including the type and location of the underlying borrower, the remaining tenor of the obligation and the level and type (e.g., fixed or floating) of interest rate being paid by the borrower.
Volatility	· Volatility measures the variability of future prices for a particular instrument and is generally expressed as a percentage, where a higher number reflects a more volatile instrument, for which future price movements are more likely to occur. Volatility is a key input into option models, where it is used to derive a probability-based distribution of future prices for the underlying instrument. The effect of volatility on individual positions within the portfolio is driven primarily by whether the option contract is a long or short position. In most cases, the fair value of an option increases as a result of an increase in volatility and is reduced by a decrease in volatility. Generally, volatility used in the measurement of fair value is derived from active-market option prices (referred to as implied volatility). A key feature of implied volatility is the volatility "smile" or "skew," which represents the effect of pricing options of different option strikes at different implied volatility levels. · Volatilities of low interest rates tend to be much higher than volatilities of high interest rates. In addition, different currencies may have significantly different implied volatilities.
Correlation	· Correlation measures the interrelationship between the movements of two variables. It is expressed as a percentage between –100% and +100%, where +100% represents perfectly correlated variables (meaning a movement of one variable is associated with a movement of the other variable in the same direction) and –100% implies that the variables are inversely correlated (meaning a movement of one variable is associated with a movement of the other variable in the opposite direction). The effect of correlation on the measurement of fair value depends on the specific terms of the instruments being valued, reflecting the range of different payoff features within such instruments.
Equity dividend yields	· The derivation of a forward price for an individual stock or index is important for measuring fair value for forward or swap contracts and for measuring fair value using option pricing models. The relationship between the current stock price and the forward price is based on a combination of expected future dividend levels and payment timings, and, to a lesser extent, the relevant funding rates applicable to the stock in question. Dividend yields are generally expressed as an annualised percentage of the share price, with the lowest limit of 0% representing a stock that is not expected to pay any dividend. The dividend yield and timing represent the most significant parameter in determining fair value for instruments that are sensitive to an equity forward price.
Mean Reversion	· Mean reversion is the primary significant unobservable input for callable Constant Maturity Swap ('CMS') spread exotics and represents the idea that prices and returns eventually move back towards the historical average.

Sensitivity of fair values to reasonably possible alternative assumptions

The table below summarises those financial assets and liabilities classified as Level 3 for which a change in one or more of the unobservable inputs to reflect reasonably possible favorable and unfavorable alternative assumptions would change fair value significantly, and the estimated effect thereof. The table below does not represent the estimated effect of stress scenarios. Interdependencies between Level 1, 2 and 3 parameters have not been incorporated in the table. Furthermore, direct interrelationships between the Level 3 parameters discussed below are not a significant element of the valuation uncertainty.

Group and Bank	As at 31 December 2024 Favourable changes [1]	As at 31 December 2024 Un-favourable changes [1]	As at 31 December 2023 Favourable changes [1,2]	As at 31 December 2023 Un-favourable changes [1,2]
Impact on net income/(loss) (USD million)				
Loans	13	–	11	(4)
Equity Securities	2	(2)	3	(3)
Derivatives- Interest rate	6	(5)	31	(30)
Derivatives- Credit	2	(2)	24	(19)
Derivatives- Equity	1	(2)	103	(100)
Derivatives- Foreign exchange	1	(1)	1	(1)
Other	–	–	17 [2]	(15) [2]
Total	**25**	**(12)**	**190**	**(172)**

[1] Sensitivity of issued and over-the-counter debt instruments is reported with the equivalent derivative or Other.
[2] Prior period numbers have been restated to conform to current period's presentation.

Sensitivity data is estimated using a number of techniques, including the estimation of price dispersion among different market participants, variation in modeling approaches and reasonably possible changes to assumptions used within the fair value measurement process. The sensitivity ranges are not always symmetrical around the fair values, as the inputs used in valuations are not always precisely in the middle of the favourable and unfavourable range.
Sensitivity data is determined at a product or parameter level and then aggregated assuming no diversification benefit. Diversification would incorporate estimated correlations across different sensitivity results and, as such, would result in an overall sensitivity that would be less than the sum of the individual component sensitivities. However, the Group believes that the diversification benefit is not significant to this analysis.

Recognition of trade date profit

For new transactions where the valuation technique used to measure fair value requires significant inputs that are not based on observable market data, the financial instrument is initially recognised at the transaction price. The transaction price may differ from the fair value obtained using a valuation technique, where any such difference is deferred and not initially recognised in the income statement.

Deferred trade date profit or loss is generally released into Trading revenue when pricing of equivalent products or the underlying parameters becomes observable or when the transaction is closed out.

The table below summarises the changes in deferred trade date profit or loss reserves during the respective period:

	2024	2023
Deferred trade date profit (USD million)		
Balance at the beginning of period	229	472
Increase due to new trades	–	48
Reduction due to passage of time	(6)	(58)
Reduction due to redemption, sales, transfers or improved observability	(200)	(233)
Balance at the end of period	**23**	**229**

Fair Value of financial instruments not recognised at fair value by level of fair value hierarchy

As at 31 December 2024 Group and Bank (USD million)	Level 1	Level 2	Level 3	**Fair value**
Financial assets				
Cash and due from banks	1,858	–	–	1,858
Interest-bearing deposits with banks	–	3,961	–	3,961
Securities purchased under resale agreements and securities borrowing transactions	–	533	–	533
Loans and advances	–	2,517	–	2,517
Other assets	–	4,971	–	4,971
Total fair value of financial assets	**1,858**	**11,982**	**–**	**13,840**
Financial liabilities				
Due to banks	18	–	–	18
Securities sold under repurchase agreements and securities lending transactions	–	26	–	26
Borrowings	–	7,387	–	7,387
Debt in issuance [1]	–	5,480	–	5,480
Other financial liabilities	–	5,961	–	5,961
Total fair value of financial liabilities	**18**	**18,854**	**–**	**18,872**

[1] USD 2.4 billion under Debt in issuance has moved from Level 3 to 2 due to inputs becoming observable for year ended December 2024.

As at 31 December 2023 Group (USD million)	Level 1	Level 2	Level 3	**Fair value**
Financial assets				
Cash and due from banks	754	2,873	–	3,627
Interest-bearing deposits with banks	–	8,319	–	8,319
Securities purchased under resale agreements and securities borrowing transactions	–	1,304	–	1,304
Loans and advances	–	499	2,755	3,254
Other assets	–	16,977	–	16,977
Total fair value of financial assets	**754**	**29,972**	**2,755**	**33,481**
Financial liabilities				
Due to banks	31	–	–	31
Securities sold under repurchase agreements and securities lending transactions	–	358	–	358
Borrowings	–	12,622	–	12,622
Debt in issuance	–	5,728	2,397	8,125
Other financial liabilities	–	8,604	–	8,604
Total fair value of financial liabilities	**31**	**27,312**	**2,397**	**29,740**

As at 31 December 2023 Bank (USD million)	Level 1	Level 2	Level 3	**Fair value**
Financial assets				
Cash and due from banks	743	2,873	–	3,616
Interest-bearing deposits with banks	–	8,319	–	8,319
Securities purchased under resale agreements and securities borrowing transactions	–	1,304	–	1,304
Loans and advances	–	499	2,755	3,254
Other assets	–	16,977	–	16,977
Total fair value of financial assets	**743**	**29,972**	**2,755**	**33,470**
Financial liabilities				
Due to banks	31	–	–	31
Securities sold under repurchase agreements and securities lending transactions	–	358	–	358
Borrowings	–	12,622	–	12,622
Debt in issuance	–	5,728	2,397	8,125
Other financial liabilities	–	8,604	–	8,604
Total fair value of financial liabilities	**31**	**27,312**	**2,397**	**29,740**

35 Assets Pledged or Assigned

The following table sets forth details of assets pledged or assigned:

Group and Bank	**2024**	2023
Assets pledged or assigned (USD million)		
Trading financial assets at fair value through profit or loss [1]	–	3,742
Collateral received (USD million)		
Fair value of collateral received with the right to resell or repledge [2]	14,777	32,676
Of which sold or repledged [3]	3,281	15,844

[1] Includes USD Nil (2023: USD 779 million) assets recognised on the balance sheet but are encumbered due to failed sale financing transactions.
[2] Includes USD Nil (2023: USD 283 million) of collateral assets received from failed purchased financing transactions.
[3] Includes USD 22 million (2023: USD 163 million) collateral assets not already recognised on the balance sheet relating to failed sale financing transactions.

Assets pledged or assigned represents the balance sheet position of trading assets mandatorily at fair value through profit or loss which have been pledged as collateral under securities sold under repurchase agreements, securities lending transactions and derivatives transactions. Refer to Note 16 – Trading Financial Assets and Liabilities Mandatorily at Fair Value through Profit or Loss for the amount of securities transferred which are encumbered. Certain assignments of assets that are recognised on the balance sheet, may represent legal form sales but CSi group maintains continuing involvement with the assigned assets through a related financial instrument.

As at 31 December 2024 and 2023 collateral was received in connection with failed purchased financing transactions, resale agreements, securities borrowings and loans, derivative transactions and margined broker loans. As at these dates, a substantial portion of the collateral received by the CSi group had been sold or repledged in connection with repurchase agreements, securities sold not yet purchased, securities lent, pledges to clearing organisations, segregation requirements under securities laws and regulations, derivative transactions and bank loans. Certain securities received and subsequently resold by CSi group may represent legal form sales but CSi group maintains continuing involvement with the resold assets through a related financial instrument.

These transactions were generally conducted under terms that are usual and customary for standard securitised lending activities and the other transactions described. The CSi group, as the secured party, has the right to sell or repledge such collateral, subject to the CSi group returning equivalent securities upon completion of the transaction.

The CSi group enters into agreements with counterparties where collateral or security interests in positions, which the CSi group holds, has been provided. This includes situations where the CSi group has registered charges to certain counterparties over the CSi group's assets in connection with its normal operating activities.

36 Derecognition

In the normal course of business, the CSi group enters into transactions where it transfers previously recognised financial assets, such as debt securities, equity securities and other financial instruments. The CSi group's accounting policy regarding derecognition of such assets under IFRS 9 is described in Note 1 – Significant Accounting Policies.

Transferred Financial Assets that are derecognised with continuing involvement

Where the transfer of a financial asset meets the derecognition criteria under IFRS 9, the CSi group may have continuing involvement in a financial asset that has been derecognised. The continuing involvement can take several forms, including but not

limited to derivative instruments and debt instruments issued by structured entities to which the asset has been transferred. In addition, the CSi group does not have a continuing involvement in a transferred financial asset if, as part of the transfer, the CSi group neither retains any of the contractual rights or obligations inherent in the transferred financial asset nor acquires any new contractual rights or obligations relating to the transferred financial asset. The CSi group does not have continuing involvement in a transferred financial asset if it has neither an interest in the future performance of the transferred financial asset nor a responsibility under any circumstances to make payments in respect of the transferred financial asset in the future. The CSi group's exposure resulting from continuing involvement in a transferred asset is generally limited to where the CSi group retains any form of rights or obligations relating to the transferred asset.
The fair value and carrying amount of CSi group's continuing involvement from transferred positions as of 31 December 2024 and 31 December 2023 was not material.

Maturity analysis of undiscounted cash flows to repurchase transferred assets by type of continuing involvement

Instruments that are considered to be continuing involvement are included in Note 16 – Trading Financial Assets and Liabilities at Mandatorily Fair Value through Profit or Loss and Note 24 –Debt in Issuance.

Transferred Financial Assets that are not derecognised in their entirety

Certain transactions may include provisions that prevent derecognition of the transferred financial asset and the transfers are accounted for as secured financing transactions. Repurchase agreements, securities lending agreements and total return swaps, in which the CSi group retains substantially all of the associated credit, market, interest rate and foreign exchange risks and rewards associated with the assets, represent the most common examples of such transactions. Where the transfer of an asset does not meet derecognition, it remains on the CSi groups balance sheet with a corresponding liability established to represent an obligation to the counterparty. As part of the CSi group's repurchase agreements and securities lending transactions, there is an obligation to return equivalent securities at the end of the transaction.

The following table provides details of financial assets which have been sold or otherwise transferred, but which do not qualify for derecognition, together with their associated liabilities.

Carrying amount of transferred assets not derecognised and associated liabilities

	2024		2023	
Group and Bank (USD million)	Carrying amount of assets	Carrying amount of associated liabilities	Carrying amount of assets	Carrying amount of associated liabilities
Financial assets not derecognised due to the following transactions				
Repurchase & Securities lending agreements	–	–	3,742	3,742
Total Return Swaps	–	–	792	802
Callable asset swap	–	–	130	146
Options	24	22	26	20

The CSi group also participates in securities lending agreements where the counterparty provides securities as collateral or fees. The carrying amount of the assets not derecognised in such transactions is equal to USD Nil (2023: USD 2,669 million).

Where the CSi group sells the contractual rights to the cash flows of the securities included above, it does not have the ability to use the transferred assets during the term of the arrangement.

The counterparties to the associated liabilities have full recourse to CSi. Assets not derecognised are included in Note 16 – Trading Financial Assets and Liabilities at Mandatorily Fair Value through Profit or Loss and the corresponding liabilities are included in Note 15 – Securities Borrowed, Lent and Purchased/Sold under Resale/Repurchase Agreements and Note 17 – Non-trading Financial Assets Mandatorily at Fair Value Through Profit or Loss and Note 18 – Financial Liabilities Designated at Fair Value Through Profit or Loss.

Of the above, other financial assets not derecognised includes failed sale items including fair value elected items which are shown under Non-Trading Financial Assets Mandatorily at Fair Value Through Profit and Loss in the Consolidated Statement of Financial Position.

37 Financial Risk Management

Disclosures in relation to this note has been presented alongside Risk Management in the Strategic Report.

38 Offsetting of Financial Assets and Financial Liabilities

The disclosures set out in the following tables below include derivative instruments, reverse repurchase and repurchase

agreements, securities lending and borrowing transactions, and other assets and liabilities that:
- are offset in the CSi group's Consolidated Statement of Financial Position; or
- are subject to an enforceable master netting agreement or similar agreement, irrespective of whether they are offset in the CSi group's Consolidated Statement of Financial Position.

Similar agreements include derivative clearing agreements, global master repurchase agreements, global master securities lending agreements, and any related rights to financial collateral.

Financial instruments such as Loans and Due to Banks are not disclosed in the following tables. They are not offset in the Consolidated Statement of Financial Position.

Derivatives

The UBS Group AG transacts bilateral OTC derivatives (OTC derivatives) mainly under International Swaps and Derivatives Association ('ISDA') Master Agreements. These agreements provide for the net settlement of all transactions under the agreement through a single payment in the event of default or termination under the agreement.

The above ISDA Master Agreements do not meet the criteria for offsetting in the Statement of Financial Position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of CSi group or the counterparties or following other predetermined events. In addition, CSi group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Collateral for OTC derivatives is received and provided in the form of cash and marketable securities. Such collateral may be subject to the standard industry terms of an ISDA Credit Support Annex. The terms of an ISDA Credit Support Annex provide that securities received or provided as collateral may be pledged or sold during the term of the transactions and must be returned upon maturity of the transaction. These terms also give each counterparty the right to terminate the related transactions upon the other counterparty's failure to post collateral. Financial collateral received or pledged for OTC derivatives may also be subject to collateral agreements which restrict the use of financial collateral.

For exchange-traded derivatives and OTC-cleared derivatives, positive and negative replacement values and related cash collateral are offset if the terms of the rules and regulations governing these exchanges and central clearing counterparties permit such netting and offset because the CSi group:
(a) currently has a legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

To meet criterion (a), the right of set-off:
- must not be contingent on a future event; and
- must be legally enforceable in all of the following circumstances:
  (i) the normal course of business;
  (ii) the event of default; and
  (iii) the event of insolvency or bankruptcy of the entity and all of the counterparties.

Criterion (b) may only be met, if – depending on the settlement mechanism – certain criteria are met (e.g. derivatives with the same currency).

Where no such agreements exist, fair values are recorded on a gross basis.

Exchange traded derivatives or OTC cleared derivatives that are fully margined and for which the daily margin payment constitute settlement of the outstanding exposure are not included in the offsetting disclosures because they are not subject to offsetting due to daily settlement. The daily margin payments which are unsettled until the next settlement cycle is conducted are presented in brokerage receivables or brokerage payables.

Under IFRS, the CSi group has elected to account for substantially all financial instruments with an embedded derivative that is not considered closely related to the host contract at fair value. Where these hybrid financial instruments are subject to an enforceable master netting agreement or similar agreement, they are included in the tables.

Reverse repurchase and repurchase agreements and securities lending and borrowing transactions

Reverse repurchase and repurchase agreements are generally covered by global master repurchase agreements. In certain situations, for example in the event of default, all contracts under the agreements are terminated and are settled net in one single payment. Global master repurchase agreements also include payment or settlement netting provisions in the normal course of business that state that all amounts in the same currency payable by each party to the other under any transaction or otherwise under the global master repurchase agreement on the same date shall be set off.

Bilateral reverse repurchase and repurchase transactions are netted in the Consolidated Statement of Financial Position if the global master repurchase agreements permit such netting and offset because CSi group:
(a) currently has a legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The net settlement criterion in (b) will also be met, if the CSi group can settle amounts in a manner such that the outcome is, in effect, equivalent to net settlement. This will occur if, and only if, the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk, and that will process receivables and payables in a single settlement process or cycle.

The amounts offset are measured on the same basis as the underlying transaction (i.e. on an accrual basis or fair value basis).

Securities lending and borrowing transactions are generally executed under global master securities lending agreements with netting terms similar to ISDA Master Agreements. In certain situations, for example in the event of default, all contracts under the agreement are terminated and are settled net in one single payment. Transactions under these similar agreements are not netted in the Consolidated Statement of Financial Positions because most securities lending and borrowing transactions do not meet the criterion of having the same settlement date specified at inception of the transaction, and therefore they are not eligible for netting in the Consolidated Statement of Financial Positions apart from the other conditions to be met for netting.

Reverse repurchase and repurchase agreements are collateralised principally by government securities, money market instruments and corporate bonds and have terms ranging from overnight to a longer or unspecified period of time. In the event of counterparty default, the reverse repurchase agreement or securities lending agreement provides CSi group with the right to liquidate the collateral held. As is the case in CSi group's normal course of business, CSi actively manages collateral, and relevant collateral received that may be sold or repledged was sold or repledged as of 31 December 2024 and 31 December 2023. In certain circumstances, financial collateral received may be restricted during the term of the agreement (e.g. in tri-party arrangements).

The following table presents the gross amount of securities purchased under resale agreements and securities borrowing transactions subject to enforceable master netting agreements, the amount of offsetting, the amount of securities purchased under resale agreements and securities borrowing transactions not subject to enforceable master netting agreements and the net amount presented in the Consolidated Statement of Financial Position.

Offsetting of Financial Assets and liabilities and amounts not offset in the Consolidated Statement of Financial Position

2024 (USD Million)	Amounts subject to enforceable master netting agreements			Amounts not offset in the Consolidated statement of Financial Position				
Group	Gross	Offsetting	Net	Financial instruments [2]	Cash collateral received/ pledged [2]	Net exposure	Amounts not subject to enforceable master netting agreements [1]	**Total**
Financial Assets								
Derivative assets	22,464	–	22,464	(18,090)	(4,196)	178	20	**22,484**
of which recorded in trading financial assets mandatorily at fair value through profit or loss	*22,464*	–	*22,464*	*(18,090)*	*(4,196)*	*178*	*20*	**22,484**
of which recorded in non-trading financial assets mandatorily at fair value through profit or loss	–	–	–	–	–	–	–	**–**
Securities purchased under resale agreements	14,732	(28)	14,704	(14,704)	–	–	–	**14,704**
Securities borrowing transactions	8	–	8	(8)	–	–	–	**8**
Loans	8	–	8	–	–	8	–	**8**
Other Assets- cash collateral on derivative instruments	4,104	–	4,104	–	(2,957)	1,147	40	**4,144**
Financial Liabilities								
Derivative liabilities	21,851	–	21,851	(18,002)	(2,957)	892	260	**22,111**
of which recorded in trading financial liabilities mandatorily at fair value through profit or loss	*21,851*	–	*21,851*	*(18,002)*	*(2,957)*	*892*	*260*	**22,111**
of which recorded in financial liabilities designated at fair value through profit or loss	–	–	–	–	–	–	–	**–**
Securities sold under resale agreements	2,423	(28)	2,395	(2,395)	–	–	–	**2,395**
Securities lending transactions	26	–	26	(25)	–	1	–	**26**
Short Positions	18	–	18	–	–	18	–	**18**
Other Liabilities- cash collateral on derivative instruments	4,839	–	4,839	–	(4,196)	643	8	**4,847**

[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] The total amount reported in financial instruments and cash collateral is limited to the net amount for the related instruments presented in the Consolidated Statement of Financial Position.

Net exposure is subject to further credit mitigation through the transfer of the exposure to other market counterparties by the general use of CDS.

2023 (USD Million)	Amounts subject to enforceable master netting agreements			Amounts not offset in the Consolidated statement of Financial Position				
Group	Gross	Offsetting	Net	Financial instruments	Cash collateral received/ pledged	Net exposure	Amounts not subject to enforceable master netting agreements	**Total**
Financial Assets								
Derivative assets	57,961	(996)	56,965	(49,745)	(6,261)	959	375	**57,340**
of which recorded in trading financial assets mandatorily at fair value through profit or loss	*57,958*	*(996)*	*56,962*	*(49,745)*	*(6,261)*	*956*	*375*	**57,337**
of which recorded in non-trading financial assets mandatorily at fair value through profit or loss	*3*	–	*3*	–	–	*3*	–	**3**
Securities purchased under resale agreements	25,878	(1,326)	24,552	(24,512)	(40)	–	–	**24,552**
Securities borrowing transactions	662	–	662	(662)	–	–	–	**662**
Loans	326	(56)	270	–	–	270	–	**270**
Other Assets- cash collateral on derivative instruments	15,525	(3)	15,522	–	(7,917)	7,605	206	**15,728**
Financial Liabilities								
Derivative liabilities	58,990	(940)	58,050	(49,744)	(7,917)	389	512	**58,562**
of which recorded in trading financial liabilities mandatorily at fair value through profit or loss	*58,990*	*(940)*	*58,050*	*(49,744)*	*(7,917)*	*389*	*512*	**58,562**
of which recorded in financial liabilities designated at fair value through profit or loss	–	–	–	–	–	–	–	**–**
Securities sold under resale agreements	8,886	(835)	8,051	(8,037)	–	14	–	**8,051**
Securities lending transactions	306	–	306	(306)	–	–	–	**306**
Short Positions	2,541	(584)	1,957	–	–	1,957	–	**1,957**
Other Liabilities- cash collateral on derivative instruments	7,521	(22)	7,499	–	(6,261)	1,238	55	**7,554**

The offsetting tables above apply to both CSi group and Bank. There are no exceptions for the year 2024. For 2023, the only exception to the Bank tables is in the lines as shown below.

Bank	Amounts subject to enforceable master netting agreements			Amounts not offset in the Consolidated statement of Financial Position				
2023 (USD Million)	Gross	Offsetting	Net	Financial instruments	Cash collateral received/ pledged	Net exposure	Amounts not subject to enforceable master netting agreements	**Total**
Financial Assets								
Loans	330	(56)	274	–	–	274	–	**274**

39 Capital Adequacy

The Bank's capital adequacy is monitored and governed by the PRA. The regulatory rules are set out in the PRA's Rulebook, which includes onshored rules from the Capital Requirements Regulation ('CRR') and the Capital Requirements Regulation ('CRR2').

The UBS Group considers a strong and efficient capital position to be a priority. Consistent with this, the Bank closely monitors its capital position on a continuing basis to ensure ongoing stability and support of its business activities. This monitoring takes account of the requirements of the current regulatory regime and any forthcoming changes to the capital framework or to the Bank's business model. The UBS Group continues to provide confirmation that it will ensure that the Bank is able to meet its debt obligations and maintain a sound financial position over the foreseeable future.

Multi-year business forecasts and capital plans are prepared by CSi, considering its business strategy and the impact of known regulatory changes. These plans are subjected to various stress tests, reflecting both macroeconomic and specific risk scenarios, as part of the ICAAP. Within these stress tests, potential management actions, that are consistent with both the market conditions implied by the stress test and the stress test outcome, are identified. The results of these stress tests and associated management actions are updated regularly, as part of the ICAAP, with results documented and reviewed by the Board of Directors. The ICAAP then forms the basis for any Supervisory Review and Evaluation Process ('SREP') that the PRA conducts when assessing an institution's level of regulatory capital.

Own Funds

Own funds comprise a number of 'Tiers'. Tier 1 capital principally comprises shareholders' equity (Common Equity Tier 1 ('CET1') and Additional Tier 1 ('AT1'). Total capital equals the sum of these with adjustments including regulatory deductions and prudential filters.

The Bank's overall capital needs are reviewed to ensure that its own funds can appropriately support the anticipated needs of its businesses. The capital management framework is designed to ensure that own funds are sufficient to support the underlying risks of the business activity, to meet the objectives of management and to meet the requirements of regulators, rating agencies and market participants.

During 2024, there was a capital repatriation from CET1 capital of USD 5.9 billion and AT1 capital of USD 1.2 billion.

Overall movements in capital resources were as follows:

	2024	2023
Regulatory capital less deductions (USD million)		
Total regulatory capital less deductions at 1 January	**13,889**	**15,812**
Capital Repatriation [4]	(7,099)	–
Other equity instruments [3]	–	1,200
Net movement on Tier 2 capital [1]	–	(3)
Net Movement in shareholder's equity [2]	(525)	(2,941)
Net movement in regulatory deductions and prudential filters	618	1,021
Total regulatory capital less deductions at 31 December [3]	**6,883**	**13,889**

1 Net movement on Tier 2 capital represents repayment of subordinated debt in 2023.
2 Net move in shareholders equity includes changes in retained earnings, other reserves and capital contribution reserve.
3 Changes in Tier 1 instruments are already covered in Note 2, and are of which disclosures. These need to be excluded for arriving at the final capital in above table.
4 The decrease in regulatory capital is majorly due to a capital repatriation from CET1 capital of USD 5.9 billion and AT1 capital of USD 1.2 billion.

The following table sets out details of CSi's own funds at 31 December 2024 and 2023.

	2024	2023
Regulatory capital less deductions (USD millions)		
Total shareholders' equity – Bank	7,339	14,962
Shareholders' equity	**7,339**	**14,962**
Other deductions:		
Regulatory deductions (Intangible assets)	(31)	(83)
Securitisation positions	(2)	(7)
DTA on non-temporary differences	(37)	(59)
Excess of expected loss amounts over credit risk adjustments	–	(37)
Defined benefit pension fund assets	(288)	(400)
Free Delivery	(4)	(2)
Prudential filters	(94)	(486)
Total Tier 1 capital	**6,883**	**13,889**
Tier 2 capital		
Subordinated debt	–	–
Total Tier 2 capital	**–**	**–**
Total Tier 1 plus Tier 2 capital less Deductions	**6,883**	**13,889**

Country-by-country reporting

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CREDIT SUISSE INTERNATIONAL

Opinion

We have audited the country-by-country schedule 'the Schedule' of Credit Suisse International (the 'parent company' or 'bank') and its consolidated subsidiaries (the 'group') for the year ended 31 December 2024.

In our opinion, the accompanying country-by-country information, labelled as 'audited' in the Schedule, of the group and bank as at 31 December 2024 is prepared, in all material respects, in accordance with the requirements of The Capital Requirements (Country-by-Country Reporting) Regulations 2013 ('the Regulations').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report.

We are independent of the group and bank in accordance with the ethical requirements that are relevant to our audit of the Schedule in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Schedule, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Schedule is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the group's financial close process, we confirmed our understanding of the directors' going concern assessment process. The assessment considered the results of internal stress tests and other factors including non-financial risks.
- We evaluated the directors' going concern assessment, considering the ability of the parent, UBS AG, to provide the committed funding support. Our procedures included reviewing management's evaluation of the impact of business and strategic plans on future capital adequacy, liquidity and funding positions of the group and bank and challenging the directors' assertion that they do not have an intention to cease trading.
- We challenged the appropriateness and achievability of the assumptions in management's three year strategic plan, including revenue and future cost reduction forecasts associated with the execution of the ongoing wind down strategy, considering the timing of management's planned exits and migrations to other UBS Group entities. We also applied our own independently developed scenarios to stress the three year strategic plan and assessed the impact of these scenarios on going concern.
- We reviewed the group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 12 months from when the Schedule is authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to the ‘Basis of preparation’ section of the Schedule, which describes the basis of accounting. The Schedule is prepared to assist the group in meeting the requirements of the Regulations. As a result, the Schedule may not be suitable for another purpose. This report is made solely to the group’s directors, as a body, in accordance with our engagement letter dated 7th February 2025. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's directors as a body, for our audit work, for this report, or for the opinions we have formed. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Schedule, other than the audited information Schedule and our auditor’s report thereon. The directors are responsible for the other information contained within the Schedule.

Our opinion on the Schedule does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Schedule itself. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation of the Schedule in accordance with the Regulations, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the Schedule, and for such internal control as management determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the directors are responsible for assessing the group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or ban or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Schedule.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

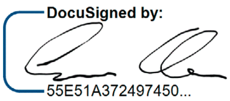
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the regulations of the Prudential Regulation Authority, the Financial Conduct Authority and the Companies Act 2006.
- We understood how the Group is complying with those frameworks by making inquiries of management, Internal Audit and those responsible for legal and compliance matters. We also reviewed correspondence between the Group and regulatory bodies; reviewed minutes of the Board and other key committees; and gained an understanding of the Group’s governance framework.
- We assessed the susceptibility of the Schedule to material misstatement, including how fraud might occur by considering the controls established to address risks identified to prevent or detect fraud. Our procedures over significant accounting estimates included challenging management on the assumptions made and judgements required in determining these estimates. Our procedures also involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business.
- We designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved inquiries of legal counsel, management and Internal Audit. We also tested controls and performed procedures to respond to any impacts on the Schedule of non-compliance with laws and regulations.
- The Group operates in the banking industry which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, involving specialists where appropriate.

A further description of our responsibilities for the audit of the Schedule is located on the FRC’s website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

The engagement partner on the audit resulting in this independent auditor’s report is Simon Ludlam.



Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY
28 March 2025

Country-by-Country Reporting

Article 89 of the Capital Requirements Directive IV (Directive 2013/36/EU) requires institutions (credit institutions or investment firms, their branches, and subsidiaries) to disclose annually: their name, the nature of their activities and geographic location, number of employees, and their turnover, profit or loss before taxes, taxes paid and public subsidies received, on a country-by-country basis for the year ended 2024.

Basis of Preparation

- **Country**: The geographical location of CSi, its branches and subsidiaries considers the country of incorporation or residence as well as the relevant tax jurisdiction. The applicable countries are listed in the following table.
- **Entity details**: The name of the entity, the entity type, and the nature of activity is defined in the following table. CSi including its branches, is a bank. CSi offers a range of interest rate, currency, equity and Credit-related OTC derivatives and certain securitised products. CSi's business is primarily client-driven, focusing on transactions that address the broad financing, risk management and investment concerns of its worldwide client base. CSi enters into derivative contracts in the normal course of business for market-making, positioning and arbitrage purposes, as well as for risk management needs, including mitigation of interest rate, foreign currency and credit risk.
- **Average Number of Employees**: Defined as the number of employees on a full time equivalent basis, compensated directly by the entity.
- **Turnover**: Defined as net revenues and is consistent with CSi's financial statements. Net revenues include total income before impairment and operating expenses, but after net interest, net commissions/fees income and investment and trading income.
- **Profit/(Loss) before taxes**: Definition of profit/(loss) before tax is consistent with that within CSi's financial statements, which includes net revenues, less total operating expenses.
- **Corporation Taxes Paid:** Defined as the corporation tax paid for CSi in each country and does not include taxes refunded back to CSi on account of tax overpayments in prior years. Other taxes paid are detailed in the Strategic Report, and throughout the Annual Report.
- **Public Subsidies Received**: Interpreted as direct support by the government and there were no public subsidies received by CSi in 2024 (2023: Nil).

Country by Country Reporting for the year ended 31 December 2024 (Audited)

Name of Entity	Parent, Subsidiary or Branch	Nature of Activity	Average Number of Employees	Turnover (USD million) [1]	Profit/(Loss) before taxes (USD million) [1]	Corporation Taxes Paid (USD million)	Public Subsidies Received (USD million)
United Kingdom							
Credit Suisse International	Parent	Bank	911	1,046	(60)	–	–
Credit Suisse International	Consolidated [1]		911	1,046	(60)	–	–

[1] Variable Interest entities are included in the above reporting. For a full list of other consolidated entities please refer Note 33 – Interest in Other Entities.
[2] These have been audited.

CSi has incurred employees' social security of USD 46 million, irrecoverable UK value added tax of USD 8 million and received a rebate for Bank Levy of USD 1 million.

Country by Country Reporting for the year ended 31 December 2023 (Audited)

Name of Entity	Parent, Subsidiary or Branch	Nature of Activity	Average Number of Employees	Turnover (USD million) [1]	Profit/(Loss) before taxes (USD million) [1]	Corporation Taxes Paid (USD million)	Public Subsidies Received (USD million)
United Kingdom							
Credit Suisse International	Parent	Bank	1,880	1,413	(1,736)	–	–
Credit Suisse International	Consolidated [1]		1,880	1,413	(1,736)	–	–

[1] Variable Interest entities are included in the above reporting. For a full list of other consolidated entities please refer Note 33 – Interest in Other Entities.
[2] These have been audited.

CSi incurred employees' social security of USD 75 million, irrecoverable UK value added tax of USD 5 million and Bank Levy of USD 6 million.

CREDIT SUISSE INTERNATIONAL
One Cabot Square
London E14 4QJ

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