

# Financial Report 6M22

Credit Suisse (Schweiz) AG



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Capital adequacy disclosures for Credit Suisse Group AG and Credit Suisse (Schweiz) AG are presented in the publications "Pillar 3 and regulatory disclosures – Credit Suisse Group AG" and "Regulatory disclosures – Subsidiaries", respectively, which are available on Credit Suisse Group's website [credit-suisse.com/regulatorydisclosures](https://www.credit-suisse.com/regulatorydisclosures).

Climate-related financial risk disclosures for the Group and Credit Suisse (Schweiz) AG are presented in the publication "Sustainability Report", which is available on Credit Suisse Group's website [credit-suisse.com/sustainabilityreport](https://www.credit-suisse.com/sustainabilityreport).

Publications referenced in this report, whether via website links or otherwise, are not incorporated into this report.

In tables, use of "–" indicates not meaningful or not applicable.

# Report on the Review

of Interim financial statements to the Board of Directors of  
Credit Suisse (Schweiz) AG

Zurich, Switzerland

According to your request, we have reviewed the interim financial statements (statements of income, balance sheets, statement of changes in equity and notes) (pages 3 to 7) of Credit Suisse (Schweiz) AG for the period ended June 30, 2022.

These interim financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these interim financial statements based on our review.

Our review was conducted in accordance with the Swiss Auditing Standard 910, which requires that a review be planned and performed to obtain limited assurance about whether the interim financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not in accordance with the accounting, disclosure and valuation requirements of Swiss law that are applicable for the preparation of financial statements.

PricewaterhouseCoopers AG



Roman Berlinger  
Audit Expert



Ralph Gees  
Audit Expert

Zurich, August 26, 2022

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# Interim financial statements – unaudited

## Statements of income (unaudited)

in	6M22	6M21
<b>Statements of income (CHF million)</b>		
Interest and discount income	1,021	1,081
Interest and dividend income from financial investments	2	2
Interest expense	(30)	7
<b>Gross income from interest activities</b>	<b>993</b>	<b>1,090</b>
(Increase)/release of allowance for default risks and losses from interest activities	(33)	(25)
<b>Net income from interest activities</b>	<b>960</b>	<b>1,065</b>
Commission income from securities trading and investment activities	813	834
Commission income from lending activities	102	92
Commission income from other services	190	196
Commission expense	(228)	(213)
<b>Net income from commission and service activities</b>	<b>877</b>	<b>909</b>
<b>Net income/(loss) from trading activities and fair value option</b>	<b>144</b>	<b>134</b>
Income from participations	135	172
Income from real estate	1	2
Other ordinary income	176	268
<b>Net income from other ordinary activities</b>	<b>312</b>	<b>442</b>
Personnel expenses	640	649
General and administrative expenses	830	741
<b>Total operating expenses</b>	<b>1,470</b>	<b>1,390</b>
Impairment of participations, depreciation and amortization of tangible fixed assets and intangible assets	56	400
Increase/(release) of provisions and other valuation adjustments, and losses	(6)	25
<b>Operating profit</b>	<b>773</b>	<b>735</b>
Extraordinary income	1	6
Taxes	(126)	(116)
<b>Net profit</b>	<b>648</b>	<b>625</b>

## Balance sheets (unaudited)

end of	6M22	2021
<b>Assets (CHF million)</b>		
Cash and other liquid assets	59,121	58,054
Due from banks	7,160	11,031
Securities borrowing and reverse repurchase agreements	8,687	7,270
Due from customers	36,854	33,711
Mortgage loans	138,326	138,472
Trading assets	1,350	1,023
Positive replacement values of derivative financial instruments	1,163	1,334
Financial investments	148	249
Accrued income and prepaid expenses	442	334
Participations	958	931
Tangible fixed assets	468	461
Other assets	403	500
<b>Total assets</b>	<b>255,080</b>	<b>253,370</b>
Total subordinated receivables	105	90
of which receivables subject to contractual mandatory conversion and/or cancellation	40	40
<b>Liabilities and shareholders' equity</b>		
Due to banks	33,220	19,865
Securities lending and repurchase agreements	2,952	2,509
Customer deposits	172,004	186,859
Trading liabilities	5	0
Negative replacement values of derivative financial instruments	2,011	738
Medium-term notes	88	119
Bonds and mortgage-backed bonds	29,143	28,266
Accrued expenses and deferred income	671	726
Other liabilities	2,219	654
Provisions	81	96
<b>Total liabilities</b>	<b>242,394</b>	<b>239,832</b>
Share capital	100	100
Legal capital reserves	11,844	12,144
of which capital contribution reserves	10,822	11,122
Retained earnings carried forward	94	20
Net profit	648	1,274
<b>Total shareholders' equity</b>	<b>12,686</b>	<b>13,538</b>
<b>Total liabilities and shareholders' equity</b>	<b>255,080</b>	<b>253,370</b>
Total subordinated liabilities	13,307	13,306
of which liabilities subject to contractual mandatory conversion and/or cancellation	3,106	3,105

## Off-balance sheet transactions (unaudited)

end of	6M22	2021
<b>CHF million</b>		
Contingent liabilities	15,345	15,016
Irrevocable commitments	15,964	15,347
Obligations for calls on shares and additional payments	101	101

### Off-balance sheet transactions

Contingent liabilities include guarantees for obligations, performance-related guarantees and letters of comfort issued to third parties. Contingencies with a stated amount are included in the off-balance sheet section of the financial statements. In some instances, the exposure of Credit Suisse (Schweiz) AG is not defined as an amount but relates to specific circumstances such as the solvency of subsidiaries or the performance of a service.

#### Joint and several liability

Credit Suisse (Schweiz) AG holds assets at a carrying value of CHF 949 million and CHF 950 million as of June 30, 2022 and December 31, 2021, respectively, which are pledged under the international covered bond program of Credit Suisse AG and for which the related liabilities of CHF 611 million and CHF 627 million as of June 30, 2022 and December 31, 2021 are reported by Credit Suisse AG. As of June 30, 2022 and December 31, 2021, the contingent liabilities of Credit Suisse (Schweiz) AG under this covered bond program of Credit Suisse AG are CHF 611 million and CHF 627 million, respectively. Credit Suisse (Schweiz) AG also entered into a contractual arrangement under which it assumed joint and several liability in connection with Credit Suisse (Schweiz) AG's roles under the international covered bond program.

Credit Suisse (Schweiz) AG is a member of Credit Suisse Group AG's Swiss value added tax (VAT) group and therefore subject to joint and several liability according to the Swiss VAT Act.

#### Deposit insurance guarantee program

Deposit-taking banks and securities dealers in Switzerland are required to ensure the payout of privileged deposits in the case of specified restrictions or compulsory liquidation of a deposit-taking bank, and they jointly guarantee an amount of up to CHF 6 billion. Upon occurrence of a payout event triggered by a specified restriction of business imposed by the Swiss Financial Market Supervisory Authority FINMA (FINMA) or by the compulsory liquidation of another deposit-taking bank, the participating bank's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate, Credit Suisse (Schweiz) AG's share in the deposit insurance guarantee program for the period July 1, 2021 to June 30, 2022 was CHF 444 million. This deposit insurance guarantee was reflected in irrevocable commitments. For the period July 1, 2022 to June 30, 2023, Credit Suisse (Schweiz) AG's share in the deposit insurance guarantee program will be CHF 423 million.

## Statement of changes in equity (unaudited)

	Share capital	Legal capital reserves		Retained earnings carried forward	Net profit	Total shareholders' equity
		Total	of which: capital contribution reserves <sup>1</sup>			
<b>6M22 (CHF million)</b>						
<b>Balance at beginning of period</b>	<b>100</b>	<b>12,144</b>	<b>11,122</b>	<b>20</b>	<b>1,274</b>	<b>13,538</b>
Appropriation of net profit	–	–	–	1,274	(1,274)	–
Dividends and other distributions	–	(300)	(300)	(1,200)	–	(1,500)
Net profit	–	–	–	–	648	648
<b>Balance at end of period</b>	<b>100</b>	<b>11,844</b>	<b>10,822</b>	<b>94</b>	<b>648</b>	<b>12,686</b>

<sup>1</sup> Distributions from capital contribution reserves are free of Swiss withholding tax.

# Notes to the interim financial statements – unaudited

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## 1 Company details, business developments and subsequent events

### Company details

Credit Suisse (Schweiz) AG is a Swiss bank incorporated as a joint stock corporation (public limited company), with its registered office in Zurich, Switzerland.

Credit Suisse (Schweiz) AG is a wholly owned subsidiary of Credit Suisse AG and Credit Suisse AG is a wholly owned subsidiary of Credit Suisse Group AG (the Group), both domiciled in Switzerland.

### Business developments

#### Strategic review

On July 27, 2022, the Group announced that it is conducting a comprehensive strategic review. The development and implementation of the new strategy will be overseen by the Group's full Board of Directors. The Group will provide further details on the progress of the strategic review with its third-quarter 2022 results.

#### Supply chain finance funds matter

As previously reported, the boards of four supply chain finance funds (SCFF) managed by certain Group subsidiaries decided to suspend redemptions and subscriptions of those funds to protect the interests of the funds' investors, to terminate the SCFF and to proceed to their liquidation.

→ Refer to "Note 1 – Company details, business developments and subsequent events" in the Annual Report 2021 for further information.

Credit Suisse (Schweiz) AG continues to analyze these matters, including with the assistance of external counsel and other experts. Certain clients have threatened litigation and, as this matter develops, Credit Suisse (Schweiz) AG may become subject to litigation, disputes or other actions. In 6M22, the SCFF matter did not have a material impact on the financial results of Credit Suisse (Schweiz) AG.

#### Russia's invasion of Ukraine

In response to Russia's invasion of Ukraine, many countries across the world imposed severe sanctions against Russia's financial system and on Russian government officials and business leaders, and these sanctions have been expanded several times. Credit Suisse (Schweiz) AG continues to assess the impact of the sanctions already imposed, and potential future escalations, on its exposures and client relationships. Credit Suisse (Schweiz) AG has reduced Russia-related exposures in 6M22 as the market and counterparty situation evolved. As of June 30, 2022, Credit Suisse (Schweiz) AG had a net credit exposure to Russia, after specific allowances and provisions for credit losses and valuation adjustments, of CHF 43 million, compared to CHF 242 million as of December 31, 2021. The remaining credit exposure continues to be subject to ongoing monitoring and management. Credit Suisse (Schweiz) AG notes that these recent developments may continue to affect its financial performance, including credit loss estimates and potential asset impairments. The Executive Board is notified of any material developments and escalations in relation to Credit Suisse (Schweiz) AG's response to Russia's invasion of Ukraine.

#### Distribution out of capital contribution reserves

On August 25, 2022, the Board of Directors proposed a distribution out of capital contribution reserves of CHF 300 million to be approved by an Extraordinary General Meeting of shareholders on August 29, 2022.

### Subsequent events

There were no subsequent events from the balance sheet date until August 26, 2022, the publishing date of these interim financial statements.

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## 2 Accounting and valuation principles

### Summary of significant accounting and valuation principles

#### Basis for accounting

The Credit Suisse (Schweiz) AG standalone financial statements are prepared in accordance with the accounting rules of the Swiss Federal Law on Banks and Savings Banks (Bank Law), the corresponding Implementing Ordinance (Banking Ordinance), the Swiss Financial Market Supervisory Authority's Accounting Ordinance (FINMA Accounting Ordinance) and

FINMA circular 2020/1, "Accounting – banks" (Swiss GAAP statutory) as applicable for the preparation of reliable assessment statutory single-entity financial statements (Statutarischer Einzelabschluss mit zuverlässiger Darstellung). The financial year for Credit Suisse (Schweiz) AG ends on December 31. These interim financial statements should be read in conjunction with the standalone financial statements and notes thereto for the year ended December 31, 2021 included in the Annual Report 2021 of Credit Suisse (Schweiz) AG.

→ Refer to "Note 2 – Accounting and valuation principles" in the Annual Report 2021 for further information.



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### 3 Extraordinary income

in	6M22	6M21
<b>CHF million</b>		
Gains realized from the disposal of participations	0	6 <sup>1</sup>
Gains realized from the disposal of tangible fixed assets	1	0
<b>Extraordinary income</b>	<b>1</b>	<b>6</b>

<sup>1</sup> Related to the liquidation of a participation.

**Cautionary statement regarding forward-looking information**

This document contains forward-looking statements that involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements. A number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions we express in these forward-looking statements. We do not intend to update these forward-looking statements.

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