


CREDIT SUISSE 

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Credit Suisse International
Interim Report 2010



CREDIT SUISSE INTERNATIONAL
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2010

CREDIT SUISSE INTERNATIONAL

INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2010

The directors present their Interim Management Report and the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2010.

International Financial Reporting Standards

Credit Suisse International's 2010 Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the European Union ('EU'). The Condensed Consolidated Interim Financial Statements comprise Credit Suisse International ('CSI' or the 'Bank') and its subsidiaries – together referred to as the 'Group'.

The Condensed Consolidated Interim Financial Statements were authorised for issue by the Directors on 26 August 2010.

Business Review

Profile

Credit Suisse Group AG ('CSG'), a company domiciled in Switzerland, is the ultimate parent of a worldwide group of companies (collectively referred to as the 'CS group') specialising in Investment Banking, Private Banking and Asset Management. CSI is an unlimited liability company and an indirect wholly owned subsidiary of CSG. CSI is authorised under the Financial Services and Markets Act 2000 by the Financial Services Authority ('FSA').

As a leading financial services provider, CS group is committed to delivering its combined financial experience and expertise to corporate, institutional and government clients and high-net-worth individuals worldwide, as well as to retail clients in Switzerland. CS group serves its clients through three divisions, Investment Banking, Private Banking and Asset Management, which co-operate closely to provide holistic financial solutions based on innovative products and specially tailored advice. Founded in 1856, CS group has a truly global reach today, with operations in over 50 countries and a team of more than 49,200 employees from approximately 100 different nations.

CSG prepares financial statements under US Generally Accepted Accounting Principles ('US GAAP'). These accounts are publicly available and can be found at www.credit-suisse.com.

CSI is a bank domiciled in the United Kingdom. It is a global market leader in over-the-counter ('OTC') derivative products from the standpoints of counterparty service, innovation, product range and geographic scope of operations. CSI offers a range of interest rate, currency, equity, commodity 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 the Group's risk management needs, including mitigation of interest rate, foreign currency and credit risk. CSI trades fixed income and equity product areas which are managed as part of the Investment Banking Division of CS group.

Principal products

CSI provides a full range of fixed income derivative products including forward rate agreements, interest rate and currency swaps, interest rate options, bond options, commodities and credit derivatives for the financing, risk management and investment needs of its customers. CSI also engages in underwriting, securitising, trading and distributing a broad range of financial instruments in developed and emerging markets including US Treasury and government agency securities, US and foreign investment-grade and high yield corporate bonds, money market instruments, foreign exchange and real estate related assets.

CSI engages in a broad range of equity activities for investors including sales, trading, brokerage and market making in international equity and equity related securities, options and futures and OTC derivatives.

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INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2010

Economic environment

The global economic recovery continued in the first half of 2010, led by emerging markets, particularly in Asia. Gross domestic product (GDP) expanded in the US, with inventories remaining an important driver. Most European countries had continued growth, apart from Greece, which remained in recession due to the government's fiscal consolidation measures. Leading indicators continued rising in many countries, in both developed and emerging markets, with some indicators reaching record highs.

Sovereign debt concerns in Europe dominated the financial markets. In early April, European governments signalled they would provide EUR30BN to Greece in return for austerity measures. The size of the aid package was expanded to EUR110BN in May, with a EUR30BN contribution by the International Monetary Fund (IMF). Despite the announcement of the aid package, yields on Greek government bonds continued rising and concern grew over the sovereign debt risk of Spain and Portugal. Eurozone leaders announced a EUR750BN aid package for troubled eurozone governments, including a EUR250BN contribution from the IMF. Further support came from the European Central Bank (ECB), which pledged to buy eurozone government bonds.

Inflationary pressures remained subdued in most developed countries. While energy-related effects kept headline inflation rates at elevated levels, core inflation rates reached multi-year lows in the eurozone and the US. In a few European countries (Ireland, Portugal and Spain), core inflation was negative during the second quarter. In contrast, China's inflation crept higher.

The yields trended downwards across all maturities during the period as divergence in monetary policy continued. Monetary policy in most developed countries remained expansionary. The US Federal Reserve (Fed) maintained its target for short-term interest rates near zero and continued to anticipate that economic conditions would warrant exceptionally low interest rates for an extended period. Similarly, the ECB kept short term-interest rates unchanged at a record low of 1%, and the Bank of England (BoE) signalled that it would not tighten monetary policy for at least a year. The ECB temporarily re-introduced some emergency lending facilities it had planned to discontinue. This is in contrast to China, where authorities further raised the reserve requirement ratio for banks, and various central banks around the globe started increasing interest rates (Australia, Brazil and Canada).

Sector environment

Equity markets showed a mixed performance in 2010 with gains in the first quarter followed by sharply lower levels in the second quarter. The volatility increased due to sovereign debt concerns. The VIX volatility index jumped to levels not seen since March 2009, as the contagion from the eurozone sovereign bond market and fears over measures to slow down the Chinese property market led to significant de-risking and unwinding of positions. Equity indices in emerging markets largely outperformed developed regions.

Credit markets continued to be volatile with spreads widening. US and Europe credit spreads increased further in the second quarter of 2010, mainly due to sovereign debt concerns. The heightened volatility reflected concerns around refinancing and the emerging credit crisis across many European countries.

Currency markets reflected the sovereign debt concerns in the eurozone and heightened risk aversion. The US dollar appreciated in 2010 against the euro and British pound. Lower commodity prices impacted commodity-linked currencies such as the Australian and Canadian dollars in the second quarter against the US dollar. The Japanese yen appreciated against the US dollar due to its safe haven status and narrowing interest rate differentials. The Chinese renminbi strengthened against the US dollar, reflecting the announcement of the resumption of a controlled float of the renminbi.

Commodity markets had a weak start to the year. Part of the decline was due to profit taking after a strong performance in late 2009 and the strengthening US dollar. Beginning in mid-February, commodity prices began to recover amid the first signs that commodity consumption had started to increase in developed countries. Cyclical commodities such as industrial metals and oil led the recovery. Gold prices benefited from strong demand and low interest rates and reached record highs in June. Agricultural commodity prices initially followed the recovery of the cyclical markets, but prospects of increased production globally led to a price correction in March with the second quarter ending almost unchanged.

Regulators and governments continued their focus on regulatory reform, capital and liquidity requirements, compensation and systemic risk. The deadline for feedback from the banks on the Basel Committee on Banking

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Supervision (BCBS) proposals was April 2010. In preparation for the Toronto G-20 summit in June 2010, regulators continued to address the issues of "too big to fail," qualifying capital instruments, bank levies and bonus and transaction taxes. In the EU, regulatory discussions focused on capital requirements and on the regulation of alternative investment managers. In the US, tax legislation was enacted to broaden reporting by foreign financial institutions regarding all accounts held by US persons or by foreign entities with substantial US ownership.

Performance

For the first half of 2010, CSi recorded net income attributable to shareholders of US\$375M, compared to a loss of US\$135M for the similar period in 2009. Net Revenues were US\$1,575M compared to US\$453M in 2009. Total operating expenses were US\$955M (2009:US\$937M). Net operating income increased to a profit of US\$620M compared to a loss of US\$484M in the first half of 2009.

Included in net operating revenues for the first six months of 2009 were two exceptional items, the first being the US\$692M impact of an increase in market credit risk provisions across investment grade counterparties. The second being US\$934M losses recognised during the period in exit businesses, the majority being valuation reductions in the mortgage backed securities businesses. There were no such exceptional items in the first half of 2010.

Excluding the impact of these exceptional items in 2009, net revenues and operating income were lower in 2010 than the comparative 2009 period. Investment banking was adversely impacted by macroeconomic issues in the second quarter of 2010, which led to client risk aversion, reduced client activity and market volatility. In spite of this, the strategic businesses continued to gain market share momentum across most products reinforcing the directors' view that the client focussed, capital efficient strategy and reduced-risk business model can generate sustainable earnings even in more challenging markets.

Fixed Income revenues were US\$1,446M, an increase of 40% in 2010 compared to the equivalent period in 2009. The increase in fixed income product revenues was primarily driven by significantly lower losses in the non-strategic businesses that the Group continues to wind down and exit. Adjusting for the impact attributable to exit businesses in the 2009 results, the revenues in the fixed income businesses were lower than 2009. The decrease reflected significantly lower revenues in the credit businesses, including leveraged finance and high grade trading, which were adversely impacted by market conditions triggered by sovereign debt concerns, regulatory uncertainty and widening credit spreads. The revenues in global rates and FX businesses were stable, although lower than the first half of 2009, especially in the European and US rates and FX businesses.

Equity revenues were US\$511M, a decline of 20% on a strong 2009 result. This was primarily a result of lower revenues in equity derivatives and fund linked products. The revenues in these businesses, though solid, were weaker compared to the comparative period, but sustained market share gains across products to some extent mitigated the impact of reduced client activity and lower market levels.

Provision for credit losses during the first six months of 2010 were reduced by US\$25M, which was primarily driven by a reduction in provisions due to decreased exposure against a number of counterparties. In the comparative period last year the Group recognised increased provisions of US\$194M.

The Revenue Sharing Agreements require related entities/ branches to compensate each other on an arm's length basis when related party transactions are undertaken. They are calculated on a cost-plus or revenue split basis depending on the nature of services provided. For the first half of 2010, this expense was US\$458M (2009: US\$192M). The variance is driven by changes in cost base and revenues recognised during the period.

The Group's interim period operating expenses were US\$955M (2009: US\$937M). Compensation costs have decreased by US\$133M as a result of lower Incentive Performance Bonus accruals and secondly due to lower expenses in 2010 for deferred compensation awards granted in earlier years. This is partially offset by an increase in salary expense caused by higher expenses in 2010 in respect of higher base salaries and higher deferred compensation awards granted in 2010. Also included in these numbers was a US\$174M accrual for the UK bonus tax which was the result of a new legislative action in the UK. The fall in compensation costs was offset by an increase in general and administrative expenses. These rose to US\$535M (2009: US\$384M) predominantly as a result of an increase in overheads allocated from Group.

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The effective tax rate for the six months period to June 2010 was 40%. This was primarily due to the impact of the UK bonus tax which is not deductible for tax purposes. The effective tax rate for the similar period in 2009 was 72%. The high effective tax rate for the prior period was due primarily to the volatility of FX movement on tax losses carried forward. The UK tax legislation in place for the six months ended 30 June 2009 required tax losses to be carried forward in GBP rather than the underlying currency of USD. The GBP equivalent was calculated as the USD underlying converted at the average FX rate for the period. New legislation was enacted in July 2009 such that losses are now able to be effectively carried forward in the underlying currency of the entity.

As at 30 June 2010, the Group had total assets of US\$619,442M (31 December 2009: US\$578,950M, as restated for the impact of amendments to IFRS 2-Group Cash-settled Share-based Payments) and total shareholders' equity of US\$11,185M (31 December 2009: US\$10,810M, as restated). The significant increase in total assets was predominantly driven by increased fair values of interest rate and credit derivatives due to movements on yield curves in the global markets and widening of credit spreads over the six month period.

The Credit Suisse Group AG has been recognised as Best Global Bank in 2010 by Euromoney magazine, and being named Best Emerging Markets Investment Bank. The directors believe this underlines the depth and breadth of the Credit Suisse global footprint and that despite the continued macroeconomic uncertainty, the Credit Suisse strategy is appropriate and will ensure the Group is well positioned to succeed in the evolving industry landscape.

Capital Resources

Throughout the year the Bank has accessed funding from CS group to ensure ongoing stability and support of its business activities. The Bank continues to closely monitor its capital and funding requirements on a daily basis. CS group has confirmed that it will ensure that the Bank is able to meet its debt obligations and maintain a sound financial position over the foreseeable future.

CS group continues to benefit from a conservative funding structure and a position as one of the world's best capitalised banks with a Tier 1 ratio of 16.3% as at 30 June 2010 (30 June 2009:15.5%).

Issuances of medium and long term debt are set out in Note 11 to the Financial Statements.

The Bank must at all times monitor and demonstrate compliance with the relevant regulatory capital requirements of the FSA. The Bank has processes and controls in place to monitor and manage its capital adequacy.

Involvement with Special Purpose Entities ('SPEs')

The Group enters into transactions with, and makes use of, SPEs in the normal course of business. Transactions with SPEs 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, CSi may hold interests in the SPEs. Securitisation-related transactions with SPEs involve selling or purchasing assets and entering into related derivatives with those SPEs, providing liquidity, credit or other support. Other transactions with SPEs include derivative transactions in CSi's capacity as the prime broker for entities qualifying as SPEs. CSi also enters into lending arrangements with SPEs for the purpose of financing client projects or the acquisition of assets. Further, CSi is involved with SPEs which were formed for the purpose of offering alternative investment solutions to clients. Such SPEs relate primarily to fund-linked vehicles or fund of funds, where CSi acts as structurer, manager, distributor, broker, market maker or liquidity provider. The economic risks associated with SPE exposures held by CSi, together with all relevant risk mitigation initiatives, are included in the CS group risk management framework.

Investing or financing needs, or those of the Group's clients, determine the structure of each transaction, which in turn determines whether sale accounting and subsequent derecognition of the transferred assets under IAS 39 applies. In addition, SPEs are entities that are often created with legal arrangements that impose strict limits on the decision making powers of its governing body or frequently operate in a predetermined way such that virtually all rights, obligations and aspects of activities are controlled through legal/contractual provisions determined at inception. Such entities are required to be assessed for consolidation under IAS 27 and its associated interpretation, SIC-12. Application of the accounting requirements for consolidation of SPEs may require the exercise of significant management judgement.

The Group has not provided financial or other support to consolidated or unconsolidated VIEs that it was not previously contractually required to provide.

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Structured Investment Vehicles ('SIVs')

SIVs are unconsolidated entities that issue various capital notes and debt instruments to fund the purchase of assets. CSI does not sponsor or serve as asset manager to any SIVs.

Subsidiary Undertakings and Branches

Credit Suisse First Boston International Warrants Limited was put into members' voluntary liquidation during 2005 by the Bank, and remains in liquidation.

Dividends

No dividends have been paid for the period ended 30 June 2010 (2009: US\$Nil).

Directors

There have been following changes to the directorate since 31 December 2009:

Gael de Boissard resigned from the Board on 12 April 2010.
Renato Fassbind resigned from the Board on 7 June 2010.
Eraj Shirvani was appointed to the Board on 12 April 2010.
Rudolf Anton Bless was appointed to the Board on 7 June 2010.

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

Directors of the Group benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Subsequent events


Eric Varvel, Chairman of the Board, resigned from the Board on 1 July 2010. Fawzi Sami Kyriakos-Saad was appointed to the Board and as its Chairman on 1 July 2010.

CREDIT SUISSE INTERNATIONAL STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;
- The Interim Management Report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board of Directors on 26 August 2010:



Costas P. Michaelides
Director

CREDIT SUISSE INTERNATIONAL
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR
THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)

	Note	30 June 2010 US\$M	30 June 2009 (restated) ¹ US\$M
Interest and dividend income	4	519	899
Interest expense	4	(435)	(1,169)
Net interest Income/(expense)		84	(270)
Provision for credit losses	8	25	(194)
Commission and fee expense	5	(13)	(60)
Net gains from financial assets/liabilities at fair value through profit or loss	9	1,937	1,169
Revenue sharing agreements expense	6	(458)	(192)
Net Revenues		1,575	453
Compensation and benefits	7	(420)	(553)
General and administrative expenses	8	(535)	(384)
Net operating expenses		(955)	(937)
Profit/(Loss) before taxes		620	(484)
Income tax (Charge)/credit	10	(245)	349
Net income/(loss)		375	(135)
Net income/(loss) attributable to:			
Equity holders of the parent		375	(135)

¹ On 1 January 2010, the Group adopted amendments to IFRS 2-Group Cash-settled Share-based Payment Transactions. Comparative information has been restated accordingly (See Note 2).

All profits and losses for both 2010 and 2009 are from Continuing Operations.

The notes on pages 11 to 22 form an integral part of these Condensed Consolidated Interim Financial Statements.


CREDIT SUISSE INTERNATIONAL
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2010 (UNAUDITED)

	Note	30 June 2010	31 December 2009 (restated) ¹
		US\$M	US\$M
Assets			
Cash and due from banks		18,881	19,130
Interest-bearing deposits with banks		237	255
Securities purchased under resale agreements and securities borrowing transactions		12,837	19,337
Trading financial assets at fair value through profit or loss	9	499,028	459,520
Financial assets designated at fair value through profit or loss		26,148	29,681
Other loans and receivables		5,652	6,234
Other Investments		672	-
Repossessed collateral		88	34
Current tax assets		139	224
Deferred tax assets		1,904	2,148
Other assets		53,311	41,856
Intangible assets		283	256
Property and equipment		262	275
Total assets		619,442	578,950
Liabilities			
Deposits		1,845	2,231
Securities sold under repurchase agreements and securities lending transactions		8,995	4,120
Trading financial liabilities at fair value through profit or loss	9	473,511	437,653
Financial liabilities designated at fair value through profit or loss		35,436	43,071
Short term borrowings		13,006	28,038
Other liabilities		47,592	40,199
Provisions		18	40
Long term debt	11	27,854	12,788
Total liabilities		608,257	568,140
Shareholders' equity			
Called-up share capital	13	9,125	9,125
Share premium account		4,868	4,868
Retained earnings		(2,808)	(3,183)
Total shareholders' equity		11,185	10,810
Total liabilities and shareholders' equity		619,442	578,950

¹ On 1 January 2010, the Group adopted amendments to IFRS 2-Group Cash-settled Share-based Payment Transactions. Comparative information has been restated accordingly (See Note 2).

The notes on pages 11 to 22 form an integral part of these Condensed Consolidated Interim Financial Statements.

Approved by the Board of Directors on 26 August 2010 and signed on its behalf by:


Costas P. Michaelides

CREDIT SUISSE INTERNATIONAL
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR
THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)

	Share Capital	Share Premium	Retained Earnings	Share- based Payment Reserve	Total
	US\$M	US\$M	US\$M (restated) ¹	US\$M (restated) ¹	US\$M (restated) ¹
Balance at 1 January 2010	9,125	4,868	(3,104)	146	11,035
Transition adjustment for IFRS-2, pre-tax (Note 2)	-	-	(119)	(110)	(229)
Transition adjustment for IFRS-2, tax	-	-	40	(36)	4
Balance at 1 January 2010, restated	9,125	4,868	(3,183)	-	10,810
Share-based compensation, pre-tax	-	-	-	-	-
Share-based compensation, tax	-	-	-	-	-
Net loss recognised directly in equity	-	-	-	-	-
Profit for the period and total recognised income and expense for the period	-	-	375	-	375
Issue of shares	-	-	-	-	-
Redemption of shares	-	-	-	-	-
Balance at 30 June 2010	9,125	4,868	(2,808)	-	11,185

	Share Capital	Share Premium	Retained Earnings	Share- based Payment Reserve	Total
	US\$M	US\$M	US\$M (restated) ¹	US\$M (restated) ¹	US\$M (restated) ¹
Balance at 1 January 2009	8,542	4,126	(3,286)	191	9,573
Transition adjustment for IFRS-2, pre-tax (Note 2)	-	-	40	(180)	(140)
Transition adjustment for IFRS-2, tax	-	-	8	(11)	(3)
Balance at 1 January 2009, restated	8,542	4,126	(3,238)	-	9,430
Share-based compensation, pre-tax	-	-	-	-	-
Share-based compensation, tax	-	-	-	-	-
Net loss recognised directly in equity	-	-	-	-	-
Loss for the period and total recognised income and expense for the period	-	-	(135)	-	(135)
Issue of shares	958	742	-	-	1,700
Redemption of shares	(375)	-	-	-	(375)
Balance at 30 June 2009	9,125	4,868	(3,373)	-	10,620

¹ On 1 January 2010, the Group adopted amendments to IFRS 2-Group Cash-settled Share-based Payment Transactions. Comparative information has been restated accordingly (See Note 2).

There were no dividends paid during the six months ended 30 June 2010 (30 June 2009 Nil).

The notes on pages 11 to 22 form an integral part of these Condensed Consolidated Interim Financial Statements.

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX
MONTHS ENDED 30 JUNE 2010 (UNAUDITED)

	Note	30 June 2010 US\$M	30 June 2009 US\$M (restated) ¹
Cash flows from operating activities			
Profit/(Loss) before tax for the period		620	(484)
Adjustments to reconcile net income to net cash provided by/(used in) operating activities			
Non-cash items included in net income/(loss) before tax and other adjustments:			
Impairment, depreciation and amortisation		75	75
Disposal of property and equipment		1	-
Accrued Interest		159	202
Provision for credit losses		(25)	194
(Reversal)/Impairment on loan commitments		(3)	(1)
Impairment on Repossessed Collateral		11	-
Foreign exchange (losses)		(113)	(66)
Provisions		18	25
Total Adjustments		123	429
Cash generated before changes in operating assets and liabilities		743	(55)
Net (increase)/decrease in operating assets:			
Interest bearing deposits with banks		18	301
Securities purchased under resale agreements and securities borrowing transactions		6,500	(7,749)
Trading financial assets at fair value through profit or loss		(39,508)	212,975
Financial assets designated at fair value through profit or loss		3,533	3,422
Other loans and receivables		607	(9,604)
Repossessed Collateral		(65)	-
Other Investments		(672)	-
Other assets		(11,455)	8,529
Net (increase)/decrease in operating assets		(41,042)	207,874
Net increase/(decrease) in operating liabilities:			
Deposits		10	(137)
Securities sold under resale agreements and securities lending transactions		4,875	(115)
Trading financial liabilities		35,858	(205,145)
Financial liabilities designated at fair value through profit or loss		(7,635)	4,806
Short term borrowings		(15,032)	(20,029)
Other liabilities and provisions		7,369	(16,340)
Net increase/(decrease) in operating liabilities		25,445	(236,960)
Net cash used in operating activities		(14,854)	(29,141)
Income taxes refund		77	333
Income taxes paid		(6)	-
Net cash used in operating activities		(14,783)	(28,808)
Cash flows from investing activities			
Capital expenditure for property and equipment and intangible assets		(90)	(65)
Net cash used in investing activities		(90)	(65)
Cash flow from financing activities			
Issuance of long term debt (including long term debt at fair value through profit or loss)	11	15,093	1,900
Repayment of long term debt (including long term debt at fair value through profit or loss)	11	(73)	(91)
Issue of shares	13	-	1,700
Redemption of shares	13	-	(375)
Net cash flow provided by financing activities		15,020	3,134
Net increase/(decrease) in cash and due from banks		147	(25,739)
Cash and due from banks at beginning of period		16,903	61,717
Cash and due from banks at end of period		17,050	35,978
Cash and due from banks		18,881	37,950
Demand deposits		(1,831)	(1,972)
Cash and due from banks at end of period		17,050	35,978

¹ On 1 January 2010, the Group adopted amendments to IFRS-2. Comparative information has been restated accordingly (See Note 2).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)

1. General

CSi is a bank domiciled in the United Kingdom. The address of the Bank's registered office is One Cabot Square, London, E14 4QJ. The Condensed Consolidated Interim Financial Statements were authorised for issue by the directors on 26 August 2010.

2. Significant Accounting Policies

a) Basis of preparation

The Group's Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2009. Except as described below, the accounting policies applied by the Group in these Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009.

The Consolidated Financial Statements are presented in United States dollars (US\$) 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, financial instruments held for trading, financial instruments that are hedged as part of a designated hedging relationship and financial instruments designated by the Group as at fair value through profit or loss.

The preparation of financial statements in conformity with adopted IFRS 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision has a significant effect on both current and future periods.

The Group and Bank have unrestricted and direct access to funding sources of Credit Suisse Group. After making enquiries of the Credit Suisse Group, the Directors of the bank have received a confirmation that Credit Suisse Group will ensure that the bank maintains a sound financial position and is able to meet its debt obligations for the foreseeable future. Accordingly the Directors have prepared these accounts on a going concern basis.

Recently adopted accounting standards

The following provides the most relevant recently adopted accounting standards. For a complete description of recently adopted accounting standards, please refer to Note 2b – Basis of Preparation for the Credit Suisse International Annual Report 2009.

- IAS 32 Amendments to Financial Instruments - Presentation: Classification of Rights Issues. The amendment provides guidance on the classification of rights issues denominated in a currency other than the functional currency of the issuer. The amendment was effective for annual periods beginning on or after February 1, 2010. The adoption of the amendment did not have a material impact on the Group's financial condition, results of operations or cash flows.
- Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions: The amendment now clarified the approach to be taken in classifying group share based payment transactions as cash or equity settled in the subsidiaries accounts where the subsidiary has the obligation to settle the arrangement with the employee upon vesting. The new guidance requires CSi to measure the services received and account for the transactions with its employees as a cash-settled share-based payment transaction. This includes

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)

2. Significant Accounting Policies (continued)

the recognition of a liability, incurred and related to share-based payments, over the service life and in proportion to the service delivered at fair value. The fair value of the liability is remeasured until the liability is settled and the changes in fair value are recognised in the income statement. The guidance resulted in a reclassification and remeasurement of the share-based payment related component from equity to liability. The amendments to IFRS 2 are effective for annual periods beginning on or after 1 January 2010 and CSi has adopted the guidance retrospectively for the interim financial statements as at 30 June 2010. The adoption resulted in an (increase)/reduction in retained earnings on 31 December 2008 and 31 December 2009 for the amount of US\$(40)M (pre-tax) and US\$119M respectively, and a reduction in profit before tax six months ended 30 June 2009 and the twelve months ended 31 December 2009 of, US\$52M and US\$159M, respectively. Further, the adoption resulted in the recognition of a liability in the amount of US\$140M as of 31 December 2008, US\$156M as of 30 June 2009 and US\$230M as of 31 December 2009.

Standards to be adopted in future periods

- Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement. The amendments correct an unintended consequence of IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. This is where entities were in some circumstances not permitted to recognise as an asset voluntary prepayments of minimum funding contributions. The amendments to IFRIC 14 are effective for January 1, 2011. The Group is currently evaluating the impact of the amendments to IFRIC 14.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. This interpretation provides guidance on how an entity should account for a transaction, where a creditor agrees to accept an entity's shares or other equity instruments to partially or fully settle a financial liability in accordance with IAS 39 Financial Instruments: Recognition and Measurement, and IAS 32 Financial Instruments: Presentation. IFRIC 19 is effective for annual periods beginning on or after July 1 2010. The Group is currently evaluating the impact of IFRIC 19.

The accounting policies have been applied consistently by Group entities.

b) Other

The financial information included in these Condensed Consolidated Interim Financial Statements does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2009 were approved by the directors on 21 April 2010 and were delivered to the Registrar of Companies following publication. The auditors' report on these accounts was unqualified and did not include a statement under sections 237(2) (accounting records or returns inadequate or accounts not agreeing with records and returns) or 237(3) (failure to obtain necessary information and explanations) of the Companies Act 2006.

3. Segmental Analysis

The bank adopted IFRS 8 – 'Operating Segments' during 2009 and determined that there are three reportable segments that are regularly reviewed by the Chief Operating Decision Maker when assessing the performance and allocation of resources. These segments are based on products and services offerings of the Group:

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3. Segmental Analysis (continued)

Fixed Income:	The fixed income division (FID) operates in rates, foreign exchange, credit, structured products trading and emerging markets, and commodities markets. The operations also include ongoing management and wind-down of legacy businesses in CDOs, RMBS origination, CMBS and Commodities.
Equities:	The activities of the equities division include sales, trading, financing, prime brokerage services and market-making in global equity and equity-related securities, options, futures, risk management and hedging products. Activities cover both exchange-traded and over-the counter traded securities, including American Depositary Receipts, restricted stocks, equity repurchases, block trade executions, program trading executions, equity derivatives and convertible securities.
Investment banking	The investment banking division (IBD) service offering includes mergers and acquisitions, debt, equity and other capital raising activities.

Segment performance is assessed by management based on the Monthly Board Summary report, which details revenues by segment. CSi assets and liabilities are not managed by segment. Expenses are managed as part of the wider CS Group management processes and therefore, while the CODM does assess the overall expense base for CSi, it does not manage the expenses at a CSi segment level.

Similarly certain revenue items are not directly allocated to the above business segments at a CSi company level. These items include transfer pricing, certain credit risk allocations, treasury and corporate centre allocations. These are not included as an operating segment as they are not separate business activities from which CSi may earn revenues. Transactions between reportable segments are recorded at an arms length basis and are included in the segment result.

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

	30 June 2010	30 June 2009
	US\$M	US\$M
Revenues		
Fixed Income	1,446	1,035
Equities	511	642
Investment banking	113	204
Total	2,070	1,881

The following table shows the Group's revenue by managed region which generates the revenue:

	30 June 2010	30 June 2009
	US\$M	US\$M
Revenues		
EMEA	1,274	1,447
Americas	466	372
Switzerland	7	6
Asia	323	56
Total	2,070	1,881

Group Assets:

Non current assets, other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts, consist of Property Plant and Equipment, Investments and Intangible assets totalling US\$545M (2009: US\$549M), all of which are located in EMEA.

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 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR
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3. Segmental Analysis (continued)

Reconciliation of reportable segment revenues

Reconciliation	30 June 2010 US\$M	30 June 2009 US\$M
IFRS statement of income		
Net interest expense	84	(270)
Net revenues	1,491	723
Group revenues	1,575	453
Total revenues for reportable segments	2,070	1,881
Revenue sharing agreement expense	(458)	(192)
Expansion of market credit risk adjustment ⁽¹⁾	-	(692)
Treasury funding	(162)	(312)
Other corporate items	1	58
Provisions for credit losses	25	(194)
CS Group to Primary reporting reconciliations ⁽²⁾	99	(96)
Group Revenues	1,575	453

Notes:

(1) Market credit risk provisions introduced against investment grade counterparties driven by market conditions

(2) This is the difference between the monthly board summaries which are prepared on a US GAAP basis and the CSi accounts prepared in accordance with IFRS.

4. Net Interest Expense

	30 June 2010 US\$M	30 June 2009 US\$M
Loans and receivables	344	364
Securities purchased under resale agreements and securities borrowing transactions	39	71
Cash collateral paid on OTC derivatives transactions	70	183
Interest income on cash and cash equivalents	66	281
Interest and dividend income	519	899
Deposits	(1)	(38)
Short term borrowings	(101)	(578)
Securities sold under resale agreements and securities lending transactions	(24)	(51)
Long term debt	(239)	(265)
Cash collateral received on OTC derivatives transactions	(70)	(237)
Interest expense	(435)	(1,169)
Net interest expense	84	(270)

5. Commissions and Fee Income

	30 June 2010 US\$M	30 June 2009 US\$M
Lending business	59	14
Other customer services	(72)	(74)
Net commission and fee income	(13)	(60)
Total commission and fee income	63	18
Total commission and fee expense	(76)	(78)
Net commission and fee income	(13)	(60)

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6. Revenue Sharing Agreements

Revenue sharing agreements expense of US\$458M (2009: US\$192M) principally relates to amounts allocated to CSi from other companies in the CS group.

7. Compensation and Benefits

	30 June 2010	30 June 2009
	US\$M	US\$M
		(restated)¹
Salaries and variable compensations	239	496
Social security	171	50
Pensions	8	6
Other	2	1
Compensation and benefits	420	553

¹ On 1 January 2010, the Group adopted amendments to IFRS 2-Group Cash-settled Share-based Payment Transactions. Comparative information has been restated accordingly (See Note 2).

8. General and Administrative Expenses

The impairment charge on loans and receivables of US\$25M (2009: US\$194M) comprises additional allowance for loan losses of US\$11M (2009:321M) and a release of allowances for loan losses of US\$36M (2009: US\$127M).

	30 June 2010	30 June 2009
	US\$M	US\$M
Occupancy expenses	10	6
IT and machinery	23	21
Amortisation expenses	40	26
Depreciation expenses	43	49
Litigation	-	28
Commission expenses	168	149
Travel and entertainment	6	4
Audit fees of the Group	1	1
Professional services	17	13
Net overheads allocated from other CS group entities	198	77
Other	29	10
Other expenses	535	384

The 2009 litigation charge relates to settlement of the class actions brought by the Parmalat Bondholders in Italy. Expenses incurred on behalf of the Group are recharged through 'Net overheads allocated from other CS group entities'.

9. Net Gains From Financial Assets/Liabilities At Fair Value Through Profit or Loss

	30 June 2010	30 June 2009
	US\$M	US\$M
Interest rate	729	940
Foreign exchange	106	123
Equity	515	841
Commodity	80	139
Credit	517	(860)
Other	(10)	(14)
Total net gains from financial assets/liabilities at fair value through profit or loss	1,937	1,169

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9. Net Gains/(Losses) From Financial Assets/Liabilities At Fair Value Through Profit or Loss (continued)

	30 June 2010 US\$M	31 December 2009 US\$M
Trading financial assets at fair value through profit or loss		
Debt instruments	23,841	26,515
Equity instruments	15,873	16,607
Positive replacement values of derivative trading positions	453,324	409,873
Loans and other receivables	5,990	6,525
Trading financial assets at fair value through profit or loss	499,028	459,520

	30 June 2010 US\$M	31 December 2009 US\$M
Trading financial liabilities at fair value through profit or loss		
Short positions	14,096	17,585
Negative replacement values of derivative trading positions	459,415	420,068
Total trading financial liabilities at fair value through profit or loss	473,511	437,653

10. Income Tax

	30 June 2010 US\$M	30 June 2009 US\$M (restated) ¹
Current tax	(2)	(10)
Deferred tax	(243)	359
Income Tax (Charge)/Credit	(245)	349

The income tax charge for the period can be reconciled to the profit per the statement of comprehensive income as follows:

	30 June 2010 US\$M	30 June 2009 US\$M (restated) ¹
Profit/(Loss) before tax	620	(484)
Profit/(Loss) before tax multiplied by the UK statutory rate of corporation tax at the rate of 28% (30 June 2009: 28%)	(173)	136
Effect of different tax rates of operations/subsidiaries operating in other jurisdictions	(17)	(8)
Other permanent differences	(53)	18
Adjustments to current tax in respect of previous periods	(1)	(17)
Adjustments to deferred tax in respect of previous periods	(1)	(3)
FX movements on losses carried forward	-	223
Income Tax (Charge)/Credit	(245)	349

¹ On 1 January 2010, the Group adopted amendments to IFRS 2-Group Cash-settled Share-based Payment Transactions. Comparative information has been restated accordingly (See Note 2).

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was enacted on 27th July 2010 and will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly. If the rate change from 28% to 27% had been substantively enacted on or before the balance sheet date it would have had the effect of reducing the deferred tax asset recognised at that date by USD\$59M. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate

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10. Income Tax (continued)

reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liabilities/assets accordingly.

The deferred tax asset has been recognised in full on the basis that there is sufficient probability that future taxable profit will be available against which the Group can utilise these benefits. This is based on management's assessment that it is probable that the Group will have taxable profits against which the unused tax losses and deductible temporary differences can be utilised. Generally, in determining the amounts of deferred tax assets to be recognised, management considers available evidence including forecast operating income and, where applicable, a review of the eligible carry-forward periods, tax planning opportunities and other relevant considerations.

11. Long Term Debt

	Balance as at 1 January 2010 US\$M	Issuances US\$M	Repayments and other movements US\$M	Translation FX and MTM adjustments US\$M	Balance as at 30 June 2010 US\$M
Senior debt	2,238	15,093	(73)	(113)	17,145
Subordinated debt	10,550	-	-	159	10,709
Total Long Term Debt	12,788	15,093	(73)	46	27,854

	Balance as at 1 January 2009 US\$M	Issuances US\$M	Repayments and other movements US\$M	Translation, FX and MTM adjustments US\$M	Balance as at 31 December 2009 US\$M
Senior debt	453	1,723	(28)	90	2,238
Subordinated debt	10,183	-	367	-	10,550
Total Long Term Debt	10,636	1,723	339	90	12,788

12. Derivatives and Hedging Activities

As at 30 June 2010

Group	Trading		Hedging	
	Positive fair value US\$M	Negative fair value US\$M	Positive fair value US\$M	Negative fair value US\$M
Interest rate products	634,558	627,502	-	-
Foreign exchange products	52,271	60,627	-	1
Precious metals products	2,221	1,994	-	-
Equity/indexed-related products	37,695	40,201	-	-
Credit products	68,056	65,938	19	-
Other products	7,362	7,192	-	-
Total Derivative Instruments	802,163	803,454	19	1

Group	30 June 2010		31 December 2009	
	Positive fair value US\$M	Negative fair value US\$M	Positive fair value US\$M	Negative fair value US\$M
Fair values (trading and hedging) before netting	802,182	803,455	670,758	674,804
Fair values (trading and hedging) after netting	453,344	459,418	409,905	420,074

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12. Derivatives and Hedging Activities (continued)

As at 31 December 2009

Group	Trading		Hedging	
	Positive fair value US\$M	Negative fair value US\$M	Positive fair value US\$M	Negative fair value US\$M
Interest rate products	513,593	507,538	-	6
Foreign exchange products	44,993	50,591	-	-
Precious metals products	1,781	1,905	-	-
Equity/indexed-related products	21,646	26,707	-	-
Credit products	82,368	80,232	33	-
Other products	6,344	7,825	-	-
Total Derivative Instruments	670,725	674,798	33	6

13. Called-up Share Capital and Share Premium

	30 June 2010 US\$	31 December 2009 US\$
Authorised:		
Ordinary voting shares of US\$1 each	125	125
Participating non-voting shares of US\$1 each	7,224,999,375	7,224,999,375
Class A Participating non-voting shares of US\$1 each	500	500
Preference Shares of US\$25,000,000 each	275,000,000	275,000,000
Class A Preference Shares of US\$1 each	250,000,000	250,000,000
Class B Preference Shares of US\$1 each	600,000,000	600,000,000
Class C Preference Shares of US\$1 each	800,000,000	800,000,000
Class D Preference Shares of US\$1 each	600,000,000	600,000,000
Class E Preference Shares of US\$1 each	700,000,000	700,000,000
Class F Preference Shares of US\$1 each	750,000,000	750,000,000
Class G Preference Shares of US\$1 each	800,000,000	800,000,000
Class H Preference Shares of US\$1 each	700,000,000	700,000,000
Class I Preference Shares of US\$1 each	1,500,000,000	1,500,000,000
Class J Preference Shares of US\$1 each	1,400,000,000	1,400,000,000
Class K Preference Shares of US\$1 each	200,000,000	200,000,000
	15,800,000,000	15,800,000,000
Allotted, called up and fully paid:		
Ordinary voting shares of US\$1 each	125	125
Participating non-voting shares of US\$1 each	3,889,568,088	3,889,568,088
Class A Participating non-voting shares of US\$1 each	200	200
Class A Preference Shares of US\$1 each	250,000,000	250,000,000
Class B Preference Shares of US\$1 each	-	-
Class C Preference Shares of US\$1 each	350,000,000	350,000,000
Class D Preference Shares of US\$1 each	300,000,000	300,000,000
Class E Preference Shares of US\$1 each	535,000,000	535,000,000
Class H Preference Shares of US\$1 each	700,000,000	700,000,000
Class I Preference Shares of US\$1 each	1,500,000,000	1,500,000,000
Class J Preference Shares of US\$1 each	1,400,000,000	1,400,000,000
Class K Preference Shares of US\$1 each	200,000,000	200,000,000
	9,124,568,413	9,124,568,413

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)

14. Contingent Liabilities and Commitments

The Group has contingent liabilities and commitments, entered into in the ordinary course of business, in respect of forward rate agreements, OTC futures, interest rate and currency swaps, options, spot and forward foreign exchange contracts and other OTC off-balance sheet instruments.

The following contingent liabilities and commitments were entered into since 31 December 2009:

On 26 January 2010, Csi registered a Securities and Cash Pledge Agreement with AXA Life Insurance Co Ltd for all monies due or to be come due from Credit Suisse Securities (Europe) limited on any account under the terms of agreement.

On 25 February 2010, Csi registered a Trust Deed with CITICorp Trustee Company Limited for all obligations and liabilities due or become due to the note holders, the trustee and the agents on any account whatsoever under the terms of the deed.

On 10 March 2010, Csi registered a Securities and Pledge Agreement with AXA Belgium SA for all monies due or to become due from Credit Suisse Securities (Europe) Limited to the charge on any account whatsoever under the terms of the agreement.

On 09 March 2010, Csi registered a Euroclear Pledge Agreement with Taishin International Bank for all monies due or to become due under the terms of the agreement.

On 09 March 2010, Csi registered a Euroclear Pledge Agreement with Entie Commercial Bank for all monies due or to become due under the terms of the agreement.

On 26 March 2010, Csi registered a Securities and Cash Pledge Agreement with AXA Life Insurance Company Limited for all monies due or to become due under the terms of the agreement.

On 22 April 2010, Csi registered a Securities and Cash Pledge Agreement with Dekabank Deutsche Girozentrale for all monies due or to become due under the terms of the agreement.

On 22 April 2010, Csi registered a Securities and Cash Pledge Agreement with Dekabank Deutsche Girozentrale for all monies due or to become due under the terms of the agreement.

On 05 May 2010, Csi registered a debenture with The Bank of New York Mellon having a floating charge over the securities, the deposits and any other assets now or at any time thereafter together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the forgoing, property, assets and income for all monies due or to become due under the terms of the instrument.

On 07 May 2010, Csi registered a Security Assignment with Inteligo Bank Limited on all present and future right in the assigned contracts being deed of charge over the shares in RP Finance for all monies due or to become due under the terms of the agreement.

On 07 May 2010, Csi registered a Security Assignment with Inteligo Bank Ltd having full title guarantee on all present and future right title and interest in and to the assigned assets including all monies payable to the assignor and any claims awards and judgements in favour of the assignor under in connection with the assigned assets on all present and future right in the assigned contract for all monies due or to become due under the terms of the instrument.

On 10 May 2010, Csi registered a Deed of Assignment with Aberdeen Asset Management Gestion S.N.C. for all monies due or to become due under the terms of the instrument.

CREDIT SUISSE INTERNATIONAL

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)

14. Contingent Liabilities and Commitments (continued)

On 11 June 2010, Csi registered a Credit Support Deed with BNY Fund Management (Cayman) Limited, in its capacity as trustee of the trust, for all monies due or to become due under the terms of the instrument.

15. Related Party

The Group is controlled by Credit Suisse Group AG, its ultimate parent, which is incorporated in Switzerland. The Group's parent company, who holds a majority of the voting rights in the undertaking, is Credit Suisse, which is incorporated in Switzerland.

The Group has significant related party balances with subsidiaries and affiliates of CSG. These transactions largely comprise derivative trades, as the Bank is the principal risk taker for derivatives within the CS group, as well as funding trades via the use of loans/deposits and repurchase/resale agreements. The Group is also charged by other CS group companies for operating costs which mainly relate to employee-related services and other business expenses.

The Group generally enters into the above transactions in the ordinary course of business on market terms that could be obtained from unrelated parties.

The nature of related party transactions remained consistent for the six months ended 30 June 2010 compared to the year ended 31 December 2009.

16. Financial Instruments Risk Position

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

There have been no material changes in the risk management policies since the year ended 31 December 2009.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR
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16. Financial Instruments Risk Position (continued)

The following tables give an update on the VaR results, mark to market exposures and interest rate sensitivity position as at 30 June 2010.

period	Interest rate and credit spread	Foreign exchange	Commodity	Equity	Diversification benefit	Total (Non-Scaled)	Total (Scaled)	Ratio (Scaled vs Non-Scaled)
end of 30 June 2010								
US\$M								
Average	62	19	20	21	(68)	54	54	1.0
Minimum	46	9	9	11	1)	41	41	5)
Maximum	77	47	28	54	1)	83	83	5)
End of period	57	29	12	22	(66)	54	54	1.0
in 2009								
US\$M								
Average	66	19	13	23	(62)	59	73	1.2
Minimum	36	9	4	11	3)	43	49	5)
Maximum	97	52	28	70	3)	89	105	5)
End of period	68	10	22	48	(97)	51	51	1.0
Moves 30								
Jun 10 - 2009 US\$M								
Average	(4)	-	7	(2)	(6)	(5)	(19)	
Minimum	10	-	5	-	1)	(2)	(8)	
Maximum	(20)	(5)	-	(16)	1)	(6)	(22)	
End of period	(11)	19	(10)	(26)	31	3	3	

Note:

- 1) VaR estimates are 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 loss.
- 2) All figures above are 1 Day scaled VaR (from 10 Day VaR) for trading book only positions.
- 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) Daily VaR is used in all calculations.
- 5) As the minimum and maximum may occur on different days for scaled and non-scaled, it is not meaningful to calculate a ratio.

Interest rate sensitivity position in the non-trading portfolio

Interest rate risk on non-trading positions is shown below using sensitivity analysis that estimates the potential change in value resulting from defined changes in interest rate yield curves. The impact of a one-basis-point parallel increase in yield curves on the fair value of interest rate-sensitive non-trading book positions would have been an increase of US\$1.5M as of 30 June 2010 and US\$1.3M as of 31 December 2009. Non-trading interest rate risk is assessed using other measures including the potential value change resulting from a significant change in yield curves. As of 30 June 2010, the fair value impacts of an adverse 200-basis-point move in yield curves and of a statistical one-year, 99% adverse change in yield curves were a decrease of US\$211M and a decrease of US\$167M, respectively. These amounts are significantly below the threshold of 20% of regulatory capital used by regulators to identify firms that potentially run excessive levels of non-trading interest rate risk.

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 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR
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 16. Financial Instruments Risk Position (continued)

Net Counterparty Exposure before Collateral by Internal Rating

	30 June 2010		31 December 2009	
	US\$M	%	US\$M	%
AAA	6,221	6	6,445	8
AA+ to AA-	20,703	23	17,779	21
A+ to A-	33,231	36	28,579	34
BBB+ to BBB-	14,386	16	14,179	17
BB+ to BB-	6,277	7	4,990	6
B+ and below	10,518	12	11,584	14
	91,336	100	83,556	100

Net Unsecured Exposure by Internal Rating (including provisions)

	30 June 2010		31 December 2009	
	US\$M	%	US\$M	%
AAA	4,775	13	4,709	13
AA+ to AA-	7,149	20	6,885	19
A+ to A-	12,091	34	10,986	31
BBB+ to BBB-	4,299	12	4,499	13
BB+ and below	7,349	21	8,342	24
	35,663	100	35,421	100

CREDIT SUISSE INTERNATIONAL

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF CREDIT SUISSE INTERNATIONAL

Introduction

We have been engaged by Credit Suisse International ('the Company') to review the financial information for the six months ended 30 June 2010 which comprise the condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of financial position, condensed consolidated interim statement of changes in equity, condensed consolidated interim statement of cash flows, and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the financial information.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Rules and Transparency Rules ('DTR') of the UK's Financial Services Authority ('the UK FSA'). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA. As disclosed in Note 2, the annual financial statements of the Company are prepared in accordance with IFRS as adopted by the EU. The condensed financial statements included in the half-yearly financial report, have been prepared in accordance with IAS 34 Interim Financial Reporting adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed financial statement in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain an assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 is not prepared in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.



Iain Cummings
for and on behalf of KPMG Audit Plc
Chartered Accountants



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