CREDIT SUISSE

DLJ UK HOLDING

Annual Report
For the year ended 31 December 2022

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COMPANIES HOUSE

Company Registration Number: 03407994

Table of Contents

COMPANY INFORMATION

Board of Directors

Jacqueline Donegan	Director
Lawrence Fletcher	Director
Paul Hare	Director

Company Secretary

Paul Hare

Registered Office

One Cabot Square
London E14 4QJ

Registration number

03407994

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Strategic Report for the year ended 31 December 2022

The Directors present the Annual Report and the audited Financial Statements for the year ended 31 December 2022.

Business Profile

DLJ UK Holding (the "Company") is an unlimited private company having share capital, incorporated in the United Kingdom. The Company is a wholly owned subsidiary of DLJ International Group Limited incorporated in the UK and is part of Credit Suisse AG and its subsidiaries (CS group). The ultimate parent of the Company is UBS Group AG, which is incorporated in Switzerland.

Business review

On 19 March 2023 it was announced that Credit Suisse Group AG (CSG) and UBS Group AG have entered into a merger agreement, with UBS Group AG as the surviving entity. The legal closing of the merger agreement of the two consolidated banking groups took place on 12 June 2023 and may have material impacts on the Company's future financial performance. Following the merger, CS group will continue to rely on its established governance and risk control frameworks, though some new policies will be put in place to ensure that UBS Group has effective oversight.

Apart from above, the Directors are not aware of any other significant developments or factors which will have a major impact on the continued success or operation of the business in the future.

Section 172 Statement

The Board complies with the duty outlined in section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and having regard to the consequences of decisions and the interests of stakeholders.

The Company is part of the CS group which strives to comply with the values and standards set out in its Code of Conduct in every aspect of work, including its relationships with stakeholders. Credit Suisse AG publishes a comprehensive Corporate Responsibility Report which can be found on Credit Suisse's website at www.credit-suisse.com/crr. Further information can also be found in Credit Suisse AG's Annual Report 2022 at www.credit-suisse.com/about-us/en/reports-research/annual-reports.html.

Performance

The performance of the Company is explained through the key movements in its Statement of Comprehensive Income and Statement of Financial Position.

Statement of Comprehensive Income

For the year ended 31 December 2022, the Company reported a loss after tax for the year of US$ (26,062)k (2021: Profit of US$ 9,856k). The variance is primarily driven by net interest income of US$ 19,680k (2021: US$ 17,679k) offset by the impairment of the investment in its subsidiary Credit Suisse Shimada Investments (Gibraltar) of US$ 44,409k (2021: US$ 7,822k).

Statement of Financial Position

As at 31 December 2022, the Company had total assets of US$ 2,738,476k (2021: US$ 3,263,221k). The decrease in total assets of US$ 524,745k is mainly on account of the repayment of the Loans and advances by Credit Suisse Investments (UK) of US$ 499,937k and impairment of investment in Credit Suisse Shimada Investments (Gibraltar) of US$ 44,409k offset by an increase in the Cash and cash equivalents of US$ 22,998k.

As at 31 December 2022, the Company had total liabilities of US$ 1,418k (2021: US$ 500,101k). The decrease in liabilities was mainly due to the repayment of short-term borrowing of US $ 500,000k to Credit Suisse AG, London Branch (CSLB).

The Company had equity of US$ 2,737,058k (2021: US$ 2,763,120k).

Strategic Report for the year ended 31 December 2022 (continued)

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's Directors are of the opinion that there are no further key performance indicators than already disclosed in the Statement of Comprehensive Income and Statement of Financial Position for an understanding of the development, performance or position of the business.

Principal Risks, Financial Risks and Uncertainties

The assets of the Company comprise of cash, loans and advances and investments placed with fellow group companies under common control hence the Company is not exposed to any significant external credit risk. The Company's financial risk management policies are outlined in Note 20 to the Financial Statements.

Respect for Human Rights

A number of internal policies, commitments and controls which are already in place help to eradicate modern slavery and human trafficking in the supply chain and across the business. In addition, CS group Supplier Code of Conduct sets expectations that the CS group's external business partners, including their employees, and subcontractors, respect human rights, labour rights, employment laws and environmental regulations. In 2016, CS group introduced a Third Party Risk Management ('TPRM') framework to scrutinise and monitor the operational, financial and reputational risk associated with third party relationships. The TPRM framework provides for structured due diligence assessments of all suppliers to identify where modern slavery and human trafficking risks may exist and also allows CS group to regularly monitor these relationships, to raise and track issues, and to therefore better understand the associated risks and, if necessary, demand actions for improvement from suppliers and service providers.

More details including the complete statement, made pursuant to section 54, Part 6 of the Modern Slavery Act 2015, is publicly available and can be found at www.credit-suisse.com/humanrights.

Approved by the Board of Directors on 3 July 2023 and signed on its behalf by:

Paul Hare
Director

One Cabot Square
London E14 4QJ
3 July 2023

Directors' Report for the year ended 31 December 2022

International Financial Reporting Standards

The Financial Statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and the requirements of Companies Act 2006 as applicable to companies using IFRS.

The Annual Report and Financial Statements were approved and authorised for issue by the Directors on 3 July 2023. As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it is included in the Strategic Report. Refer "Section 172 statement" in Strategic report.

Going concern

Going concern is detailed in Note 2 – Significant Accounting Policies.

Share capital

There was no movement in share capital during the year (2021: US$ Nil).

Dividends

No dividends were paid or proposed for the year ended 31 December 2022 (2021: US$ Nil).

Political Contributions

No political donations or political expenditure was incurred during the year 2022 (2021: Nil).

Exemption from Group Financial Statements

Pursuant to section 401 of the Companies Act 2006, the Company is exempt from preparing and delivering group Financial Statements for 2022 as the Company was a wholly owned indirect subsidiary of CSG, incorporated in Switzerland, which prepared consolidated Financial Statements for the year 2022.

Directors

The names of the Directors as at the date of this report are set out on page 3. Changes in Directorate since 31st December 2021 to the date of this report are as follows:

Appointment	Jacqueline Donegan	25 August 2022
Resignation	Ahmed Kubba	31 August 2022

All Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. None of the Directors who held office at the end of the financial year were beneficially interested, at any time during the year, in the shares of the Company.

Statement of directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Annual Report in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have prepared the financial statements in accordance with UK-adopted International Accounting Standards.

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 Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

Directors' Report for the year ended 31 December 2022 (continued)

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed and subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it presumes that the Company will not continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' Confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; 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 Company's auditors are aware of that information.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, PricewaterhouseCoopers ('PwC') will be deemed to be reappointed and will therefore continue in office as external auditors.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Statement on Directors' Relationships with Clients, Suppliers and Other Stakeholders

Information pertaining to the Directors' engagement with clients, suppliers and other stakeholders can be found in the Strategic Report, paragraph 'Section 172 statement'.

Subsequent events

Subsequent events following the year ended 31 December 2022 are set out in Note 23 - Subsequent events.

Approved by the Board of Directors on 3 July 2023 and signed on its behalf by:

Jacqueline Donegan
Director

One Cabot Square
London E14 4QJ
3 July 2023

Company Registration Number: 03407994

Independent auditors' report to the members of DLJ UK Holding

Report on the audit of the financial statements

Opinion

In our opinion, DLJ UK Holding's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2022; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern.

On March 19 2023, Credit Suisse Group AG and UBS Group AG entered into an agreement and plan of merger ("the merger"), which was completed on June 12, 2023. At the date of approval of these financial statements, the impact of the merger on the future operation of the company has not been determined. As the surviving entity of the merger, UBS Group AG is the ultimate parent at the reporting date. The company remains a member of the group ("CS group") headed by their parent, Credit Suisse AG ("CS AG). The company is dependent on ongoing support from other members of the CS group, in order to continue in operation. These circumstances, as more fully explained in note 2 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the ability of the company to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a 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 responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Company law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and corporate tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in determining significant accounting estimates;
- Reviewing the minutes of the Board of Directors to identify any significant or unusual transactions or other matters that could require further investigation; and
- Identifying and testing journal entries, including those posted which met our risk criteria, these included those relating to particular dates or with other unusual characteristics.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Amena Shaista (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
06 July 2023

Statement of Comprehensive Income for the year ended 31 December 2022

	Note	2022 US$'000	2021 US$'000
Interest income	3	23,845	19,243
- of which interest income from instruments at amortised cost		23,845	19,243
Interest expense	3	(4,165)	(1,564)
- of which interest expense from instruments at amortised cost		(4,165)	(1,564)
Net interest income		**19,680**	**17,679**
Reversal/(Provision) for credit losses	4	59	(35)
Net interest income after provision for credit losses		**19,739**	**17,644**
Impairment of investment in subsidiary	11	(44,409)	(7,822)
Other Income	5	—	2
Foreign exchange loss	6	(8)	(1)
Administrative expenses	7	(11)	(19)
Total operating expenses		**(44,428)**	**(7,840)**
(Loss)/Profit before tax		**(24,689)**	**9,804**
Income tax (expense)/ benefit	8	(1,373)	52
(Loss)/Profit after tax		**(26,062)**	**9,856**
Total comprehensive income for the year		**(26,062)**	**9,856**

Results for the year 2022 and 2021 are from continuing operations.

There is no other comprehensive income for the current and prior years.

The notes on pages 15 to 35 form an integral part of these Financial Statements.

Statement of Financial Position as at 31 December 2022

	Note	2022 US$'000	2021 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	404,717	381,729
Loans and advances	12	8,377	8,378
Other assets	10	502	3,888
Total current assets		**413,596**	**393,995**
Non-current assets			
Investments	11	2,324,880	2,369,289
Loans and advances	12, 15	—	499,937
Total non-current assets		**2,324,880**	**2,869,226**
Total assets		**2,738,476**	**3,263,221**
LIABILITIES			
Current liabilities			
Bank overdraft	9	—	1
Short-term borrowing	13	5	500,001
Other liabilities	14	1,413	99
Total current liabilities		**1,418**	**500,101**
Total liabilities		**1,418**	**500,101**
SHAREHOLDERS' EQUITY			
Share capital	16	2,811,168	2,811,168
Capital contribution reserve	17	279	279
Accumulated losses		(74,389)	(48,327)
Total shareholders' equity		**2,737,058**	**2,763,120**
Total liabilities and shareholders' equity		**2,738,476**	**3,263,221**

The notes on pages 15 to 35 form an integral part of these Financial Statements.

The financial statements on pages 11 to 35 were approved by the Board of Directors on 3 July 2023 and signed on its behalf by

Jacqueline Donegan
Director

Company Registration Number: 03407994

Statement of Changes in Equity for the year ended 31 December 2022

	Share Capital	Capital contribution reserve	Accumulated losses	Total
	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2022	**2,811,168**	**279**	**(48,327)**	**2,763,120**
Loss for the year	—	—	(26,062)	(26,062)
Balance at 31 December 2022	**2,811,168**	**279**	**(74,389)**	**2,737,058**

	Share Capital	Capital contribution reserve	Accumulated losses	Total
	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2021	**2,811,168**	**279**	**(58,183)**	**2,753,264**
Profit for the year	—	—	9,856	9,856
Balance at 31 December 2021	**2,811,168**	**279**	**(48,327)**	**2,763,120**

The notes on pages 15 to 35 form an integral part of these Financial Statements.

Statement of Cash Flows for the year ended 31 December 2022

	Note	2022 US$'000	2021 US$'000
Operating activities			
(Loss)/Profit before tax		(24,689)	9,804
Adjustments to reconcile net income to net cash generated from operating activities			
Non-cash items included in (Loss)/ profit before tax and other			
Interest income		(23,845)	(19,243)
Interest expense		4,165	1,564
Foreign exchange loss		8	1
Impairment on Investment in subsidiary		44,409	7,822
(Reversal) / Provision for credit losses		(59)	35
Administrative expenses		11	17
Operating loss before working capital changes		**—**	**—**
Net movement in operating assets/ liabilities:			
Loans and advances		500,000	116,410
Other liabilities		(15)	(12)
Intercompany receivable		—	(2)
Interest received		27,231	19,334
Cash generated from operating activities		**527,216**	**135,730**
Group relief paid		(40)	(284)
Net cash generated from operating activities		**527,176**	**135,446**
Cash generated from financing activities			
Repayment of loan		(499,996)	(1,000)
Interest paid		(4,183)	(1,563)
Net cash used in financing activities		**(504,179)**	**(2,563)**
Net increase in cash and cash equivalents		**22,997**	**132,883**
Cash and cash equivalents at beginning of year		**381,728**	**248,846**
Effects of exchange rate changes on the balance of cash held in foreign currency		(8)	(1)
Cash and cash equivalents at end of year	**9**	**404,717**	**381,728**

The notes on pages 15 to 35 form an integral part of these Financial Statements.

Notes to the Financial Statements for the year ended 31 December 2022

1. General

DLJ UK Holding (the "Company") is incorporated and domiciled in the United Kingdom and registered in England and Wales. The Company's registered office is at One Cabot Square, London, E14 4QJ. The Company's principal activity is to act as an investment holding company.

2. Significant accounting policies

a) Statement of compliance

The Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 as applicable to companies using IFRS.

The Financial Statements were approved and authorised for issue by the Directors on 3 July 2023.

Pursuant to section 401 of the Companies Act 2006, the Company is exempt from preparing and delivering group Financial Statements for 2022 as the Company was a wholly owned indirect subsidiary of CSG, incorporated in Switzerland, which prepared consolidated Financial Statements for the year 2022.

b) Basis of preparation

The Financial Statements are presented in United States Dollars (US$), which is the functional currency of the Company, and have been rounded to the nearest thousand. Unless otherwise stated, they are prepared on historical cost basis.

The preparation of 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(m) 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 year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision has a significant effect on both current and future years. Management believes that the estimates and assumptions used in the preparation of the Financial Statements are reasonable and consistently applied.

Going Concern

The Board has assessed of the ability of the Company to continue as a going concern for a period of at least 12 months from the date of this report. Based on this assessment, the Board is satisfied that the Company 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. The Company is reliant on funding from Credit Suisse AG ('CS AG') who have provided a letter of intent to ensure the Company can meet its debt obligations for the next 18 months. CS AG runs a global liquidity rebalancing process across its major legal entities to respond to liquidity demands across the consolidated group.

During Q1 2023 the financial stability of CSG and CS AG reached a critical point which resulted in an agreement to merge between CSG and UBS, which legally closed on 12 June 2023. During this period CSG has been reliant on funding from the Swiss government and the Swiss National Bank. CS group have concluded they are operating as a going concern but are reliant on the success of the merger. Due to the Company's reliance on CS AG, the Company's assessment of going concern was also dependent on the recent legal closure of the merger.

Notes to the Financial Statements for the year ended 31 December 2022

2 Significant accounting policies (continued)

The Board have made enquiries to gain comfort on the going concern status of CS AG due to the reliance on the support CS AG provides to the Company. It is the expectation that liquidity and other facilities will remain in place. Any possible unforeseen developments or changes, which are currently considered as remote, would trigger a re-evaluation of this determination.

The Board has also exercised judgement and assessed the future plans for the Company under the new merger which are uncertain as at this time. However, should any decision be made in the near term to wind down the activities of the Company, such a process would be expected to occur in an orderly fashion.

In considering the going concern, the directors also have reviewed the capital, liquidity, and financial position of the Company including forward looking plans. These measures support the Board's assessment that the Company is a going concern. Despite this assessment, the directors would highlight the merger of CSG and UBS, UBS may decide to liquidate or merge the Company with another UBS subsidiary as a result of the merger. This represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

c) Foreign currency

The Company's functional currency is United States Dollar (US$). Transactions denominated in currencies other than the functional currency of the reporting entity are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to US$ at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies at the reporting date are not revalued for movements in foreign exchange rates.

d) Financial assets and liabilities

Financial assets includes Cash & cash equivalents, loans and advances and investments. Financial liabilities include short-term borrowings and Interest accrued on borrowings.

The Company's financial assets are classified on the basis of two criteria: 1) the business model which refers to how the Company 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 Company 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).

Notes to the Financial Statements for the year ended 31 December 2022

2 Significant accounting policies (continued)

For '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 year 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 Company 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.

The Company does not have any financial assets which are under the 'Hold to Collect and Sell' business model.

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 e).

e) Impairment of financial assets

The impairment requirements apply primarily to financial assets measured at amortised cost and FVOCI. The impairment requirements are based on a forward-looking expected credit Loss ('ECL') model by incorporating reasonable and supportable forecasts of future economic conditions available at the reporting date. This requires considerable judgement over how changes in economic factors affect ECLs, which is determined on a probability-weighted basis.

At origination or acquisition, all financial assets are deemed to be Stage 1 and have a 12 month ECL, except for financial assets that are credit impaired upon purchase or origination. When the credit risk has increased significantly since initial recognition of the financial instrument, the impairment measurement is changed from a 12-month ECL (Stage 1) to a lifetime ECL (Stage 2). A financial asset moves into Stage 3 when it becomes credit-impaired.

f) Interest income and expense

Interest income and expense includes interest income and expense on the Company's loans, deposits and borrowings which are intercompany. Interest income and expense on instruments measured at amortised cost is accrued, and any related net deferred premiums, discounts, origination fees or costs are amortized 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).

g) 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.

When calculating the effective interest on non-credit impaired loans measured at amortised cost, the Company 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.

Notes to the Financial Statements for the year ended 31 December 2022

2 Significant accounting policies (continued)

h) Cash and due from banks

For the purpose of preparation and presentation of the 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.

i) Income tax and deferred tax

Income tax recognised in the Statement of Comprehensive Income for the year comprises current and deferred taxes. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case the income tax is recognised in equity. For items initially recognised in equity and subsequently recognised in Statement of Comprehensive Income, the related income tax initially recognised in equity is also subsequently recognised in the Statement of Comprehensive 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 year. 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 the Company may surrender or claim certain losses from another UK group company. The surrendering company will be compensated in full for 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 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 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 rights to offset exists, and they are intended to be settled net or realised simultaneously. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay related dividend arises.

Information as to the calculation of income tax on the profit and loss for the years presented is included in note 8.

Notes to the Financial Statements for the year ended 31 December 2022

2 Significant accounting policies (continued)

j) Investment in subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when all the following conditions are met:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee ; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

When the Company has decision making rights, it assesses whether it controls an entity and determines whether it is a principal or an agent. The Company also determines whether another entity with decision-making rights is acting as an agent for the Company. 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 a subsidiary:

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

The Company makes significant judgements and assumptions when determining if it has control of another entity. The Company may control an entity even though it holds less than half of the voting rights of that entity, for example if the Company 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 Company may not control an entity even though it holds more than half of the voting rights of that entity, for example where the Company 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.

k) Investment in associates

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. These are carried at cost.

Significant influence may also be evidenced by one or more of the following:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions.
- Material transactions between the entity and its investee; interchange of managerial personnel; or
- Provision of essential technical information

l) Impairment of investment in subsidiaries and associates

Significant judgement is required in determining the expected recoverable amount in reviewing for impairment. The Directors consider net asset value to be a reasonable approximation to fair value and therefore an appropriate basis in determining the recoverable amount of the investment in subsidiaries and associates.

Investment in subsidiaries and associates are carried at cost and is reviewed for impairment on each reporting date to determine whether there is any indication that the carrying amount may not be recoverable. If such an indication exists, the carrying amount of the investment is written down to its recoverable amount (i.e. the higher of the fair value less costs to sell and the value in use). Any charges relating to the impairment of investment in subsidiaries and associates recognised in the Statement of Comprehensive Income in the year in which the impairment occurs. When an investment is disposed of, the profit or loss resulting from the disposal is recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements for the year ended 31 December 2022

2 Significant accounting policies (continued)

At each reporting date, the Company assesses whether there is an indication that a previously recognized impairment loss has reversed. If such an indication exists, the entity estimates the recoverable amount of the asset. Reversal, if any on such assessment, of an impairment loss is recognised in the Statement of Comprehensive Income to the extent of the impairment loss booked earlier on the same asset.

m) Critical accounting estimates and judgements in applying accounting policies

In order to prepare the Financial Statements in accordance with UK-adopted International Financial Reporting Standards, management is required to make certain accounting estimates to ascertain the value of assets and liabilities. These estimates are based upon judgement and the information available at the time, and actual results may differ from these estimates. Management believes that the estimates and assumptions used in the preparation of financial statements are prudent, reasonable and consistently applied.

Impairment of the investment in Credit Suisse Shimada Investments (Gibraltar)

The investment in Credit Suisse Shimada Investments (Gibraltar) is recorded at cost in the financial statements and is reviewed for impairment on each reporting date, to determine whether there is any indication that the carrying amount may not be recoverable. If such an indication exists, the carrying amount of the investment is written down to its recoverable amount through use or sale of asset (i.e. the higher of the fair value less costs to sell and the value in use). Any charges relating to the investment in subsidiaries are recognised in the Statement of Comprehensive Income in the year in which the impairment occurs.

3. Interest income and expense

	2022 US$'000	2021 US$'000
Loans and advances	23,845	19,243
Total interest income	**23,845**	**19,243**
Short-term debt	(4,165)	(1,564)
Total interest expense	**(4,165)**	**(1,564)**
Net interest income	**19,680**	**17,679**
of which		
Interest income from Financial assets at amortised cost	23,845	19,243
Interest expense from Financial liabilities at amortised cost	(4,165)	(1,564)

4. Reversal/(Provision) for credit losses

	2022 US$'000	2021 US$'000
Reversal/(Provision) for credit losses	59	(35)
Total	**59**	**(35)**

5. Other Income

	2022 US$'000	2021 US$'000
UK bank levy*	—	2
Total	**—**	**2**

*A Bank levy true up was booked in the 2021 ledger and is relating to the year 2020.

Notes to the Financial Statements for the year ended 31 December 2022

6. Foreign exchange loss

	2022 US$'000	2021 US$'000
Foreign exchange loss	(8)	(1)
Total	**(8)**	**(1)**

7. Administrative expenses

	2022 US$'000	2021 US$'000
Auditors remuneration for statutory audit of these Financial Statements	(10)	(18)
Other administrative expenses	(1)	(1)
Total	**(11)**	**(19)**

8. Income tax (expense)/ benefit

a) Analysis of tax expense for the year

	2022 US$'000	2021 US$'000
Current tax		
Current tax expense for the period	(1,345)	(19)
Adjustments in respect of previous periods	(28)	71
Income tax (expense)/benefit	**(1,373)**	**52**

The UK government enacted legislation to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023.

The Organisation for Economic Co-operation and Development ('OECD') and G20 Inclusive Framework on Base Erosion and Profit Shifting announced plans to introduce a global minimum tax rate of 15% and the OECD issued model rules in 2021. During 2022 further OECD guidance has been released and draft legislation to implement the global minimum tax regime has been published by the UK Government. The UK Government has stated that it intends to enact legislation in 2023 to apply for accounting periods beginning on or after 31 December 2023. The Company has reviewed the published OECD model rules and further guidance along with the draft UK legislation and has been assessing the expected impact ahead of the implementation of the new regime. The Company will review further guidance as well as new legislation expected to be released by governments implementing this new tax regime and continue to assess the potential impact.

b) The income tax (expense)/benefit for the year can be reconciled to the (loss)/ profit before tax per the statement of Comprehensive income as follows:

	2022 US$'000	2021 US$'000
(Loss)/ Profit before tax	(24,689)	9,804
(Loss)/ Profit before tax multiplied by the UK statutory rate of corporation tax at the rate of 19%	4,691	(1,863)
Adjustment for interest payable to Group Companies	2,390	3,336
Differential in movement in deferred taxes to that at statutory tax rate	—	—
Other permanent differences	12	(6)
Adjustments to current tax in respect of previous periods	(28)	71
Non deductible impairment of investment in subsidiary	(8,438)	(1,486)
Income tax (expense)/ benefit	**(1,373)**	**52**

Notes to the Financial Statements for the year ended 31 December 2022

8. Income tax (expense)/ benefit (continued)

c) Deferred taxes

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 25% (2021: 25%).

The entity has capital losses carried forward of US$ 344,611k [£285,599k] (2021 USD 395,156k [£292,578]) on which no deferred tax asset has been recognised. The deferred tax asset not recognised on the losses carried forward is US$ 86,153k (2021: US$ 98,789k). The benefit of the losses carried forward has not been recognised in the financial statements due to the uncertainty of their recoverability.

The use of capital losses carried forward is restricted to a maximum of 50% of chargeable gains. There is no loss expiry in the United Kingdom.

9. Cash and cash equivalents

	2022 US$'000	2021 US$'000
Cash at bank	1,902	108
Short-term money market deposits	402,820	381,623
Allowance for losses	(5)	(2)
Cash and cash equivalents in the Statement of Financial Position	**404,717**	**381,729**
Bank overdraft	—	(1)
Net Cash and cash equivalents in the Statement of Cash flows	**404,717**	**381,728**
of which domestic	402,820	381,623
of which foreign	1,902	107
Allowance for losses	(5)	(2)
Net Cash and cash equivalents in the Statement of Cash Flows	**404,717**	**381,728**

Cash and cash equivalents relate to nostro accounts held with Credit Suisse AG, Zurich and Credit Suisse (Schweiz) AG and short-term money market deposits held with CSLB.

Short-term money market deposits

2022	**Counterparty**	**Effective rate of interest**	**Maturity date**	**Average interest reset period**	**US$'000**
Short-term Money market Deposits	CSLB	3.80 %	19 January 2023	1 Month	282,000
Short-term Money market Deposits	CSLB	4.30 %	19 January 2023	1 Month	2,000
Short-term Money market Deposits	CSLB	7.04 %	29 March 2023	3 Months	118,820
Total					**402,820**

2021	**Counterparty**	**Effective rate of interest**	**Maturity date**	**Average interest reset period**	**US$'000**
Short-term Money market Deposits	CSLB	0.34 %	14 January 2022	1 Month	265,000
Short-term Money market Deposits	CSLB	0.22 %	29 March 2022	3 Months	116,623
Total					**381,623**

Notes to the Financial Statements for the year ended 31 December 2022

10. Other assets

	2022 US$'000	2021 US$'000
Interest accrued on deposits	500	3,885
Intercompany receivable	2	3
Gross other assets	**502**	**3,888**
of which domestic	502	3,888
Allowance for losses	—	—
Net other assets	**502**	**3,888**

11. Investments

The Company had the following investments as at 31 December 2022

% of equity 2022	% of equity 2021	Company name	Type	Domicile	Investment (US$'000) 2022	Investment (US$'000) 2021
90.10	90.10	Credit Suisse Shimada Investments (Gibraltar)	Subsidiary	Gibraltar	301,433	345,842
80.04	80.04	DLJ Group	Associate	UK	2,023,447	2,023,447
					2,324,880	**2,369,289**

Movement in investment for the year were as follows:	2022 US$'000	2021 US$'000
As at 1 January	2,369,289	2,377,111
Less: Impairment of investment in CS Shimada Investments (Gibraltar)	(44,409)	(7,822)
As at 31 December	**2,324,880**	**2,369,289**

The Company holds 90.10% in Credit Suisse Shimada Investments (Gibraltar), it has 30% voting interest in Credit Suisse Shimada Investments (Gibraltar) and hence it has predominant exposure to the variable returns from the entity through non-voting shareholding. Credit Suisse KK Holding, a group company, holds 9.9% of Credit Suisse Shimada Investments (Gibraltar), representing 70% of the voting interest and is deemed to act as an agent of the Company.

The Company holds 80.04% in DLJ Group. However, these shares do not carry any voting rights. The Company has significant influence over DLJ Group through representation on the board of directors.

Pursuant to section 401 of the Companies Act 2006, the Company is exempt from preparing and delivering Group Financial Statements as the Company is a wholly owned indirect subsidiary of UBS Group AG, which prepares Consolidated Financial Statements.

Detailed Registered Office Address mentioned in below table.

Subsidiary / Associate	Country	Registered Office
Credit Suisse Shimada Investments (Gibraltar)	Gibraltar	57/63 Line Wall Road, PO Box 199, Gibraltar
DLJ Group	UK	One Cabot Square, London, E14 4QJ

Refer note 22 for Disclosure of Interests in other entities.

Notes to the Financial Statements for the year ended 31 December 2022

12. Loans and advances

	2022	2021
	US$'000	US$'000
Loans to group companies	8,378	508,378
Total	**8,378**	**508,378**
of which domestic	8,378	508,378
Allowance for losses	(1)	(63)
Loans and advances	**8,377**	**508,315**

Loans to group companies include:

- Subordinated loan of US$ 500,000k to Credit Suisse Investments (UK) was repaid in the year 2022.
- Deposit of US$ 8,378k (2021: US$ 8,378k) with Credit Suisse International which is repayable on 30 May 2023. The effective interest rate as at 31 December 2022 on the deposit is 5.15% p.a. (2021: 0.10% p.a.) with an average interest reset period of 29 days (2021: 29 days).

13. Short-term borrowing

	Balance at 1st January 2022	Issuances	Repayments	Balance at 31st December 2022
	US$'000	US$'000	US$'000	US$'000
Short-term borrowing	500,001	—	(499,996)	5
Total	**500,001**	**—**	**(499,996)**	**5**

	Balance at 1st January 2021	Issuances	Repayments	Balance at 31st December 2021
	US$'000	US$'000	US$'000	US$'000
Short-term borrowing	501,001	—	(1,000)	500,001
Total	**501,001**	**—**	**(1,000)**	**500,001**

- The short-term borrowing of US$ 500,000k from CSLB that has been used to extend a loan to Credit Suisse Investments (UK) was repaid out of the loan proceeds from Credit Suisse Investments (UK) in 2022.
- The short-term borrowing of US$ 1k (2021: US$ 1k) is from CSLB. The effective interest rate as at 31 December 2022 is (0.42%) p.a. (2021: (0.44%) p.a.) with an average interest reset period of 365 days (2021: 365 days).

14. Other liabilities

	2022	2021
	US$'000	US$'000
Interest accrued on borrowings	—	17
Group relief payable*	1,393	59
Audit fees payable	15	18
Payable to fellow group company	5	5
Total	**1,413**	**99**

*Group Relief Payable includes current income tax payable.

Notes to the Financial Statements for the year ended 31 December 2022

15. Expected credit loss measurement

The following table 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.

	12 Month ECL Stage 1	
31 December 2022	**Gross Carrying Amount**	**Allowance for ECL**
Loans & advances	**US$ '000**	**US$ '000**
Opening Balance	508,378	63
Financial Assets that have been derecognized (including write-offs)	(500,000)	(36)
Changes in Model/ Risk parameters (model inputs) used for ECL calculation	—	—
Other changes	—	—
Net remeasurement of Loss Allowance	—	(26)
Foreign Exchange	—	—
Closing Balance	**8,378**	**1**

31 December 2022	**12 Month ECL Amount**
Cash & cash equivalents	**US$ '000**
Opening Balance	2
Net remeasurement of Loss Allowance	3
Foreign Exchange	—
Closing Balance	**5**
Total Provision	**6**

	12 Month ECL Stage 1	
31 December 2021	**Gross Carrying Amount**	**Allowance for ECL**
Loans and advances	**US$ '000**	**US$ '000**
Opening Balance	624,788	29
Changes in Model/ Risk parameters (model inputs) used for ECL calculation	—	—
Other changes	(116,410)	—
Net remeasurement of Loss Allowance	—	73
Foreign Exchange	—	(39)
Closing Balance	**508,378**	**63**

31 December 2021	**12 Month ECL Amount**
Cash & cash equivalents	**US$ '000**
Opening Balance	1
Net remeasurement of Loss Allowance	1
Foreign Exchange	—
Closing Balance	**2**
Total Provision	**65**

Notes to the Financial Statements for the year ended 31 December 2022

16. Share capital

	2022 US$'000	2021 US$'000
Authorised:	Unlimited	Unlimited
Allotted, called up and fully paid:		
2,603,910,227 ordinary voting shares of US$ 0.17 each fully paid up (No par value shares)	434,057	434,057
2,377,110,938 ordinary voting shares of US$ 1 each fully paid up (par value US$1)	2,377,111	2,377,111
Total	**2,811,168**	**2,811,168**

The holders of ordinary shares carry voting rights and the right to receive dividends.

Capital management

The Board's policy is to maintain an adequate capital base so as to enable smooth operation of the Company's activities.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital less accumulated losses.

The Company funds its operations and growth through equity and debt. This include assessing the need to raise additional equity where required.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

17. Capital contribution reserve

This reserve reflects the excess cash received over the value of investment transferred under common control.

18. Related party transactions

The parent of the Company is DLJ International Group Limited incorporated in the United Kingdom. The ultimate parent of the Company is UBS Group AG, which is incorporated in Switzerland.

Copies of 2022 group financial statements of Credit Suisse Group AG in which the results of the Company are consolidated, are available to the public and may be obtained from CS AG, Paradeplatz 8, 8070 Zurich, Switzerland.

The Company is involved in financing and other transactions, and has significant related party balances, with CS group. The Company generally enters into these transactions in the ordinary course of business and these transactions are on market terms that could be obtained from unrelated parties.

Notes to the Financial Statements for the year ended 31 December 2022

18. Related party transactions (continued)

a) Related party assets and liabilities

Assets (US$'000)	2022 Parent*	2022 Subsidiary	2022 Associates	2022 Fellow group	2022 Total	2021 Parent*	2021 Subsidiary	2021 Associates	2021 Fellow group	2021 Total
Current assets										
Cash and cash equivalents	402,815	—	—	1,902	**404,717**	381,621	—	—	108	**381,729**
Other assets	459	—	—	43	**502**	47	—	—	3,842	**3,889**
Loans and advances	—	—	—	8,377	**8,377**	—	—	—	8,378	**8,378**
Total current assets	**403,274**	**—**	**—**	**10,322**	**413,596**	**381,668**	**—**	**—**	**12,328**	**393,996**
Non-current assets										
Investments	—	301,433	2,023,447	—	**2,324,880**	—	345,842	2,023,447	—	**2,369,289**
Loans and advances	—	—	—	—	**—**	—	—	—	499,937	**499,937**
Total non-current assets	**—**	**301,433**	**2,023,447**	**—**	**2,324,880**	**—**	**345,842**	**2,023,447**	**499,937**	**2,869,226**
Liabilities (US$'000)										
Current liabilities										
Short-term borrowing	5	—	—	—	**5**	500,001	—	—	—	**500,001**
Bank overdraft	—	—	—	—	**—**	—	—	—	1	**1**
Interest accrued on borrowings	—	—	—	—	**—**	17	—	—	—	**17**
Payable to fellow group	—	—	—	5	**5**	—	—	—	5	**5**
Total current liabilities	**5**	**—**	**—**	**5**	**10**	**500,018**	**—**	**—**	**6**	**500,024**

* Above table includes cash and cash equivalents, other assets, loans & advances, short-term borrowing and interest accrued on borrowings balances with CSLB.

Notes to the Financial Statements for the year ended 31 December 2022

18. Related party transactions (continued)

b) Related party income/(expense)

	2022			2021		
	Parent*	Fellow group companies	Total	Parent*	Fellow group companies	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Interest income	6,714	17,131	**23,845**	1,021	18,221	**19,242**
Interest expense	(4,165)	—	**(4,165)**	(1,564)	—	**(1,564)**
Total	**2,549**	**17,131**	**19,680**	**(543)**	**18,221**	**17,678**

* Above table includes interest income, interest expense balances with CSLB.

For UK corporation tax purposes, the Company may surrender or claim certain losses from another UK Group Company. The Group relief payable as at 31 December 2022 is US$ 1,393k (2021: US$ 59k).

c) Remunaration of Directors and Key Management Personnel

The Directors and Key Management Personnel did not receive any remuneration in respect of their services as Directors of the Company (2021: US$ Nil). The Directors and Key Management Personnel are employees of its related companies and the Company does not reimburse its related companies for the services rendered by these Directors and Key Management Personnel. All Directors benefited from qualifying third party indemnity provisions.

d) Loans and Advances to Directors and Key Management Personnel

There were no loans or advances made to Directors or Key Management Personnel during the year (2021: US$ Nil).

e) Liabilities due to pension funds

The Company had no employees and therefore does not have any liabilities with regard to pension funds.

19. Employees

The Company had no employees during the year (2021: Nil).

20. Financial instruments

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

- Analysis of financial instruments by categories;
- Fair value measurement (including fair value hierarchy)
- Fair value of financial instruments not carried at fair value.

The table below analyses financial instruments by valuation method. The different levels in the fair value hierarchy in which fair value measurements are categorised for financial assets and liabilities have been defined as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Notes to the Financial Statements for the year ended 31 December 2022

20. Financial instruments (continued)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between level 2 and level 1 in the year (2021: No Transfers).

The levels in the fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured in the Statement of Financial Position are as follows:

2022 (US$'000)	**Carrying Amount**		**Fair Value**		
	Other amortised cost	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Cash and cash equivalents	404,717	404,717	—	—	**404,717**
Other assets	502	—	502	—	**502**
Loans and advances	8,377	—	8,301	—	**8,301**
Total	**413,596**	**404,717**	**8,803**	**—**	**413,520**
Financial liabilities					
Other liabilities	20	—	20	—	**20**
Short-term borrowing	5	—	5	—	**5**
Total	**25**	**—**	**25**	**—**	**25**

2021 (US$'000)	**Carrying Amount**		**Fair Value**		
	Other amortised cost	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Cash and cash equivalents	381,729	381,729	—	—	**381,729**
Other assets	3,888	—	3,888	—	**3,888**
Loans and advances	508,315	—	576,026	—	**576,026**
Total	**893,932**	**381,729**	**579,914**	**—**	**961,643**
Financial liabilities					
Bank overdraft	1	—	1	—	**1**
Other liabilities	40	—	40	—	**40**
Short-term borrowing	500,001	—	500,001	—	**500,001**
Total	**500,042**	**—**	**500,042**	**—**	**500,042**

21. Financial risk management

The Company's activities expose it to a variety of financial risks.

- Market risk (including foreign exchange risk and interest rate risk)
- Credit risk
- Liquidity risk
- Operational risk

The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management of the Company is carried out by the Central Group Treasury department of CS group under policies approved by its Board of Directors. Group Treasury identifies, evaluates and hedges financial risks. The Board provides written principles for risk, credit risk, use of derivative financial instruments and non-derivative financial instruments as well as written policies covering specific areas such as foreign exchange risk, investing excess overall risk management and interest-rate liquidity.

Notes to the Financial Statements for the year ended 31 December 2022

21. Financial risk management (continued)

Market risk

Market risk is the risk of loss arising from adverse changes in interest rates, foreign currency exchange rates, equity prices, commodity prices and other relevant market parameters, such as market volatilities.

(i) Interest rate risk

The Company has interest bearing financial assets and liabilities, which are mainly in the form of net loans, cash and cash equivalents and debt issued and borrowings. The interest rates on these instruments typically resets within 3 months which minimises the risk to changes in interest rates. As the Company's interest-bearing assets and liabilities are against group companies, the Company is not exposed to any third party counter party interest rate risks.

The Company holds no other significant interest-bearing assets or liabilities and the remaining expenses and operating cash flows are independent of changes in interest rates.

The sensitivity analysis is prepared based on financial instruments that are recognised at the reporting dates. The sensitivity assumes changes in certain market conditions. These assumptions may differ materially from the actual outcome. In practice, market risks rarely change in isolation and are likely to be interdependent. The methods and assumptions used are the same for both reporting years.

Sensitivity analysis for changes in interest rate assume an instantaneous increase or decrease by 25% as at the reporting date, with all other variables remaining constant is given below:

2022	**US$'000**	
	25%	**-25%**
Change in equity and income or (loss) with interest rate fluctuation in loans and advances	108	(108)
Change in equity and income or (loss) with interest rate fluctuation in cash and cash equivalents	4,791	(4,791)
Total	**4,899**	**(4,899)**

2021	**US$'000**	
	25%	**-25%**
Change in equity and income or (loss) with interest rate fluctuation in loans and advances	4,643	(4,643)
Change in equity and income or (loss) with interest rate fluctuation in cash and cash equivalents	225	(225)
Change in equity and income or (loss) with interest rate fluctuation in short-term borrowing	(400)	400
Total	**4,468**	**(4,468)**

(ii) Foreign exchange risk

Foreign currency risk is the risk that the value of monetary assets / liabilities will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to foreign exchange risk, primarily with respect to GBP and JPY exposures.

Foreign exchange risk related to expenses and net assets is centrally and systematically managed with a focus on risk reduction and diversification. Any currency risk that materializes will be managed centrally by the CS group through the Foreign Currency Exposure Management ('FCEM') process, utilizing currency hedges at the CS group level.

Notes to the Financial Statements for the year ended 31 December 2022

21. Financial risk management (continued)

2022	GBP'000	JPY'000	EUR'000
Non US$ denominated assets			
Cash and cash equivalents	54	440	1
Other Assets	2	—	—
Total monetary assets	**56**	**440**	**1**
Non US$ denominated liabilities			
Short-term borrowings	—	500	1
Other liabilities	13	1	—
Total monetary liabilities	**13**	**501**	**1**
Net exposure	**43**	**(61)**	**—**

2021	GBP'000	JPY'000	EUR'000
Non US$ denominated assets			
Cash and cash equivalents	63	—	1
Other Assets	2	—	—
Total monetary assets	**65**	**—**	**1**
Non US$ denominated liabilities			
Bank overdraft	—	60	—
Short-term borrowings	—	—	1
Other liabilities	13	—	—
Total monetary liabilities	**13**	**60**	**1**
Net exposure	**52**	**(60)**	**—**

Sensitivity analysis for changes in exchange rates assume an instantaneous increase or decrease of 25% for foreign currency to USD rates at the reporting date, with all other variables remaining constant.

	GBP/JPY/EUR Impact	
2022	**25%**	**-25%**
	US$'000	**US$'000**
Change in equity and income or (loss) with foreign currency fluctuation	13	(13)
Total	**13**	**(13)**

	GBP/JPY/EUR Impact	
2021	**25%**	**-25%**
	US$'000	**US$'000**
Change in equity and income or (loss) with foreign currency fluctuation	18	(18)
Total	**18**	**(18)**

Credit risk

Credit risk is the possibility of a loss being incurred by the Company as a result of a borrower or counter-party failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counter-party.

Notes to the Financial Statements for the year ended 31 December 2022

21. Financial risk management (continued)

The Company is exposed to credit risk from counter-party. The carrying value of loans represents the maximum credit exposure of the Company to counter-parties. The Company has policies that limit the amount of credit exposure to any financial institution. Transactions are limited to fellow group companies and high credit quality financial institutions.

There are no amounts due from related companies which are credit impaired.

Cash & Cash equivalents	**12-month ECL (Stage 1)**	**Lifetime ECL not credit-impaired (Stage 2)**	**Lifetime ECL credit-impaired (Stage 3)**	**Purchased credit-impaired**	**Total**
2022	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
- A+ to A-	404,722	—	—	—	404,722
Gross Carrying amount	**404,722**	**—**	**—**	**—**	**404,722**
Loss allowance	(5)	—	—	—	(5)
Net Carrying amount	**404,717**	**—**	**—**	**—**	**404,717**

Loans and advances	**12-month ECL (Stage 1)**	**Lifetime ECL not credit-impaired (Stage 2)**	**Lifetime ECL credit-impaired (Stage 3)**	**Purchased credit-impaired**	**Total**
2022	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
- A+ to A-	8,378	—	—	—	8,378
Gross Carrying amount	**8,378**	**—**	**—**	**—**	**8,378**
Loss allowance	(1)	—	—	—	(1)
Net Carrying amount	**8,377**	**—**	**—**	**—**	**8,377**

Other assets	**12-month ECL (Stage 1)**	**Lifetime ECL not credit-impaired (Stage 2)**	**Lifetime ECL credit-impaired (Stage 3)**	**Purchased credit-impaired**	**Total**
2022	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
- A+ to A-	501	—	—	—	501
- BB+ to BB-	1	—	—	—	1
Gross Carrying amount	**502**	**—**	**—**	**—**	**502**
Loss allowance	—	—	—	—	—
Net Carrying amount	**502**	**—**	**—**	**—**	**502**

Cash & Cash equivalents	**12-month ECL (Stage 1)**	**Lifetime ECL not credit-impaired (Stage 2)**	**Lifetime ECL credit-impaired (Stage 3)**	**Purchased credit-impaired**	**Total**
2021	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
- A+ to A-	381,731	—	—	—	381,731
Gross Carrying amount	**381,731**	**—**	**—**	**—**	**381,731**
Loss allowance	(2)	—	—	—	(2)
Net Carrying amount	**381,729**	**—**	**—**	**—**	**381,729**

Notes to the Financial Statements for the year ended 31 December 2022

21. Financial risk management (continued)

Loans and advances 2021	12-month ECL (Stage 1) US$ '000	Lifetime ECL not credit-impaired (Stage 2) US$ '000	Lifetime ECL credit-impaired (Stage 3) US$ '000	Purchased credit-impaired US$ '000	Total US$ '000
- A+ to A-	508,378	—	—	—	508,378
Gross Carrying amount	**508,378**	**—**	**—**	**—**	**508,378**
Loss allowance	(63)	—	—	—	(63)
Net Carrying amount	**508,315**	**—**	**—**	**—**	**508,315**

Other assets 2021	12-month ECL (Stage 1) US$ '000	Lifetime ECL not credit-impaired (Stage 2) US$ '000	Lifetime ECL credit-impaired (Stage 3) US$ '000	Purchased credit-impaired US$ '000	Total US$ '000
- A+ to A-	3,887	—	—	—	3,887
- BB+ to BB-	1	—	—	—	1
Gross Carrying amount	**3,888**	**—**	**—**	**—**	**3,888**
Loss allowance	—	—	—	—	—
Net Carrying amount	**3,888**	**—**	**—**	**—**	**3,888**

For CS group entities which are not individually rated, ratings have been derived using the Credit Suisse AG rating.

Liquidity risk

Liquidity risk is the risk that a company is unable to fund assets and meet obligations as they fall due under both normal and stressed market conditions.

Liquidity, as with funding, capital and foreign exchange exposures, is centrally managed by Treasury. The liquidity and funding profile of CS group reflects the risk appetite, business activities, strategy, the markets and overall operating environment. CS group's liquidity and funding policy is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events and / or issues specific to CS group. This approach enhances CS group's ability to manage potential liquidity and funding risks and to promptly adjust the liquidity and funding levels in response to stressed conditions.

The following table sets out details of the remaining un-discounted contractual maturity for financial liabilities.

2022 (US$'000)	Carrying Amount	Gross Nominal Outflow	On demand	Due within 3 months	Due between 1 and 5 years	Total
Short-term borrowing	5	5	—	5	—	**5**
Other liabilities	20	20	20	—	—	**20**
Total	**25**	**25**	**20**	**5**	**—**	**25**

2021 (US$'000)	Carrying Amount	Gross Nominal Outflow	On demand	Due within 3 months	Due between 1 and 5 years	Total
Bank Overdraft	1	1	—	1	—	**1**
Short-term borrowing	500,001	500,014	—	500,014	—	**500,014**
Other liabilities	40	40	23	17	—	**40**
Total	**500,042**	**500,055**	**23**	**500,032**	**—**	**500,055**

Notes to the Financial Statements for the year ended 31 December 2022

21. Financial risk management (continued)

Operational risk

Operational risk is the risk of financial loss arising from inadequate or failed internal processes, people or systems, or from external events. The Company is exposed to minimal operational risk.

22. Disclosures of interests in other entities

Unconsolidated structured entities

The Company has investments in its subsidiaries Credit Suisse Shimada Investments (Gibraltar) and associate DLJ Group which has been assessed as a structured entity.

Credit Suisse Shimada Investments (Gibraltar) is an investment holding company and derives interest income on money market deposits. The Company holds voting Class B shares of Credit Suisse Shimada Investments (Gibraltar) which are entitled to 30% of voting rights and represents 90.10% of the equity. Credit Suisse Shimada Investments (Gibraltar) has total assets of JPY 44.2 billion (2021: JPY 44.2 billion) which is majorly financed through issuance of shares.

DLJ Group derives interest income on money market deposits. The Company holds voting Class B shares of DLJ Group which are not entitled to voting rights and represents 80.04% of the equity. DLJ Group has total assets of US$ 2.7 billion (2021: US$ 2.7 billion).

The following table provides the carrying amounts and classifications of the assets and liabilities of interests recorded in the Company's Balance Sheet, maximum exposure to loss and total assets of the unconsolidated structured entity.

Interest in unconsolidated structured entities as at 31 December 2022

	2022 Financial intermediaries US$'000	2021 Financial intermediaries US$'000
Investment in:		
Credit Suisse Shimada Investments (Gibraltar)	301,433	345,842
DLJ Group	2,023,447	2,023,447
Total	**2,324,880**	**2,369,289**
Maximum exposure to loss	**2,324,880**	**2,369,289**
Unconsolidated structured entity assets	**3,048,505**	**3,082,938**

The maximum exposure to loss that the Company has for its investment in the structured entities has been determined on the basis of the carrying value of the investment.

At year end impairment testing, there was an impairment of investment in Credit Suisse Shimada Investments (Gibraltar) of US$ 44,409 (2021: US$ 7,822k).

The unconsolidated structured entity assets relate to where the Group has an interest in the unconsolidated structured entity. These amounts typically represent the assets of the entities themselves and are typically unrelated to the exposures the Group has with the entity and thus are not amounts that are considered for risk management purposes.

Notes to the Financial Statements for the year ended 31 December 2022

23. Subsequent events

On 19 March 2023, Credit Suisse Group AG and UBS Group AG entered into an agreement and plan of merger ('the merger'), which legally closed on 12 June 2023. The Company is now a consolidated subsidiary of UBS Group AG, and as such the future operations and financial performance of the Company may be impacted as a result of the merger. There can be no assurance that the Company will not itself become liquidated or otherwise merged with another UBS Group AG subsidiary as a result of the merger.

Based on the merger developments discussed above, the following accounting impacts on the financial statements are expected to occur for periods ending after 19 March 2023:

Investments in subsidiaries

As of 31 December 2022, the Company had investment in subsidiaries of US$ 2,324,880k. Based on the merger agreement, the Company believes an impairment loss on this balance sheet position is possible but cannot be reliably estimated at this time.