

**DLJ INTERNATIONAL GROUP LIMITED**

**Annual Report  
For the year ended 31 December 2021**



Company Registration Number: 03408009

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**COMPANY INFORMATION**

**Board of Directors**

Ahmed Kubba  
Lawrence Fletcher  
Paul Hare

Director  
Director  
Director

**Company Secretary**

Paul Hare

**Registered Office**

One Cabot Square  
London E14 4QJ

**Registration Number**

03408009

**Independent Auditor**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT

## **Strategic Report for the year ended 31 December 2021**

The Directors present their Annual Report and the audited Financial Statements for the year ended 31 December 2021.

### **Business Profile**

DLJ International Group Limited (the "Company") is a private company limited by shares domiciled in the United Kingdom. The Company is a wholly owned subsidiary of DLJ UK Investment Holdings Limited incorporated in the UK. The ultimate parent of the Company is Credit Suisse Group AG ("CS group"), which is incorporated in Switzerland, specialising in Investment Banking and Wealth Management.

### **Principal activities**

The Company's principal activity is to act as an investment holding company.

The Company's interests include:

- DLJ UK Holding, whose principal activity is that of an investment company;
- DLJ Group, whose activities comprise holding of investments and deriving interest on money market deposits. The Company holds 3.28% directly and 80% indirectly through DLJ UK Holding of the total ordinary shares of DLJ Group. However, the Company holds 100% of voting rights for its investment in DLJ Group;
- Credit Suisse Shimada Investments (Gibraltar), which is indirectly held through DLJ UK Holding.

### **Business review**

There has been no significant change in the Company's principal activities compared to previous years. The Directors are not aware of any 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](http://www.credit-suisse.com/crr). Further information can also be found in Credit Suisse AG's Annual Report 2021 at [www.credit-suisse.com/about-us/en/reports-research/annual-reports.html](http://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 Income and Statement of Financial Position.

#### Statement of Income

In the year to 31 December 2021, the Company reported a profit of US\$ 91k (2020: Loss US\$ (62)k), which is mainly driven by a reversal of impairment in a subsidiary to the extent of US\$ 340k, net interest expense of US\$ (82)k and income tax expense of US\$ (149)k.

#### Statement of Financial Position

As at 31 December 2021, the Company had total assets of US\$ 3,164,618k (2020: US\$ 3,165,052k).

As at 31 December 2021, the Company had total liabilities of US\$ 527,023k (2020 US\$ 527,548k).

As at 31 December 2021, the Company had Shareholders' Equity of US\$ 2,637,595k (2020: US\$ 2,637,504k).

## **Strategic Report for the year ended 31 December 2021 (continued)**

### **Key Performance Indicators**

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### **Principal risks, financial risks and uncertainties**

The Company is a holding company and the main risk facing the Company is impairment of investment in subsidiaries. Apart from this, the assets of the Company mainly comprise of net loans facing fellow group companies under common control. Hence, the Company is not exposed to any significant credit risk. The Company's financial risk management policies are outlined in note 17 to the Financial Statements.

### **COVID-19 pandemic**

The COVID-19 pandemic continued to affect the economic environment throughout 2021. Infection rates ebbed and flowed across countries during the course of 2021. Vaccination programs during the year continued to significantly reduce the correlation between COVID-19 infection and serious illness, although booster shots were increasingly required to sustain a high level of protection. In addition, in the fourth quarter of 2021 an additional challenge arose with the emergence of the COVID Omicron variant, which is more transmissible than previous variants. However, in February 2022, due to the success of vaccination programme, government has lifted social and economic activity restrictions.

However, COVID-19 has had a limited impact on the Company and the Directors are of the opinion that the Company would continue as a going concern for at least 12 months from the date of approval of the financial statements on the basis of continued financial support from the Company's parent, Credit Suisse AG. Further to this, Credit Suisse AG has provided a letter of intent dated 23 June 2022, which confirms that it will ensure that the Company is able to meet its debt obligations and maintain a sound financial position for the next 18 months.

### **Replacement of Interbank Offered Rates ('IBOR')**

A major milestone of the (L)IBOR transition has been passed at the end of 2021. From January 1, 2022 most non-USD (CHF, EUR, GBP and JPY) and select USD LIBOR (1week and 2month) settings have ceased publication. These rates have been in use for decades and the cessation impacted millions of transactions and thousands of market participants.

The transition of the USD markets was given an 18-month extension, with the remaining USD LIBOR settings scheduled to be discontinued at the end of June 2023. Secured Overnight Financing Rate (SOFR), the alternative reference rate recommended by the Alternative Reference Rate Committee (ARRC) has already gained a significant foothold in the markets and with the prohibition of new LIBOR trading other than for risk management purposes, is now becoming the dominant market rate even ahead of the official cessation date for USD LIBOR.

For further details, refer to Note 17 – Financial Risk Management.

### **Modern Slavery and Human Trafficking**

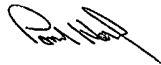
In its role as an employer, and as a user and provider of services, CS group is committed to human rights and respects them as a key element of responsible business conduct. CS group voluntarily commits to uphold certain international agreements relating to human rights, including: the Equator Principles, Principles for Responsible Investment and UN Global Compact.

## Strategic Report for the year ended 31 December 2021 (continued)

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 aims to ensure that the CS group's external business partners, including their employees, subsidiaries and subcontractors, respect human rights, labour rights, employment laws and environmental regulations. In 2016, CS group introduced a formal 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 the 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.

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](http://www.credit-suisse.com).

Approved by the Board of Directors on 24 August 2022 and signed on its behalf by:



Paul Hare

Director

One Cabot Square  
London E14 4QJ  
24 August 2022

## **Directors' Report for the year ended 31 December 2021**

The Directors present their Report and the Financial Statements for the year ended 31 December 2021.

### **International Financial Reporting Standards**

The Financial Statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards ('UK-adopted IFRSs') in conformity with the requirements of Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

The Annual Report and Financial Statements were authorised for issue by the Directors on 24 August 2022. 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 basis**

The financial statements have been prepared on a going concern basis, as the Directors are of the opinion that the going concern basis is still appropriate and validity of the going concern assumption is dependent upon continued financial support from the Company's parent, Credit Suisse AG. Further to this, Credit Suisse AG has provided a letter of intent dated 23 June 2022, which confirms that it will ensure that the Company is able to meet its debt obligations and maintain a sound financial position for the next 18 months.

Therefore, the Directors are satisfied that the Company has adequate resources to continue in operation for this year, and it therefore continues to adopt the going concern basis in preparing the financial statements.

### **Share Capital**

There was no movement in share capital during the year (2020: US\$ Nil).

### **Dividends**

No dividends were paid or were proposed during the year (2020: US\$ Nil).

### **Directors**

The names of the Directors as at the date of this report are set out on page 3. There are no changes in the Directorate since 31 December 2020.

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:

- 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;
- prepare the financial statements on the going concern basis unless it presumes that the Company will not continue in business.

## **Directors' Report for the year ended 31 December 2021 (continued)**

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.

### **Risk management**

The Company's financial risk management objectives and policies and the exposure of the Company to foreign exchange risk, credit risk, liquidity risk, interest rate risk, operational risk and price risk are outlined in note 17 to the Financial Statements.

### **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 auditor is 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 auditor is aware of that information.

### **Exemption from Group Financial Statements**

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

### **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'.

### **Political Contributions**

No political donations or political expenditure was incurred during the year 2021 (2020: US\$ Nil).

### **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.

### **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 auditor.



**Directors' Report for the year ended 31 December 2021 (continued)**

**Subsequent events**

Subsequent events following the year ended 31 December 2021 are set out in Note 19 - Subsequent events

Approved by the Board of Directors on 24 August 2022 and signed on its behalf by:



Ahmed Kubba  
Director

One Cabot Square  
London E14 4QJ  
24 August 2022

Company Registration Number: 03408009



# Independent auditors' report to the directors of DLJ International Group Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, DLJ International Group Limited's financial statements:

- a. give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- b. have been properly prepared in accordance with UK-adopted international accounting standards; and
- c. 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 2021; the Statement of Income, Statement of Changes in Equity and 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.

### Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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 2021 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, 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 the Companies Act of 2006, 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 the Companies Act of 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 the potential for manual journal entries being recorded in order to manipulate financial performance. Audit procedures performed by the engagement team included:

- a. Enquiries of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud
- b. Reviewing Board meeting and other relevant committee meeting minutes to identify any significant or unusual transactions
- c. Identifying and, where relevant, testing journal entries, including those posted with particular descriptions, relating to particular dates or with other unusual characteristics
- d. Incorporating unpredictability into the nature, timing and extent of audit procedures performed

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](http://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 directors 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.

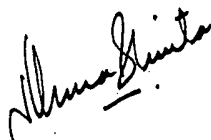
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

- a. we have not obtained all the information and explanations we require for our audit; or
- b. 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
- c. certain disclosures of directors' remuneration specified by law are not made; or
- d. 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  
01 September 2022

**Statement of Income for the year ended 31 December 2021**

	Note	2021 US\$'000	2020 US\$'000
Interest income	3	482	2,541
- of which interest income from instruments at amortised cost		482	2,541
Interest expense	3	(564)	(3,320)
- of which interest expense from instruments at amortised cost		(564)	(3,320)
<b>Net interest expense</b>		<b>(82)</b>	<b>(779)</b>
(Provision) / Reversal of provision for credit losses	4	(1)	2
<b>Net interest expense after provision for credit losses</b>		<b>(83)</b>	<b>(777)</b>
Reversal of impairment of investment in subsidiary	10	340	570
Other income	5	0	10
Administrative expense	6	(17)	(14)
<b>Profit/(loss) before tax</b>		<b>240</b>	<b>(211)</b>
Income tax (expense)/benefit	7	(149)	149
<b>Profit/(loss) after tax</b>		<b>91</b>	<b>(62)</b>

Results for the year 2021 and 2020 are from continuing operations.

There is no other comprehensive income in the current and prior year. Accordingly, a Statement of Other Comprehensive Income has not been provided.

The notes on pages 17 to 34 form an integral part of these Financial Statements.

**Statement of Financial Position as at 31 December 2021**

	Note	2021 US\$'000	2020 US\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	265,033	264,613
Other assets	9	5	1,199
<b>Total current assets</b>		<b>265,038</b>	<b>265,812</b>
<b>Non-current assets</b>			
Investments	10	2,899,580	2,899,240
<b>Total non-current assets</b>		<b>2,899,580</b>	<b>2,899,240</b>
<b>Total assets</b>		<b>3,164,618</b>	<b>3,165,052</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft	8	3	3
Short-term borrowings	11	526,996	8,598
Other accruals	12	24	21
<b>Total current liabilities</b>		<b>527,023</b>	<b>8,622</b>
<b>Non-current liabilities</b>			
Long-term borrowings	11	—	518,926
<b>Total non-current liabilities</b>		<b>0</b>	<b>518,926</b>
<b>Total liabilities</b>		<b>527,023</b>	<b>527,548</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	13	2,182,991	2,182,991
Retained earnings		454,604	454,513
<b>Total shareholders' equity</b>		<b>2,637,595</b>	<b>2,637,504</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,164,618</b>	<b>3,165,052</b>

The notes on pages 17 to 34 form an integral part of these Financial Statements.

The financial statements on pages 13 to 34 were approved by the Board of Directors on 24 August 2022 and signed on its behalf by:



Ahmed Kubba  
Director

**Statement of Changes in Equity for the year ended 31 December 2021**

	Share capital US\$'000	Retained earnings US\$'000	Total US\$'000
<b>Balance at 1 January 2021</b>	<b>2,182,991</b>	<b>454,513</b>	<b>2,637,504</b>
Profit for the year	—	91	91
<b>Balance at 31 December 2021</b>	<b>2,182,991</b>	<b>454,604</b>	<b>2,637,595</b>
<b>Balance at 1 January 2020</b>	<b>2,182,991</b>	<b>454,575</b>	<b>2,637,566</b>
Loss for the year	—	(62)	(62)
<b>Balance at 31 December 2020</b>	<b>2,182,991</b>	<b>454,513</b>	<b>2,637,504</b>

The notes on pages 17 to 34 form an integral part of these Financial Statements.

**Statement of Cash Flows for the year ended 31 December 2021**

	Note	2021 US\$'000	2020 US\$'000
<b>Cash flow from Operating activities</b>			
Profit/(loss) before tax		240	(211)
<b>Adjustments to reconcile net profit to net cash generated from operating activities:</b>			
Non-cash items included in profit before tax and other adjustments:			
Interest income		(482)	(2,541)
Interest expense		564	3,320
Reversal of impairment of investment in subsidiary		(340)	(570)
Provision / (Reversal) of provision for credit losses		1	(2)
Other expense		—	1
<b>Operating loss before working capital changes</b>		<b>(17)</b>	<b>(3)</b>
<b>Net movement in operating assets/ liabilities:</b>			
Other accruals		5	7
Interest received		485	2,619
<b>Cash generated from operating activities</b>		<b>473</b>	<b>2,623</b>
Group relief received		1,042	861
<b>Net cash generated from operating activities</b>		<b>1,515</b>	<b>3,484</b>
<b>Cash generated from financing activities</b>			
Issuance of borrowings		—	3,017
Repayment of borrowings		(529)	(77)
Interest paid		(566)	(3,447)
<b>Net cash used in financing activities</b>		<b>(1,095)</b>	<b>(507)</b>
<b>Net increase in cash and cash equivalents</b>		<b>420</b>	<b>2,977</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>264,610</b>	<b>261,633</b>
<b>Cash and cash equivalents at end of year</b>	<b>8</b>	<b>265,030</b>	<b>264,610</b>

The notes on pages 17 to 34 form an integral part of these Financial Statements.



## Notes to the Financial Statements for the year ended 31 December 2021

### 1. General

DLJ UK Investment Holdings Limited (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 activities comprise the holding of investments in Credit Suisse group companies.

### 2. Significant accounting policies

#### a) Statement of compliance

The Financial Statements have been prepared on a going concern basis in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 as applicable to companies using those standards.

The Financial Statements were approved and authorised for issue by the Directors on 24 August 2022.

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

#### b) Basis of preparation

The Financial Statements are presented in United States dollars (US\$), which is the Company's functional currency and have been rounded to the nearest thousands, unless otherwise stated. They are prepared on historical cost basis.

The financial statements have been prepared on a going concern basis, as the Directors are of the opinion that the going concern basis is still appropriate. The validity of the going concern assumption is dependent upon continued financial support from the Company's parent, Credit Suisse AG. Further to this, Credit Suisse AG has provided a letter of intent dated 23 June 2022, which confirms that it will ensure that the Company is able to meet its liabilities and maintain a sound financial position for the next 18 months.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern 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(l) 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.

## Notes to the Financial Statements for the year ended 31 December 2021

### 2. Significant accounting policies (continued)

#### Standards and interpretations effective in the current year

The Company has adopted the following amendments in the current year:

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2:** In August 2020, The IASB issued 'Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2' in order to address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments are effective for annual years beginning on or after 1 January 2021. Earlier application is permitted. The amendments will not have a material impact to the Company's financial position, results of operation or cash flows.

#### 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 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. Financial liabilities include short-term 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 2021

### 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) 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.

#### g) Interest income and expense

Interest income and expense includes interest income and expense on the Company's loans, deposits and borrowings. Interest income and expense does not include interest flows on the Company's trading derivatives (except for hedging relationships) and certain financial instruments classified as at fair value through profit or loss which are included in 'Net gains from financial assets/liabilities at fair value through profit or loss'. Interest income and expense on instruments measured at amortised cost is accrued, and any related net deferred premiums, discounts, origination fees or costs are 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).

## Notes to the Financial Statements for the year ended 31 December 2021

### 2. Significant accounting policies (continued)

#### h) Income tax and deferred tax

Income tax recognised in the Statement of Income for the year comprises current and deferred taxes. Income tax is recognised in the Statement of 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 Income, the related income tax initially recognised in equity is also subsequently recognised in the Statement of Income.

Current tax is the expected tax payable on the taxable income for the year and includes any adjustment to tax payable in respect of previous 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 7 – Income tax (charge)/benefit

#### i) 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:

## Notes to the Financial Statements for the year ended 31 December 2021

### 2. Significant accounting policies (continued)

- 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.

Investment in subsidiaries is 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 subsidiary is recognised in the Statement of 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 Income.

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 Income to the extent of the impairment loss booked earlier on the same asset.

Please refer note 10 for further details on investment.

#### j) Other investments

Other investments comprise equity securities other than investment in subsidiaries. Where the equity securities are unquoted and fair value cannot be measured reliably, they are carried at cost. Otherwise they are carried at fair value and changes in fair value are recognised in other comprehensive income.

Any charges relating to the impairment of investments in a Group Company are recognised in the Statement of Income in the year in which the impairment occurs. When investments are disposed, the profit / (loss) resulting from the disposal is recognised in the Statement of Income.

#### k) Impairment of investment in subsidiaries

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.

#### l) 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.

## Notes to the Financial Statements for the year ended 31 December 2021

## I) Critical accounting estimates and judgements in applying accounting policies (continued)

## Impairment of the investment in DLJ Group

For each subsidiary held, the investments 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 Income in the year in which the impairment occurs.

In the course of preparing the financial statements, no judgements have been made in the process of applying the accounting policies.

## 3. Net interest income and expense

	2021	2020
	US\$'000	US\$'000
Deposits	482	2,541
<b>Total Interest income</b>	<b>482</b>	<b>2,541</b>
Borrowings	(564)	(3,320)
<b>Total Interest expense</b>	<b>(564)</b>	<b>(3,320)</b>
<b>Net interest expense</b>	<b>(82)</b>	<b>(779)</b>

## 4. (Provision) / Reversal of provision for credit losses

It includes provision for credit losses of US\$ 1k for year 2021 and reversal of provision for credit losses of US\$ 2k for year 2020.

ECL is considered immaterial as the balances are with highly rated companies.

## 5. Other income

It comprises of Other ordinary income of US\$ 11k and foreign exchange loss of US\$ (1)k relating to the year 2020.

## 6. Administrative expenses

	2021	2020
	US\$'000	US\$'000
Auditors' remuneration in relation to statutory audit of these financial statements	(15)	(10)
Other administrative expenses	(2)	(4)
<b>Total</b>	<b>(17)</b>	<b>(14)</b>

## 7. Income tax expense

## a) Analysis of tax expense for the year

	2021	2020
	US\$'000	US\$'000
<b>Current tax</b>		
Current tax expense/(benefit) for the period	—	149
Adjustments in respect of previous periods	(149)	—
<b>Income tax (expense)/benefit</b>	<b>(149)</b>	<b>149</b>

During 2021, the UK government enacted legislation to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023.

## Notes to the Financial Statements for the year ended 31 December 2021

## 7. Income tax expense (continued)

The income tax expense/(benefit) for the year can be reconciled to the loss per the Statement of Income as follows:

	2021 US\$'000	2020 US\$'000
<b>Profit / (Loss) before tax</b>	<b>240</b>	<b>(211)</b>
Profit / (Loss) before tax multiplied by the UK statutory rate of corporation tax at the rate of 19%	(46)	41
Adjustment for interest payable to Group Companies	(102)	108
Non-taxable reversal of impairment in subsidiary	65	—
Adjustments to current tax in respect of previous periods	(149)	—
Recognition of deferred tax asset on tax losses utilised in period	83	—
<b>Income tax (expense)/benefit</b>	<b>(149)</b>	<b>149</b>

## b) Deferred tax assets

Deferred Tax Assets are recognised on deductible temporary differences and tax loss carry forwards only to the extent that realisation of the related tax benefit is probable. Tax losses carried forward on which no deferred tax assets have been recognised is US\$ 198,596k (2020: US\$ 201,028k) plus capital losses of US\$ 443,608k [£328,452k] (2020: US\$ 453,294k [£328,452k]). The deferred tax asset not recognised on these losses carried forward in US\$ 160,551k (2020: US\$ 124,321k). The benefit of the losses carried forward has not been recognised in these financial statements due to the uncertainty of their recoverability. The losses carried forward have no expiry date.

## 8. Cash and cash equivalents

	2021 US\$'000	2020 US\$'000
Cash at bank	471	535
Short-term money market deposits (refer note below)	264,564	264,079
Allowance for credit losses	(2)	(1)
<b>Cash and cash equivalents in the Statement of Financial Position</b>	<b>265,033</b>	<b>264,613</b>
Bank overdraft	(3)	(3)
<b>Net Cash and cash equivalents in the Statement of Cash flows</b>	<b>265,030</b>	<b>264,610</b>
of which foreign	468	532
of which domestic	264,564	264,079
Allowance for credit losses	(2)	(1)
<b>Net Cash and cash equivalents in the Statement of Cash Flows</b>	<b>265,030</b>	<b>264,610</b>

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

## Short-term money market deposits

2021	Counter party	Effective interest rate	Maturity date	Average interest reset period	US\$'000
Short-term Money market Deposits	CSLB	0.22 %	29 March 2022	90 days	264,564
<b>Total</b>					<b>264,564</b>
2020	Counter party	Effective interest rate	Maturity date	Average interest reset period	US\$'000
Short-term Money market Deposits	CSLB	0.25 %	29 March 2021	91 days	264,079
<b>Total</b>					<b>264,079</b>

## Notes to the Financial Statements for the year ended 31 December 2021

## 9. Other assets

	2021 US\$'000	2020 US\$'000
Group relief receivable *	—	1,191
Interest accrued on short-term money market deposits with CSLB	5	8
<b>Total</b>	<b>5</b>	<b>1,199</b>

\*Group relief receivable includes tax receivable from UK Group Companies.

## 10. Investment in subsidiaries

The Company had the following subsidiaries:

% of equity		Company name	Domicile	2021	2020
2021	2020			US\$'000	US\$'000
99.99	99.99	DLJ UK Holding	UK	2,811,167	2,811,167
3.28	3.28	DLJ Group	UK	88,413	88,073
—	—	Credit Suisse Shimada Investments (Gibraltar)	Gibraltar	Indirect	Indirect

Detailed Registered Office Address mentioned in below table.

31 December 2021		
Subsidiaries	Country	Registered Office
DLJ UK Holding	UK	One Cabot Square, London E14 4QJ - United Kingdom
DLJ Group	UK	One Cabot Square, London E14 4QJ - United Kingdom
Credit Suisse Shimada Investments (Gibraltar)	Gibraltar	57/63 Line Wall Road, PO Box 199, Gibraltar

Movement in investment in subsidiaries for the year were as follows:

	2021 US\$'000	2020 US\$'000
As at 1 January	2,899,240	2,898,670
Add: Reversal of impairment in subsidiary	340	570
<b>As at 31 December</b>	<b>2,899,580</b>	<b>2,899,240</b>

The Company holds 99.99% equity shares of DLJ UK Holding. Investment in subsidiaries is carried at cost less impairment. The recoverable amount of the investment is estimated based on its fair value less costs of disposal. The investment was impaired to the extent of US\$ 613,194k in 2003. This was fully reversed over the following years US\$ 210,354k in 2007, US\$ 8,095k in 2013, US\$ 42,013k in 2014, US\$ 46,924k in 2015, US\$ 50,613k in 2016, US\$ 63,925k in 2017 and US\$ 191,270k in 2018.

The Company holds 3.28% of total ordinary shares of DLJ Group. However, the Company holds 100% of voting rights for its investment in DLJ Group. The investment was impaired to the extent of US\$ 29,020k in 2001, US\$ 23,192k in 2002 and US\$ 92,846k in 2007. This was partially reversed to the extent of US\$ 82,963k in 2012, US\$ 1,599k in 2017, US\$ 1,342k in 2018, US\$ 1,599k in 2019, US\$ 570k in 2020 and US\$ 340k in 2021.

## 11. Borrowings

2021	Cash Flows		
	Balance as at 1 January 2021	Issuances	Repayments
	US\$'000	US\$'000	US\$'000
<b>Short-term borrowings</b>			
CSLB	8,598	—	(529)
Credit Suisse International	518,926	—	—
<b>Total</b>	<b>527,524</b>	<b>—</b>	<b>(529)</b>



## Notes to the Financial Statements for the year ended 31 December 2021

## 11. Borrowings (continued)

2020	Balance as at 1 January 2020	Cash Flows		Balance as at 31 December 2020
	US\$'000	Issuances US\$'000	Repayments US\$'000	US\$'000
<b>Short-term borrowings</b>				
CSLB	5,658	3,017	(77)	8,598
<b>Long-term borrowings</b>				
Credit Suisse International	518,926	—	—	518,926
<b>Total</b>	<b>524,584</b>	<b>3,017</b>	<b>(77)</b>	<b>527,524</b>

Short-term borrowings from Credit Suisse International ('CSI') are due to mature on 29 December 2022. The interest rate as at 31 December 2021 which is linked to LIBOR rate, is reset every month was 0.10% (2020: 0.15%).

The effective interest rate as at 31 December 2021 was 0.34% (2020: 0.40%) on short-term borrowings with CSLB of US\$ 8,069k (2020: US\$ 8,598k).

The average interest reset period on the borrowings with CSI is 31 days (2020: 29 days) and the average roll-over maturity period for borrowings with CSLB is 254 days (2020: 255 days).

## 12. Other accruals

	2021 US\$'000	2020 US\$'000
Audit fees payable	18	13
Accrued interest on borrowings	6	8
<b>Total</b>	<b>24</b>	<b>21</b>

## 13. Share capital

	2021 US\$'000	2020 US\$'000
<b>Authorised:</b>		
<b>Equity</b>		
1,400,000,000 Class "A" Ordinary voting shares of US\$1 each	1,400,000	1,400,000
100,000,000 Class "B" Ordinary voting shares of US\$1 each	100,000	100,000
1,850,000,000 Class "C" Ordinary voting shares of US\$1 each	1,850,000	1,850,000
<b>Total</b>	<b>3,350,000</b>	<b>3,350,000</b>
<b>Allotted, called up and fully paid:</b>		
<b>Equity</b>		
966,332,017 (2019: 966,332,017) Class "A" Ordinary voting shares of US\$1 each	966,332	966,332
25,472,898 (2019: 25,472,898) Class "B" Ordinary voting shares of US\$1 each	25,473	25,473
1,191,186,295 (2019: 1,191,186,295) Class "C" Ordinary voting shares of US\$1 each	1,191,186	1,191,186
<b>Total</b>	<b>2,182,991</b>	<b>2,182,991</b>

All the shares rank pari passu in all respects. During the year, no additional share capital was issued.

## Notes to the Financial Statements for the year ended 31 December 2021

**13. Share capital (continued)****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 and reserves.

The Company funds its operations and growth through equity. This includes 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.

**14. Expected credit loss measurement**

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

<b>Cash and cash equivalents</b>	
<b>2021</b>	<b>US\$'000</b>
Opening Balance	1
Net remeasurement of Loss Allowance	1
Foreign Exchange	1
<b>Closing Balance</b>	<b>2</b>
<b>Cash and cash equivalents</b>	
<b>2020</b>	<b>US\$'000</b>
Opening Balance	3
Net remeasurement of Loss Allowance	(2)
Foreign Exchange	—
<b>Closing Balance</b>	<b>1</b>

ECL is considered immaterial as the balances are with highly rated companies.

**15. Related party transactions**

The Company is controlled by DLJ UK Investment Holdings Limited, incorporated in the United Kingdom which owns 100% of the ordinary shares. The ultimate parent company is CS group, which is incorporated in Switzerland. Copies of Group Financial Statements of Credit Suisse AG and CS group, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from CS group, Paradeplatz 8, 8070 Zurich, Switzerland.

The Company is involved in financing and other transactions, and has significant related party balances, with subsidiaries and affiliates of 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 2021

## 15. Related party transactions (continued)

The following table sets forth the Company's related party assets and liabilities and related party income and expenses:

## a) Related party assets and liabilities

ASSETS (US\$ '000)	2021				2020			
	Parent <sup>1</sup>	Subsidiaries	Fellow Group	Total	Parent <sup>1</sup>	Subsidiaries	Fellow Group	Total
<b>Current assets</b>								
Cash and cash equivalents	265,029 <sup>2</sup>	—	6	265,035	264,607 <sup>2</sup>	—	6	264,613
Other assets	5	—	—	5	8	—	—	8
<b>Total</b>	<b>265,034</b>	<b>—</b>	<b>6</b>	<b>265,040</b>	<b>264,615</b>	<b>—</b>	<b>6</b>	<b>264,621</b>
<b>Non-current assets</b>								
Investments	—	2,899,580	—	2,899,580	—	2,898,670	—	2,898,670
<b>Total</b>	<b>—</b>	<b>2,899,580</b>	<b>—</b>	<b>2,899,580</b>	<b>—</b>	<b>2,898,670</b>	<b>—</b>	<b>2,898,670</b>
<b>Total related party assets</b>	<b>265,034</b>	<b>2,899,580</b>	<b>6</b>	<b>3,164,620</b>	<b>264,615</b>	<b>2,898,670</b>	<b>6</b>	<b>3,163,291</b>
<b>LIABILITIES (US\$'000)</b>								
<b>Current liabilities</b>								
Bank overdraft	2	—	1	3	3	—	—	3
Short-term borrowings	8,069	—	518,926	526,995	8,598	—	—	8,598
Other accruals	1	—	2	3	1	—	6	7
<b>Total</b>	<b>8,072</b>	<b>—</b>	<b>518,929</b>	<b>527,001</b>	<b>8,602</b>	<b>—</b>	<b>6</b>	<b>8,608</b>
<b>Non-current liabilities</b>								
Long-term borrowings	—	—	—	—	—	—	518,926	518,926
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>518,926</b>	<b>518,926</b>
<b>Total related party liabilities</b>	<b>8,072</b>	<b>—</b>	<b>518,929</b>	<b>527,001</b>	<b>8,602</b>	<b>—</b>	<b>518,932</b>	<b>527,534</b>

<sup>1</sup>Above table includes other assets, short-term borrowing and other accruals balances relating to CSLB.

<sup>2</sup>Out of the above balances, US\$ 465k (2020: US\$ 528k) of Cash and cash equivalents relates to CS AG, Zurich and US\$ 264,564k (2020: US\$ 264,079k) relates to CSLB.

For UK corporation tax purposes, the Company may surrender or claim certain losses from another UK group company. The Group relief receivable as at 31 December 2021 is US\$ Nil (2020: US\$ 1,191k).

## Notes to the Financial Statements for the year ended 31 December 2021

## 15. Related party transactions (continued)

## b) Related party income and expenses

(US\$ 000)	2021				2020			
	Parent <sup>1</sup>	Subsidiaries	Fellow group companies	Total	Parent <sup>1</sup>	Subsidiaries	Fellow group companies	Total
Interest income	482	—	—	482	2,541	—	—	2,541
Other income	—	—	—	—	4	—	—	4
Interest expense	(26)	—	(538)	(564)	(77)	—	(3,243)	(3,320)
<b>Total</b>	<b>456</b>	<b>—</b>	<b>(538)</b>	<b>(82)</b>	<b>2,468</b>	<b>—</b>	<b>(3,243)</b>	<b>(775)</b>
Reversal of impairment of investment in subsidiary	—	340	—	340	—	570	—	570
<b>Total</b>	<b>—</b>	<b>340</b>	<b>—</b>	<b>340</b>	<b>—</b>	<b>570</b>	<b>—</b>	<b>570</b>

<sup>1</sup>Above table includes interest income and expense balances relating to CSLB.

## Remuneration 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 (2020: 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.

## c) 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 (2020: US\$ Nil).

## d) Liabilities due to pension funds

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

## 16. 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 or indirectly. These inputs include: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or similar liabilities in markets that are not active, that is, markets in which there are few transactions for the asset and liability, the prices are not current or price quotations vary substantially either over time or among market makers, or in which little information is publicly available; (iii) input other than quoted prices that are observable for the asset or liability; or (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

## Notes to the Financial Statements for the year ended 31 December 2021

## 16. Financial instruments (continued)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

IFRS requires the disclosure of the fair value of financial instruments not carried at fair value in the statements of financial position. IFRS also requires the disclosure of the fair values of these financial instruments within the fair value hierarchy.

There have been no transfers between level 2 and level 1 in the year (2020: 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:

2021 (US\$'000)	Other amortized cost	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Cash and cash equivalents	265,033	265,033	—	—	<b>265,033</b>
Other assets	5	—	5	—	<b>5</b>
<b>Total</b>	<b>265,038</b>	<b>265,033</b>	<b>5</b>	<b>—</b>	<b>265,038</b>
<b>Financial liabilities</b>					
Bank overdraft	3	3	—	—	<b>3</b>
Short-term borrowings	526,996	—	526,492	—	<b>526,492</b>
Other accruals	24	—	24	—	<b>24</b>
Long-term borrowings	—	—	—	—	<b>—</b>
<b>Total</b>	<b>527,023</b>	<b>3</b>	<b>526,516</b>	<b>—</b>	<b>526,519</b>
<b>2020 (US\$'000)</b>					
<b>Financial assets</b>					
Cash and cash equivalents	264,613	264,613	—	—	<b>264,613</b>
Other assets	8	—	8	—	<b>8</b>
<b>Total</b>	<b>264,621</b>	<b>264,613</b>	<b>8</b>	<b>—</b>	<b>264,621</b>
<b>Financial liabilities</b>					
Bank overdraft	3	3	—	—	<b>3</b>
Short-term borrowings	8,598	—	8,598	—	<b>8,598</b>
Other accruals	21	—	21	—	<b>21</b>
Long-term borrowings	518,926	—	518,333	—	<b>518,333</b>
<b>Total</b>	<b>527,548</b>	<b>3</b>	<b>526,952</b>	<b>—</b>	<b>526,955</b>

## 17. 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.

## Notes to the Financial Statements for the year ended 31 December 2021

### 17. Financial risk management (continued)

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.

#### a) 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 minimal impact due to change in interest rates therefore sensitivity analysis has not been performed.

#### Replacement of Interbank Offered Rates ('IBOR')

A major milestone of the (L)IBOR transition has been passed at the end of 2021. From 1 January, 2022 most non-USD (CHF, EUR, GBP and JPY) and select USD LIBOR (1week and 2month) settings have ceased publication. These rates have been in use for decades and the cessation impacted millions of transactions and thousands of market participants.

The transition of the USD markets was given an 18-month extension, with the remaining USD LIBOR settings scheduled to be discontinued at the end of June 2023. SOFR, the alternative reference rate recommended by the ARRC has already gained a significant foothold in the markets and with the prohibition of new LIBOR trading other than for risk management purposes, is now becoming the dominant market rate even ahead of the official cessation date for USD LIBOR.

Under the leadership of members of the Group Executive Board and our business and functional leaders across the entire CS group, the IBOR Transition Program remains fully engaged to facilitate the transition away from USD LIBOR by mid-2023. With respect to USD, work remains focused on the key areas identified in 2019:

- **Legal contract assessment and repapering:** while most of the remaining legacy contracts have undergone an initial review by our legal team, work remains to capture, analyse and re-paper key LIBOR-terms in a significant amount of contracts, primarily related to cash products. Resources are in place to accommodate contract re-negotiations when our clients are ready to engage.
- **Product development and industry engagement:** Credit Suisse continues to participate in national working groups in all of our main markets and actively supports the initiatives developed in these forums. In industry and client interactions we seek to build consensus with our clients, peers and national regulators to strengthen the integrity and robustness of our core markets through the transition to alternative reference rates.
- **Risk management and mitigation:** to manage transition risk, CS group implemented a group-wide policy to limit new LIBOR-referencing business and control the wind-down of legacy exposures in advance of July 2023. Accordingly, divisional plans were developed to ensure timely compliance with the policy and limits therein. Certain milestones (eg operational readiness, communications, etc.) were put in place and are monitored to ensure the transition is progressed in a timely fashion. Modelling and risk management systems have been revised to accommodate the transition and were successfully tested in 2021. Pricing models have been reviewed and updated where needed. While most of the remaining legacy LIBOR portfolio has reduced transition risk, we continue our client outreach efforts to actively transition or de-risk the residual portfolio by adding robust fallback provisions.
- **Strategic Transition Planning and Communication:** aligned with regulatory guidance on the transition, Credit Suisse's businesses have developed and ratified their own transition plans. While certain product details and conventions remain to be agreed upon across the markets, we believe that these plans position us to be prepared and to optimally service our clients during the next 18-months and after the transition. Over forty thousand of CS group's employees have been trained for taking our clients on this journey and we continue to inform our clients about the progress of the transition.

## Notes to the Financial Statements for the year ended 31 December 2021

## 17. Financial risk management (continued)

## 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 operates internationally and 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 materialises will be managed centrally by the CS group through the Foreign Currency Exposure Management ('FCEM') process, utilising currency hedges at the CS group level.

The Company had the following assets and liabilities denominated in currencies other than US\$:

2021	GBP'000	JPY'000	ZAR'000	EUR'000	CHF'000
<b>Monetary assets</b>					
Cash and cash equivalents	46	—	1	—	—
<b>Total</b>	<b>46</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>—</b>
<b>Monetary liabilities</b>					
Bank overdraft	—	131	—	—	1
Short-term borrowings	51	—	—	1	—
Audit fees payable	13	—	—	—	—
Other accruals	0	—	—	—	—
<b>Total</b>	<b>64</b>	<b>131</b>	<b>—</b>	<b>1</b>	<b>1</b>
<b>Net exposure</b>	<b>(18)</b>	<b>(131)</b>	<b>1</b>	<b>(1)</b>	<b>(1)</b>
2020	GBP'000	JPY'000	ZAR'000	EUR'000	CHF'000
<b>Monetary assets</b>					
Cash and cash equivalents	55	—	1	—	—
<b>Total</b>	<b>55</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>—</b>
<b>Monetary liabilities</b>					
Bank overdraft	—	124	—	—	1
Short-term borrowings	50	—	—	1	—
Audit fees payable	9	—	—	—	—
Other accruals	1	—	—	—	—
<b>Total</b>	<b>60</b>	<b>124</b>	<b>—</b>	<b>1</b>	<b>1</b>
<b>Net exposure</b>	<b>(5)</b>	<b>(124)</b>	<b>1</b>	<b>(1)</b>	<b>(1)</b>

Considering that the Company has limited exposure to foreign exchange risk, sensitivity analysis has not been performed.

## b) 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.

The Company is exposed to credit risk from third parties. The carrying value of loans from third parties 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.

## Notes to the Financial Statements for the year ended 31 December 2021

## 17. Financial risk management (continued)

Distribution of monetary assets not past due:

Cash and Due from Bank	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-	265,035	—	—	—	265,035
<b>Gross Carrying amount</b>	<b>265,035</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>265,035</b>
Loss allowance	(2)	—	—	—	(2)
<b>Net Carrying amount</b>	<b>265,033</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>265,033</b>

Other Assets	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-	5	—	—	—	5
<b>Gross Carrying amount</b>	<b>5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5</b>
Loss allowance	—	—	—	—	—
<b>Net Carrying amount</b>	<b>5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5</b>

Cash and Due from Bank	12-month ECL (Stage 1)	Lifetime ECL not credit- impaired (Stage 2)	Lifetime ECL credit- impaired (Stage 3)	Purchased credit- impaired	Total
2020	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
A+ to A-	264,614	—	—	—	264,614
<b>Gross Carrying amount</b>	<b>264,614</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>264,614</b>
Loss allowance	(1)	—	—	—	(1)
<b>Net Carrying amount</b>	<b>264,613</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>264,613</b>

Other Assets	12-month ECL (Stage 1)	Lifetime ECL not credit- impaired (Stage 2)	Lifetime ECL credit- impaired (Stage 3)	Purchased credit- impaired	Total
2020	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
A+ to A-	8	—	—	—	8
<b>Gross Carrying amount</b>	<b>8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8</b>
Loss allowance	—	—	—	—	—
<b>Net Carrying amount</b>	<b>8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8</b>

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

## c) 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 liquidity and funding policy is designed to ensure that funding is available to all legal entities within CS group to meet all obligations in times of stress, whether caused by market events and / or issues specific to CS group. This approach enhances CS groups' ability to manage potential liquidity and funding risks and to promptly adjust the liquidity and funding levels to meet any stress situation.



## Notes to the Financial Statements for the year ended 31 December 2021

## 17. Financial risk management (continued)

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

	Carrying Amount	Gross Nominal Inflow / (Outflow)	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Total
<b>2021 (US\$'000)</b>							
Bank overdraft	3	3	3	—	—	—	3
Short term borrowings	526,996	527,528	—	8,201	519,327	—	527,528
Other accruals	24	24	18	6	—	—	24
Long term borrowings	—	—	—	—	—	—	—
<b>Total financial liabilities</b>	<b>527,023</b>	<b>527,555</b>	<b>21</b>	<b>8,207</b>	<b>519,327</b>	<b>—</b>	<b>527,555</b>
<b>2020 (US\$'000)</b>							
Bank overdraft	3	3	3	—	—	—	3
Short-term borrowings	8,598	8,598	—	8,598	—	—	8,598
Other accruals	21	21	13	8	—	—	21
Long-term borrowings	518,926	520,480	—	192	587	519,701	520,480
<b>Total financial liabilities</b>	<b>527,548</b>	<b>529,102</b>	<b>16</b>	<b>8,798</b>	<b>587</b>	<b>519,701</b>	<b>529,102</b>

## d) 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.

## 18. Employees

The Company had no employees during the year (2020: Nil).

## 19. Disclosures of interests in other entities

Unconsolidated structured entities

The Company has indirect investments in Credit Suisse Shimada Investments (Gibraltar) 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. DLH UK Holding 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 (2020: JPY 44.2 billion) which is majorly financed through issuance of shares.

## Notes to the Financial Statements for the year ended 31 December 2021

## 19. Disclosures of interests in other entities (continued)

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 2021

	2021 Financial intermediaries US\$'000	2020 Financial intermediaries US\$'000
Investment in:		
<b>Total</b>	<b>2,369,289</b>	<b>2,377,111</b>
<b>Maximum exposure to loss</b>	<b>2,369,289</b>	<b>2,377,111</b>
<b>Unconsolidated structured entity assets</b>	<b>3,082,937</b>	<b>3,147,097</b>

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 CS Shimada of US\$ 7,822k (2020: US\$ Nil)

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.

## 20. Subsequent events

In late February 2022, the Russian Government launched a military attack on Ukraine. In response to Russia's military attack, the US, EU, UK, Switzerland and other countries across the world imposed severe sanctions against Russia's financial system and on Russian government officials and Russian business leaders. The Company does not expect that these recent developments will have a material impact on its financial performance, results of operation or cash flows, and will continue to monitor the situation closely.

Apart from the above, there are no other material subsequent events that require disclosure in, or adjustment to, the Financial Statements as at the date of this report.