

DLJ UK INVESTMENT HOLDINGS LIMITED

**Annual Report
For the year ended 31 December 2020**

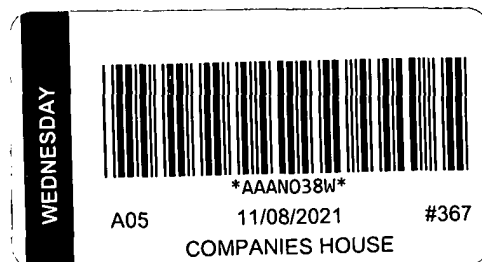


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Board of Directors

Ahmed Kubba	Director
Lawrence Fletcher	Director
Paul Hare	Director

Company Secretary

Paul Hare	Secretary
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Registered Office

One Cabot Square
London E14 4QJ

Registration Number

03424583

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Strategic Report for the year ended 31 December 2020

The Directors present their Annual Report and Financial Statements for the year ended 31 December 2020.

Business Profile

DLJ UK Investment Holdings Limited (the "Company") is a Private Limited Company domiciled in the United Kingdom. The Company is a wholly owned subsidiary of Credit Suisse AG, incorporated in Switzerland.

The ultimate parent of the Company is Credit Suisse Group AG (CS group), which is incorporated in Switzerland.

Principal activities

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

The Company's interests include:

- DLJ UK Properties Limited, whose principal activity comprises the holding of fixed assets and the rental of those fixed assets to related companies;
- Glenstreet Property Management Limited, whose principal activity is property services management;
- DLJ International Group Limited, which is the holding company for:
- DLJ UK Holding, whose principal activity is that of an investment holding company;
- DLJ Group, whose activities comprise holding of investments and deriving interest on money market deposits; and
- Credit Suisse Shimada Investments (Gibraltar) which is an investment holding company, 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. Further information can also be found in Credit Suisse AG's Annual Report 2020 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 Income and Statement of Financial Position.

Strategic Report for the year ended 31 December 2020 (continued)

Statement of Income

The Company reported a net profit after tax for the year of US\$ 43,193k (2019: Loss of US\$ 1,279k). The variation is mainly on account of an increase in net interest income by US\$ (38,667)k and a decreased income Tax charge by US\$ (5,942)k.

Statement of Financial Position

As at 31 December 2020, the Company had total assets of US\$ 4,345,408k (2019: US\$ 4,343,966k).

As at 31 December 2020, the Company had positive equity of US\$ 179,789k (2019:US\$ 136,596k).

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 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 loans and advances 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 18 to the Financial Statements.

The spread of COVID-19 has had a significant impact on the global economy, as well as the UK economy throughout 2020 and continues in 2021. Uncertainty due to the spread of COVID-19 led to the severe market dislocations including record levels of volatility, widening of credit spreads and a collapse in energy prices. Central banks and governments around the world provided liquidity and fiscal support. The Company is closely monitoring the spread of COVID-19 and the effects on operations and business.

The Company is reliant on funding from Credit Suisse AG ('CS AG') and has received a letter of intent to ensure Company can meet its debt obligations for the next 18 months. The Company did not utilise any financial assistance offered by the UK Government in order to cope with the COVID-19 pandemic.

Strategic Report for the year ended 31 December 2020 (continued)

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.

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.

Approved by the Board of Directors on 3 August 2021 and signed on its behalf by:



Paul Hare
Director
One Cabot Square
London E14 4QJ
3 August 2021

Directors' Report for the year ended 31 December 2020**International Financial Reporting Standards**

The Financial Statements of the Company have been on a going concern basis and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

The Financial Statements were approved and authorised for issue by the Directors on 3 August 2021. As permitted by section 414C(11) of the Companies Act 2006, certain information is not shown in the Directors' Report because it is shown in the Strategic Report.

Going concern basis

The financial statements have been prepared on a going concern basis. The Company witnessed a highly challenging environment severely impacted by COVID-19 pandemic. The rapid spread of COVID-19 across the world in early 2020 led to the introductions of tight government controls and travel bans, as well as the implementation of other measures, which quickly closed down activity and increased economic disruption globally. Notwithstanding the recent market developments caused by COVID-19, the net current liability position of US\$ 2,160,220k as at 31 December 2020, the Directors are of the opinion that the going concern basis is still appropriate taking account of reasonably possible downside scenarios. 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 comfort/intent, 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.

Share capital

During the year, no additional share capital was issued by the Company (2019: US\$ Nil).

Dividends

No dividends were paid or were proposed for the year ended 31 December 2020 (2019: 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 2019, and up to the date of this report.

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 Annual Report and the Financial Statements in accordance with the applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Directors' Report for the year ended 31 December 2020

Under company law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also 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.

The future developments and the financial risk management have been presented in the Strategic Report.

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

During 2020, the Board and shareholders approved PricewaterhouseCoopers LLP ('PwC') as the new statutory auditors for the Company, effective for the fiscal year ending 31 December 2020.

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 Directors 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'.

Political Contributions

Neither the Company nor any of its subsidiaries made any political donation or incurred any political expenditure during the year.

Directors' Report for the year ended 31 December 2020

Exemption for group financial statements

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 CS group, incorporated in Switzerland, which prepares consolidated Financial Statements.

Subsequent events

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. This tax rate increase has been enacted in June 2021. If this tax rate increase had been substantively enacted as at 31 December 2020 it would have had the impact of increasing the deferred tax asset recorded by approximately \$1.2m.

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

Approved by the Board of Directors on 3 August 2021 and signed on its behalf by:



Ahmed Kubba
Director

One Cabot Square
London E14 4QJ
3 August 2021

Company Registration Number: 03424583



Independent auditors' report to the members of DLJ UK Investment Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, DLJ UK Investment Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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: Statement of Financial Position as at 31 December 2020; 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 2020 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 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 2006. 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 potential for manual journal entries being recorded in order to manipulate financial performance. Audit procedures performed by the engagement team included:

- Enquiries of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board meeting and other relevant Committee minutes to identify any significant or unusual transactions;
- Identifying and, where relevant, testing journal entries; and
- 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. 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
9 August 2021

Statement of Income for the year ended 31 December 2020

	Note	2020 US\$'000	2019 US\$'000
Interest income	3	82,290	115,716
- of which interest income from instruments at amortised cost		82,290	115,716
Interest expense	3	(35,836)	(107,929)
- of which interest expense from instruments at amortised cost		(35,836)	(107,929)
Net interest income		46,454	7,787
Reversal of provision for credit losses	4,15	11	60
Net interest income after provision for credit losses		46,465	7,847
Administrative expenses	5	(102)	(95)
Other expense	6	(105)	(5)
Reversal of impairment of investment in subsidiary	10	90	71
Profit before tax		46,348	7,818
Income tax expense	7	(3,155)	(9,097)
Profit/(loss) after tax		43,193	(1,279)

Profit for 2020 and loss for 2019 are from continuing operations.

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

The notes on pages 17 to 38 form an integral part of these Financial Statements.

Statement of Financial Position as at 31 December 2020

	Note	2020 US\$'000	2019 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	15,868	13,551
Other assets	9	4,560	3,722
Total current assets		20,428	17,273
Non-current assets			
Investment in subsidiaries	10	2,321,256	2,321,166
Loans and advances	11	1,999,994	1,999,983
Deferred tax asset	7	3,730	5,544
Total non-current assets		4,324,980	4,326,693
Total assets		4,345,408	4,343,966
LIABILITIES			
Current liabilities			
Short term borrowings	12	2,176,819	2,210,065
Other liabilities	13	3,829	12,334
Total current liabilities		2,180,648	2,222,399
Non-current liabilities			
Long term borrowings	12	1,984,971	1,984,971
Total non-current liabilities		1,984,971	1,984,971
Total liabilities		4,165,619	4,207,370
SHAREHOLDER'S EQUITY			
Share capital	14	115,978	115,978
Capital contribution reserve	14	5,426	5,426
Accumulated profit		58,385	15,192
Total shareholder's equity		179,789	136,596
Total liabilities and shareholder's equity		4,345,408	4,343,966

The notes on pages 17 to 38 form an integral part of these Financial Statements.

The financial statements on pages 13 to 38 were approved by the Board of Directors on 3 August 2021 and signed on its behalf by:



Ahmed Kubba
Director

Statement of Changes in Equity for the year ended 31 December 2020

	Share capital	Capital contribution reserve	Accumulated profit	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2020	115,978	5,426	15,192	136,596
Profit for the year	—	—	43,193	43,193
Balance at 31 December 2020	115,978	5,426	58,385	179,789

	Share capital	Capital contribution reserve	Accumulated profit	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2019	115,978	5,426	16,495	137,899
Tax impact of IFRS 9 transition adjustment reversed	—	—	(24)	(24)
Adjusted balance at 1 January 2019	115,978	5,426	16,471	137,875
Loss for the year	—	—	(1,279)	(1,279)
Balance at 31 December 2019	115,978	5,426	15,192	136,596

The notes on pages 17 to 38 form an integral part of these Financial Statements.

Statement of Cash Flows for the year ended 31 December 2020

	Note	2020 US\$'000	2019 US\$'000
Operating activities			
Profit before tax		46,348	7,818
Adjustments to reconcile net profit to net cash generated from operating activities			
Non-cash items included in profit before tax and other adjustments:			
Interest income		(82,290)	(115,716)
Interest expense		35,836	107,929
Reversal of impairment of investment in subsidiary		(90)	(71)
Reversal of provision for credit losses		(11)	(60)
Foreign exchange loss		105	5
Operating loss before working capital changes		(102)	(95)
Net movement in operating assets/ liabilities:			
Increase/(decrease) in other liabilities		310	(77)
Interest received		83,892	116,375
Cash generated from operating activities		84,100	116,203
Group relief paid		(13,918)	(2,329)
Net cash generated from operating activities		70,182	113,874
Cash generated from financing activities			
Repayment of short term borrowings		(33,246)	(18,600)
Interest paid		(34,514)	(108,750)
Net cash used in financing activities		(67,760)	(127,350)
Net increase/(decrease) in cash and cash equivalents		2,422	(13,476)
Cash and cash equivalents at beginning of the year		13,551	27,032
Effects of exchange rate changes on the balance of cash held in foreign currency		(105)	(5)
Cash and cash equivalents at end of the year	8	15,868	13,551

The notes on pages 17 to 38 form an integral part of these Financial Statements.

Notes to the Financial Statements for the year ended 31 December 2020

1. General

DLJ UK Investment Holdings Limited (the "Company") is a company 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 CS group companies.

2. Significant accounting policies

a) Statement of compliance

The Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the International Financial Reporting Standards ('IFRS') and the applicable legal requirements of the Companies Act 2006.

The Financial Statements were authorised for issue by the Directors on 3 August 2021.

CS AG has confirmed its intention to provide the necessary financial support to the Company to continue operations and meet its liabilities as and when they fall due. As such, notwithstanding the deficiency in the net current assets, the Financial Statements have been prepared on a going concern basis.

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 thousand, unless otherwise stated. The Financial Statements are prepared on historical cost basis.

The financial statements have been prepared on a going concern basis. The Company witnessed a highly challenging environment severely impacted by COVID-19 pandemic. The rapid spread of COVID-19 across the world in early 2020 led to the introductions of tight government controls and travel bans, as well as the implementation of other measures, which quickly closed down activity and increased economic disruption globally. Notwithstanding the recent market developments caused by COVID-19, the net current liability position of US\$ 2,160,220k as at 31 December 2020, the Directors are of the opinion that the going concern basis is still appropriate taking account of reasonably possible downside scenarios. 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 comfort/intent, 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.

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.

Notes to the Financial Statements for the year ended 31 December 2020

2. Significant accounting policies (continued)

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.

Standards and interpretations effective in the current year

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform and Amendments to the definition of Business (IFRS 3) were adopted on 1 January 2020 and had no material impact to the Company's financial position, results of operations or cash flows.

Standards and Interpretations endorsed by the UK Endorsement Board and not yet effective

The Company is not yet required to adopt the following standards and interpretations which are issued by the IASB but not yet effective and have been endorsed by the UK Endorsement Board.

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2:** In August 2020, IASB issued 'Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) 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.

The accounting policies have been applied consistently by the Company entities.

c) Foreign currency

The Company's functional currency is United States Dollars (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

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.

Notes to the Financial Statements for the year ended 31 December 2020

2. Significant accounting policies (continued)

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

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 period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the 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.

Impairment on receivables

Receivables are initially recorded at fair value, plus any directly attributable transaction costs and subsequently are amortised on an effective interest method, less impairment losses. In the event of an impairment loss the effective interest will be re-estimated. When calculating the effective interest, the Company estimates cash flows considering all contractual terms of the financial instruments including premiums, discounts, fees and transactions costs but not future credit losses.

Notes to the Financial Statements for the year ended 31 December 2020

2. Significant accounting policies (continued)

f) 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.

g) 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.

h) Interest income and expense

Interest income and expense includes interest income and expense on the Company's loans, deposits, borrowings, debt issuances. 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).

The interest income mainly relates to the interest earned on the deposit with Credit Suisse AG, London Branch and on the loan given to Credit Suisse Investments (UK). Interest expense mainly relates to interest incurred on the borrowings from Credit Suisse AG, London Branch and Credit Suisse International.

i) Income 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.

Notes to the Financial Statements for the year ended 31 December 2020

2. Significant accounting policies (continued)

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 expense.

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.

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.

Notes to the Financial Statements for the year ended 31 December 2020

2. Significant accounting policies (continued)

At each reporting date, the Company assesses whether there is an indication that a previously recognised 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.

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 International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006, management is required to make critical judgements. Management also makes certain accounting estimates to ascertain the value of assets and liabilities and determine the impact to the income statement. Judgements and estimates are based upon the information available at the time, and actual results may differ materially. The following critical judgements and estimates are sources of uncertainty and as a result have the risk of having a material effect on the amounts recognised in the financial statements. However, the spread of COVID-19 has resulted in significant uncertainty. In light of this uncertainty, the Company applies appropriate judgement in complying with the IFRS 13 requirements for measuring fair value, specifically when the volume or level of activity for an asset or a liability has significantly decreased and when identifying transactions that are not orderly.

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

Notes to the Financial Statements for the year ended 31 December 2020

3. Interest income and interest expense

	2020	2019
	US\$'000	US\$'000
Net interest income		
Loans and deposits	82,244	115,709
Cash and cash equivalent	46	7
Total Interest income	82,290	115,716
Short term borrowings	(23,430)	(62,413)
Long-term debt	(12,405)	(45,509)
Cash and cash equivalent	(1)	(7)
Total Interest expense	(35,836)	(107,929)
Net interest income	46,454	7,787
of which		
Interest income from Financial assets at amortised cost	82,290	115,716
Interest expense from Financial liabilities at amortised cost	(35,836)	(107,929)

4. Reversal of provision for credit losses

	2020	2019
	US\$'000	US\$'000
Allowances for loan losses	11	60
Total	11	60

5. Administrative expenses

	2020	2019
	US\$'000	US\$'000
Auditors remuneration in relation to statutory audit of these financial statements	(10)	(14)
UK Bank Levy	(89)	(81)
Other Non-Income Taxes	(2)	—
Other Administrative expenses	(1)	—
Total	(102)	(95)

6. Other expense

	2020	2019
	US\$'000	US\$'000
Foreign exchange loss	(105)	(5)
Total	(105)	(5)

Notes to the Financial Statements for the year ended 31 December 2020

7. Income tax expense

a. Components of tax expense

	2020 US\$'000	2019 US\$'000
Current tax		
Current tax on profits of the year	(939)	(2,472)
Adjustments in respect of previous years	(402)	(3,079)
Total current tax expense	(1,341)	(5,551)
Deferred tax		
Utilisation of losses brought forward	(2,091)	(3,233)
Adjustment in respect of previous years	(284)	(313)
Effect of change in tax rate	561	—
Total deferred tax expense	(1,814)	(3,546)
Income tax expense	(3,155)	(9,097)

b. An explanation of the relationship between tax expense and the accounting profit

The income tax for the year can be reconciled to the standard rate of corporate tax in the UK of 19% as follows:

	2020 US\$'000	2019 US\$'000
Profit before tax	46,348	7,818
Profit before tax multiplied by the UK statutory rate of corporation tax of 19%	(8,806)	(1,485)
Non-taxable reversal / (Non-deductible) impairment of investment in subsidiary	17	13
Other permanent differences	(2,014)	(5,906)
Effect of change in tax rate	561	—
Adjustments to current tax in respect of previous years	(402)	(3,079)
Adjustments to deferred tax in respect of previous years	(284)	(313)
Adjustment in respect of amount payable to group companies	7,773	1,293
Differential in movement in deferred taxes to that at statutory tax rate	—	380
Income tax expense	(3,155)	(9,097)

Notes to the Financial Statements for the year ended 31 December 2020

7. Income tax expense (continued)

c. Deferred taxes

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 19% (2019: 17%).

	2020 US\$'000	2019 US\$'000
Deferred tax assets		
The movement for the year on the deferred tax position was as follows:		
At 1 January	5,544	9,114
Debit to income for the year	(2,091)	(3,233)
IFRS 9 Transitional Adjustment booked to Equity	—	(24)
Adjustment in respect of previous year	(284)	(313)
Effect of change in tax rate	561	—
At 31 December	3,730	5,544

Deferred tax assets are attributable to the following items:	2020 US\$'000	2019 US\$'000
Tax losses	3,730	5,544
Total	3,730	5,544

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\$ 335,996k (2019: US\$ 338,590k). The deferred tax asset not recognised on these losses carried forward is US\$ 63,839k (2019: US\$ 57,560k). The losses carried forward have no expiry date.

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. This tax rate increase has been enacted in June 2021. If this tax rate increase had been substantively enacted as at 31 December 2020 it would have had the impact of increasing the deferred tax asset recorded by approximately \$1.2m.

8. Cash and cash equivalents

	2020 US\$'000	2019 US\$'000
Cash at bank	868	151
Short-term money market deposit	15,000	13,400
Total	15,868	13,551
Allowance for credit losses	—	—
Net cash and cash equivalents	15,868	13,551
of which foreign	15,000	13,400
of which domestic	868	151
Allowance for credit losses	—	—
Net Cash and cash equivalents in the Statement of Cash Flows	15,868	13,551

Cash and cash equivalents relate to bank accounts held with Credit Suisse AG, Zurich and Credit Suisse (Schweiz) AG and a short-term money market deposit held with Credit Suisse AG, London Branch (herein referred as CSLB).

Notes to the Financial Statements for the year ended 31 December 2020

8. Cash and cash equivalents (continued)

2020	Counterparty	Effective rate of interest	Maturity date	Average interest reset period	US\$'000
Short term Money market Deposits	CSLB	0.40 %	28 January 2021	1 Months	15,000
Total					15,000

2019	Counterparty	Effective rate of interest	Maturity date	Average interest reset period	US\$'000
Short term Money market Deposits	CSLB	2.03 %	16 January 2020	1 Months	13,400
Total					13,400

9. Other assets

	2020 US\$'000	2019 US\$'000
Accrued interest on loans and advances	2,120	3,722
Corporate tax receivable	2,440	—
Total	4,560	3,722
Allowance for credit losses	—	—
Net other assets	4,560	3,722

10. Investment in subsidiaries

	2020 US\$'000	2019 US\$'000
As at 1 January	2,321,166	2,321,095
Reversal of impairment of investment	90	71
As at 31 December	2,321,256	2,321,166

The Company holds 100% equity shares of Glenstreet Property Management Limited. There is reversal in impairment in investment US\$ 90k during the year (2019: Reversal in impairment in investment US\$ 71k).

The level of the fair value hierarchy applied to the investment in subsidiaries is level 3. The Directors consider net asset value to be an appropriate basis in determining the fair value of the investment in subsidiaries for impairment purposes as the investment doesn't trade in the active market and the inputs for the assets and liabilities that the investment holds are not based on observable market data. The assumptions that are used are those that the market participants would consider when determining the fair value of the investment.

Details of the investment are as follows:

2020	2019			2020	2019
% of equity		Company name	Domicile	US\$'000	US\$'000
100	100	DLJ International Group Limited	UK	2,318,948	2,318,948
100	100	DLJ UK Properties Limited	UK	-*	-*
100	100	Glenstreet Property Management Limited	UK	2,308	2,218
—	—	DLJ UK Holding	UK	Indirect	Indirect
—	—	DLJ Group	UK	Indirect	Indirect
—	—	Credit Suisse Shimada Investments (Gibraltar)	Gibraltar	Indirect	Indirect

* The investment in DLJ UK Properties Limited has been fully impaired.

Notes to the Financial Statements for the year ended 31 December 2020

10. Investment in subsidiaries (continued)

The dissolution of Credit Suisse BG Strategy Investments (UK) in which the Company had a direct investment was confirmed by Companies House effective from 10 March 2020.

Detailed Registered Office Address mentioned in below table.

31 December 2020		
Subsidiaries	Country	Registered Office
DLJ UK Holding	UK	One Cabot Square, London E14 4QJ - United Kingdom
DLJ UK Properties Limited	UK	One Cabot Square, London E14 4QJ - United Kingdom
Glenstreet Property Management Limited	UK	One Cabot Square, London E14 4QJ - United Kingdom
DLJ International Group Limited	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

11. Loans and advances

	2020	2019
	US\$'000	US\$'000
Non-current		
Financial institutions		
Money market loan	2,000,000	2,000,000
Gross Loans	2,000,000	2,000,000
of which domestic	2,000,000	2,000,000
Allowance for loan losses	(6)	(17)
Net Loans	1,999,994	1,999,983
Gross impaired loans	—	—
of which loans with an individual allowance	—	—

The loan represents an amount lent to Credit Suisse Investments (UK) due to mature on 19 September 2022. The interest rate, which is linked to USD LIBOR rate, is reset every 3 months and a spread above USD LIBOR is applied. The effective interest rate on the money market loan as at 31 December 2020 was 0.40% (2019: 5.13%) with an average interest reset period of 90 days (2019: 90 days).

Notes to the Financial Statements for the year ended 31 December 2020

12. Borrowings

	2020 US\$'000	2019 US\$'000
Current		
Short term borrowings	2,176,819	2,210,065
Total	2,176,819	2,210,065
Non-current		
Long term borrowings	1,984,971	1,984,971
Total	1,984,971	1,984,971

	Balance as at 1 January 2020 US\$'000	Cash Flows Issuances US\$'000	Repayments US\$'000	Balance as at 31 December 2020 US\$'000
Short term borrowings				
Credit Suisse AG, London Branch	2,210,065	—	(33,246)	2,176,819
Total	2,210,065	—	(33,246)	2,176,819

The interest rate as at the 31 December 2020, on the US\$ 176,477k (2019: US\$ 207,000k) short term money market borrowing from Credit Suisse AG, London Branch was 0.24% (2019: 2.03%) with an average maturity of 32 days (2019: 31 days).

The interest rate as at the 31 December 2020, on the US\$ 342k (2019: US \$ 68k) short term money market borrowing from Credit Suisse AG, London Branch was 1.00% (2019: 1.20%) with an average maturity of 362 days (2019: 365 days).

The interest rate as at the 31 December 2020, on the US\$ 2,000,000k (2019: US\$ 2,000,197k) short term money market borrowing from Credit Suisse AG, London Branch was 0.40% (2019: 1.45%) with an average maturity of 91 days (2019: 91 days).

The interest rate as at the 31 December 2019, on the US\$ 2,800k short term money market borrowing from Credit Suisse AG, London Branch was 2.03% with an average maturity of 17 days.

The long-term borrowings relate to amounts payable to Credit Suisse International. The effective interest rate and contractual repricing period for the US\$ loans are as follows:

	Balances (US\$'000)	Effective interest rates	Contractual repricing period (if applicable)	Maturity date
2020				
US\$ loans	1,984,971	0.15%	Every month	29 December 2022*
2019				
US\$ loans	1,984,971	1.79%	Every month	26 February 2021

The interest rate for the long term borrowings, which is linked to LIBOR rate, is reset as mentioned above.

*In March 2021, the maturity date was extended to 29 December 2022.

13. Other liabilities

	2020 US\$'000	2019 US\$'000
Audit fees payable	12	12
Accrued interest on borrowings	280	2,148
Inter-company payables	3,472	1
Bank levy	65	36
Group relief payable	—	7,665
Corporation tax payable	—	2,472
Total	3,829	12,334

Notes to the Financial Statements for the year ended 31 December 2020

14. Share capital and capital contribution reserve

	2020 US\$'000	2019 US\$'000
Authorised:		
Equity		
500,000,000 Ordinary Shares of US\$1 each	500,000	500,000
Allotted, called up and fully paid:		
115,978,421 Ordinary Shares of US\$1 each	115,978	115,978

The holders of ordinary shares have voting rights and the right to receive dividends. During the year, no additional share capital was issued (2019: US\$ Nil). No dividends were paid or are proposed for the year ended 31 December 2020 (2019: US\$ Nil).

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, capital contribution reserve and accumulated profit.

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.

Capital contribution reserve

Capital contribution reserve represents contributions made by the parent company to the Company's reserves. This reserve is distributable by way of dividends.

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		Total	
31 December 2020	Gross Carrying Amount	Allowance for ECL	Gross Carrying Amount	Allowance for ECL
Loans and advances	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Opening Balance	2,000,000	17	2,000,000	17
New financial assets originated or purchased	—	—	—	—
Financial Assets that have been derecognized (including write-offs)	—	—	—	—
Changes in Model/ Risk parameters (model inputs) used for ECL calculation	—	—	—	—
Other changes	—	—	—	—
Net remeasurement of Loss Allowance	—	(11)	—	(11)
Foreign Exchange	—	—	—	—
Closing Balance	2,000,000	6	2,000,000	6

Notes to the Financial Statements for the year ended 31 December 2020

The balance of loss allowance of other assets and cash and cash equivalent is less than US\$ 1,000 for 2020.

	12 Month ECL Stage 1		Total	Total
	Gross Carrying Amount	Allowance for ECL	Gross Carrying Amount	Allowance for ECL
31 December 2019				
Loan and advances	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Opening Balance	2,000,000	76	2,000,000	76
New financial assets originated or purchased	—	—	—	—
Financial Assets that have been derecognized (including write-offs)	—	—	—	—
Changes in Model/ Risk parameters (model inputs) used for ECL calculation	—	—	—	—
Other changes	—	—	—	—
Net remeasurement of Loss Allowance	—	(59)	—	(59)
Foreign Exchange	—	—	—	—
Closing Balance	2,000,000	17	2,000,000	17

	12 Month ECL Amount
31 December 2019	
Other assets	US\$ '000
Opening Balance	1
Net remeasurement of Loss Allowance	—
Foreign Exchange	(1)
Closing Balance	—
Total Provision	17

16. Related party transactions

The Company is wholly owned by Credit Suisse AG, incorporated in Switzerland. The ultimate parent of the 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 2020

16. Related party transactions (continued)

a) Related party assets and liabilities

	2020 (US\$'000)				2019 (US\$'000)			
	Parent	Fellow Group companies	Subsidiaries	Total	Parent	Fellow Group companies	Subsidiaries	Total
ASSETS								
Current assets								
Cash and cash equivalents	12,940	2,928	—	15,868	10,661	2,890	—	13,551
Other assets	—	2,120	—	2,120	10	3,712	—	3,722
Total current assets	12,940	5,048	—	17,988	10,671	6,602	—	17,273
Non-current assets								
Investment in subsidiaries	—	—	2,321,256	2,321,256	—	—	2,321,166	2,321,166
Loans and advances	—	1,999,994	—	1,999,994	—	1,999,983	—	1,999,983
Total non-current assets	—	1,999,994	2,321,256	4,321,250	—	1,999,983	2,321,166	4,321,149
Total related party assets	12,940	2,005,042	2,321,256	4,339,238	10,671	2,006,585	2,321,166	4,338,422
LIABILITIES								
Current liabilities								
Short term borrowings	2,176,819	—	—	2,176,819	2,210,065	—	—	2,210,065
Other liabilities	256	3,494	1	3,751	1,654	494	1	2,149
Total current liabilities	2,177,075	3,494	1	2,180,570	2,211,719	494	1	2,212,214
Non-current liabilities								
Long term borrowings	—	1,984,971	—	1,984,971	—	1,984,971	—	1,984,971
Total non-current liabilities	—	1,984,971	—	1,984,971	—	1,984,971	—	1,984,971
Total related party liabilities	2,177,075	1,988,465	1	4,165,541	2,211,719	1,985,465	1	4,197,185

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 2020 is US\$ Nil (2019: Group relief payable US\$ 7,665k) and corporation tax receivable US\$ 2,440k (2019: Corporation tax payable US\$ 2,472k).

Previous year comparative figures have been regrouped/reclassified wherever necessary to confirm current year's presentation.

Notes to the Financial Statements for the year ended 31 December 2020

16. Related party transactions (continued)

b) Related party income and expenses

	2020 (US\$'000)				2019 (US\$'000)			
	Parent	Fellow Group companies	Subsidiaries	Total	Parent	Fellow Group companies	Subsidiaries	Total
Interest income	46	82,244	—	82,290	125	115,584	—	115,709
Reversal of impairment of investment in subsidiary	—	—	90	90	—	—	71	71
Total related party income	46	82,244	90	82,380	125	115,584	71	115,780
Interest expense	(23,430)	(12,405)	—	(35,835)	(62,413)	(45,509)	—	(107,922)
Administrative expenses	—	—	—	—	—	—	(5)	(5)
Total related party expenses	(23,430)	(12,405)	—	(35,835)	(62,413)	(45,509)	(5)	(107,927)

c) 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 (2019: 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 (2019: US\$ Nil).

e) Liabilities due to pension funds

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

Notes to the Financial Statements for the year ended 31 December 2020

17. 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.

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.

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:

2020 (US\$'000)	Carrying amount Other amortised cost	Fair value Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	15,868	15,868	—	—	15,868
Other assets	2,120	—	2,120	—	2,120
Loan and advances	1,999,994	—	2,002,120	—	2,002,120
Total	2,017,982	15,868	2,004,240	—	2,020,108
Financial liabilities					
Short term borrowings	2,176,819	—	2,176,819	—	2,176,819
Other liabilities	3,764	—	3,764	—	3,764
Long term borrowings	1,984,971	—	1,984,988	—	1,984,988
Total	4,165,554	—	4,165,571	—	4,165,571

Notes to the Financial Statements for the year ended 31 December 2020

17. Financial instruments (continued)

2019 (US\$'000)	Carrying amount Other amortised cost	Fair value Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	13,551	13,551	—	—	13,551
Other assets	3,722	—	3,722	—	3,722
Loan and advances	1,999,983	—	2,011,609	—	2,011,609
Total	2,017,256	13,551	2,015,331	—	2,028,882
Financial liabilities					
Short term borrowings	2,210,065	—	2,210,065	—	2,210,065
Other liabilities	2,161	—	2,161	—	2,161
Long term borrowings	1,984,971	—	1,984,563	—	1,984,563
Total	4,197,197	—	4,196,789	—	4,196,789

18. 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.

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 interest bearing financial assets and liabilities, which are mainly in the form of loans and advances, 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 turn out due to the inherent uncertainties in global financial markets. 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.

Notes to the Financial Statements for the year ended 31 December 2020

18. Financial risk management (continued)

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:

2020 (US\$'000)	+25%	-25%
Change in equity and income/(loss) with interest rate fluctuation in money market deposits and loans	17,360	(17,360)
Change in equity and (loss)/income with interest rate fluctuation in borrowings	(2,909)	2,909
Total	14,451	(14,451)
2019 (US\$'000)	+25%	-25%
Change in equity and income/(loss) with interest rate fluctuation in money market deposits and loans	25,731	(25,731)
Change in equity and (loss)/income with interest rate fluctuation in borrowings	(20,108)	20,108
Total	5,623	(5,623)

(ii) Foreign exchange risk

The Company operates internationally and has limited exposure to foreign exchange risk arising from various currency exposures, GBP, EUR and JPY.

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.

Considering that the Company has limited exposure in JPY and EUR to foreign exchange risk, sensitivity analysis has only been performed for GBP for the current year. While in previous year, the Company has limited exposure to foreign exchange risk, sensitivity analysis has not been performed for 2019.

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

2020	GBP Impact	
	25%	-25%
	US\$'000	US\$'000
Change in equity and (loss) or income with foreign currency fluctuation	(1,658)	1,658
Total	(1,658)	1,658

Notes to the Financial Statements for the year ended 31 December 2020

18. Financial risk management (continued)

The Company had the following assets and liabilities denominated in currencies other than USD:

2020	GBP'000	JPY'000	EUR'000
Monetary assets			
Cash and cash equivalents	438	2,369	10
Total monetary assets	438	2,369	10
Monetary liabilities			
Short term borrowings	2,754	—	—
Other liabilities	2,541	—	—
Total monetary liabilities	5,295	—	—
Net exposure	(4,857)	2,369	10

2019	GBP'000	JPY'000	EUR'000
Monetary assets			
Cash and cash equivalents	40	2,369	10
Other assets	4	—	—
Total monetary assets	44	2,369	10
Monetary liabilities			
Short term borrowings	201	—	—
Other liabilities	37	—	—
Total monetary liabilities	238	—	—
Net exposure	(194)	2,369	10

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 were no amounts due from group companies which are past due but not impaired.

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
2020	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
A+ to A-	2,000,000	—	—	—	2,000,000
Gross Carrying amount	2,000,000	—	—	—	2,000,000
Loss allowance	(6)	—	—	—	(6)
Net Carrying amount	1,999,994	—	—	—	1,999,994

Notes to the Financial Statements for the year ended 31 December 2020

18. Financial risk management (continued)

Cash and cash equivalents	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-	15,868	—	—	—	15,868
Gross Carrying amount	15,868	—	—	—	15,868
Loss allowance	—	—	—	—	—
Net Carrying amount	15,868	—	—	—	15,868

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-	4,560	—	—	—	4,560
Gross Carrying amount	4,560	—	—	—	4,560
Loss allowance	—	—	—	—	—
Net Carrying amount	4,560	—	—	—	4,560

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
2019	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
A+ to A-	2,000,000	—	—	—	2,000,000
Gross Carrying amount	2,000,000	—	—	—	2,000,000
Loss allowance	(17)	—	—	—	(17)
Net Carrying amount	1,999,983	—	—	—	1,999,983

Cash and cash equivalents	12-month ECL (Stage 1)	Lifetime ECL not credit-impaired (Stage 2)	Lifetime ECL credit-impaired (Stage 3)	Purchased credit-impaired	Total
2019	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
A+ to A-	13,551	—	—	—	13,551
Gross Carrying amount	13,551	—	—	—	13,551
Loss allowance	—	—	—	—	—
Net Carrying amount	13,551	—	—	—	13,551

Other Assets	12-month ECL (Stage 1)	Lifetime ECL not credit-impaired (Stage 2)	Lifetime ECL credit-impaired (Stage 3)	Purchased credit-impaired	Total
2019	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
A+ to A-	3,722	—	—	—	3,722
Gross Carrying amount	3,722	—	—	—	3,722
Loss allowance	—	—	—	—	—
Net Carrying amount	3,722	—	—	—	3,722

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

Notes to the Financial Statements for the year ended 31 December 2020

18. Financial risk management (continued)

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.

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

2020 (US\$'000)	Carrying amount	Gross nominal outflow	On demand	Due within 3 months	Due between 3 to 12 months	Due between 1 and 5 years
Short term borrowings	2,176,819	2,176,819	—	2,176,819	—	—
Other liabilities	3,829	3,829	3,549	280	—	—
Long term borrowings	1,984,971	2,278,747	—	73,646	2,205,101	—
Total	4,165,619	4,459,395	3,549	2,250,745	2,205,101	—
2019 (US\$'000)						
Short term borrowings	2,210,065	2,219,051	—	2,219,051	—	—
Other liabilities	2,161	2,161	13	2,148	—	—
Long term borrowings	1,984,971	2,026,766	—	8,991	27,172	1,990,603
Total	4,197,197	4,247,978	13	2,230,190	27,172	1,990,603

Interest amount till the fixed maturity date is calculated by considering the LIBOR rate as per existing interest reset arrangement.

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.

19. Employees

The Company had no employees during the year (2019: Nil).

20. Subsequent events

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. This tax rate increase has been enacted in June 2021. If this tax rate increase had been substantively enacted as at 31 December 2020 it would have had the impact of increasing the deferred tax asset recorded by approximately \$1.2m.

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