CREDIT SUISSE (LUXEMBOURG) S.A.

CREDIT SUISSE

Annual accounts 2020

The undersigned Josiane PAULY,
civil law notary residing in Niederanven
(Grand Duchy of Luxembourg),
hereby only certifies that this document is a true
copy of a electronic document.
The notary is not responsable for any other content
in the document.
Senningerberg, 02nd day of June 2021.

Josiane PAULY, notaire
Niederanven

Table of contents

LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère des Affaires étrangères
et européennes

APOSTILLE

(Convention de la Haye du 5 octobre 1961)

1. Pays: Grand-Duché de Luxembourg
   Le présent acte public
2. a été signé par PAULY, Josiane
3. agissant en qualité de Notaire
4. est revêtu du sceau/timbre de Office notarial

Attesté

5. à Luxembourg
6. le JEUDI 03 JUIN 2021
7. par Ministère des Affaires étrangères et européennes
8. sous no. **V-20210603-342513**
9. Sceau / timbre
10. Signature

Grand-Duché de Luxembourg Ministère des Affaires étrangères

Mario Wiesen, Préposé du Bureau des Passeports, Visas et Légalisations

Information on the Bank

Board of Directors

During the business year 2020, the following persons were members of the Board of Directors:

Yves Maas
Chairman of the Board of Directors

Patrick Schwyzer
CEO since March 16, 2020 and Board member since March 31, 2020

Raffael Gasser
CEO until March 15, 2020 and Board member until September 30, 2020

Emma Crystal
Head IWM Market Area Northern & Western Europe

Benedict Wilkinson
IWM Chief Risk Officer

André Prüm
External Board member

Hans-Jörg Turtschi
External Board member and Chairman of the Audit & Risk Committee

Theis Karlheinz Wenke
Deputy Treasurer, Credit Suisse Services AG

Andreas Oggier
Head IWM External Asset Managers Europe

Christian Schärer
Head Asset Servicing, Swiss Universal Bank

Authorized Management

Patrick Schwyzer*
Managing Director,
CEO of the Bank since March 16, 2020

Raffael Gasser*
Managing Director,
CEO of the Bank until March 15, 2020

Alain Weber*
Managing Director,
Chief Risk Officer

Matthias Münstermann*
Director,
Chief Operating Officer

Philippe Bernard*
Director,
CFO since December 1, 2020
Deputy CFO and Treasurer until November 30, 2020

Christian Bender*
Director,
CFO until November 30, 2020

Internal Audit

Thierry Godart
Director,
Head of Internal Audit since June 15, 2020

Wolfgang Allmer
Vice-President,
Head of Internal Audit (ad interim), until June 15, 2020

External Audit

PricewaterhouseCoopers, société coopérative
2, rue Gerhard Mercator
B.P. 1443
L-1014 Luxembourg

* Approved by the Commission de Surveillance du Secteur Financier.

Annual accounts for the year ended December 31, 2020 (with the Audit report thereon)

CREDIT SUISSE (LUXEMBOURG) S.A.
5, rue Jean Monnet
L-2180 Luxembourg
R.C.S.: Luxembourg B 11.756

Management report of Credit Suisse (Luxembourg) S.A. for the financial year 2020

General Information

In 2020, Credit Suisse (Luxembourg) S.A. ("the Bank") delivered stable results. Despite an overall economic context affected by the pandemic situation and continued historically low interest rates, the Bank increased its commission revenues, while maintaining its cost discipline. Crucially, the Bank successfully implemented a number of measures to address financial and operational risks stemming from the Coronavirus pandemic.

Overall, the Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's business model or the ability to execute entity's strategy as outlined below.

To address the coronavirus outbreak (COVID-19) in March 2020, a wide range of adequate measures were launched by the Bank to ensure business continuity while protecting health and safety of its employees. The Bank ensured full business continuity with no interruptions by establishing a COVID crisis management, entering into split operations. Besides leveraging the main offices and Disaster Recovery Sites home-office solutions for all staff in Luxembourg and its branches (Austria, France, Ireland, The Netherlands and Portugal) were rolled-out in line with the COVID-19 related requirements issued by the respective authorities. Furthermore, internal and external communication channels to clients, employees, intra-group stakeholders and the Board of Directors had been leveraged to enhance risk awareness, outline business continuity as well as health and safety measures.

The Bank underwent further management changes in 2020. Patrick Schwyzer was appointed as the Administrateur délégué since 16 March 2020 and as member of the Board of Directors since March 31, 2020, succeeding Raffael Gasser. The management of the Bank was further altered with the resignation of Mischa Tschopp as of December 31, 2019, the relocation of Claudio Becuzzi due to end of assignment as of January 31, 2020, the appointment of Thierry Godart as Chief Internal Auditor as of June 15, 2020 (following the departure of Wolfgang Allmer as the ad interim Chief Internal Auditor), the appointment of Vincent Salzinger as the Chief Compliance Officer as of July 1, 2020 (following the resignation of Jack Sturmhöfel), the re-appointment of Philippe Bernard as the CFO as of December 1, 2020 (following the resignation of Christian Bender from the roles of CFO, Head Luxembourg Capabilities and member of the Authorized Management). With regard to the Branches of the Bank, Nelson Harris was appointed COO and Branch Manager of the France branch on July 6, 2020, following the resignation of Jean-Michel Baron, on April 26, 2020, with Pierre-Yves Champenois being the ad interim COO and Branch manager during the transition period.

Furthermore, in line with newly announced International Wealth Management ("IWM") Business Area Europe strategy, an update of the Bank's strategic priorities has been conducted in the fourth quarter of 2020, with the goal to review and re-confirm the target positioning of the Bank, the cornerstones of its value proposition and key growth levers enabling continued profitable and compliant growth.

The growth levers have been defined across targeted client segments (Private Banking Clients, External Asset Managers and Corporate & Institutional Clients) on the platform. The identified growth levers, fully aligned with IWM and the group, fall into three main categories:

- Re-focus on Ultra High Net Wealth ("UHNW") (e.g., capturing of business opportunities through improved client segmentation and support model).
- Strengthen Luxembourg capabilities (e.g., extend the platform capabilities within Lending offering, Global Trading Solutions and Investment Management).

- Continue investing in overall control framework and focus on simplification/de-risking, to further enhance the efficiency and sustainability of the business.

Enhanced strategic and client focus as well as strong financial aspirations for the Bank resulted in record-level net new asset inflows.
For the financial year 2020, the Bank posted a profit after taxes of CHF 34.1mn (vs. a profit after taxes of CHF 35.8mn in 2019).

Business Review

Balance Sheet
The total balance sheet increased by 4% year on year and amounted to CHF 8,890mn at the end of the fiscal year 2020 (2019: CHF 8,572mn). The change on the asset side is mainly due to an increase of the placement with central banks (CHF 601mn).

Since 2019, the Bank significantly increased the volume of withdrawable central bank reserves by swapping USD balance into EUR and placing the resulting EUR overnight excess with the Luxembourg Central Bank. This allowed the Bank to expand its liquidity buffer and to implement a process part of the Bank Recovery Plan remediation actions.

As in previous years, the development of the “loans and advances to credit institutions” and “loans and advances to customers”, which decreased by CHF 537mn and increased by CHF 297mn respectively, was closely correlated to the liability variation in the “amounts owed to customers” and in the “amounts owed to credit institutions”, as a consequence of an increase in cash equivalent, held by our clients but also combined with higher central bank placings increased by CHF 601mn.

The evolution reported in “loans and advances to customers” mainly results from an increase of corporate and institutional loans by CHF 297mn.

The other assets decreased by CHF 40mn (44%) mainly due to the decrease of the coupons receivables end of 2020 from CHF 68mn to CHF 21mn.

Profit & Loss
In 2020, the Bank posted a profit after taxes of CHF 34.1mn (vs. a profit after taxes of CHF 35.8mn in 2019). Main factors for the positive results were the combined impact of the increase in result after taxes of the France Branch by CHF 2.4mn and of the Austrian Branch by CHF 0.6mn which mitigated the decrease of the result after taxes of the Luxembourg Head Office by CHF 1.7mn and of the Portugal Branch by CHF 1.7mn.
The decrease of the interest receivable and similar income due to decrease of the interest rate explained the decrease of the revenues of the Luxembourg Head Office.

In 2020, the decrease of CHF 8.6mn of general administrative expenses is explained by the decrease of staff costs by CHF 3.7mn and the decrease of other administrative expenses by CHF 4.9mn due to efficient cost management.

The overall commission income of CHF 123.4mn in 2020 increased by 6% compared to CHF 116mn in 2019, mainly due to an increase in the level of transactions performed on behalf of clients and brokerage fees.

The interest income and similar income amounting to CHF 60mn for 2020 (2019: CHF 104.7mn) decreased by CHF 44.7mn compared to last year as a consequence of the decrease of the levels of interest rates during the year, in spite of increasing loan volumes up by CHF 297.1mn.

The interest payable and similar charges amounting to CHF 29.8mn for 2020 (2019: CHF 67mn) decreased by CHF 37.2mn compared to last year as a consequence of the decrease of the interest rates during the year as well as a decrease of the average deposit within the Credit Suisse Group.

The increased placings of the EUR overnight excesses with the Luxembourg Central Bank resulted then into increased negative interest receivable, whereas the currency swaps generated decreased foreign exchange revenues reported under net profit on financial operations, down by CHF 4.5mn in 2020 compared to 2019.

Further contributions of CHF 3.3mn were paid in 2020 (2019: CHF 3.6mn) by the two client booking centers to the European stability mechanism, including mainly also CHF 3.3mn for the Luxembourg client platform.

Other operating charges, increased by CHF 4.8mn in 2020, mainly due to the increase of restructuring provision by CHF 3.1mn and the increase of the losses from securities processing by CHF 2mn.

Value adjustments in respect of loans and advances have decreased during the year from CHF 0.8mn in 2019 to CHF 0.4mn in 2020. The value adjustments largely relate to overdue interests on loans.

The 2020 results of the branches after taxes before intercompany elimination contributed positively to the Bank's profit, in particular with positive developments achieved in France, Austria and The Netherlands.

The branches' results can be broken down as follows:

Branches	**Establishment dates**	**Results after taxes 2020 (CHF mn)**	**Results after taxes 2019 (CHF mn)**
Austria	January 15, 2007	1.9	1.3
Portugal	March 19, 2013	(0.6)	1.1
France	February 6, 2015	7.4	5.0
The Netherlands	April 1, 2016	(0.03)	(0.1)
Ireland	September 8, 2017	(0.6)	(0.5)

Risk Management

The strong commitment to risk management, permanent assessment and on-going enhancement of the compliance and risk management framework of the Bank provide reasonable assurance that risks are effectively identified and mitigated, and in line with the requirements of the banking supervision authorities and applicable market practices. The Bank dedicates substantial efforts to the risk detection process and the continuous risk assessment in the decision-making process at all levels of the organization.

In accordance with the circular 12/552 issued by the Commission de Surveillance du Secteur Financier ("CSSF"), as subsequently amended, the Bank maintained the three lines of defense model:

- The first line consists of the business units that take or acquire risks under a predefined policy and limits, carry out controls, and implement mitigating measures to reduce risk exposure;
- The second line comprises in the first instance of the independent internal control functions (Chief Compliance Officer and Chief Risk Officer). In addition, Legal Entity Finance ("LEF"), the Information Technology ("IT") and the Information Security Officer ("ISO") are contributing to the overall risk control framework;
- The third line, the Internal Audit ("IA") function, provides an independent, objective and critical review of the first two lines of defense.

Main objectives of the internal control functions are the anticipation, identification, measurement, monitoring, control and reporting of all the risks to which the Bank is or may be exposed.

Moreover, the internal control functions shall verify and monitor compliance with internal policies and procedures, which fall within the area of their respective responsibility. Internal control functions report directly to the Authorized Management ("AM") as well as the Board of Directors ("BoD") and advice independently on risk. The roles and responsibilities of the different internal control functions are formalized in the Compliance, Risk Control and Internal Audit charters and the related internal policies.

The Bank maintains a comprehensive policy framework, which governs detailed organizational matters, business operations and ensures compliance with relevant laws and regulations. The risk management and internal control framework focuses on protecting the Bank from failures resulting from potential non-compliance with applicable laws, internal and external regulations and the mitigation of risks arising from the business activities of the Bank.
The regulatory requirements of the CSSF circular 07/301 as amended pursuant to the Internal Capital Adequacy Assessment Process ("ICAAP") are assessed on a regular basis by the AM. The ICAAP is subject to BoD approval on an annual basis. The ICAAP framework outlines the Bank's internal capital adequacy assessment process in detail and in relation with its risk profile, strategy and risk capacity in terms of capital. The ICAAP report combines the assessment of the Banks' risks, how the Bank manages and mitigates risk and how much current and future capital are deemed necessary taking into consideration risk mitigating factors.

In addition, the Internal Liquidity Adequacy Assessment Process ("ILAAP") sets out how the Bank identifies and manages its liquidity risks and outlines, in detail, the Bank's levels of liquidity requirements. The ILAAP is performed annually as part of the business planning cycle and adapted to reflect significant changes to the business strategy or the Bank's risk profile. It is subject to approval by the BoD. The Bank is integrated in the risk management and internal control framework of Credit Suisse Group ("CSG" or "the Group") which includes a dedicated liquidity planning and implementation and it operates within the BoD approved Liquidity Management Framework ("LMF"). The LMF describes the principles guiding the management of liquidity and funding, roles and responsibilities (including governing bodies) and the monitoring tools used to track liquidity positions.

To enable appropriate decision making and steering on risks and controls-related matters, dedicated committees are in place, such as:

- The Audit and Risk Committee's ("ARC") primary function is to assist the BoD in fulfilling its oversight responsibilities in the areas of financial information, internal control, including internal and external audits. The ARC assists the BoD in its mission to assess the adequacy between the risks incurred, the Bank's ability to manage these risks and the internal and regulatory own funds and liquidity reserves.
- The Capital Allocation and Risk Management Committee ("CARMC") is the management-driven governance/decision body of the Bank for risk, compliance, regulatory and internal control matters. Moreover, the CARMC assesses changes in the risk profile of the organization and the impact on the internal capital adequacy.
- The Asset and Liability Committee ("ALCO") is responsible for the management of the Bank's balance sheet, asset/liability, liquidity, capital adequacy and profitability.

Credit risk
The Bank's lending solutions are only available to clients for whom a comprehensive risk assessment has been conducted on a qualitative and quantitative basis. The Bank mainly offers uncommitted Lombard loans as well as secured lending to investment funds, but it also offers Real Estate financing for properties in France, committed lending solutions to operating companies on a selective basis, with short- to long-term maturities.

The credit risk is managed through detailed credit requests, approval process and a credit quality review process. Prior to any approval, a credit risk assessment review, covering the analysis and evaluation of relevant aspects such as the debtor's/guarantor's creditworthiness, business model, pledged or mortgaged securities, credit and collateral structure, is completed in line with market standards by experienced credit officers with private and corporate banking background. The credit risk assessment and credit approval is performed by the Bank and –

where relevant – supported by the risk entities of CSG leveraging their expertise in particular markets or client groups. The final decision on the credit risk lies with the Bank.

The monitoring of credit exposure is mostly based on fully automated tools allowing credit officers to detect any risk of limit excess or collateral shortfall situation.

The total credit exposure the Bank as of December 31, 2020 was CHF 3.9bn, of which 92% of all transactions are rated investment grade (BBB- or better), 49% are linked with the Bank directly and 51% to the branches of the Bank.

Market risk
The Bank and its branches do not enter into any proprietary trading activities and are only executing transactions with securities, foreign exchange and derivate financial instruments on behalf of clients. Trading transactions are generally executed on an agency basis.

With regard to interest rate risks, customer deposits have been used as an increasing source of funding for the loan book. The Interest Rate Risk on the Banking Book is hedged through interest rate swaps.

Concerning foreign exchange ("FX") risks, the Bank's policy is to operate on the principle of currency matching on a back-to-back basis with small market risk limits (foreign exchange) to facilitate the bulking of small client positions. As a result, the foreign exchange risk exposure is very limited.

Liquidity risk
The Bank's BoD and AM recognize that the maintenance of sufficient liquidity is fundamental to the prudent management of a bank. The process of managing liquidity within the Bank is fully integrated into the global liquidity management process within Credit Suisse. This process also recognizes the requirement to ensure that the Bank maintains a liquidity position within the guidelines set by the CSSF.

The Bank's liquidity strategy aims to meet all contractual, contingent and regulatory obligations both on an ongoing business as usual basis, and in a period of liquidity stress and to continue to pursue activities for a period of time without changing its business plans.

Therefore, the Bank adopts a prudent approach and defines its risk appetite for liquidity as minimal. The following liquidity management principles apply:

- A pool of high quality unencumbered assets is maintained allowing to meet all contractual and regulatory obligations under both normal and stressed market conditions;
- The Bank operates within Credit Suisse centralized funding model:
  - Excess liquidity is up streamed to Credit Suisse;
  - If required, emergency funding to be provided within Credit Suisse global liquidity management framework;
- The Bank operates within Credit Suisse fund transfer pricing system designed to allocate to businesses all funding costs in a way that incentivizes their efficient use of funding;
- Foreign exchange and money market dealing is taking place with Credit Suisse entities only.

The following liquidity risk metrics are used by the Bank: regulatory liquidity metrics (Liquidity Coverage Ratio, "LCR") and CS internal liquidity metrics (Barometer 2.0 30 Day and Barometer 2.0 365 Day). Throughout the year 2020, the Bank met the LCR requirement, ending with a ratio of 292% by end of December.

Within Credit Suisse, the Barometer 2.0 is the primary tool used as a harmonized risk metric for the supervision of the liquidity risk within the Group. It provides a robust stress-testing framework, with a significant increase in data automation, reduction in latency and enhanced controls for data validation and reconciliation. More severe, the liquidity stress tests are aligned with peer benchmarks. The Barometer 2.0 includes a weekly reporting of the liquidity situation and hence contributes to strengthen the Bank's liquidity governance framework.

In December 2020, the Bank reported a Barometer excess of CHF 0.3bn for 30 Days and of CHF 2.1bn for 365 Days.

Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems or external events. The Bank places utmost importance on the operating effectiveness of its control environment to mitigate operational risks.

One key element of the internal control and risk management framework is the Monitoring of Internal Control System ("MICOS"). This system is the major tool applied by all Credit Suisse entities for the monitoring of the timely execution and verification of supervisory controls. Additionally, it provides transparency to the Management on control-related issues within their area of responsibility. Thus, MICOS facilitates the implementation of necessary controls to mitigate and control identified risks. The results of the controls conducted by the control owners are documented in MICOS and forwarded to the superiors of the control owners for their assessment and acknowledgement.

Furthermore, the Bank has systematic procedures in place ensuring the reporting of all risk incidents, independently from the financial impact of the incident. All incidents are captured in the database "MyIncidents" on the local and Group level.

In order to limit the number of incidents and to run the business on a low level of operational failures, separation of powers has been established, rules are formalized in detailed procedures and a close tracking and follow-up of risk issues and incidents is done.

Additionally, to ensure the continuity of all key processes following business interruption, disaster recovery and business continuity plans are in place.

Compliance risk

The Compliance department supports the Bank's Authorized Management in order to protect the Bank and its affiliated entities from a failure resulting from non-compliance with applicable CSSF circulars, laws and regulations as well as internal policies. The independent function covers monitoring compliance with applicable laws and regulations, codes of conduct and internal regulations, notably in the areas of due diligence, fight against money laundering and terrorist financing, insider trading, cross border, customers' protection, new business, fraud prevention or banking confidentiality and data protection. Furthermore, the Compliance department contributes to the development of internal control systems, the identification and management of compliance risks, the establishment of preventive procedures, and organizes compliance trainings to ensure that all employees are periodically reminded of key compliance principles, that they understand their responsibilities and are kept up to date with the concerned regulatory environment. Finally, the Compliance department has an active role in the account opening process and reviews new client relationships prior to opening the account with the Bank.

Legal risk

The Legal Department oversees and manages civil litigations involving the Bank and its branches and provides advice on litigation avoidance and in connection with threatening litigations and dispute resolution. The Legal Department is responsible for determining the required litigation reserves in accordance with applicable accounting standards and by regularly assessing the financial risks (liability risk and fee risk) in cooperation with outside counsel and in consultation with the Authorized Management. It liaises with external counsel to manage efficiently the docket of legal proceedings pending against the Bank; external counsel is selected and appointed specific to each matter.

The number of court proceedings currently pending, which relate to the Head Office of the Bank in Luxembourg, amounts to three as of 4Q/2020. No new claims have been served to the Head Office of the Bank in Luxembourg in 2020. The number of court cases relating to the France branch (excluding ongoing pending real estate enforcement proceedings) amounts to four (minus two compared to end of 2019) as of 4Q/2020. With respect to a French mortgage recovery & litigation case, the full amount owed (EUR 11.5mn) could be recovered.

One claim of EUR 1.87mn could be closed by an out-of-court-settlement in the amount of EUR 0.25mn paid by the Bank to the claimant. At the end of 4Q/2020, there were no litigation or threatened claims pertaining to the branches in Austria, Portugal, The Netherlands and Ireland.

Acquisition of own shares

During the financial year ending December 31, 2020, Credit Suisse (Luxembourg) S.A. did not acquire own shares.

Approval of the annual accounts and result allocation

The profit for the financial year 2020 amounts to CHF 34.1mn, which is to be allocated. We recommend to the Annual General Meeting of Shareholders to approve the annual accounts submitted for the financial year ending December 31, 2020 and to allocate the 2020 profit to the reserves as follows:

To be approved by the Annual General Meeting of Shareholders

TCHF	31.12.2020	Profit 2020 Allocation	Post Allocation
Legal reserve	23,094	–	23,094
Net wealth tax special reserve	30,200	12,100	42,300
Other reserves	106,972	21,986	128,958
Total	160,266	34,086	194,352

No dividend distribution is proposed.

Activities in the field of research and development

Credit Suisse (Luxembourg) S.A. did not engage in research and development activities during the year ending December 31, 2020.

Important events since the end of the financial year

On January 1, 2021, Wolfgang Jacob was appointed as Chief of Staff and Head Luxembourg Capabilities (following resignation of Christian Bender from the roles of CFO, Head Luxembourg Capabilities and member of the Authorized Management).

In 2020, Credit Suisse (Luxembourg) S.A. initiated the wind-down of Credit Suisse Courtage S.A., covering life insurance brokerage activities. The Bank intends to conclude the wind-down during the first half of 2021.

On March 24, 2021 as a result of a thorough analysis of our European franchise and in line with our strategy to simplify our booking model and expand our business with ultra-high-net-worth (UHNW) clients, the Bank announced the closure of its Austria Branch and the decommissioning of the local booking platform once currently serviced ultra-high-net-worth (UHNW) and high-net-worth (HNW) clients have been transferred.

On March 1, 2021, the boards of the supply chain finance funds managed by certain subsidiaries of Credit Suisse Group AG decided to suspend redemptions and subscriptions of those funds to protect the interests of the funds' investors. On March 4, 2021 the boards decided to terminate those funds and proceed to their liquidation. Those decisions were based on concerns that a substantial part of the funds' assets was subject to considerable valuation uncertainty. Credit Suisse (Luxembourg) S.A. acts as the custodian bank of these supply chain finance funds. The assets held by the supply chain finance funds, largely consisting of notes backed by existing and future receivables, were originated and structured by Greensill Capital (UK) Limited or one of its affiliates (Greensill Capital).

A number of regulatory investigations and actions have been initiated or are being considered in respect of these matters. Furthermore, certain investors have already threatened litigation and, as this matter develops, Credit Suisse Group AG and its subsidiaries may become subject to litigation, disputes or other actions. It is possible that the Bank will incur a loss in respect of these matters, albeit that given the early stage of this process, it is not yet possible to estimate the size of such a loss. The Bank might also suffer reputational harm associated with these matters that might cause client departures or loss of assets under management.
Credit Suisse Group AG and its subsidiaries, including the Bank, continue to analyse these matters, including with the assistance of external counsel and other experts.

Outlook

In 2021, the Bank will retain focus on implementing its growth strategy, roll-out segment specific coverage models, focus on its defined key markets and strategy roadmap, and continuously enhance its capabilities, while carefully observing and addressing uncertainties in the pandemic environment.

The Bank aims to further strengthen its positioning as the pan-European hub for Credit Suisse's International Wealth Management business.

Leveraging the global network, strong investment management capabilities and lending abilities, the Bank intends to continue to attract clients seeking the specificities of the Luxembourg offering – even more relevant in a post-Brexit environment – and fully leverage its open access to European markets.

Finally, the Bank continues to improve the customer experience by fostering digitalization and optimization of its processes front-to-back. As a result, the Bank aims to strengthen its position as a trusted partner to all stakeholders in order to realize its fullest potential.

Board of Directors

During the business year 2020, the following persons were members of the Board of Directors:

Yves Maas
Chairman of the Board of Directors

Patrick Schwyzer
CEO since March 16, 2020 and Board member since March 31, 2020

Raffael Gasser
CEO until March 15, 2020 and Board member until September 30, 2020

Emma Crystal
Head IWM Market Area Northern & Western Europe

Benedict Wilkinson
IWM Chief Risk Officer

André Prüm
External Board member

Hans-Jörg Turtschi
External Board member and Chairman of the Audit & Risk Committee

Theis Karlheinz Wenke
Deputy Treasurer, Credit Suisse Services AG

Andreas Oggier
Head IWM External Asset Managers Europe

Christian Schärer
Head Asset Servicing, Swiss Universal Bank

Authorized Management

In 2020, the Bank's Authorized Management(AM) recognized by the CSSF under the terms of Article 7(2) of the Law of 5 April 1993 (the "four-eye" principle) consisted of the following members, all approved by the CSSF:

- Patrick Schwyzer, CEO and Luxembourg Country CEO since March 16, 2020, member of the BoD since March 31, 2020, Managing Director;
- Christian Bender, CFO until November 30, 2020, Director;
- Matthias Münstermann, COO and Luxembourg Country COO (Country COO since December 10, 2019), Director;
- Philippe Bernard, Deputy CFO and Treasurer until November 30, 2020 and CFO as of December 1, 2020, Director;
- Alain Weber, CRO, Managing Director;
- Raffael Gasser, CEO until March 15, 2020.

Personnel

As of year-end, the number of employees in Luxembourg, Austria, France, Portugal, The Netherlands and Ireland amounted to 370 (2019: 371). The management thanks all employees for their commitment, professionalism and relentless passion for our clients.

Luxembourg, May 4, 2021
Credit Suisse (Luxembourg) S.A.

Patrick Schwyzer
Chief Executive Officer
Managing Director

Philippe Bernard
Chief Financial Officer
Director

Matthias Münstermann
Chief Operating Officer
Director

Alain Weber
Chief Risk Officer
Managing Director

Audit report

To the Board of Directors of
CREDIT SUISSE (LUXEMBOURG) S.A.

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of CREDIT SUISSE (LUXEMBOURG) S.A. (the "Bank") as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Bank's annual accounts comprise:

- the balance sheet as at 31 December 2020;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Bank and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 7.5 to the annual accounts.

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accurary and existence of commissions income For the year ended 31 December 2020, the Bank has generated commissions income for CHF 123.4 million. This represents a significant part of the total revenue earned by the Bank. These revenues are mainly derived from the services the Bank is rendering to its clients and are mainly resulting from a high volume of individual transactions. Moreover, these transactions are recorded based on different methods of computation, some of them being not fully automatised. In most of the cases, the value of commissions income for each transaction is low. Nevertheless, a failure impacting a high number of transactions and related to certain type of commissions incomes could lead to aggregated errors, having a material impact on the annual accounts. As a consequence, we focused on the accuracy and existence of commissions income.	We assessed the Bank's relevant internal control environment regarding the commissions income. We considered the respective business organisation (i.e: segregation of duties related to income flows) and IT systems linked to the recognition of the commissions income. We understood and tested the key controls and focused on: - inquiries with the various departments and with the management of the Bank regarding the process of determing the calculation of the commissions income; - the implementation of special tariffs and their related approvals for different types of commissions income; - consultation of the monthly analytical review performed by the Bank regarding commissions income of the Bank. In addition, we performed the following substantive audit procedures: - inspection of the relevant information and supporting documents (agreements, trade confirmations, etc.) for a sample of transactions; - consultation of the relevant applied tariff on the Bank's system for a sample of transactions (standard and special tariff terms); - on a sample basis, reperformance of the calculation of some commissions income, to ensure that the computation was in line with what was agreed with the client and/or the general terms and conditions of the Bank and checked that the amount computed was accurately booked in the accounting system of the Bank. In addition, we ensured that the recomputation was in line with the information disclosed in the client portfolio statement; - consultation of the client's claims register and lawyer's confirmation.

Value adjustments on loans and advances to customers Credit activity is one of the component of the Bank commercial strategy. The Bank books value adjustments in case of specific triggering events on the loans and advances to customers. Regular assessments are done by the Bank on the quality of its loan portfolio. For the year ended 31 December 2020, the Bank has a loan portfolio amounting to CHF 3,796 million (43% of the total assets). Loans and advances to customers are granted in form of overdrafts and Lombard loans (CHF 2,933 million), mortgage loans to private clients (CHF 492 million) and corporate loans to institutional clients (CHF 371 million). Value adjustments as at 31 December 2020 on loans and advances to customers amount to CHF 4.2 million. We have focused on the value adjustments on loans and advances to customers based on the fact that the determination of these value adjustments requires significant judgement, such as the identification of loans that are deteriorating, the assessment of objective evidence for value adjustments, the value of collateral and the assessment of the recoverable amount.	We tested the design, implementation and operating effectiveness of the key controls to determine the loans which required to be impaired but also the value adjustments against those assets. These included testing of the key controls on a sample basis related to: - inquiries with the various departments and with the management of the Bank regarding the process of determing the value adjustments on loans and advances to customers; - the prior approval of the new loans and advances to customers granted by the Bank to its clients and accuracy of loan data inputed on the Bank's accounting system; - the monitoring and reporting of credit exposures and potential doubtful loans; - the accuracy of a sample of collateral portfolios which cover the loans and advances to customers. This includes an independent valuation of the underlying assets and application of the haircut policy; - the timely identification of impairment, write-offs, delinquency and watch list loans and the subsequent determination of value adjustments. In addition, we performed the following substantive audit procedures: - test a sample of loans in order to assess whether the collateral on Lombard loans or the value of the mortgages on real estate propreties covers the loans; - assess the creditworthiness of the customers in case of insufficient coverage by collateral or mortgage value; - ensure timely recognition of the impairments and appropriate impairment charges.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 in this regard.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Bank’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 Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Bank to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the Board of Directors on 22 September 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 4 May 2021

Roxane Haas

Balance sheet as at December 31, 2020

	Notes	31.12.2020 CHF	31.12.2019 CHF
Assets			
Cash in hand, balances with central banks and post office banks	3.1, 3.2	2,647,632,166	2,047,109,963
Loans and advances to credit institutions	3.1, 3.2		
a) repayable on demand		514,699,806	444,242,590
b) other loans and advances		1,857,097,966	2,464,353,558
		2,371,797,772	2,908,596,148
Loans and advances to customers	3.1, 3.2	3,795,562,778	3,498,500,868
Shares in affiliated undertakings	3.3, 3.9	57,008	57,008
Intangible assets	3.4, 3.9	–	66,488
Tangible assets	3.5, 3.9	4,747,096	6,620,416
Other assets	3.1, 3.6	49,999,409	89,656,807
Prepayments and accrued income	3.7	19,721,147	21,796,163
Total Assets		**8,889,517,376**	**8,572,403,861**
Liabilities			
Amounts owed to credit institutions	4.1		
a) repayable on demand		255,308,478	305,573,434
b) with agreed maturity dates or periods of notice		416,128,609	292,551,577
		671,437,087	598,125,011
Amounts owed to customers	4.1		
Other debts			
a) repayable on demand		7,402,511,180	6,744,943,743
b) with agreed maturity dates or periods of notice		243,609,483	698,546,458
		7,646,120,663	7,443,490,201
Other liabilities	4.1, 4.2	22,662,648	27,488,261
Accruals and deferred income	4.3	23,161,954	20,955,880
Provisions			
a) provisions for pensions and similar obligations	4.4	15,868,232	14,820,787
b) provisions for taxation	6.8	19,480,829	11,220,230
c) other provisions	4.5	5,464,615	4,973,865
		40,813,676	31,014,882
Subordinated liabilities	4.6	32,489,642	32,583,611
Subscribed capital	4.7	230,936,000	230,936,000
Share premium	4.7	27,543,954	27,543,954
Reserves	4.7	160,266,061	124,463,183
Profit for the financial year		34,085,691	35,802,878
Total Liabilities		**8,889,517,376**	**8,572,403,861**

The accompanying notes form an integral part of these annual accounts.

Off-Balance sheet as at December 31, 2020

Off-Balance Sheet Items	Notes	31.12.2020 CHF	31.12.2019 CHF
Contingent liabilities	3.2, 5.1	45,366,415	56,002,602
of which: guarantees and assets pledged as collateral security		45,366,415	56,002 602
Commitments	3.2, 5.2	268,378,469	188,275,939
Fiduciary operations	5.3	1,615,005,556	329,658,496

The accompanying notes form an integral part of these annual accounts.

Profit and loss account for the financial year ended December 31, 2020

	Notes	2020 CHF	2019 CHF
Interest receivable and similar income	6.1	59,994,271	104,744,813
Interest payable and similar charges	6.2	(29,769,475)	(66,974,041)
Commission receivable	6.3	123,387,978	116,004,799
Commission payable	6.4	(12,093,898)	(11,238,484)
Net profit or loss on financial operations		10,172,998	14,624,859
Other operating income	6.5	9,708,958	11,242,023
General administrative expenses	7.2	(103,698,844)	(112,259,027)
a) staff costs		(65,976,997)	(69,631,579)
of which:			
– wages and salaries		(53,153,676)	(55,420,901)
– social security costs		(8,167,365)	(8,661,457)
of which: social security costs relating to pensions		(3,874,784)	(4,006,053)
b) other administrative expenses		(37,721,847)	(42,627,448)
Value adjustments in respect of tangible and intangible assets	3.9	(1,998,925)	(2,292,205)
Other operating charges	6.6	(10,954,236)	(6,128,371)
Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	6.7	(421,354)	(792,989)
Tax on profit on ordinary activities	6.8	(9,958,836)	(10,805,056)
Profit on ordinary activities after tax		34,368,637	36,126,321
Other taxes not shown under the preceding items	6.8	(282,946)	(323,443)
Profit for the financial year		**34,085,691**	**35,802,878**

The accompanying notes form an integral part of these annual accounts.

Notes to the annual accounts for the year ended December 31, 2020

1. General

CREDIT SUISSE (LUXEMBOURG) S.A. (“the Bank”) was incorporated on January 28, 1974 as a limited liability company in accordance with Luxembourg law. Effective January 1, 2002, the Bank merged with Banque Leu (Luxembourg) S.A. (“Banque Leu”). The Bank is authorised under Luxembourg law to conduct all banking operations, and since December 17, 2014, to operate the business of an insurance broker through natural persons licensed for that purpose. Its principal activities are private banking services, custody services for investment funds administered by Credit Suisse Fund Services (Luxembourg) S.A. (“CSFS”) and corporate financing. The financial year coincides with the calendar year.

In 2020, the Bank was operating the following branches:

Countries	Offices	Dates of establishment
Austria	Vienna, Salzburg	January 15, 2007
Portugal	Lisbon	March 19, 2013
France	Paris	February 6, 2015
The Netherlands	Amsterdam	April 1, 2016
Ireland	Dublin	September 8, 2017

In accordance with article 83 (1) of the modified law of June 17, 1992, the Bank is exempted from the requirement to prepare consolidated accounts and a consolidated management report. Consequently, these annual accounts have been prepared on a non consolidation basis.

Credit Suisse AG, Zürich is the sole shareholder of Credit Suisse (Luxembourg) S.A.

The consolidated accounts of Credit Suisse AG, Zürich, which forms the smallest body of undertakings in which the Bank is included, are available at the following addresses:
Postal address: Credit Suisse Group AG, Corporate Secretary, RX, Paradeplatz 8, 8070 Zurich
Physical address: Credit Suisse Group AG, Paradeplatz 8, 8001 Zurich
Annual Reports: credit-suisse.com/annualreporting
Quarterly Reports: credit-suisse.com/interimreporting

The Bank, as a subsidiary, is also included in the consolidated accounts of Credit Suisse Group AG, Zürich. The consolidated accounts of Credit Suisse Group AG, Zürich, which forms the largest body of undertakings in which the Bank is included as a subsidiary undertaking, are also available at the above-mentioned addresses.

2. Significant accounting policies

2.1 **Basis of preparation**

The Bank’s accounting policies are in accordance with regulations in force in the Grand Duchy of Luxembourg and, in particular, the modified law of June 17, 1992, relating to the annual accounts and consolidated accounts of credit institutions.

2.1 **Basis of preparation (continued)**

The preparation of annual accounts requires the use of certain accounting estimates. It also requires the Management to exercise its judgment in the process of applying the accounting policies. The Management makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations and future events under the circumstances.

In addition, the annual accounts as of December 31, 2020 have been established taking into consideration the possible impacts of the crisis linked to COVID-19.

2.2 **Comparatives figures**

Comparative figures for the Bank disclosed under the balance sheet account headings “Other liabilities” and “Other provision” have been reclassified to ensure comparability with the figures for the year ended 2020.

Comparative figures for the Bank disclosed under the profit and loss account headings “Interest receivable and similar income”, “Interest payable and similar charges” and “Commission receivable” have been reclassified to ensure comparability with the figures for the year ended 2020.

2.3 **Loans and advances**

Loans and advances are disclosed at their nominal value. Accrued interest not due is recorded under the heading “Prepayments and accrued income” on the asset side of the balance sheet. The policy of the Bank is to establish specific provisions to cover the risk of loss and of the non-recovery of debtors.

2.4 **Value adjustments in respect of loans and advances**

Specific adjustments to the value of individual loans for which the Bank considers the recovery to be uncertain are recorded as a deduction from the asset items to which they relate and shall not be maintained if the reasons for which they were recorded no longer exist. These are recorded in the same currency as the asset items to which they relate.

2.5 **Shares in affiliated undertakings**

Transferable securities included in “Shares in affiliated undertakings” are all non-quoted securities.

Shares in affiliated undertakings held as fixed assets are valued at purchase price. Value adjustments for shares in affiliated undertakings are made where there is considered to be a permanent diminution in value.

2.6 **Formation expenses**

Formation expenses are included at purchase price, less accumulated depreciation.

These assets are depreciated over their expected useful life. The rate and method of depreciation are as follows:

	Depreciation rate	Method
Formation expenses	20%	straight-line

2.7 Intangible and tangible assets

Intangible and tangible assets are included at purchase price, less accumulated depreciation. These assets are depreciated over their expected useful life. The rates and methods of depreciation are as follows:

	Depreciation rate	Method
Intangible assets		
Software	20%, 25%, 33%	straight-line
Tangible assets		
Land and buildings	10%	straight-line
Fixtures and fittings	10%, 20%	straight-line
PCs	25%, 33%	straight-line
Office equipment	20%	straight-line
Other tangible assets, EDP equipment	20%, 25%	straight-line

Fixtures and fittings costing less than CHF 942 (EUR 870) or whose expected useful life does not exceed one year are charged directly to profit and loss account for the year.

2.8 Foreign currency translation

The share capital of the Bank is expressed in Swiss Francs (CHF).

The following fixed assets are converted at the historic rate: participating interests, shares in affiliated undertakings included in fixed assets as well as tangible and intangible assets not hedged by a spot or forward transaction.

All other assets and liabilities expressed in a currency other than CHF are recorded in the respective currency and are converted into CHF at the rate of exchange quoted at the balance sheet date.

Income and charges in foreign currencies are converted into CHF daily at the prevailing exchange rate. Foreign currency losses arising from these valuation principles are taken to the profit and loss account.

Spot positions hedged by forward transactions as well as forward positions hedged by spot deals are considered to be neutral in relation to currency fluctuations. Any valuation difference, which may arise is neutralised so that the results for the year are not affected.

Uncovered forward transactions are valued individually on the basis of forward exchange rates applicable at the balance sheet date. Unrealised revaluation profits are not recognised until maturity of the related transaction, whereas a provision is set up in respect of any unrealised revaluation losses. This provision is included on the liability side of the balance sheet under "Provisions: other provisions".

The financial information of the branches that have a functional and presentation currency different from CHF are converted into CHF for the annual accounts of the Bank, using the following principles:

- Balance sheet and profit and loss account are converted into CHF using the exchange rate prevailing at the balance sheet date.
- The reserves at the beginning of the year are converted into CHF using historical exchange rates. The difference between conversion at the balance sheet date and historical exchange rates are accounted for in the profit and loss account.

2.9 **Provisions**

Provisions are recognised in order to cover any losses or liabilities that are clearly defined in terms of their nature but which at the balance sheet date are either likely to be incurred or certain to be incurred but their amount or the date on which they will arise are uncertain.

2.10 **Derivative financial instruments**

The Bank's commitments deriving from financial instrument derivatives are recorded on the transaction date as off-balance sheet items.

No individual evaluation is performed in those cases where a financial instrument specifically covers an asset or a liability and an economic unity is established and where a financial instrument is hedged by a reverse transaction so that no open position exists.

Interest rate and currency swaps are only concluded for non-trading purposes and therefore recorded at their nominal value in the off-balance sheet.

Premiums from purchased or sold options are booked under other assets and other liabilities, respectively. Options (on equities, indexes, interest rates and foreign exchange rates) are mainly concluded for non-trading purposes on behalf of clients, hedged by matching transactions. Therefore, premiums are initially recorded at cost and subsequently valued at market value without impact on the profit and loss account when they relate to back to back transactions only.

Foreign exchange derivative contracts (swaps, outrights, financial futures and options) are generally entered into on behalf of clients and hedged by matching transactions.

At the year end, where necessary, a provision is set up in respect of individual unrealised losses resulting from the revaluation of the Bank's commitments at market value. This provision is included on the liability side of the balance sheet under "Provisions: other provisions". Unrealised gains arising from the revaluation thereof are not recognised.

2.11 **Prepayments and accrued income**

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year.

2.12 **Accruals and deferred income**

This liability item includes income received during the financial year but relating to a subsequent financial year.

2.13 **Tax**

The Bank is subject to the general tax regulations applicable to commercial companies in Luxembourg.

2.14 **Debtors**

Debtors are valued at their nominal value, subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply

2.15 **Creditors**

Debts are recorded at their reimbursement value. When the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

3. Detailed disclosures relating to asset headings

3.1 **Primary financial instruments of non-trading activities**

The following table provides an analysis of the carrying amount of non-trading financial assets of the Bank into relevant maturity groupings based on the remaining periods to repayment.

December 31, 2020 TCHF	Less than three months	Between three months and one year	Between one year and five years	More than five years	Total
Financial assets					
Cash in hand, balances with central banks and post office banks	2,647,632	–	–	–	2,647,632
Loans and advances to credit institutions	2,359,457	8,549	3,791	-	2,371,797
Loans and advances to customers	3,071,721	283,807	348,315	91,720	3,795,563
Other assets	49,999	–	–	–	49,999
	8,128,809	**292,356**	**352,106**	**91,720**	**8,864,991**

- Loans and advances to credit institutions include TCHF 2,225,302 (2019: TCHF 2,805,148) owed by affiliated undertakings.
- Loans and advances to customers owed by affiliated undertakings amount to TCHF 4,903 (2019: TCHF 9,608).

December 31, 2019 TCHF	Less than three months	Between three months and one year	Between one year and five years	More than five years	Total
Financial assets					
Cash in hand, balances with central banks and post office banks	2,047,110	–	–	–	2,047,110
Loans and advances to credit institutions	2,883,951	20,844	–	3,801	2,908,596
Loans and advances to customers	2,898,891	358,982	179,452	61,176	3,498,501
Other assets	89,657	–	–	–	89,657
	7,919,609	**379,826**	**179,452**	**64,977**	**8,543,864**

3.2 Risk management disclosure relating to credit risk

The credit risk exposure can be analysed as follows:

December 31, 2020 TCHF	Risk exposure	Collateral	Net risk exposure
Primary financial assets			
▪ Cash in hand, balances with central banks and post office banks	2,647,632	–	2,647,632
▪ Loans and advances to credit institutions	2,371,798	–	2,371,798
▪ Loans and advances to customers	3,795,563	3,044,384	751,179
Guarantees	45,366	–	45,366
Commitments	268.378	–	268.378
Derivative financial instruments	40,131	–	40,131
Total	**9.168.868**	**3,044,384**	**6.124.484**

December 31, 2019 TCHF	Risk exposure	Collateral	Net risk exposure
Primary financial assets			
▪ Cash in hand, balances with central banks and post office banks	2,047,110	–	2,047,110
▪ Loans and advances to credit institutions	2,908,596	–	2,908,596
▪ Loans and advances to customers	3,498,501	2,604,961	893,540
Guarantees	56,003	–	56,003
Commitments	188.276	–	188.276
Derivative financial instruments	22,278	–	22,278
Total	**8.720.764**	**2,604,961**	**6.115.803**

The collateral covering loans and advances to customers is calculated according to the method for large exposure requirements.

The maximum exposure for the derivative instruments equals the positive fair values.

Credit risk

The Bank is subject to credit risk through its lending and hedging activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees.

The risk that counterparties to both derivative and other instruments might default on their obligations is monitored on a continuous basis. To manage the level of credit risk, the Bank deals only with specialised affiliated institutions or counterparties of good credit standing.

The Bank's primary exposure to credit risk arises through its loans and advances. Loans and advances to credit institutions are primarily granted to affiliated undertakings, loans and advances to customers are primarily collateralised loans.

3.2 Risk management disclosure relating to credit risk (continued)

Collateralised loans are granted to clients mainly based on liquid assets and also on mortgages.

The Bank grants loans to large corporate clients serving their European activities. As at December 31, 2020, these loans amounted to TCHF 282,648 (2019: TCHF 176,929).

Since 2015 and the creation of the France Branch, the Bank is also granting mortgage loans amounting to TCHF 494,466 as at December 31, 2019 (2019: TCHF 536,186).

Total geographic sector risk concentrations, both on and off balance sheet, are presented in the table below.

TCHF	31.12.2020 Carrying amount	%	31.12.2019 Carrying amount	%
Luxembourg	3,375,177	36,81	2,709,297	31.07
Zone A (Europe and Americas)	5,746,780	62,68	5,979,457	68.56
Zone B (Rest of the world)	46,911	0.51	32,010	0.37
	9,168,868	**100.00**	**8,720,764**	**100.00**

The amounts reflected in the tables represent the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted and any collateral or security proved to be of no value. The amounts, therefore, greatly exceed expected losses, which are included in the allowance for un-collectability.

The Bank's policy is to require suitable collateral to be provided by certain clients prior to the disbursement of approved loans. Guarantees and letters of credit are also subject to strict credit assessments before being provided.

Collateral for loans, guarantees, and letters of credit is usually in the form of cash, listed investments, or other property. The Bank has experienced no difficulty in accessing collateral when required.

At the request of the Bank, the CSSF approved the full exemption of risks taken on the Credit Suisse Group in relation to the large exposure limits, in accordance with Part XVI, point 24 of the circular 06/273 as subsequently modified and then replaced by the Article 400.2 of the EU Regulation 575/2013 on prudential requirements for Credit Institutions ("CRR").

3.3 Shares in affiliated undertakings

At the year end the Bank owned the following non-quoted shares in affiliated undertakings:

Name	%	Carrying amount TCHF	Net equity as at December 31, 2020 (Unaudited) TEUR	Net equity as at December 31, 2020 (Unaudited) TCHF	Result 2020 (Unaudited) TEUR	Result 2020 (Unaudited) TCHF	Dividend paid in 2020 TEUR
CREDIT SUISSE COURTAGE S.A. 5, rue Jean Monnet L-2180 Luxembourg	100	50	1,401	1,517	13	14	–
Credit Suisse Global Services (France) GIE 86, boulevard Haussmann 75008 Paris	50	7	12	13	–	–	–

3.4 Intangible assets

This heading consists of software for an amount of TCHF 0 (2019: TCHF 66).

3.5 Tangible assets

Tangible assets comprise assets used for the Bank's own activities, mainly leasehold improvements and furniture & equipment for an amount of TCHF 4,747 (2019: TCHF 6,620).

3.6 Other assets

Other assets are analysed as follows:

	31.12.2020 TCHF	31.12.2019 TCHF
Option premium purchased on behalf of or from clients	71	132
Other short term receivables	14,771	13,803
Coupons receivable	21,511	68,886
Option premium purchased	337	164
Tax advances	13,309	6,672
	49,999	**89,657**

The coupon receivable includes dividend, interest, redemption received on behalf of clients. This transitory account has been settled within a few business days.

Options purchased on behalf of clients or from clients are covered by equivalent premiums received from options sold to clients or on behalf of clients and disclosed under the heading "Other liabilities".

Other short term receivables contain TCHF 6,812 (2019: TCHF 6,831) receivable from Credit Suisse Global Services G.I.E., Paris.

3.7 Prepayments and accrued income

Prepayments and accrued income are analysed as follows:

	31.12.2020 TCHF	31.12.2019 TCHF
Commission receivable	13,851	13,050
Accrued interest	3,724	6,626
Other	2,146	2,120
	19,721	**21,796**

Other prepayments and accrued income include TCHF 612 (2019: TCHF 793) receivable from intercompany related to administrative services sub-lease and the building and maintenance recharges.

3.8 Assets denominated in foreign currencies

As at December 31, 2020 assets denominated in foreign currencies have a total value of TCHF 7,909,414 (2019: TCHF 7,718,000).

3.9 Fixed assets movements

The following movements have occurred in the Bank's fixed assets during the financial year:

TCHF	Total value at the beginning of the financial year	FX opening balance	Acquisitions	Disposals	Reclassifi-cation and translation differences	Total gross value at the end of the financial year	Cumulative value adjustments at the beginning of the financial year	FX opening balance	Ordinary value adjustments for the financial year	Reversals following disposals	Reclassifi-cations and transaction differences	Cumulative value adjust-ment for the financial year	Total net value at the end of the financial year
Shares in affiliated undertakings	**57**	**–**	**–**	**–**	**–**	**57**	**–**	**–**	**–**	**–**	**–**	**–**	**57**
Formation expenses	**69**	**–**	**–**	**(69)**	**–**	**–**	**69**	**–**	**–**	**(69)**	**–**	**–**	**–**
Formation expenses	69	–	–	(69)	–	–	69	–	–	(69)	–	–	
Intangible assets	**5,168**	**(8)**	**–**	**(2,978)**	**–**	**2,182**	**5,102**	**(9)**	**68**	**(2,979)**	**–**	**2,182**	**–**
Software	5,168	(8)	–	(2,978)	–	2,182	5,102	(9)	68	(2,979)	–	2,182	–
Tangible assets	**21,043**	**(7)**	**53**	**(41)**	**–**	**21,048**	**14,423**	**(5)**	**1,931**	**(48)**	**–**	**16,301**	**4,747**
Land and buildings	13,954	(2)	–	–	–	13,952	8,590	(3)	1,406	–	–	9,993	3,959
Other tangible assets, EDP-equipment and PC's	2,283	–	–	(41)	–	2,242	1,607	–	243	(41)	–	1,809	433
Office equipment	4,806	(5)	53	0	–	4,854	4,226	(2)	282	(7)	–	4,499	355

4. Detailed disclosures relating to liability headings

4.1 Primary financial instruments of non-trading activities

The following table provides an analysis of the carrying amount of non-trading financial liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment.

December 31, 2020 TCHF	**Less than three months**	**Between three months and one year**	**Between one year and five years**	**More than five years**	**Total**
Financial liabilities					
Amounts owed to credit institutions	524,104	19,607	127,726	–	671,437
Of which with agreed maturity dates or periods of notice	*269,890*	*19,527*	*126,712*	–	*416,129*
Amounts owed to customers	7,632,515	13,606	–	–	7,646,121
Of which with agreed maturity dates or periods of notice	*229,993*	*13,616*	–	–	*243,609*
Other liabilities	22,663	–	–	–	22,663
	8,179,282	**33,213**	**127,726**	**–**	**8,340,221**

December 31, 2019 TCHF	**Less than three months**	**Between three months and one year**	**Between one year and five years**	**More than five years**	**Total**
Financial liabilities					
Amounts owed to credit institutions	373,107	79,445	132,657	12,916	598,125
Of which with agreed maturity dates or periods of notice	*57,072*	*76,729*	*145,835*	*12,916*	*292,552*
Amounts owed to customers	7,405,285	38,153	52	–	7,443,490
Of which with agreed maturity dates or periods of notice	*549,209*	*149,285*	*52*	–	*698,546*
Other liabilities	25,765	646	1,077	–	27,488
	7,804,157	**118,244**	**133,786**	**12,916**	**8,069,103**

- Amounts owed to credit institutions include TCHF 380,050 (2019: TCHF 314,529) due to affiliated undertakings.
- Amounts owed to customers include TCHF 210,052 (2019: TCHF 229,094) due to affiliated undertakings.
- Other liabilities include premiums on options written with a fair value of TCHF 39 (2019: TCHF 238) and four (2019: four) put options purchased from one affiliated entity (2019: one affiliated entity) (refer also to notes 3.6 and 4.2).

4.2 Other liabilities

This heading is analysed as follows:

	31.12.2020 TCHF	31.12.2019 TCHF
Preferential creditors	2,392	2,459
Sundry creditors	4,294	3,482
Option premiums written on behalf of or to clients	71	132
Short-term payables	14,495	17,245
Foreign exchange swap	1,411	4,170
	22,663	**27,488**

Short-term payables contain mainly amounts related to the incentive plan bonus of TCHF 10.388 (2019: TCHF 14,555).

On December 30, 2020, the Bank entered into a foreign exchange swap transaction with Credit Suisse AG selling USD 1.8bn and receiving EUR 1.6bn with maturity date of January 4 and 5, 2021.
As at December 31,2020 the replacement value of this swap was TCHF 1,411 (for further details, please refer to note 6.5).

On December 27, 2019, the Bank entered into a foreign exchange swap transaction with Credit Suisse AG selling USD 1.5bn and receiving EUR 1.4bn with maturity date of January 3, 2020.
As at December 31,2019 the replacement value of this swap was TCHF 4,170 (for further details, please refer to note 6.5).

4.3 Accruals and deferred income

Accruals and deferred income are analysed as follows:

	31.12.2020 TCHF	31.12.2019 TCHF
Accrued administrative expenses	17,077	13,683
Deferred upfront fees	4,443	3,876
Accrued commission expenses	624	914
Accrued interest	493	1,786
Other	525	697
	23,162	**20,956**

4.4 Provisions for pensions and similar obligations

The pension plan of the Bank based on an agreement with AXA Assurances Vie Luxembourg S.A. effective since January 1, 2002 and according to the pension law dated June 8, 1999 has been approved by the Ministry of Social Security of Luxembourg.

The provisions for pensions in respect of 2020 amount to TCHF 15,868 (2019: TCHF 14,821).

4.5 Other provisions

Other provisions are analysed as follows:

	31.12.2020 TCHF	31.12.2019 TCHF
Restructuring provision France	119	368
Restructuring provision Luxembourg	636	1,451
Restructuring provision Austria	2,023	–
Provisions for litigation	143	886
Other provisions	2,544	2,269
	5,465	**4,974**

On February 6, 2015 the Bank merged with Credit Suisse (France) S.A. and created a Branch in Paris. In this context, as at December 31, 2020 a remaining provision of TCHF 119 (2019: TCHF 368) has been accounted for in recognition of the costs in relation to the restructuring of the activities of the France Branch.

At the end of 2018, with the strategic business review, a restructuring cost provision has been established for an amount of TCHF 1,999, and amounted TCHF 636 at the end of 2020 (2019: TCHF 1,451).

At the end of 2020, with the strategic business review of Austria Branch, a restructuring cost provision has been established for an amount of TCHF 2,023.

The other provisions include as at December 31, 2020 provisions for operational banking risks of TCHF 84 (2019: TCHF 125) for Luxembourg and of CHF 562 (2019: TCHF 556) for the Austria Branch.

Additionally, other provisions includes TCHF 1,786 provision for Portuguese stamp tax and Corporate Income tax (2019: TCHF 935).

4.6 Subordinated liabilities

On July 20, 2018, the Bank received a subordinated loan of TEUR 30,000 (TCHF 32,490) from Credit Suisse AG. The initial period of this loan is ten years with interest payable monthly based on the EURIBOR-1 month rate plus 191 basis points. The loan is subordinated as to principal and interest, to all other present and future debts of the Bank.

Interest charges of this subordinated loan as at December 31, 2020 amounted to TCHF 471 (2019: TCHF 522) and are included in the heading “Interest payable and similar charges” in the profit and loss account.

4.7 Subscribed capital and reserves

Shareholders’ equity includes:

	31.12.2020 TCHF	31.12.2019 TCHF
Subscribed capital	230,936	230,936
Share premium	27,544	27,544
Legal reserve	23,094	23,094
Special reserve in relation to net wealth tax	30,200	18,700
Other reserves	106,972	82,669
	418,746	**382,943**

4.7 **Subscribed capital and reserves (continued)**

As at December 31, 2020, the Bank has a share capital of CHF 230,936,000, divided into 230,936 shares (2019: 230,936 shares) with a par value of CHF 1,000 per share, entirely paid-in and having all the same rights and obligations.

According to Luxembourg law, companies are required to appropriate to legal reserve a minimum of 5% of the annual net profit until this reserve equals 10% of the subscribed share capital. Legal reserve may not be distributed during the life of the Bank.

According to the resolution of the Ordinary General Meeting of the Shareholders held on May 28, 2020, and the Extraordinary General Meeting of the Shareholders held on December 17, 2020, the profit for the financial year 2019 of TCHF 35,803 has been allocated to the special reserve in relation to net wealth tax for TCHF 11,500 and to other reserves for TCHF 24,303. No dividend was distributed in 2020 (2019: TCHF nil).

In accordance with paragraph 8a of the net wealth tax law and the resolution of the Extraordinary General Meeting of Shareholders held on December 17, 2020, an amount equal to five times the net wealth tax, amounting to a total of TCHF 11,500 (2019: TCHF 10,100) has been allocated to the special reserve in relation to net wealth tax which may not be distributed during a minimum of five years.

The net wealth tax reserve is analysed as follows:

Special reserve in relation to the net

Wealth tax of the year	31.12.2020 TCHF	31.12.2019 TCHF
2017	8,600	8,600
2018	10,100	10,100
2019	11,500	–
	30,200	**18,700**

4.8 **Liabilities denominated in foreign currencies**

As at December 31, 2020 liabilities denominated in foreign currencies have a total value of TCHF 8,341,264 (2019: TCHF 7,610,306).

5. Information relating to off-balance sheet items

5.1 **Contingent liabilities**

Contingent liabilities consist of guarantees issued for private banking clients for business purposes. The total value amounts to TCHF 45,366 (2019: TCHF 56,003).

5.2 **Commitments**

Credit lines

Commitments consist of undrawn credit lines granted to private banking clients as well as corporate clients amounting to TCHF 263,657 as at December 31, 2020 (December 31, 2019: TCHF 182,805).

In June 2016, the Bank entered in a Global Master Repurchase Agreement with Credit Suisse AG. During the year, the Bank has lent money (TCHF 276,135) to Credit Suisse AG and the related operations are fully secured by high quality bonds (with a total market value of TCHF 278,114).

5.2 **Commitments (continued)**

Non-cancellable operating leases

The Bank is committed in respect of fixed rental payment for premises under a leasing contract. As at December 31, 2020, the future minimum lease payment under non-cancellable operating leases were payable as follows:

	2020 TCHF	2019 TCHF
Within one year	4.721	5.470
In two to five year	–	-
Over five year	–	–
Total	**4.721**	**5.470**

Starting April 2019, the Bank received a one year rent free incentive. This incentive amounts to TCHF 3,720 and will be deducted linearly from the monthly rent charge until March 31, 2022, the end of the leasing agreement.

5.3 **Fiduciary operations**

This heading comprises mainly fiduciary operations of TCHF 1,615,006 (2019: TCHF 329,658) with investment funds administered by Credit Suisse Fund Service (Luxembourg) S.A.

5.4 **Risk management disclosures relating to derivative financial instruments**

The Bank is mainly entering into transactions with derivative financial instruments on behalf of clients (refer to notes 3.1, 3.6 and 4.2).

(1) Transactions linked to exchange rates

At the balance sheet date, the Bank has outstanding forward foreign exchange contracts (swaps, outrights) and options. These transactions are mainly entered on behalf of clients and hedged by matching transactions. Transactions linked to exchange rates and excluding spot transactions represent a total nominal value of TCHF 5,968,911 (2019: TCHF 4,773,370) of which TCHF 3,969,928 (2019 : TCHF 3,122,861) are concluded with affiliated undertakings.

(2) Transactions linked to other market rates

At the balance sheet date, the Bank has outstanding interest, equity and precious metal options. These transactions are mainly entered into on behalf of clients and hedged by matching transactions. Transactions linked to other market rates represent TCHF nil nominal value (2019: TCHF nil). As mentioned above, at the balance sheet date the Bank has also four (2019: four) outstanding put options with one affiliated entity (2019: one affiliated entity) for a total nominal value of TCHF 453,385 (2019: TCHF 538,772).

As at December 31, 2020, the net negative fair value of derivative financial instruments, including transactions concluded with clients and matching transactions, amounted to TCHF (1,048) (2019: TCHF (3,962)), as a result of positive fair values of TCHF 40,130 (2019: TCHF 22,278) and negative fair values of TCHF 41,178 (2019: TCHF 26,240).

Since 2019, the Bank is swapping USD balance into EUR and placing the resulting excess EUR overnight with the Central Bank. This allow the Bank to expand its liquidity buffer and implement a process part of CSL Recovery Plan.

5.4.1 **OTC derivative non-trading instruments**

The following table provides an analysis of the OTC derivative non-trading instruments of the Bank into relevant maturity groupings based on the remaining periods to repayment (notional amounts):

December 31, 2020 TCHF	Less than three months	Between three months and one year	Between one year and five years	Total
Linked to forward exchange rates	5,324,463	644,448	–	5,968,911
Linked to other market rates	–	453,385	–	453,385

December 31, 2019 TCHF	Less than three months	Between three months and one year	Between one year and five years	Total
Linked to forward exchange rates	4,154,859	609,340	9,171	4,773,370
Linked to other market rates	–	338,364	200,408	538,772

5.4.2 **Derivative non-trading instruments quoted on a regulated market**

The Bank had no derivative non-trading instruments, quoted on a regulated market as at December 31, 2020 and as at December 31, 2019.

6. Detailed information on the profit and loss account

6.1 **Interest receivable and similar income**

Interest receivable and similar income are analysed as follows:

	2020 TCHF	2019 TCHF
Interest receivable and similar income	46,436	92,593
Negative interest payable	13,558	12,152
	59,994	**104,745**

Interest receivable and similar income have decreased in 2020 compared to 2019 mainly due the decrease of the interest rates during the year and as a result of the lower average loans and advances to customers.

Negative interest payable have increased in 2020 due to an increase of the average amounts owed to credit institutions during the year 2020.

6.2 **Interest payable and similar charges**

Interest payable and similar charges are analysed as follows:

	2020 TCHF	2019 TCHF
Interest payable and similar charges	13,503	54,367
Negative Interest receivable	16,266	12,607
	29,769	**66,974**

6.2 Interest payable and similar charges (continued)

Interest payable and similar charges have mainly decreased due to the decrease of the interest rates during the year, and the decrease of the average deposits from credit institutions within the Credit Suisse Group over the year 2020.

Negative interest receivable have been increased in 2020 due to an increase of the placing to Central Bank. In 2019, the Bank significantly increased the volume of withdrawable central bank reserves by swapping USD balance into EUR and placing the resulting excess EUR overnight with the Central Bank.

6.3 Commission receivable

The increase in commission receivable is mainly related to the increase of brokerage fees received and increase of trading activities.

6.4 Commission payable

The commission payable have increased during the year 2020 compared to 2019 mainly due to the increase of the safekeeping and transaction cost paid.

The contractual commission payable to the Credit Suisse Group amounts this year to TCHF 4,302 (2019: TCHF 4,769).

6.5 Other operating income

Other operating income are analysed as follows:

	2020 TCHF	2019 TCHF
Recharges to other Credit Suisse Group entities	6,639	9,427
Release of provision	246	64
Subside received from State for training costs	100	100
Recoverable of VAT	708	5
Other	2,016	1,646
	9,709	**11,242**

6.6 Other operating charges

Other operating charges are analysed as follows:

	2020 TCHF	2019 TCHF
Single Resolution Fund (SRF) and FGDL	3,307	3,440
Restructuring charges for Austria (refer to note 4.5)	2,743	–
Losses from securities processing	2,069	427
Other operating charges and losses	1,593	833
Non recoverable VAT	–	355
Risk Portuguese stamp tax and Corporate Income tax	851	935
Restructuring charges for The Netherlands	206	–
Restructuring charges for Luxembourg (refer to note 4.5)	177	–
Risks other banking business	8	138
	10,954	**6,128**

6.6 Other operating charges (continued)

The deposit guarantee and investor compensation scheme in place in the past through the “Association pour la Garantie des Dépôts Luxembourg” (AGDL) was replaced by a new contribution based system of deposit guarantee and investor compensation scheme. This new system covers eligible deposits of each depositor up to an amount of EUR 100,000 and investments up to an amount of EUR 20,000. The Law of December 18, 2015 (transposition of the Directive 2014/59/UE) also provides that deposits resulting from specific transactions or fulfilling a specific social or other purpose are covered for an amount above EUR 100,000 for a period of 12 months.

The funded amount of the “Fonds de résolution Luxembourg” (FRL) shall reach by the end of 2024 at least 1% of covered deposits, as defined in article 1 number 36 of the Law, of all authorized credit institutions in all participating Member States. This amount will be collected from the credit institutions through annual contributions during the years 2015 to 2024.

The target level of funding of the “Fonds de Garantie des Dépôts Luxembourg” (FGDL) is set at 0.8% of covered deposits, as defined in article 163 number 8 of the Law, of the relevant credit institutions and is to be reached by the end of 2020 through annual contributions. The contributions are to be made in the form of annual payments during the years 2016 to 2020.

When the level of 0.8% is reached, the Luxembourgish credit institutions are to continue to contribute for 8 additional years in order to constitute an additional safety buffer of 0.8% of covered deposits as defined in article 163 number 8 of the Law. As at December 31, 2020 and 2019, the Bank did not record respectively any provision for the FGDL and any AGDL’s provision.

6.7 Value adjustments in respect of loans and advances and provision for contingent liabilities and for commitments

The value adjustments have decreased compared to prior year. They are mainly related to overdue interests on loans for a total value adjustment of TCHF 421 (2019: TCHF 793).

6.8 Taxes

The Bank is liable for all taxes to which credit institutions are subject in Luxembourg.

As at 31 December 2020, the “provisions for taxation” reported on the liabilities side of the balance sheet, are composed of provision for taxation for Luxembourg authorities (TCHF 18,584) and French authorities (TCHF 897).

In the Profit and loss account, the header “Tax on profit or loss on ordinary activities” registers the provision or payment done for the income tax for Luxembourg Authorities (TCHF 8,240) and other Authorities where Branches are established (TCHF 1,719), while the caption “Other taxes not shown under the preceding items” corresponds mainly to a nonrecurring contribution from the Austria Branch to the Austrian authorities (TCHF 223).

6.9 Return on assets

The Bank’s return on assets is as follows:

	31.12.2020 CHF	**31.12.2019 CHF**
Net profit for the year	34,085,691	35,802,878
Total Assets	8,889,517,376	8,572,403,861
Return on assets	**0.39%**	**0.42%**

7. Other information

7.1 Management and representative services supplied by the Bank

The Bank's services to third parties consist of:

- Portfolio management and advice on asset management;
- Custody and administration of transferable securities;
- Custody for investment funds with domiciliation in Luxembourg, in Ireland and the British Virgin Islands, and sub-custody for investment funds with domiciliation in Switzerland;
- Collateralised loans, loans to large corporates and export financing guaranteed by governmental agencies and mortgage loans;
- Renting of vault space;
- Fiduciary representations;
- Agency functions for client payments and securities transactions;
- Corporate finance services;
- Domiciliation and/or administrative services and/or IT services for Credit Suisse AG Luxembourg Branch, Credit Suisse Courtage S.A., Credit Suisse Fund Services (Luxembourg) S.A., Credit Suisse Fund Management S.A., MultiConcept Fund Management S.A..

7.2 Personnel

The average number of persons employed during the financial year was as follows:

	2020	2019
Management	10	10
Other executives	164	161
Employees	196	197
	370	**368**

7.3 Administrative, managerial and supervisory bodies

Remuneration paid to management of the Bank during the financial year represents a total value of TCHF 5,684 (TEUR 5,249) (2019: TCHF 5,851 (TEUR 5,262)).

In 2020 the Bank paid an amount of TCHF 310 (TEUR 269) (2019: TCHF 313 (TEUR 278) to the members of the Board of Directors. As at the balance sheet date the Bank has not entered into commitments in respect of retirement pensions for members of the Board of Directors.

7.4 Loans, advances and other commitments

The Bank has not granted any loans and advances to members of management or to members of the Board of Directors.

The Bank has not entered into any guarantee on behalf of members of management or members of the Board of Directors.

7.5 Auditor's fees

Following to the auditors' rotation and the nomination of PwC as new auditors for the year ended December 31, 2020, the amounts accrued for services provided to the Bank by PwC Luxembourg and other member firms of the PwC network during the year are as follows:

Services in CHF (excluding VAT)	**2020**	**2019***
Audit services	269,621	325,982
Audit-related services	92,054	92,320
Tax services	-	14,337
Other	942	10,861
	362,617	**443,500**

* The comparative figures 2019 correspond to the amounts invoiced (excluding VAT) and accrued for services provided to the Bank by, KPMG Luxembourg, Société coopérative and other member firms of the KPMG network during the year 2019.

8. Event of the year

Overall, the Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's business model or the ability to execute entity's strategy as outlined below.

To address the coronavirus outbreak (COVID-19) in March 2020, a wide range of adequate measures were launched by the Bank to ensure business continuity while protecting health and safety of its employees. The Bank ensured full business continuity with no interruptions by establishing a COVID crisis management, entering into split operations. Besides leveraging the main offices and Disaster Recovery Sites home-office solutions for all staff in Luxembourg and its branches (Austria, France, Ireland, The Netherlands and Portugal) were rolled-out in line with the COVID-19 related requirements issued by the respective authorities. Furthermore, internal and external communication channels to clients, employees, intra-group stakeholders and the Board of Directors had been leveraged to enhance risk awareness, outline business continuity as well as health and safety measures.

9. Subsequent events

In 2020, Credit Suisse (Luxembourg) S.A. initiated the wind-down of Credit Suisse Courtage S.A., covering life insurance brokerage activities. The bank intends to conclude the wind-down during the first half of 2021.

On March 24, 2021 as a result of a thorough analysis of our European franchise and in line with our strategy to simplify our booking model and expand our business with ultra-high-net-worth (UHNW) clients, CSL announced the closure of its CSL Austria Branch and the decommissioning of the local booking platform once currently serviced ultra-high-net-worth (UHNW) and high-net-worth (HNW) clients have been transferred.

9. Subsequent events (continued)

On March 1, 2021, the boards of the supply chain finance funds managed by certain subsidiaries of Credit Suisse Group AG decided to suspend redemptions and subscriptions of those funds to protect the interests of the funds' investors. On March 4, 2021 the boards decided to terminate those funds and proceed to their liquidation. Those decisions were based on concerns that a substantial part of the funds' assets was subject to considerable valuation uncertainty. Credit Suisse (Luxembourg) S.A. acts as the custodian bank of these supply chain finance funds. The assets held by the supply chain finance funds, largely consisting of notes backed by existing and future receivables, were originated and structured by Greensill Capital (UK) Limited or one of its affiliates (Greensill Capital).

A number of regulatory investigations and actions have been initiated or are being considered in respect of these matters. Furthermore, certain investors have already threatened litigation and, as this matter develops, Credit Suisse Group AG and its subsidiaries may become subject to litigation, disputes or other actions. It is possible that the Bank will incur a loss in respect of these matters, albeit that given the early stage of this process, it is not yet possible to estimate the size of such a loss. The Bank might also suffer reputational harm associated with these matters that might cause client departures or loss of assets under management.

Credit Suisse Group AG and its subsidiaries, including the Bank, continue to analyze these matters, including with the assistance of external counsel and other experts.

CREDIT SUISSE (LUXEMBOURG) S.A.
Registered office: 5, rue Jean Monnet, L-2180 Luxembourg
R.C.S. Luxembourg B 11756

Contact:
Postal address: P.O. Box 40, L-2010 Luxembourg
Phone: +352 46 00 11-1
credit-suisse.com