

CREDIT SUISSE (LUXEMBOURG)
Société Anonyme

CREDIT SUISSE 

The undersigned Josiane PAULY,
civil law notary residing in Niederanven
(Grand Duchy of Luxembourg),
hereby only certifies that this document is a true
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Senningerberg, 29th day of April 2022



Annual accounts 2021



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Information on the Bank

Board of Directors

During the business year 2021, the following persons were members of the Board of Directors:

Yves Maas

Chairman of the Board of Directors

Patrick Schwyzer

Bank's Chief Executive Officer

Emma Crystal

Head International Wealth Management (IWM) Market Area Northern & Western Europe

Benedict Wilkinson

IB Chief Risk Officer until October 27, 2021

André Prüm

External Board member

Hans-Jörg Turttschi

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, Credit Suisse (Schweiz) AG

Authorized Management

Patrick Schwyzer*

Managing Director
Chief Executive Officer

Matthias Münstermann*

Managing Director
Chief Operating Officer

Lucia Mc Monagle**

Managing Director
Chief Risk Officer since December 1, 2021

Alain Weber*

Managing Director
Chief Risk Officer until June 17, 2021

Philippe Bernard*

Director
Chief Financial Officer and Treasurer until December 17, 2021

Internal Audit

Thierry Godart

Director
Head of Internal Audit

External Audit

PricewaterhouseCoopers, Société coopérative

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

* Approved by the Commission de Surveillance du Secteur Financier.

**Application currently under review with the Commission de Surveillance du Secteur Financier.

Annual accounts for the year ended December 31, 2021 (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 2021

General Information

In 2021, Credit Suisse (Luxembourg) S.A. ("the Bank" or "CSL") delivered positive growth results. Despite an overall economic context affected by the pandemic situation and continued historically low interest rates, the Bank increased its commission revenues. 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 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 ongoing coronavirus outbreak (COVID-19), the Bank continued to ensure full business continuity with no interruptions, while protecting health and safety of its employees. Home-office solutions for all staff in Luxembourg and its branches (Austria, France, Ireland, The Netherlands and Portugal) continue to be used in line with guidance provided 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.

Changes to the composition of the Authorized Management ("AM") and the Board of Directors ("BoD") are outlined under "Information on the Bank" on pages 3 and 4 of the Annual Accounts 2021.

CSL aims to become the leader in serving the wealthiest European families by combining a distinctive Private Banking (PB) approach with an industry-leading institutional offering. Cornerstones of CSL value proposition include the positioning as European hub with full market access to all EU markets, a one-stop-shop private label fund offering covering all value-chain elements in house, an industry-leading PB lending offering as well as privileged access to world-class asset management and investment banking capabilities.

CSL is pursuing key growth levers that have been defined across client segments that the platform is targeting: Private Banking Clients, External Asset Managers and Corporate & Institutional Clients. The identified growth levers fall into two categories:

- ▮ Front activation and Ultra High Net Worth (UHNW) focus (e.g., capturing of business opportunities through improved client segmentation, support model and sales culture)
- ▮ Capability enhancement (e.g., extend the platform capabilities within Lending offering, Global Trading Solutions and Investment Management).

For the financial year 2021, the Bank posted a profit after taxes of CHF 52.3mn (vs. a profit after taxes of CHF 34.1mn in 2020).

Business Review

The total balance sheet increased by 1.5% year on year and amounted to CHF 9,020mn at the end of the fiscal year 2021 (2020: CHF 8,888mn).

The change on the asset side is mainly due to the increase of "loans and advances to credit institutions" (CHF 345mn) and the effect of the wind-down of the Austria Branch on "other assets" which increased by CHF 6.8mn.

The variation of the "loans and advances to credit institutions" and "loans and advances to customers", which increased by CHF 345mn and decreased by CHF 71mn respectively, was closely correlated to the liability variation from the "amounts owed to customers" and from the "amounts owed to credit institutions". This variation is explained by a decrease in cash equivalent, held by our clients but also with central bank placings which decreased by CHF 149mn.

The decrease in the "shares in affiliated undertakings" is due to the wind-down of Credit Suisse Courtage S.A. on May 19, 2021.

The other assets increased by CHF 6.8mn (14%) mainly due to the sale of a part of Austria's activities to Liechtensteinische Landesbank.

In 2021, the Bank posted a profit after taxes of CHF 52.3mn (vs. a profit after taxes of CHF 34.1mn in 2020). Main factors for the positive result, are the increase in result after taxes of the Austria Branch by CHF 21mn following the wind-down of the Austria Branch.

Other operating income increased by CHF 15.9mn in 2021, mainly due to the sale of Assets Under Management of the Austria Branch to Liechtensteinische Landesbank (CHF 13.4mn) and CHF 1.5mn relating to the boni of liquidation of Credit Suisse Courtage S.A. liquidated on May 19, 2021.

In 2021, the increase of CHF 8.6mn of general administrative expenses is explained by the increase of other administrative expenses by CHF 8.9mn due to increase of consulting and lawyer fees related to various projects within the Bank.

The overall commission income of CHF 128.6mn in 2021 increased by 3.7% compared to CHF 124mn in 2020, mainly due to an increase of the level of transactions performed on behalf of clients and brokerage fees.

The interest income and similar income amounting to CHF 57.1mn for 2021 (2020: CHF 60mn) decreased by CHF 2.9mn compared to last year as a consequence of the decrease of interest receivable due the closure of the Austria Branch and decrease of the levels of interest rates during the year.

The interest payable and similar charges amounting to CHF 19.5mn for 2021 (2020: CHF 29.8mn) decreased by CHF 10.3mn 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 Credit Suisse Group.

Other operating charges, decreased by CHF 3.7mn in 2021, mainly due to the restructuring costs of CHF 3.1mn that impacted 2020 costs compared to CHF 0.2mn in 2021. This was mitigated by the increase of the contributions to the European stability mechanism of CHF 1.9mn. CHF 5.2mn were paid in 2021 (2020: CHF 3.3mn) to the European stability mechanism for the Luxembourg client platform.

Value adjustments in respect of loans and advances have increased during the year from CHF 0.4mn in 2020 to CHF 1mn in 2021 due to an increase of bad debt risk in the Bank as a result of recognition of provisions on principals amounts of credits under Recovery Management for CHF 0.5mn.

The 2021 results of the branches after taxes before intercompany elimination contributed positively to the Bank's profit, in particular with the sales of Assets Under Management of the Austria Branch as well as the positive business developments achieved in Portugal and The Netherlands.

The branches' results can be broken down as follows:

Branches	Establishment dates	Results after taxes 2021 (CHF mn)	Results after taxes 2020 (CHF mn)
Austria	January 15, 2007	22.9	1.9
Portugal	March 19, 2013	1.2	(0.6)
France	February 6, 2015	7.0	7.4
The Netherlands	April 1, 2016	0.5	(0.03)
Ireland	September 8, 2017	(0.05)	(0.6)

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 of the independent internal control functions (Chief Compliance Officer and Chief Risk Officer);
- ┆ 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 as well as the Board of Directors 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 Authorized Management. The ICAAP is subject to Board of Directors 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. 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, steering on risks and control-related matters, dedicated committees are in place, such as:

- 1 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.
- 1 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 quarterly CARMC has been replaced in Q2 2021 by the monthly Risk Committee ("RC").
- 1 The RC is the main decision-making body for the management of CSL risk strategy set by the Board of Directors. The RC responsibility is amongst others to conduct an in-depth review of the key risk indicators and assess the Bank's situation in terms of liquidity, capital and funding situations.
- 1 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 client credit exposure of the Bank as of December 31, 2021 was CHF 4bn, of which 95% of all transactions are rated investment grade (BBB- or better), 66% are linked with the Bank directly and 34% 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 derivative 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 Authorized Management 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 Group. 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 Group centralized funding model:
 - Excess liquidity is up streamed to Credit Suisse Group;
 - If required, emergency funding to be provided within Credit Suisse global liquidity management framework;
- ┆ 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 2021, the Bank met the LCR requirement, ending with a ratio of 233% 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 2021, the Bank reported a Barometer excess of CHF 1.2bn for 30 Days and of CHF 2.5bn for 365 Days. 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 and non-financial risk appetite are formalized in detailed procedures and a close tracking and follow-up of risk issues and incidents is performed.

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 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 four as of Q4/2021. One new claim has been served on the Head Office of the Bank in Luxembourg in 2021. The number of court cases relating to the France Branch (excluding ongoing pending real estate enforcement proceedings) amounts to four (stable compared to 2020) as of Q4/2021. 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 Q4/2021, 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, 2021, Credit Suisse (Luxembourg) S.A. did not acquire own shares.

Approval of the annual accounts and result allocation

The profit for the financial year 2021 amounts to CHF 52.3mn, 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, 2021 and to allocate the 2021 profit to the reserves as follows:

To be approved by the Annual General Meeting of Shareholders

TCHF	31.12.2021	Profit 2021 Allocation	Dividend	Post Allocation
Legal reserve	23,094	–	–	23,094
Net wealth tax special reserve	42,300	12,600	–	54,900
Other reserves	128,958	39,670	(20,000)	148,628
Total	194,352	52,270	(20,000)	226,622

A dividend payment of CHF 20mn 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, 2021.

Events of the financial year

Supply chain finance funds

In early March 2021, the boards of four supply chain finance funds managed by certain subsidiaries of Credit Suisse Group AG (collectively, the "SCFFs") decided to suspend redemptions and subscriptions of those funds to protect the interests of the funds' investors, to terminate the SCFFs and to proceed to their liquidation. Credit Suisse (Luxembourg) S.A. acts as the custodian bank of these supply chain finance funds.

The last published net asset value ("NAV") of the SCFFs in late February 2021 was approximately USD 10 billion in the aggregate. As of the date of this report together with the cash already distributed to investors and cash remaining in the funds, total cash collected in the SCFFs amounts to approximately USD 7.3 billion including the cash position in the funds at the time of suspension. Redemption payments totaling approximately USD 6.7 billion have been made to their investors in six cash distributions. There remains considerable uncertainty regarding the valuation of a significant part of the remaining assets, including the fact that certain of the notes underlying the funds were not paid when they fell due and the portfolio manager has been informed that further notes will not be paid when they fall due in the future.

It therefore can be assumed that the investors of the SCFFs will suffer a loss. The amount of loss of the investors is currently unknown.

Credit Suisse Group AG and its subsidiaries, including the Bank, continue to analyze this matter, including with the assistance of external counsel and other experts and continue to assess the potential for recovery on behalf of the investors in the funds, and further analyze new, pending or threatened proceedings. The resolution of the matter, the timing of which is difficult to predict, could cause the Bank to incur potential losses. However, as of the date of signature of the annual accounts, based on a thorough assessment done with the support of a legal advisor, the Bank considered that no provision was needed.

COVID-19 pandemic

For the reporting date December 31, 2021, the COVID-19 pandemic and its related measures had no material impact on recognition and measurement of the Bank's assets and liabilities.

The COVID-19 pandemic continued to affect the economic environment throughout 2021. Infection rates ebbed and flowed across the world during the course of 2021, including in countries where the Bank has a significant presence. Vaccination programs during the year continued to significantly reduce the correlation between COVID-19 infection and serious illness, although booster shots were increasingly required to sustain a high level of protection. In addition, in the fourth quarter of 2021 an additional challenge arose with the emergence of the Omicron variant, which is more transmissible than previous variants. However, in early 2022 there were signs that the Omicron infection wave was peaking and that governments would relatively soon be able to ease social and economic activity.

The Bank continues to closely monitor the COVID-19 pandemic and its effects on its operations and business.

Subsequent event

In late February 2022, the Russian government launched a military attack on Ukraine. In response to Russia's military attack, the US, EU, UK, Switzerland and other countries across the world imposed severe sanctions against Russia's financial system and on Russian government officials and Russian business leaders. The sanctions included limitations on the ability of Russian banks to access the SWIFT financial messaging service and restrictions on transactions with the Russian central bank. The Russian government has also imposed certain countermeasures, which include restrictions relating to foreign currency accounts and security transactions.

The Bank is assessing the impact of the sanctions already imposed, and potential future escalations, on its business. The recent developments may affect the Bank's financial performance, albeit given the early stage of these developments; it is not yet possible to fully estimate the size of any reasonably possible losses.

However, as of the date of signature of the annual accounts, based on a thorough exposure assessment, the Bank considered that no provision was needed.

Outlook

In 2021, the Bank retain focus on implementing its growth strategy, roll-out segment specific coverage models, focus on its defined key markets 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 Wealth Management business.

Leveraging the global network, strong investment management and lending capabilities, the Bank intends to continue to attract clients seeking the specificities of the Luxembourg offering and fully leverage its open access to European markets.

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

Personnel

As of year-end, the number of employees in Luxembourg, Austria, France, Portugal, The Netherlands and Ireland amounted to 367 (2020: 371). The management thanks all employees for their commitment, professionalism, and relentless passion for our clients.

Luxembourg, April 8, 2022
Credit Suisse (Luxembourg) S.A.

Patrick Schwyzer
Chief Executive Officer
Managing Director

Matthias Münstermann
Chief Operating 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 December 31, 2021, 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 and off balance sheet as at December 31, 2021;
 - 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 July 23, 2016 on the audit profession (Law of July 23, 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 July 23, 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.

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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
<p><i>Claims and litigations linked to the Supply Chain funds</i></p> <p>Reference: Note 2.9 and 8 in the annual accounts</p> <p>Credit Suisse (Luxembourg) S.A. is acting as the custodian bank for various investment funds. The Bank is also from time to time advising clients or prospects to invest in these investment funds.</p> <p>On March 1st, 2021, the Boards of Directors of four investment funds managed by certain subsidiaries of Credit Suisse Group AG decided to suspend redemptions and subscriptions of these funds to protect the interests of the funds' investors.</p> <p>On March 4, 2021, the Boards of Directors decided to terminate these 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.</p> <p>The Bank was acting as the custodian bank of these four investment funds and had clients or prospects being advised to invest in these products.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> - Meetings with the legal department as well as the Authorized Management to obtain their views on the claims and litigations, the potential legal cases and the ongoing legal proceedings until the date of the signature of the annual accounts; - Consultation of the minutes of the Board of Directors, the Audit and Risk Committee, the correspondence with the regulators; - Consultation of the client claims' and litigations register; - Consultation of a memorandum prepared by the Bank, with a detailed analysis of the situation for all the clients impacted and explaining why a provision is not needed; - Consultation of the related supporting documentation, based on a sample, in order to corroborate the Bank's analysis; - Inspection of legal expenses accounts of the Bank to detect whether there were significant on-going or potential legal cases not included in the Bank's log of legal claims; - Analysis of the written confirmations from the Bank's external legal advisors describing their assessments of the risks and potential financial consequences at the closing date. The confirmations cover also post-closing developments; - Assessment of the completeness and accuracy of the disclosures presenting the case in the notes of these annual accounts.

As at December 31, 2021, the Bank is facing claims and litigations from some clients who were advised to invest in these products and is as such involved in legal procedures in several countries. In the course of business, potential exposures may arise from legal or regulatory proceedings. The Bank has performed the assessment of the clients' claims and litigations with the support of a legal advisor and has concluded that no provision in that respect was needed as at December 31, 2021.

Considering the degree of uncertainty associated with such area, we considered it as a key audit matter due to the significant judgmental considerations that are required from the Bank to make its assessment.

Accuracy and existence of commissions income

For the year ended December 31, 2021, the Bank has generated commissions income for CHF 128.6 million. This represents a significant part of the total revenue earned by the Bank (refer to note 6.3).

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.

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 performed the following procedures:

- Inquiries with the various departments and with the Management of the Bank regarding the process of determining the calculation of the commissions income;
- Verification, based on a sample, that the special tariffs granted to some clients for different types of commissions income were approved by the right hierarchical level;
- Verification that, for a sample of transactions (standard and special tariff terms), the relevant applied tariffs as per the Bank's system were in line with what was agreed with the client;
- Inspection of the relevant information and supporting documents (agreements, trade confirmations, etc.) for a sample of transactions;

Nevertheless, a failure impacting a high number of transactions and related to certain type of commissions income 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.

- 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;

- On a sample basis, we ensured that the recomputation was in line with the information disclosed in the statement sent to the client;

- Consultation of the client's claims register and lawyer's confirmations.

We have included unpredictability in all the procedures mentioned above.

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 July 23, 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 July 23, 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 May 4, 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 2 years.

Luxembourg, April 12, 2022

PricewaterhouseCoopers, Société coopérative
Represented by

Electronically signed by:
Roxane Haas

A handwritten signature in blue ink, appearing to read "Rhaas", with a horizontal line underneath.

Roxane Haas

Balance sheet as at December 31, 2021

	Notes	31.12.2021 CHF	31.12.2020 CHF
Assets			
Cash in hand, balances with central banks and post office banks	3.1, 3.2	2,498,188,356	2,647,632,166
Loans and advances to credit institutions	3.1, 3.2		
a) repayable on demand		552,688,114	514,699,806
b) other loans and advances		<u>2,163,749,968</u>	<u>1,867,097,966</u>
		2,716,438,082	2,371,797,772
Loans and advances to customers	3.1, 3.2	3,724,304,274	3,795,562,778
Shares in affiliated undertakings	3.3, 3.8	7,008	57,008
Tangible assets	3.5, 3.9	3,224,936	4,747,096
Other assets	3.1, 3.6	55,481,986	48,679,567
Prepayments and accrued income	3.7	22,643,220	19,721,147
Total Assets		9,020,287,862	8,888,197,534
Liabilities			
Amounts owed to credit institutions	4.1		
a) repayable on demand		110,740,493	255,308,478
b) with agreed maturity dates or periods of notice		<u>200,640,886</u>	<u>416,128,609</u>
		311,381,379	671,437,087
Amounts owed to customers	4.1		
Other debts			
a) repayable on demand		7,951,745,221	7,402,511,180
b) with agreed maturity dates or periods of notice		<u>147,023,461</u>	<u>243,609,483</u>
		8,098,768,682	7,646,120,663
Other liabilities	4.1, 4.2	15,867,863	19,932,196
Accruals and deferred income	4.3	21,837,259	24,572,564
Provisions			
a) provisions for pensions and similar obligations	4.4	15,807,621	15,868,232
b) provisions for taxation	6.10	19,729,074	19,480,829
c) other provisions	4.5	<u>778,570</u>	<u>5,464,615</u>
		36,315,265	40,813,676
Subordinated liabilities	4.6	31,016,115	32,489,642
Subscribed capital	4.7	230,936,000	230,936,000
Share premium	4.7	27,543,954	27,543,954
Reserves	4.7	194,351,752	160,266,061
Profit for the financial year		52,269,593	34,085,691
Total Liabilities		9,020,287,862	8,888,197,534

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

Off-Balance sheet as at December 31, 2021

	Notes	31.12.2021 CHF	31.12.2020 CHF
Off-Balance Sheet Items			
Contingent liabilities	3.2, 5.1	76,071,005	45,366,415
of which: guarantees and assets pledged as collateral security		76,071,005	45,366,415
Commitments	3.2, 5.2	168,722,638	268,378,469
Fiduciary operations	5.3	756,100,278	1,615,005,556

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

Profit and loss account for the financial year ended December 31, 2021

	Notes	2021 CHF	2020 CHF
Interest receivable and similar income	6.1	57,110,890	59,994,271
Interest payable and similar charges	6.2	(19,487,612)	(29,769,475)
Commission receivable	6.3	128,620,004	124,039,434
Commission payable	6.4	(11,410,771)	(12,093,898)
Net profit or loss on financial operations	6.5	9,395,103	9,521,542
Other operating income	6.6	25,646,323	9,708,958
General administrative expenses	7.2	(112,322,792)	(103,698,844)
a) staff costs		(65,738,277)	(65,976,997)
of which:			
– wages and salaries		(53,257,893)	(53,153,676)
– social security costs		(8,079,001)	(8,167,365)
of which: social security costs relating to pensions		(3,826,570)	(3,874,784)
b) other administrative expenses	6.7	(46,584,515)	(37,721,847)
Value adjustments in respect of tangible and intangible assets	3.9	(1,542,941)	(1,998,925)
Other operating charges	6.8	(7,303,409)	(10,954,236)
Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	6.9	(989,301)	(421,354)
Tax on profit on ordinary activities	6.10	(15,194,635)	(9,958,836)
Profit on ordinary activities after tax		52,520,859	34,368,637
Other taxes not shown under the preceding items	6.10	(251,266)	(282,946)
Profit for the financial year		52,269,593	34,085,691

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

Notes to the annual accounts for the year ended December 31, 2021

1. General

Credit Suisse (Luxembourg) S.A. ("the Bank" or "CSL") was incorporated on January 28, 1974 as a limited liability company in accordance with Luxembourg law. The Bank is authorized 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 2021, the Bank was operating the following branches:

Countries	Offices	Dates of establishment
Austria (under wind-down)	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 Zürich
Physical address: Credit Suisse Group AG, Paradeplatz 8, 8001 Zürich
Annual Reports: [credit-suisse.com/annualreporting](https://www.credit-suisse.com/annualreporting)
Quarterly Reports: [credit-suisse.com/interimreporting](https://www.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.

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.

2.2

Comparative figures

Comparative figures for the Bank disclosed under the balance sheet headings "other assets", "other liabilities" and "accruals and deferred income", and under the profit and loss account headings "commissions receivable" and "net loss/profit on financial operation" have been reclassified to ensure comparability with the figures for the year ended 2021.

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
Computers	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 899 (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 neutralized 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. Unrealized revaluation profits are not recognized until maturity of the related transaction, whereas a provision is set up in respect of any unrealized 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 recognized 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, outright, 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 unrealized 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". Unrealized gains arising from the revaluation thereof are not recognized.

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

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.

2.14

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.

In accordance with the requirements of the European Central Bank, the Central Bank of Luxembourg implemented effective January 1, 1999, a system of mandatory minimum reserves, which applies to all credit institutions.

The "minimum " reserve balance as at December 31, 2021 held by the Bank with the Central Bank of Luxembourg amounted to TCHF 77,637 (2020: TCHF 72,844). Further the minimum reserve balance as at December 31, 2021 held by the Bank with the Central Bank of Austria amounted to TCHF 546 (2020: TCHF 7,432) and which was dissolved in January 2022 following official confirmation of the branch closure by the Luxembourg regulator.

December 31, 2021 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	2,498,188	–	–	–	2,498,188
Loans and advances to credit institutions	2,712,819	–	3,619	–	2,716,438
Loans and advances to customers	2,942,276	328,119	366,729	87,180	3,724,304
Other assets	55,482	–	–	–	55,482
	8,208,765	328,119	370,348	87,180	8,994,412

- ┆ Loans and advances to credit institutions include TCHF 2,612,410 (2020: TCHF 2,225,302) owed by affiliated undertakings. Loans and advances to credit institutions also contain the asset side of a new security lending agreement entered with Credit Suisse AG for TCHF 2,222, the asset represents the securities borrowed from the client as at December 31, 2021 which are then lent to Credit Suisse AG (refer note 4.1).
- ┆ Loans and advances to customers owed by affiliated undertakings amount to TCHF 6,230 (2020: TCHF 4,903).
- ┆ Other assets affiliated undertakings are disclosed in the note 3.6.

3.1

Primary financial instruments of non-trading activities (continued)

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	3,792	–	2,371,798
Loans and advances to customers	3,071,721	283,807	348,315	91,720	3,795,563
Other assets	48,680	–	–	–	48,680
	8,127,490	292,356	352,107	91,720	8,863,673

3.2

Risk management disclosure relating to credit risk

The credit risk exposure can be analyzed as follows:

December 31, 2021 TCHF	Risk exposure	Collateral	Net risk exposure
Primary financial assets			
Cash in hand, balances with central banks and post office banks	2,498,188	–	2,498,188
Loans and advances to credit institutions	2,716,438	–	2,716,438
Loans and advances to customers	3,724,304	3,395,869	328,435
Off Balance Sheet items			
Guarantees	76,071	–	76,071
Commitments	168,723	–	168,723
Derivative financial instruments	31,303	–	31,303
Total	9,215,027	3,395,869	5,819,158
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
Off Balance Sheet items			
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

3.2

Risk management disclosure relating to credit risk (continued)

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 specialized 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 collateralized loans.

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

The Bank grants also loans to large corporate clients serving their European activities. As at December 31, 2021, these loans amounted to TCHF 275,546 (2020: TCHF 282,648).

Since 2015 and the creation of the France Branch, the Bank is also granting mortgage loans amounting to TCHF 396,028 as at December 31, 2021 (2020: TCHF 494,466).

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

TCHF	31.12.2021 Carrying amount	%	31.12.2020 Carrying amount	%
Luxembourg	3,073,101	33,35	3,375,177	36,81
Zone A (Europe, incl. Switzerland and Americas)	6,054,470	65,70	5,746,780	62,68
Zone B (Rest of the world)	87,456	0,95	46,911	0,51
	9,215,027	100,00	9,168,868	100,00

The amounts reflected in the tables represent the maximum accounting loss that would be recognized 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 uncollectability.

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, mainly residential immovable property or financial guarantees received. 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").

Notes to the annual accounts for the year ended December 31, 2021 (continued)

3.3

Shares in affiliated undertakings

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

Name	%	Carrying amount December 31, 2021 TCHF	Net equity as at December 31, 2021 (Unaudited) TEUR	Net equity as at December 31, 2021 (Unaudited) TCHF	Result 2021 (Unaudited) TEUR	Result 2021 (Unaudited) TCHF	Dividend paid in 2021 TEUR
Credit Suisse Global Services (France) GIE 86, boulevard Haussmann 75008 Paris	50	7	12	13	–	–	–

Credit Suisse Courtage S.A., was liquidated on May 19, 2021, which resulted in a net income of TCHF 1,485 recorded in the item "other operating income" of the profit and loss account (note 6.6).

3.4

Intangible assets

This heading consists of fully depreciated software for a net nil amount (2020: nil).

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 3,225 (2020: TCHF 4,747).

3.6

Other assets

Other assets are analyzed as follows:

	31.12.2021 TCHF	31.12.2020 TCHF
Other short term receivables	25,912	13,452
Tax advances	15,390	13,309
Coupons receivable	13,571	21,511
Option premium purchased	445	337
Option premiums purchased on behalf of or from clients	164	71
	55,482	48,680

The coupon receivable includes dividend, interest, redemption received/ expected to be received on behalf of clients.

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 mainly contain TCHF 4,952 (2020: TCHF 6,812) receivable from Credit Suisse Global Services G.I.E. Paris, TCHF 11,982 (TEUR 11,590) receivable from Liechtensteinische Landesbank following the transfer of Assets Under Management of Austrian Branch and TCHF 4,116 (TUSD 4,500) receivable from the US Internal Revenue Services (IRS), VAT receivable and current income tax receivables for TCHF 1,650 (2020: TCHF 4,845) mainly related to Credit Suisse Luxembourg France Branch and other miscellaneous assets for TCHF 3,212 (2020: TCHF 1,458) related to Credit Suisse Luxembourg and Austria Branch.

3.7

Prepayments and accrued income

Prepayments and accrued income are analyzed as follows:

	31.12.2021 TCHF	31.12.2020 TCHF
Commission receivable	11,886	13,851
Accrued interest	4,337	3,724
Other	4,216	2,146
Foreign exchange swap	2,204	–
	22,643	19,721

On December 29, 2021, the Bank entered into a foreign exchange swap transaction with Credit Suisse AG selling USD 2.5bn and receiving EUR 2.2bn with maturity date of January 3, 2022. As at December 31, 2021 the replacement value of this swap was TCHF 2,204.

Other prepayments and accrued income include TCHF 1,912 (2020: TCHF 612) receivable from intercompany related to administrative services sub-lease and the building and maintenance recharges by the Head office.

The 2021 increase is mainly related to the end of a rent free period in the course of 2020.

3.8

Assets denominated in foreign currencies

As at December 31, 2021 assets denominated in foreign currencies have a total value of TCHF 8,137,208 (2020: TCHF 7,909,414).

Notes to the annual accounts for the year ended December 31, 2021 (continued)

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	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	Cumulative value adjustment for the financial year	Total net value at the end of the financial year
Shares in affiliated undertakings	57	-	-	(50)	7	-	-	-	-	-	7
Formation expenses	-	-	-	-	-	-	-	-	-	-	-
Formation expenses	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	2,182	(1)	-	(358)	1,823	2,182	(1)	-	(358)	1,823	-
Software	2,182	(1)	-	(358)	1,823	2,182	(1)	-	(358)	1,823	-
Tangible assets	21,048	(103)	23	(1,063)	19,905	16,301	(102)	1,543	(1,063)	16,679	3,226
Land and buildings	13,952	(30)	-	-	13,922	9,993	(30)	1,166	-	11,129	2,793
Other tangible assets, EDP-equipment and PC's	2,242	(1)	1	(411)	1,831	1,809	(1)	233	(411)	1,630	201
Office equipment	4,854	(72)	22	(652)	4,152	4,499	(71)	144	(652)	3,920	232

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, 2021 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	226,619	12,414	72,348	–	311,381
<i>Of which with agreed maturity dates or periods of notice</i>	115,879	12,414	72,348	–	200,641
Amounts owed to customers	8,061,399	3,982	33,388	–	8,098,769
<i>Of which with agreed maturity dates or periods of notice</i>	109,653	3,982	33,388	–	147,023
Other liabilities	15,868	–	–	–	15,868
	8,303,886	16,396	105,736	–	8,426,018

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
<i>Of which with agreed maturity dates or periods of notice</i>	268,796	19,607	127,726	–	416,129
Amounts owed to customers	7,632,515	13,606	–	–	7,646,121
<i>Of which with agreed maturity dates or periods of notice</i>	230,003	13,606	–	–	243,609
Other liabilities	19,932	–	–	–	19,932
	8,176,551	33,213	127,726	–	8,337,490

- Amounts owed to credit institutions include TCHF 149,591 (2020: TCHF 380,050) due to affiliated undertakings.
- Amounts owed to customers include TCHF 250,961 (2020: TCHF 210,052) due to affiliated undertakings.
- Amounts owed to customers also contain the liability side of a new security lending agreement entered with Credit Suisse AG for TCHF 2,222, the liability represents the securities borrowed from the client as at December 31, 2021 which are then lent to Credit Suisse AG. (refer note 3.1).
- Other liabilities include premiums on options written with a fair value of TCHF 262 (2020: TCHF 49) and six (2020: four) put options purchased from one affiliated entity (2020: one affiliated entity) (refer also to notes 3.6 and 4.2).

4.2

Other liabilities

This heading is analyzed as follows:

	31.12.2021 TCHF	31.12.2020 TCHF
Short-term payables	11,226	13,175
Sundry creditors	3,375	4,294
Preferential creditors	1,103	2,392
Option premiums written on behalf of or to clients	164	71
	15,868	19,932

Short-term payables contain mainly amounts related to the incentive plan bonus of TCHF 9,869 (2020: TCHF 10,388).

4.3

Accruals and deferred income

Accruals and deferred income are analyzed as follows:

	31.12.2021 TCHF	31.12.2020 TCHF
Accrued administrative expenses	17,397	17,077
Deferred upfront fees	2,488	4,443
Accrued commission expenses	1,298	624
Accrued interest	393	493
Other accruals	249	525
Foreign exchange swap	12	1,411
	21,837	24,573

Accrued administrative expenses and other accrual and deferred income include TCHF 2,497 (2020: TCHF 6,279) expenses from intercompany related to administrative expenses recharges. The decrease in 2021 compared to 2020 is due to the increased settlement of related invoices in 2021.

On December 30, 2021, the Bank entered into following foreign exchange swap transaction with Credit Suisse AG :

- selling USD 2.6bn and receiving EUR 2.3bn with maturity date of January 4, 2022;
- selling EUR 2.3bn and receiving USD 2.6bn with maturity date of January 3, 2022.

As at December 31, 2021 the replacement value of this swap was TCHF 12.

4.4

Provisions for pensions and similar obligations

The pension plan of the Bank is based on an agreement with AXA Assurances Vie Luxembourg S.A. effective since January 1, 2002.

The provisions for pensions in respect of 2021 amount to TCHF 15,807 (2020: TCHF 15,868).

4.5

Other provisions

Other provisions are analyzed as follows:

	31.12.2021 TCHF	31.12.2020 TCHF
Restructuring provision France	–	119
Restructuring provision Luxembourg	–	636
Restructuring provision Austria	–	2,023
Provisions for litigation	135	143
Other provisions	644	2,544
	779	5,465

On February 6, 2015 the Bank merged with Credit Suisse (France) S.A. and created a Branch in Paris. As at December 31, 2021 no remaining provision (2020: TCHF 119) 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 amounted TCHF 636 at the end of 2020. No remaining provision was booked at the end of 2021.

At the end of 2020, with the strategic business review of the Austria Branch, a restructuring cost provision has been established for an amount of TCHF 2,023. No remaining provision was booked at the end of 2021.

The other provisions include as at December 31, 2021 provisions for operational banking risks of TCHF 74 (2020: TCHF 84) for Luxembourg, no remaining provision for the Austria Branch (2020: TCHF 562), and a provision of TCHF 219 (2020: TCHF 96) in relation to benefits payable from the Jubilee Awards plan of Credit Suisse (Luxembourg) S.A., Succursale France.

Additionally, other provisions includes TCHF 351 remaining provision for Portuguese stamp tax and Corporate Income tax (2020: TCHF 1,786).

4.6

Subordinated liabilities

On July 20, 2018, the Bank received a subordinated loan of TEUR 30,000 (TCHF 31,016) 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, 2021 amounted to TCHF 449 (2020: TCHF 471) 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:

	31.12.2021 TCHF	31.12.2020 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	42,300	30,200
Other reserves	128,958	106,972
	452,832	418,746

4.7

Subscribed capital and reserves (continued)

As at December 31, 2021, the Bank has a share capital of CHF 230,936,000, divided into 230,936 shares (2020: 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 20, 2021, the profit for the financial year 2020 of TCHF 34,086 has been allocated to the special reserve in relation to net wealth tax for TCHF 12,100 and to other reserves for TCHF 21,986. No dividend was distributed in 2021 (2020: TCHF nil).

In accordance with paragraph 8a of the net wealth tax law and the resolution of the Ordinary General Meeting of Shareholders held on May 20, 2021, an amount equal to five times the net wealth tax, amounting to a total of TCHF 12,600 (2020: TCHF 11,500) 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 analyzed as follows:

Special reserve in relation to the net

Wealth tax of the year	31.12.2021 TCHF	31.12.2020 TCHF
2017	8,600	8,600
2018	10,100	10,100
2019	11,500	11,500
2020	12,100	–
	42,300	30,200

4.8

Liabilities denominated in foreign currencies

As at December 31, 2021 liabilities denominated in foreign currencies have a total value of TCHF 8,434,501 (2020: TCHF 8,341,264).

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 76,071 (2020: TCHF 45,366) of which TCHF 3,556 (2020: TCHF 3,746) are linked to related parties.

5.2

Commitments

Credit lines

Commitments consist of undrawn credit lines granted to private banking clients as well as corporate clients amounting to TCHF 145,991 as at December 31, 2021 (December 31, 2020: TCHF 263,657).

In June 2016, the Bank entered in a Global Master Repurchase Agreement with Credit Suisse AG. During the year, the Bank has lent TCHF 478,631 (2020: TCHF 276,135) to Credit Suisse AG. The related operations were fully secured by high quality bonds (with a total market value of TCHF 478,122 (2020: 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, 2021, the future minimum lease payment under non-cancellable operating leases were payable as follows:

	2021 TCHF	2020 TCHF
Within one year	956	4,721
In two to five year	20,722	–
Over five year	1,054	–
Total	22,732	4,721

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.

On July 2021, the Bank signed a renewal of the rental agreement until March 31, 2031, the end of the leasing agreement. The renewal includes a 10-month rent free incentive.

5.3

Fiduciary operations

This heading comprises mainly fiduciary operations of TCHF 756,100 (2020: TCHF 1,615,006) 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 4.1, 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, outright) 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 10,461,113 (2020: TCHF 5,968,911) of which TCHF 7,593,216 (2020 : TCHF 3,969,928) 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 (2020: TCHF nil).

As mentioned above, at the balance sheet date the Bank has also six (2020: four) outstanding put options with one affiliated entity for a total nominal value of TCHF 558,299 (2020: TCHF 453,385).

The Bank is also entering into interest rate swaps in respect of the Bank's loan portfolio and into USD EUR fx swaps resulting into EUR overnight excesses placed with the Central Bank.

As at December 31, 2021, the net negative fair value of derivative financial instruments, including transactions concluded with clients and matching transactions, amounted to TCHF (2,290) (2020: TCHF (1,048)), as a result of positive fair values of TCHF 31,303 (2020: TCHF 40,130) and negative fair values of TCHF 29,012 (2020: TCHF 41,178).

Notes to the annual accounts for the year ended December 31, 2021 (continued)

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, 2021 TCHF	Less than three months	Between three months and one year	Between one year and five years	Total
Linked to forward exchange rates	9,655,679	772,972	32,462	10,461,113
Linked to other market rates	–	401,150	157,148	558,298

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

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, 2021 and as at December 31, 2020.

6. Detailed information on the profit and loss account

6.1

Interest receivable and similar income

Interest receivable and similar income are analyzed as follows:

	2021 TCHF	2020 TCHF
Interest receivable and similar income	39,041	46,436
Negative interest payable	18,070	13,558
	57,111	59,994

The decrease of the interest receivable and similar income in 2021 compared to 2020 is mainly composed of a decrease by TCHF 3,243 and by TCHF 4,152 of the net interest income at the level of the Austria Branch and the Luxembourg Head Office respectively, following decreasing net interest rates and lower deposit volumes with CS AG.

The increase of negative interest payable by TCHF 4,512 is mainly coming from the increase of negative interest charged to clients.

6.2

Interest payable and similar charges

Interest payable and similar charges are analyzed as follows:

	2021 TCHF	2020 TCHF
Interest payable and similar charges	1,749	13,503
Negative Interest receivable	17,739	16,266
	19,488	29,769

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 Credit Suisse Group over the year 2021.

Negative interest receivable increased in 2021 due to higher negative interest expenses charged by Luxembourg Central Bank in 2021.

6.3

Commission receivable

Commission receivable are analyzed as follows:

	2021 TCHF	2020 TCHF
Custody fees	61,263	54,067
Other commissions receivable	25,711	29,154
FX mark up fees	15,610	16,962
Brokerage fees	13,486	10,862
Recharge to other Credit Suisse Group entities	11,572	12,230
Holding fees	978	764
	128,620	124,039

The increase in commission receivable is mainly related to the increase of brokerage and custody fees received, which are related to increased trading activities.

6.4

Commission payable

The commission payable decreased during the year 2021 compared to 2020 mainly due to the decrease of the safekeeping and transaction cost paid.

The contractual commission payable to Credit Suisse Group amounts this year to TCHF 3,644 (2020: TCHF 4,302). The decrease is mainly due to the wind down of the Austria Branch in the course of 2021.

6.5

Net profit or loss on financial operations

Net profit or loss on financial operations are analyzed as follows:

The net loss on financial operations is mainly linked to the trading losses on interest options entered into by the Bank amounting to TCHF 2,805 (2020: TCHF 4,643). The remaining balance is linked to a foreign exchange gain amounting to TCHF 12,200 (2020: gain of TCHF 14,165).

6.6

Other operating income

Other operating income are analyzed as follows:

	2021 TCHF	2020 TCHF
Austria Branch wind-down: sale of Assets Under Management	13,359	–
Recharges to other Credit Suisse Group entities	8,320	6,639
Credit Suisse Courtage S.A. (boni of liquidation)	1,485	–
Other	1,390	2,016
Recoverable of VAT	1,083	708
Release of provision	9	246
Subside received from state for training	–	100
	25,646	9,709

Notes to the annual accounts for the year ended December 31, 2021 (continued)

6.6 Other operating income (continued)

The closing and restructuring of the Austria Branch resulted in an additional income of TCHF 13,359 (TEUR 12,921) following the transfer of Assets Under Management to Liechtensteinische Landesbank.

Credit Suisse Courtage S.A. was liquidated on May 19, 2021, which resulted in a net income of TCHF 1,485 (note 3.3).

6.7 Other administrative expenses

Other administrative expenses are analyzed as follows:

	2021 TCHF	2020 TCHF
Other administrative expenses	21,486	19,728
Recharges from other Credit Suisse Group entities	12,581	11,472
Consulting and legal fees	12,519	6,522
	46,585	37,722

Consulting and legal fees increased in 2021 compared to 2020 mainly due to the implementation of new projects in 2021 related to ESG (environmental social and governance) and the LIBOR reform.

Other administrative expenses mainly comprise rent expenses amounting to TCHF 5,312 (2020: TCHF 2,933), audit service expenses (please refer to note 7.5 for further details) and miscellaneous other administrative expenses such as for electricity, communication, repair and maintenance.

6.8 Other operating charges

Other operating charges are analyzed as follows:

	2021 TCHF	2020 TCHF
Single Resolution Fund (SRF) and FGDL	5,183	3,307
Losses from securities processing	1,236	2,069
Other operating charges and losses	640	1,593
Restructuring charges for Austria (refer to note 4.5)	224	2,743
Restructuring charges for Luxembourg (refer to note 4.5)	20	177
Restructuring charges for Netherlands (refer to note 4.5)	—	206
Risk Portuguese stamp tax and Corporate Income tax	—	851
Risks other banking business	—	8
	7,303	10,954

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.

6.8

Other operating charges (continued)

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 2021.

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, 2021 and 2020, the Bank did not record any provision for the FGDL and AGDL respectively.

6.9

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

The value adjustments have increased compared to prior year. They are mainly related to overdue interests on loans for a total value adjustment of TCHF 412 (2020: TCHF 421), and including an uncovered loan of TCHF 577 (2020: nil).

6.10

Taxes

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

As at 31 December 2021, the "provisions for taxation" reported on the liabilities side of the balance sheet, are composed of provision for taxation for Luxembourg authorities TCHF 14,864, French authorities TCHF 814 and Austria authorities TCHF 4,051.

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 6,140 (2020: TCHF 8,240) and other authorities where branches are established TCHF 9,055 (2020: TCHF 1,719), while the caption "Other taxes not shown under the preceding items" corresponds mainly to a contribution from the Austria Branch to the Austrian authorities TCHF 195 (2020: TCHF 223).

6.11

Return on assets

The Bank's return on assets is as follows:

	31.12.2021 CHF	31.12.2020 CHF
Net profit for the year	52,269,593	34,085,691
Total Assets	9,020,287,862	8,888,197,534
Return on assets	0,58%	0,38%

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;
- ┆ Collateralized 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. (until May 19, 2021), Credit Suisse Fund Services (Luxembourg) S.A., Credit Suisse Fund Management S.A. and MultiConcept Fund Management S.A..

7.2

Personnel

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

	2021	2020
Management	11	10
Other executives	158	164
Employees	195	196
	364	370

7.3

Administrative, managerial and supervisory bodies

Remuneration paid to Management of the Bank during the financial year represents a total value of TCHF 5,903 (TEUR 5,709) (2020: TCHF 5,684 (TEUR 5,249)).

In 2021, the Bank paid an amount of TCHF 278 (TEUR 269) (2020: TCHF 291 (TEUR 269)) 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

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)	2021	2020
Audit services	486,011	269,621
Audit-related services	152,038	92,054
Other	–	942
	638,049	362,617

8. Events of the year

Supply chain finance funds

In early March 2021, the boards of four supply chain finance funds managed by certain subsidiaries of Credit Suisse Group AG (collectively, the "SCFFs") decided to suspend redemptions and subscriptions of those funds to protect the interests of the funds' investors, to terminate the SCFFs and to proceed to their liquidation. Credit Suisse (Luxembourg) S.A. acts as the custodian bank of these supply chain finance funds.

The last published net asset value ("NAV") of the SCFFs in late February 2021 was approximately USD 10 billion in the aggregate. As of the date of the report, together with the cash already distributed to investors and cash remaining in the funds, total cash collected in the SCFFs amounts to approximately USD 7.3 billion including the cash position in the funds at the time of suspension. Redemption payments totaling approximately USD 6.7 billion have been made to their investors in six cash distributions. There remains considerable uncertainty regarding the valuation of a significant part of the remaining assets, including the fact that certain of the notes underlying the funds were not paid when they fell due and the portfolio manager has been informed that further notes will not be paid when they fall due in the future. It therefore can be assumed that the investors of the SCFFs will suffer a loss. The amount of loss of the investors is currently unknown.

Credit Suisse Group AG and its subsidiaries, including the Bank, continue to analyze this matter, including with the assistance of external counsel and other experts and continue to assess the potential for recovery on behalf of the investors in the funds, and further analyze new, pending or threatened proceedings. The resolution of the matter, the timing of which is difficult to predict, could cause the Bank to incur potential losses. However, as of the date of signature of the annual accounts, based on a thorough assessment done with the support of a legal advisor, the Bank considered that no provision was needed.

COVID-19 pandemic

For the reporting date December 31, 2021, the COVID-19 pandemic and its related measures had no material impact on recognition and measurement of the Bank's assets and liabilities.

The COVID-19 pandemic continued to affect the economic environment throughout 2021. Infection rates ebbed and flowed across the world during the course of 2021, including in countries where the Bank has a significant presence. Vaccination programs during the year continued to significantly reduce the correlation between COVID-19 infection and serious illness, although booster shots were increasingly required to sustain a high level of protection. In addition, in the fourth quarter of 2021 an additional challenge arose with the emergence of the Omicron variant, which is more transmissible than previous variants. However, in early 2022 there were signs that the Omicron infection wave was peaking and that governments would relatively soon be able to ease social and economic activity.

8. Events of the year (continued)

The Bank continues to closely monitor the COVID-19 pandemic and its effects on its operations and business.

9. Subsequent events

In late February 2022, the Russian government launched a military attack on Ukraine. In response to Russia's military attack, the US, EU, UK, Switzerland and other countries across the world imposed severe sanctions against Russia's financial system and on Russian government officials and Russian business leaders. The sanctions included limitations on the ability of Russian banks to access the SWIFT financial messaging service and restrictions on transactions with the Russian central bank. The Russian government has also imposed certain countermeasures, which include restrictions relating to foreign currency accounts and security transactions.

The Bank is assessing the impact of the sanctions already imposed, and potential future escalations, on its business. The recent developments may affect the Bank's financial performance, albeit given the early stage of these developments; it is not yet possible to fully estimate the size of any reasonably possible losses. However, as of the date of signature of the annual accounts, based on a thorough exposure assessment, the Bank considered that no provision was needed.



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