



**May 5, 2021**

**Report of Independent Auditors**

**To the Board of Directors of Credit Suisse Life (Bermuda) Ltd.**

We have audited the accompanying condensed financial statements of Credit Suisse Life (Bermuda) Ltd. , which comprise the condensed balance sheets and condensed statements of capital and surplus as of December 31, 2020, and the related condensed statements of income for the year then ended, and the related notes to the condensed financial statements.

**Management’s responsibility for the condensed financial statements**

Management is responsible for the preparation and fair presentation of the condensed financial statements in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial statements (the ‘Legislation’). Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors’ responsibility**

Our responsibility is to express an opinion on the condensed financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company’s preparation and fair presentation of the condensed financial statements 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 Company’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis for adverse opinion on U.S. generally accepted accounting principles**

As described in Note 3 of the condensed financial statements, the condensed financial statements are prepared by the Company on the basis of the financial reporting provisions of the Legislation, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the condensed financial statements of the variances between the regulatory basis of accounting described in Note 3 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



**Adverse opinion on U.S. generally accepted accounting principles**

In our opinion, because of the significance of the matter discussed in the “Basis for adverse opinion on U.S. generally accepted accounting principles” paragraph, the condensed financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2020 or the results of its operations or its cash flows for the year then ended.

**Opinion on regulatory basis of accounting**

In our opinion, the condensed financial statements referred to above present fairly, in all material respects, the financial position of Credit Suisse Life (Bermuda) Ltd. as of December 31, 2020 and the results of its operations for the year then ended in accordance with the financial reporting provisions of the Legislation described in Note 3.

**Other Matter**

The condensed financial statements of the Company as of December 31, 2019 and for the year then ended were audited by other auditors whose report, dated May 28, 2020, expressed an unmodified opinion on those statements.

A handwritten signature in black ink that reads "PricewaterhouseCoopers Ltd." in a cursive script.

**Chartered Professional Accountants**

**CONDENSED BALANCE SHEET**

Credit Suisse Life (Bermuda) Ltd.

As at

December 31, 2020

Expressed in ['000]

United States Dollars

LINE NO.		2020	2019
<b>1</b>	<b>CASH AND CASH EQUIVALENTS</b>	<u>16,665</u>	<u>13,007</u>
<b>2</b>	<b>QUOTED INVESTMENTS:</b>		
(a)	Bonds and Debentures		
	i. Held to maturity	—	—
	ii. Other	<u>—</u>	<u>—</u>
(b)	Total Bonds and Debentures	<u>—</u>	<u>—</u>
(c)	Equities		
	i. Common stocks	—	—
	ii. Preferred stocks	—	—
	iii. Mutual funds	<u>—</u>	<u>—</u>
(d)	Total equities	<u>—</u>	<u>—</u>
(e)	Other quoted investments	<u>—</u>	<u>—</u>
(f)	Total quoted investments	<u>—</u>	<u>—</u>
<b>3</b>	<b>UNQUOTED INVESTMENTS</b>		
(a)	Bonds and Debentures		
	i. Held to maturity	—	—
	ii. Other	—	—
(b)	Total Bonds and Debentures	—	—
(c)	Equities		
	i. Common stocks	—	—
	ii. Preferred stocks	—	—
	iii. Mutual funds	—	—
(d)	Total equities	—	—
(e)	Other unquoted investments	—	—
(f)	Total unquoted investments	—	—
<b>4</b>	<b>INVESTMENT IN AND ADVANCES TO AFFILIATES</b>		
(a)	Unregulated entities that conduct ancillary services	—	—
(b)	Unregulated non-financial operating entities	—	—
(c)	Unregulated financial operating entities	—	—
(d)	Regulated non-insurance financial operating entities	—	—
(e)	Regulated insurance financial operating entities	—	—
(f)	Total investments in affiliates	—	—
(g)	Advances to affiliates	—	—
(h)	Total investments in and advances to affiliates	—	—
<b>5</b>	<b>INVESTMENT IN MORTGAGE LOANS ON REAL ESTATE</b>		
(a)	First liens	—	—
(b)	Other than first liens	—	—
(c)	Total investments in mortgage loans on real estate	—	—
<b>6</b>	<b>POLICY LOANS</b>	—	—
<b>7</b>	<b>REAL ESTATE</b>		
(a)	Occupied by the company (less encumbrances)	—	—
(b)	Other properties (less encumbrances)	—	—
(c)	Total real estate	—	—

**CONDENSED BALANCE SHEET**

Credit Suisse Life (Bermuda) Ltd.

As at

December 31, 2020

Expressed in ['000]

United States Dollars

LINE NO.		2020	2019
	<b>ASSETS</b>		
<b>8</b>	<b>COLLATERAL LOANS</b>	—	—
<b>9</b>	<b>INVESTMENT INCOME DUE AND ACCRUED</b>	—	—
<b>10</b>	<b>ACCOUNTS AND PREMIUMS RECEIVABLE</b>		
(a)	In course of collection	110	259
(b)	Deferred - not yet due	—	—
(c)	Receivables from retrocessional contracts	—	—
(d)	Total accounts and premiums receivable	110	259
<b>11</b>	<b>REINSURANCE BALANCES RECEIVABLE</b>		
(a)	Foreign affiliates	—	—
(b)	Domestic affiliates	—	—
(c)	Pools and associations	—	—
(d)	All other insurers	—	—
(e)	Total reinsurance balances receivable	—	—
<b>12</b>	<b>FUNDS HELD BY CEDING REINSURERS</b>		
<b>13</b>	<b>SUNDRY ASSETS</b>		
(a)	Derivative instruments	—	—
(b)	Segregated accounts companies - long-term business - variable annuities	—	—
(c)	Segregated accounts companies - long-term business - other	116,229	114,766
(d)	Segregated accounts - general business	—	—
(e)	Deposit assets	—	—
(f)	Deferred acquisition costs	—	—
(g)	Not receivables for investments sold	—	—
(h)	Prepaid Expenses	—	—
(i)	Other Sundry Assets (Specify)	—	—
(j)	Other Sundry Assets (Specify)	—	—
(k)	Total sundry assets	116,229	114,766
<b>14</b>	<b>LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS</b>		
(a)	Letters of credit	—	—
(b)	Guarantees	—	—
(c)	Other instruments	—	—
(d)	Total letters of credit, guarantees and other instruments	—	—
<b>15</b>	<b>TOTAL</b>	133,004	128,032

# CONDENSED BALANCE SHEET

Credit Suisse Life (Bermuda) Ltd.

As at

December 31, 2020

Expressed in ['000]

United States Dollars

LINE NO.		2020	2019
	<b>TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND CAPITAL AND SURPLUS</b>		
<b>16</b>	<b>UNEARNED PREMIUM RESERVE</b>		
(a)	Gross unearned premium reserves	—	—
(b)	Less: Ceded unearned premium reserve	—	—
	i. Foreign affiliates	—	—
	ii. Domestic affiliates	—	—
	iii. Pools & associations	—	—
	iv. All other reinsurers	—	—
(c)	Total ceded unearned premium reserve	—	—
(d)	Net unearned premium reserves	—	—
<b>17</b>	<b>LOSS AND LOSS EXPENSE PROVISIONS</b>		
(a)	Gross loss and loss expense provisions	—	—
(b)	Less: Reinsurance recoverable balance	—	—
	i. Foreign affiliates	—	—
	ii. Domestic affiliates	—	—
	iii. Pools & associations	—	—
	iv. All other reinsurers	—	—
(c)	Total reinsurance recoverable balance	—	—
(d)	Net loss and loss expenses provisions	—	—
<b>18</b>	<b>OTHER GENERAL BUSINESS INSURANCE RESERVES</b>	—	—
<b>19</b>	<b>TOTAL GENERAL BUSINESS INSURANCE RESERVES</b>	—	—
	<b>LONG-TERM BUSINESS INSURANCE RESERVES</b>		
<b>20</b>	<b>RESERVES FOR REPORTED CLAIMS</b>	—	—
<b>21</b>	<b>RESERVE FOR UNREPORTED CLAIMS</b>	—	—
<b>22</b>	<b>POLICY RESERVES - LIFE</b>	—	—
<b>23</b>	<b>POLICY RESERVES - ACCIDENT AND HEALTH</b>	—	—
<b>24</b>	<b>POLICYHOLDERS' FUNDS ON DEPOSIT</b>	—	—
<b>25</b>	<b>LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS</b>	—	—
<b>26</b>	<b>OTHER LONG-TERM BUSINESS INSURANCE RESERVES</b>	—	—
<b>27</b>	<b>TOTAL LONG-TERM BUSINESS INSURANCE RESERVES</b>	—	—
(a)	Total Gross Long-Term Business Insurance Reserves	—	—
(b)	Less: Reinsurance recoverable balance on long term business		
	i. Foreign affiliates	—	—
	ii. Domestic affiliates	—	—
	iii. Pools & associations	—	—
	iv. All other reinsurers	—	—
(c)	Total Reinsurance Recoverable Balance	—	—

**CONDENSED BALANCE SHEET**

Credit Suisse Life (Bermuda) Ltd.

As at

December 31, 2020

Expressed in ['000]

United States Dollars

LINE NO.		2020	2019
(d)	Total Net Long-Term Business Insurance Reserves	—	—
	<b>OTHER LIABILITIES</b>		
<b>28</b>	<b>INSURANCE AND REINSURANCE BALANCES PAYABLE</b>	—	—
<b>29</b>	<b>COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE</b>	787	397
<b>30</b>	<b>LOANS AND NOTES PAYABLE</b>	—	—
<b>31</b>	<b>(a) INCOME TAXES PAYABLE</b>	—	—
	<b>(b) DEFERRED INCOME TAXES</b>	—	—
<b>32</b>	<b>AMOUNTS DUE TO AFFILIATES</b>	—	—
<b>33</b>	<b>ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>	1,892	2,668
<b>34</b>	<b>FUNDS HELD UNDER REINSURANCE CONTRACTS</b>		
<b>35</b>	<b>DIVIDENDS PAYABLE</b>	—	—
<b>36</b>	<b>SUNDRY LIABILITIES</b>		
(a)	Derivative instruments		
(b)	Segregated accounts companies	116,229	114,766
(c)	Deposit liabilities		
(d)	Net payable for investments purchased		
(e)	Total sundry liabilities	<u>116,229</u>	<u>114,766</u>
<b>37</b>	<b>LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS</b>		
	<b>OTHER INSTRUMENTS</b>		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(d)	Total letters of credit, guarantees and other instruments		
<b>38</b>	<b>TOTAL OTHER LIABILITIES</b>	<u>118,908</u>	<u>117,832</u>
<b>39</b>	<b>TOTAL INSURANCE RESERVES AND OTHER LIABILITIES</b>	<u>118,908</u>	<u>117,832</u>
	<b>CAPITAL AND SURPLUS</b>		
<b>40</b>	<b>TOTAL CAPITAL AND SURPLUS</b>	14,096	10,200
<b>41</b>	<b>TOTAL</b>	<u><u>133,004</u></u>	<u><u>128,032</u></u>

**CONDENSED STATEMENT OF INCOME**

**Credit Suisse Life (Bermuda) Ltd.**

As at

**December 31, 2020**

expressed in ['000s]

**United States Dollars**

LINE NO.		2020	2019
	<b>GENERAL BUSINESS UNDERWRITING INCOME</b>		
1	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	—	—
	(b) Assumed gross premiums written	—	—
	(c) Total gross premiums written	—	—
2	REINSURANCE PREMIUMS CEDED	—	—
3	NET PREMIUMS WRITTEN	—	—
4	INCREASE (DECREASE) IN UNEARNED PREMIUMS	—	—
5	NET PREMIUMS EARNED	—	—
6	OTHER INSURANCE INCOME	—	—
7	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	—	—
	<b>GENERAL BUSINESS UNDERWRITING EXPENSES</b>	—	—
8	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	—	—
9	COMMISSIONS AND BROKERAGE	—	—
10	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	—	—
11	<b>NET UNDERWRITING PROFIT (LOSS)- GENERAL BUSINESS</b>	—	—
	<b>LONG TERM BUSINESS INCOME</b>		
12	<b>GROSS PREMIUMS AND OTHER CONSIDERATIONS</b>		
	(a) Direct gross premiums and other considerations	—	—
	(b) Assumed gross premiums and other considerations	—	—
	(c) Total gross premiums and other considerations	—	—
13	<b>PREMIUM CEDED</b>	—	—
14	<b>NET PREMIUMS AND OTHER CONSIDERATION</b>	—	—
	(a) Life	—	—
	(b) Annuities	—	—
	(c) Accident and Health	—	—
	(d) Total Net Premiums and Other Considerations	—	—
15	<b>OTHER INSURANCE INCOME</b>	94	338
16	<b>TOTAL LONG-TERM BUSINESS INCOME</b>	94	338
	<b>LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES</b>		
17	CLAIMS - LIFE	—	—
18	POLICYHOLDERS' DIVIDENDS	—	—
19	SURRENDERS	—	—

**CONDENSED STATEMENT OF INCOME**

**Credit Suisse Life (Bermuda) Ltd.**

As at

**December 31, 2020**

expressed in ['000s]

**United States Dollars**

LINE NO.		2020	2019
20	MATURITIES	—	—
21	ANNUITIES	—	—
22	ACCIDENT AND HEALTH BENEFITS	—	—
23	COMMISSIONS	—	—
24	OTHER	—	—
25	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	<u>—</u>	<u>—</u>
26	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life	—	—
	(b) Annuities	—	—
	(c) Accident and Health	—	—
	(d) Total increase (decrease) in policy reserves	<u>—</u>	<u>—</u>
27	TOTAL LONG-TERM BUSINESS EXPENSES	<u>—</u>	<u>—</u>
28	<b>NET UNDERWRITING PROFIT (LOSS)– LONG-TERM BUSINESS</b>	<u><b>94</b></u>	<u><b>338</b></u>
29	<b>COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS</b>	<u><b>94</b></u>	<u><b>338</b></u>
	<b>UNDERNOTED ITEMS</b>		
30	COMBINED OPERATING EXPENSE		
	(a) General and administration	6,198	2,084
	(b) Personnel cost	—	—
	(c) Other	—	—
	(d) Total combined operating expenses	<u>6,198</u>	<u>2,084</u>
31	COMBINED INVESTMENT INCOME - NET	<u>—</u>	<u>—</u>
32	COMBINED OTHER INCOME (DEDUCTIONS)	<u>—</u>	<u>—</u>
33	COMBINED INCOME BEFORE TAXES	<u><b>(6,104)</b></u>	<u><b>(1,746)</b></u>
34	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current	—	—
	(b) Deferred	—	—
	(c) Total	<u>—</u>	<u>—</u>
35	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	<u><b>(6,104)</b></u>	<u><b>(1,746)</b></u>
36	COMBINED REALIZED GAINS (LOSSES)	—	—
37	COMBINED INTEREST CHARGES	—	—
38	NET INCOME	<u><u><b>(6,104)</b></u></u>	<u><u><b>(1,746)</b></u></u>



**CONDENSED STATEMENT OF CAPITAL AND SURPLUS**

Credit Suisse Life (Bermuda) Ltd.

As at

December 31, 2020

expressed in ['000s]

United States Dollars

LINE NO.		2020	2019
1	<b>CAPITAL:</b>		
(a)	Capital Stock authorized 500,000 shares of par value \$1 each issued and fully paid 500,000 shares	500	500
	(ii) authorized shares of par aggregate liquidation value for-	—	—
	(iii) Treasury shares: value each issued	—	—
(b)	Contributed surplus	10,500	500
(c)	Any other fixed capital		
	(i) Hybrid capital instruments	—	—
	(ii) Guarantees and others	—	—
	(iii) Total any other fixed capital	—	—
(d)	Total Capital	11,000	1,000
2	<b>SURPLUS:</b>		
(a)	Surplus - Beginning of Year	9,200	10,946
(b)	Add: Income for the year	(6,104)	(1,746)
(c)	Less: Dividends paid and payable	—	—
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments	—	—
(e)	Add (Deduct) change in non-admitted assets	—	—
(f)	Add (Deduct) change in appraisal of real estate	—	—
(g)	Add (Deduct) change in any other surplus	—	—
(h)	Surplus - End of Year	3,096	9,200
3	<b>MINORITY INTEREST</b>	—	—
4	<b>TOTAL CAPITAL AND SURPLUS</b>	14,096	10,200

**CREDIT SUISSE LIFE (BERMUDA) LTD.**

**NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

(expressed in United States Dollars)

**General Note**

1. Credit Suisse Life (Bermuda) Ltd. (the "Company") was incorporated on November 19, 2004 under the laws of Bermuda and is licensed as a Class C long term insurer under the Insurance Act, 1978 of Bermuda and related regulations. The Company was registered under the Segregated Accounts Companies Act 2000 on January 13, 2005.

The Company is a wholly owned subsidiary of Credit Suisse AG. The ultimate beneficial owner of the Company is Credit Suisse Group AG, a leading global financial services company domiciled in Zurich, Switzerland.

2. The Company provides a unit linked individual life insurance product. Under the terms of the policy, the policyholder bears the risk of changes in the valuation of investments held within each individual policy. The Company does not assume any mortality risk under the life insurance product. The Company ceased accepting new client applications effective September 30, 2013, but continues to provide full service to the "closed block" of policies. In 2014 the company created a plan to close all policies. On April 30, 2014, the Company communicated the plan to the Bermuda Monetary Authority (BMA), as the plan constitutes a "significant (disclosable) event" as described in the Insurance Act 1978. As part of the plan the Company intends as a first step to approach each Policy Holder informing them of the plan. Prior to this step, the Authority requested that an independent Anti-Money Laundering (AML) review be performed over a sample of policies. The independent AML review report was completed on June 5, 2015 and findings communicated to BMA on July 3, 2015. To date, the Company has not been notified of any corrective/remediation measures by the BMA.

On September 24, 2015, the Board of Directors of the Company resolved with immediate effect to discontinue the Life Portfolio International (LPI) policy product line. With effect January 11, 2016, or soon thereafter, the Company shall cease to manage or operate any existing LPI policies. These policies will be managed by another entity within the Credit Suisse Group. The company has commenced the process of terminating or transferring LPI policies to alternative products within the Credit Suisse Group.

Management plans to exit all residual LPI policies as soon as possible and thereafter liquidate the Company. There is uncertainty as to the timing of completion of this process, which raises substantial doubt about the Company's ability to continue as a going concern. The statutory

**CREDIT SUISSE LIFE (BERMUDA) LTD.**

**NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

(expressed in United States Dollars)

financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company places the assets and corresponding liabilities for each life insurance policy in a segregated account to ensure that each life insured's assets are insulated from the liabilities associated with all other life insured's. The segregated account protects against both insolvency of any other life insured's segregated account or of the Company itself. The Company has inter-group service agreements with Credit Suisse AG for the provision of asset management and custody services.

**3. Accounting standards**

These condensed general purpose financial statements are prepared in accordance with financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Accounts Rules 2016 with respect to condensed general purpose financial statements (the "Legislation"). The recognition and measurement principles applied are in line with accounting principles generally accepted in the United States of America ("US GAAP"). The presentation of these financial statements in accordance with the guidance prescribed under the legislation differs from US GAAP in certain respects as follows:

- The format of the financial statements is prescribed by schedules IX and X of the Insurance Accounts Rules 2016.
- Statement of Cash Flows or equivalent is not included
- Certain disclosures required by US GAAP are not included; and
- Comprehensive income and its components are not presented in the condensed statement of income.

**4. Accounting policies**

The Company's significant accounting policies are as follows:

**a) Premiums**

The sole business of the company is the transaction of the life assurance & it earns its revenue from the Premiums earned. The company is not in the business of assuming reinsurance neither has ceded any Insurance to any other company. Hence there is no Premium assumed or ceded.

**CREDIT SUISSE LIFE (BERMUDA) LTD.****NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS****31 DECEMBER 2020**

(expressed in United States Dollars)

Premiums are measured and recognised on an accrual basis. The Company has not written any business in 2020.

## b) Segregated Assets and liabilities

The Segregated Assets for each policyholder are held as collateral against the (equal) Segregated Liabilities for the same policy holder. There are no unsecured policyholder obligations as the Segregated Liability value for each account holder equals the Segregated Asset value for the same account holder. The above segregated assets and liabilities are reflected on line 13(c) and 36(b) of these financial statements.

All Segregated Account assets are held for the designated policy owners. The policy owners bear the risks of any change in market value without recourse to the General Account. Interest and mortality factors are not applicable.

The funds held in policyholders Segregated Accounts are invested in Cash, Bonds, Equities, Funds and Other Quoted Investments and are reflected on line 13(c). The measurement and recognition of Segregated Account investments is based on the purchase price, subsequently adjusted to fair value, which is generally the current market value.

The following are Segregated Assets and Liabilities of the company:

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
<b>Segregated Assets:</b>	<b>116,229</b>	<b>114,766</b>
Cash	74,069	66,752
Bonds	13,765	11,493
Equities	27,454	35,007
Funds	848	1,355
Other Investments	1	60
Investment income due and accrued	92	99
<b>Segregated Liabilities:</b>	<b>116,229</b>	<b>114,766</b>
Policy reserves - Life	82,712	82,565
Policy holders' funds on deposit	-	-
Due to general account	(215)	(374)
Insurance & reinsurance balances payable	33,732	32,575

**CREDIT SUISSE LIFE (BERMUDA) LTD.**

**NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

(expressed in United States Dollars)

c) Insurance reserves

Insurance Reserves are the amount payable to the policy holders & are carried at fair value of the invested assets held on behalf of the policy holder. The balance is currently zero as policyholder funds are reflected in the Segregated Accounts balances.

d) Insurance balance payable

These are the payables which are due but not yet paid to the Policy holders and are occurring due to Surrenders or Claims from the Policy holders. These are carried at amortized cost.

e) Cash and cash equivalents

The company considers Cash Equivalents as short-term and highly liquid instruments with an original maturity of three months or less. The General Account's cash and cash equivalents are classified as a level 1 instrument on the fair value hierarchy.

f) Foreign currency

- i. Foreign currency transactions are translated to US dollars at the rates of exchange ruling at the end of the month in which the transaction took place.
- ii. Foreign currency assets and liabilities are translated to US dollars at the rates ruling at the statutory balance sheet date.
- iii. Profits and Losses arising from such transactions are included in the Statement of Income under Other Insurance Income.

g) Policy holder acquisition costs and income

Policyholder acquisition costs are fully expensed when incurred. Policyholder fee income is fully recognized as revenue when funds are received.

**CREDIT SUISSE LIFE (BERMUDA) LTD.**  
**NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

(expressed in United States Dollars)

5. Basis of recognition

Premium - Refer to Note 4.

Investment and commission Income – Not applicable.

6. Foreign currency translation - Refer to Note 4 (f).

7. Not Applicable.

8. Material Contingencies or Commitments

As of the balance sheet date the company had not recorded any related contingent liability reserve nor made any commitment. A provision for legal fees has been included in the amount recorded on Line 33 of the Balance Sheet, in respect of the following:

Lawsuits in Bermuda

The Company is subject to a claim in Bermuda brought by several Plaintiffs. The Plaintiffs 'best estimate' of their losses is extremely substantial compared to the assets of the company. Based on legal advice, management believes that the probability of a contingent loss arising is remote and that is too early to assess both whether the company is liable and, if it is liable, the extent of the damages which might be awarded.

Asserted claims

The Liechtenstein firm Liti-Link AG has sent pre-action correspondence directly to CS Life in Switzerland in respect of potential claims for inducement fees allegedly charged by the Bank on assets held by the Bank in life insurance policies provided by CS Life. Based on advice, management believes that, without more information on how Liti-Link intends to put its claim against CS Life, it is impossible to assess prospects of success or the likely quantum of any damages, at this stage.

9–12. Not Applicable

13. Fair Value: Refer to Note 4(e)

**CREDIT SUISSE LIFE (BERMUDA) LTD.**  
**NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

(expressed in United States Dollars)

14. Not Applicable

15. Related party transactions

The Company is owned by Credit Suisse AG incorporated in Switzerland. The ultimate parent company is Credit Suisse Group AG, which is incorporated in Switzerland.

Copies of group Financial Statements of Credit Suisse AG and Credit Suisse Group AG, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from Credit Suisse Group AG, Paradeplatz 8, 8070 Zürich, Switzerland or via the group's website.

The Company's related party transactions during 2020 were all with its parent company, and comprised:

		<b>2020</b>	<b>2019</b>
	<b>Balance Sheet</b>	<b>US\$'000</b>	<b>US\$'000</b>
Line 1	Cash & Cash equivalents	16,665	13,007
Line 29	Commissions, Expenses, Fees and Taxes Payable	65	158
Line 33	Accounts payable and accrued liabilities	4	44
	<b>Income Statement</b>	<b>US\$'000</b>	<b>US\$'000</b>
Line 15	Other Insurance Income	90	—
Line 30(d)	Combined operating expense	168	198

**Notes to the Balance Sheet**

1-9. Not applicable.

10. Accounts Receivable comprises fee income due to the company from policyholders for ongoing administration of policyholder asset accounts.

**CREDIT SUISSE LIFE (BERMUDA) LTD.**  
**NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

(expressed in United States Dollars)

13. Refer to General Note 4 (b).

14-28. Not applicable.

29. Commissions Expenses and Fees comprises amounts due and provisions for administrative overhead charges, including legal fees.

30-32. Not applicable.

33. Accounts Payable and Accrued Liabilities comprises:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Payments due (death claims)	1,877	2,620
Other accounts payable	15	48
<b>Total</b>	<b>1,892</b>	<b>2,668</b>

The payments due (death claims) are balances due in respect of the policy value paid out to beneficiaries following the death of a policyholder. Upon death the policy terminates and the related segregated account assets are liquidated and the total proceeds transferred to the company's operating account pending final payment to the beneficiaries.

34-35. Not applicable.

36. Refer to General Note 4 (b).

**Notes to the Statement of Income**

6. Other Insurance Income represent policy administration fees and charges, bank interest income and expenses and commission expenses

15-29. Not applicable.

30. General and administration expenses comprises of litigation.



**CREDIT SUISSE LIFE (BERMUDA) LTD.**

**NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

(expressed in United States Dollars)

31-32. Not applicable

**Notes to the Statement of Capital and Surplus**

- 1(a) The Authorized and Issued Share Capital of the Company comprises 500,000 ordinary shares of par value \$1, all fully paid.
- 1(b) Contributed Surplus: On December, 1<sup>st</sup> 2020 the Company has received an injection of additional surplus of USD 10 million as contributed surplus from Credit Suisse AG to meet its capital and solvency requirements.
- 2(c) Dividends: No dividends have been paid during the year ended 31 December 2020 (2019: Nil).

**COVID - 19 impact**

The company cannot write any new business since 2014, and all policies have now been cancelled except 5 which cannot be cancelled at present due to legal or regulatory restrictions. Almost none of the policies are linked to investments on the market and the investment risk is born by the Policyholder. Furthermore, since there are only 5 active policies, we do not see any large impact on our fee collections in regards of the remaining balances. The pandemic may have the effect of delaying the wind up slightly and this could cause an increase in costs but this is unlikely to be significant,