

Credit Suisse AG

Hong Kong Branch

Key Financial Information Disclosure Statement

As at 31 December 2022

**Credit Suisse AG
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 31 December 2022**

Contents	Pages
Profit and loss account	1
Balance sheet	2
Notes to the financial statements	3-6
Off balance sheet exposures	7
Liquidity information	8-15
Group consolidated financial information	16

Credit Suisse AG
Hong Kong Branch
Profit & Loss Account
For The Year Ended 31 December 2022

		31 Dec 2022	31 Dec 2021
	Notes	HKD'000	HKD'000
Interest income		2,875,930	1,353,272
Interest expense		(1,735,425)	(569,579)
Net interest income		1,140,505	783,693
Other operating income	1	2,085,020	2,962,285
Total operating income		3,225,525	3,745,978
Total operating expenses	2	(3,113,178)	(2,877,791)
Impairment (losses)/gains and provisions		(17,692)	36,629
Profit before taxation		94,655	904,816
Tax charge		(20,026)	(117,248)
Profit after taxation		74,629	787,568

Credit Suisse AG
Hong Kong Branch
Balance Sheet
As at 31 December 2022

		31 Dec 2022	30 Jun 2022
	Notes	HKD'000	HKD'000
Assets			
Cash and balances with banks		1,083,959	3,133,482
Due from Exchange Fund		54,905	52,592
Amount due from overseas offices		64,789,091	61,652,820
Loans and receivables	4	36,187,551	52,626,887
Amount receivable under reverse repos		14,016,006	19,454,975
Investment securities		673,243	699,731
Securities held for trading purposes		2,391,750	1,284,516
Property, plant and equipment		55,445	52,136
		<hr/>	<hr/>
Total assets		<u>119,251,950</u>	<u>138,957,139</u>
Liabilities			
Deposits from customers	5	40,843,476	95,357,580
Deposit and balances of banks and other financial institutions		1,492	104,035
Amount due to overseas offices		71,389,650	33,862,735
Other liabilities		7,017,332	9,632,789
		<hr/>	<hr/>
Total liabilities		<u>119,251,950</u>	<u>138,957,139</u>

Credit Suisse AG
Hong Kong Branch
Notes to the Financial Statements

		Year ended 31 Dec 2022	Year ended 31 Dec 2021
	Notes	HKD'000	HKD'000
1 Other operating income			
Gains less losses arising from trading in foreign currencies		(2,204)	(953)
Gains less losses arising from trading in other derivatives		(151,951)	(269,835)
Gains less losses on securities held for trading purposes		16,472	(544)
Net fees and commission income	3	2,180,865	3,202,077
Others		41,838	31,540
		<u>2,085,020</u>	<u>2,962,285</u>
2 Total operating expenses			
Staff and rental expenses		(1,320,835)	(1,325,592)
Other expenses		(1,763,854)	(1,538,861)
Charge for other provisions		(28,489)	(13,338)
		<u>(3,113,178)</u>	<u>(2,877,791)</u>
3 Net fees and commission income			
Fees and commission income		2,463,412	3,245,802
Less: Fees and commission expenses		(282,547)	(43,725)
		<u>2,180,865</u>	<u>3,202,077</u>
		31 Dec 2022	30 June 2022
		HKD'000	HKD'000
4 Loans and receivables			
Loans and advances to customers			
- Overdrafts and repayment on demand		123,357	211,708
- Other loans due within 1 month		28,596,856	38,608,318
- Between 1 and 3 months		2,731,735	3,514,002
- Between 3 months and 1 year		243,823	2,016,772
- Later than 1 year		636,829	2,174,121
		<u>32,332,600</u>	<u>46,524,921</u>
Total Loans and advances to customers	6	32,332,600	46,524,921
Other accounts		3,502,449	6,022,609
Accrued interest		394,438	89,527
Provisions for impaired loans and receivables (general provisions)		(34,318)	(2,790)
Provisions for impaired loans and receivables (specific provisions)		(7,618)	(7,380)
		<u>36,187,551</u>	<u>52,626,887</u>
5 Deposits from customers			
Demand deposits and current accounts		17,877,887	49,329,738
Time, call and notice deposits		22,965,589	46,027,842
		<u>40,843,476</u>	<u>95,357,580</u>

6 Analysis of gross amount of loans and advances to customers

a. Breakdown by industry sectors

The analysis of gross loans and advances to customers and secured loans and advances by industry sectors are based on the categories and definitions used by the Hong Kong Monetary Authority (HKMA).

	31 Dec 2022 HKD'000			30 Jun 2022 HKD'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans and advances for use in Hong Kong						
Industrial, commercial and financial						
Financial concerns	948,320	51	948,371	1,782,100	3,530,587	5,312,687
Others	2,193	10	2,203	2,320	-	2,320
Individuals						
Others	12,356,177	7,636	12,363,813	15,122,064	7,452	15,129,516
Loans and advances for use outside Hong Kong	19,017,948	265	19,018,213	26,079,851	547	26,080,398
	<u>32,324,638</u>	<u>7,962</u>	<u>32,332,600</u>	<u>42,986,335</u>	<u>3,538,586</u>	<u>46,524,921</u>

When collateral value are greater than gross loans and advances, only the amount of collateral up to gross amount is included.

b. Breakdown by geographical areas

Loans and Advances to customers by geographical areas to which not less than 10% of the institution's total amount of loans and advances to customers are classified according to the location of the counterparties after taking into account the transfer of risk. The basis of the country classification is in accordance with the guidance notes from the HKMA.

	31 Dec 2022 HKD'000			30 Jun 2022 HKD'000		
	Total	Overdue/Impaired Loans & Advances	Specific Provision	Total	Overdue/Impaired Loans & Advances	Specific Provision
British Virgin Islands	8,959,888	-	-	14,027,713	-	-
Hong Kong	13,314,387	7,618	7,618	20,444,523	7,380	7,380
China	3,337,279	-	-	3,977,117	-	-
Others	6,721,046	-	-	8,075,568	-	-
	<u>32,332,600</u>	<u>7,618</u>	<u>7,618</u>	<u>46,524,921</u>	<u>7,380</u>	<u>7,380</u>
% of the total loans and advances to customers		<u>0.02%</u>			<u>0.02%</u>	
Fair value of security held against impaired advances to loans and advances		<u>-</u>			<u>-</u>	

* Loans and Advances to customers in China to which less than 10% of the institution's total amount of loans and advances to customers is presented for comparative purpose only.

7 Overdue and rescheduled loans and advances

a. Overdue loans and advances

	31 Dec 2022		30 Jun 2022	
	HKD'000	% of total Loans & Advances to customers	HKD'000	% of total Loans & Advances to customers
Gross amount of loans and advances which have been overdue for:				
- Six months or less but over three months	-	-	-	-
- One year or less but over six months	-	-	-	-
- Over one year	7,618	0.02%	7,380	0.02%
	<u>7,618</u>	<u>0.02%</u>	<u>7,380</u>	<u>0.02%</u>
Fair value of the collaterals held in respect of the overdue loans and advances to customers	<u>-</u>		<u>-</u>	
Specific provision made	<u>7,618</u>		<u>7,380</u>	

All non-performing loans to customers were overdue for more than 1 year as at 31 Dec 2022 & 30 June 2022

No collaterals are held in respect of the overdue loans and advances.

b. Rescheduled advances

Credit Suisse AG Hong Kong Branch (The Branch) does not have any rescheduled loans & advances to customers as at 31 Dec 2022 & 30 June 2022

The Branch does not have any overdue & rescheduled loans & advances to banks as at 31 Dec 2022 & 30 June 2022
The Branch does not have impaired loans and advances to banks as at 31 Dec 2022 & 30 June 2022

8 Other Assets Overdue and Repossessed Assets

The Branch does not have any overdue other assets and repossessed assets as at 31 Dec 2022 & 30 June 2022

Credit Suisse AG
Hong Kong Branch
Notes to the Financial Statements

9 International claims

International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk and by types of counterparties. The basis of geographical segments and individual countries is in accordance with the definitions set out in the banking return of "Return of International Banking Statistics" issued by the HKMA. Geographical segments and individual countries constituting 10% or more of the aggregate international claims are summarized as follows:

(HKD million)

	31 Dec 2022					
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed Countries	66,985	-	177	198	-	67,360
of which Switzerland	66,421	-	140	5	-	66,566
Offshore Centres	14,089	411	33	23,635	-	38,168
of which British Virgin Islands *	-	-	-	10,056	-	10,056
of which Hong Kong *	70	411	2	8,381	-	8,864
of which Singapore	14,019	-	10	504	-	14,533

(HKD million)

	30 Jun 2022					
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed Countries	65,137	58	598	3,751	-	69,544
of which Switzerland	62,520	-	565	3,559	-	66,644
Offshore Centres	19,606	431	115	35,146	-	55,298
of which British Virgin Islands	-	-	3	16,035	-	16,038
of which Hong Kong	139	431	4	12,780	-	13,354
of which Singapore	19,467	-	68	616	-	20,151

The above country/geographical segment classification is based on the head office location of the counterparties and is derived according to the location of the counterparties after taking into account of any risk transfer.

* Geographical segments and individual countries constituting less than 10% of the of the aggregate international claims are presented for comparative purpose only.

10 Mainland Activities Disclosures

Non-bank counterparties are identified in accordance with the definitions set out in the banking return of 'Return of Mainland Activities' issued by the HKMA. Exposures in Mainland China arising from non-bank counterparties are summarized as follows:

(HKD million)	31 Dec 2022				30 Jun 2022			
	On-balance sheet exposure	Off-balance sheet exposure	Total	Specific provision	On-balance sheet exposure	Off-balance sheet exposure	Total	Specific provision
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	411	-	411	-	431	-	431	-
Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-	-	-	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	7,117	89	7,206	-	8,787	236	9,003	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	728	3	731	-	913	14	927	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	216	1	217	-	378	3	381	-
Total	8,472	93	8,565	-	10,489	263	10,742	-
Total assets after provision	119,252				138,957			
On-balance sheet exposures as percentage of total assets	7.10%				7.55%			

11 Foreign currency exposures

Foreign currency constituting 10% or more of the total net position in all foreign currencies are summarized as follows:

(HKD million)	31 Dec 2022					
	US dollars	*Euro	Chinese Renminbi	Swiss Franc	Indonesian Rupiah	Total
Spot assets	80,521	3,529	2,239	2,829	18	89,136
Spot liabilities	(80,561)	(3,528)	(2,260)	(2,808)	(4)	(89,161)
Forward purchases	2,836	278	185	187	-	3,486
Forward sales	(2,810)	(278)	(178)	(219)	-	(3,485)
Net options positions	-	-	-	-	-	-
Net long (short) position	(14)	1	(14)	(11)	14	(24)
Net structural position	51	-	-	-	-	51
(HKD million)	30 Jun 2022					
	US dollars	Euro	Chinese Renminbi	Swiss Franc	Indonesian Rupiah	Total
Spot assets	79,100	4,704	6,162	1,626	152	91,744
Spot liabilities	(79,164)	(4,702)	(6,183)	(1,604)	(138)	(91,791)
Forward purchases	3,895	1,149	840	261	-	6,145
Forward sales	(3,827)	(1,150)	(840)	(304)	-	(6,121)
Net options positions	-	-	-	-	-	-
Net long (short) position	4	1	(21)	(21)	14	(23)
Net structural position	47	-	-	-	-	47

Internal reporting method is adopted as basis of calculating the net options positions.

* The foreign currency which constitutes less than 10% of the total net position in all foreign currencies is presented for comparative purpose only.

Credit Suisse AG
Hong Kong Branch
Off Balance Sheet Exposures

31 Dec 2022 30 June 2022
HKD'000 HKD'000

12 Contingent liabilities and commitments
(contractual amounts)

Direct credit substitutes	3,899	5,990
Other commitments	234,834,352	256,413,548

13 Derivatives instruments
(HKD '000)

	31 Dec 2022			30 Jun 2022		
	Fair Value		Total Notional Amount	Fair Value		Total Notional Amount
	Positive	Negative		Positive	Negative	
Exchange rate contracts (exclude forward foreign exchange contracts arising from swap deposit arrangements)	203,927	202,787	23,975,938	251,644	250,078	28,678,559
Equity contracts	1,223,870	1,220,272	22,653,856	2,470,584	2,469,759	32,571,227
Precious metals including gold contracts	61,677	62,132	4,993,552	38,507	38,221	6,698,766

**Credit Suisse AG
Hong Kong Branch
Liquidity Information**

Liquidity management

Our liquidity and funding strategy is approved by the Credit Suisse Group's (CS) Capital Allocation and Liability Management Committee (Group CALMC) and overseen by the Board of Directors (Board). The implementation and execution of the liquidity and funding strategy is managed by Treasury. The global liquidity group within Treasury centralizes control of liability and collateral management with the aim of optimizing our liquidity sourcing, funding costs and high-quality liquid assets (HQLA) portfolio. Treasury ensures adherence to our funding policy and the global liquidity group is focused on the efficient coordination of the short-term unsecured and secured funding desks. This approach enhances our ability to manage potential liquidity and funding risks and to promptly adjust our liquidity and funding levels to meet stress situations. Our liquidity and funding profile is regularly reported to Group CALMC and the Board, who define our risk tolerance, including liquidity risk, and set parameters for the balance sheet and funding usage of our businesses. The Board is responsible for defining our overall risk tolerance in the form of a risk appetite statement.

CS AG Hong Kong Branch (The Branch)'s liquidity and funding profiles reflect the strategy and risk appetites of the Branch and are driven by business activity levels and the overall operating environment.

Liquidity risk management

Our approach to liquidity risk management

The Branch's liquidity and funding policy is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events or issues specific to CS. To address short-term liquidity stress, we maintain a liquidity pool, as described below, that covers unexpected outflows in the event of severe market and/or idiosyncratic stress. Our liquidity risk parameters reflect various liquidity stress assumptions. We manage our liquidity profile at a sufficient level such that, in the event we are unable to access unsecured funding, we expect to have sufficient liquidity to sustain operations for a period of time in excess of our minimum limit. This includes potential currency mismatches, which are not deemed to be a major risk but are monitored and subject to limits, particularly in the significant currencies.

The Liquidity Coverage Ratio (LCR) aims to ensure that banks have unencumbered high quality liquid assets (HQLA) available to meet short-term liquidity needs under a severe stress scenario. The LCR is comprised of two components, the value of HQLA in stressed conditions and the total net cash outflows calculated according to specified scenario parameters. The Net Stable Funding Ratio (NSFR) establishes the criteria for a minimum amount of stable funding based on the liquidity of a bank's on- and off-balance sheet activities over a one-year horizon. The NSFR is a complementary measure to the LCR and is structured to ensure that illiquid assets are funded with an appropriate amount of stable long-term funds.

The Branch adopts LCR and NSFR as primary tools, in parallel with the internal liquidity barometer, to monitor our liquidity position and plan funding. The Branch uses the internal liquidity barometer to manage liquidity to internal targets and as a basis to model CS specific and market-wide stress scenarios, as well as a combination of both and their impact on liquidity and funding. The internal barometer framework supports the management of the funding structure. It allows the Branch to manage the time horizon over which the stressed market value of unencumbered assets (including cash) exceeds the aggregate value of contractual outflows of unsecured liabilities plus a conservative forecast of anticipated contingent commitments. The internal barometer framework also enables the Branch to manage liquidity to a desired profile under a CS specific or market wide stress or a combination of both that allows the Branch to continue business activities for a period of time (also known as a liquidity horizon) without changing business plans. Under this framework, the Branch also has short-term targets based on additional stress scenarios to ensure uninterrupted liquidity for short time frames.

The Branch's overall liquidity management framework allows the Branch to run stress analyses on its balance sheet and off-balance sheet positions, which include significant withdrawals from private banking client deposits, reduction in funding value of unencumbered assets and other scenarios as deemed necessary from time to time.

Liquidity issues in the fourth quarter of 2022

During early fourth quarter of 2022, CS including the Branch began experiencing significantly higher withdrawals of cash deposits as well as non-renewal of maturing time deposits. However, as the quarter progressed, these outflows stabilized to much lower levels but had not yet reversed by year end. The core requirements of the LCR and the NSFR of the Branch were still maintained at all times.

Governance

Funding and liquidity in the Branch are managed centrally by Treasury. Oversight of these activities is provided by the Hong Kong Branch Governance Committee (HK BGC), the main governance body of the Branch, a committee that includes the HK Branch Chief Executive (CE), HK Branch Alternate Chief Executive (ACE), HKMA Managers (in accordance with section 72B of the Banking Ordinance), which includes HK Branch Chief Risk Officer (CRO), and Treasurer. The Branch's liquidity and funding profiles are regularly reported to the HK BGC. HK Branch Capital Allocation and Risk Management Committee (HKB CARMC), a sub-committee of HK BGC, has the delegated powers to manage all risk related issues.

HKB CARMC has the responsibility to review the liquidity risk management strategy to allow for effective execution, planning, monitoring and management of liquidity. HKB CARMC is also responsible for defining the overall risk tolerance in the form of a risk appetite, regularly reviewing the risk appetite within the liquidity risk management framework. Locally, the Branch's risk appetite is aligned to the Group risk appetite and shares the core strategic risk objectives. All liquidity stress tests are coordinated and overseen by the HKB CARMC to ensure a consistent and coordinated approach across all risk disciplines.

Contingency funding planning

In the event of a liquidity crisis, the Branch has implemented a standalone Contingency Funding Plan (CFP) which provides for specific actions to be taken depending on the nature of the crisis. The plan is designed to address ever-increasing liquidity and funding stresses and has pre-defined escalation levels aimed at maximizing the likelihood that the Branch can take certain measures to address liquidity or funding shortfalls. In order to identify a deteriorating liquidity situation, the Branch monitors a set of regulatory and economic liquidity metrics while also seeking the views of subject matter experts as well as senior management, who retain at all times the authority to take remedial actions promptly. In all cases, the plan's primary objectives are to strengthen liquidity (immediate), reduce funding needs (medium term) and assess recovery options (longer term).

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics

Liquidity pool

The Branch holds a pool of HQLA as defined under Schedule 2 of the Banking (Liquidity) Rules (BLR) with a majority of HQLA consisting of Level 1 assets, predominantly in government debt securities.

The following liquidity disclosure complies with the Banking (Disclosure) Rules (BDR) made under section 60A of the Banking Ordinance.

Pursuant to the BLR, the Branch is required to maintain LCR of not less than 100% effective from 1 January 2019.

The average LCR for the period is as follows:

Quarter ended (%)	
31 Dec 2022	31 Dec 2021
193.41%	229.93%

Average LCR

Average LCR is the simple average value of all working days in the quarter.

The average LCR decreased from 229.93% for the quarter ended 31 Dec 2021 to 193.41% for the quarter ended 31 Dec 2022 primarily due to a decrease in HQLA.

The following table sets out the required disclosure items under Standard Disclosure Templates as specified by the HKMA. The number of data points used in calculating the average value of the LCR and related components for quarters ended 31 Dec 2022 and 31 Dec 2021 are 62. The number of data points equates to the number of working days in the quarter.

LIQ1 - Liquidity Coverage Ratio for category 1 institution

Amount in HKD\$ '000	Quarter ended 31 Dec 2022 (62 data points)		Quarter ended 31 Dec 2021 (62 data points)	
	Unweighted value (average)	Weighted value (average)	Unweighted value (average)	Weighted value (average)
Basis of disclosure: Hong Kong office basis				
A. HIGH QUALITY LIQUID ASSETS				
1 Total high quality liquid assets (HQLA)		17,862,531		23,533,046
B. CASH OUTFLOWS				
2 Retail deposits and small business funding, of which:	21,350,169	2,135,017	36,114,062	3,611,406
3 Stable retail deposits and stable small business funding	-	-	-	-
4 Less stable retail deposits and less stable small business funding	21,350,169	2,135,017	36,114,062	3,611,406
4a Retail term deposits and small business term funding	-	-	-	-
5 Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the FI, of which:	45,820,365	30,360,053	62,227,285	28,102,836
6 Operational deposits	-	-	-	-
7 Unsecured wholesale funding (other than small business funding) not covered in Row 6	45,820,365	30,360,053	62,227,285	28,102,836
8 Debt securities and prescribed instruments issued by the FI and redeemable within the LCR period	-	-	-	-
9 Secured funding transactions (including securities swap transactions)				
10 Additional requirements, of which:	3,236,924	2,864,207	7,622,957	7,237,609
11 Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	1,919,869	1,919,869	4,783,735	4,783,735
12 Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	-	-	-	-
13 Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	1,317,055	944,338	2,839,222	2,453,874
14 Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	1,810,659	1,810,659	2,050,810	2,050,810
15 Other contingent funding obligations (whether contractual or non-contractual)	239,965,435	587	251,266,184	1,072
16 TOTAL CASH OUTFLOWS		37,170,523		41,003,733
C. CASH INFLOWS				
17 Secured lending transactions (including securities swap transactions)	15,145,796	26,882	20,670,532	34,691
18 Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	48,334,508	32,763,243	85,964,817	60,432,273
19 Other cash inflows	3,906,054	3,289,859	7,167,176	6,408,683
20 TOTAL CASH INFLOWS	67,386,358	36,079,984	113,802,525	66,875,647
D. LIQUIDITY COVERAGE RATIO		Adjusted value		Adjusted value
21 TOTAL HQLA		17,862,531		23,533,046
22 TOTAL NET CASH OUTFLOWS		9,292,630		10,250,933
23 LCR (%)		193.41%		229.93%

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

Net Stable Funding Ratio

The Branch is required to maintain a NSFR of not less than 100%. The NSFR, Available Stable Funding (ASF) and Required Stable Funding (RSF) for the periods are as follows:

	Quarter ended (%)	
	31 Dec 2022	31 Dec 2021
NSFR	145.75%	163.26%
	Quarter ended (HKD million)	
	31 Dec 2022	31 Dec 2021
ASF	55,282	65,818
RSF	37,928	40,313

NSFR decreased from 163.26% on 31 Dec 2021 to 145.75% on 31 Dec 2022 driven by a decrease in available stable funding primarily arising from decrease in customer deposits.

The following table sets out the required disclosure items under NSFR Standard Disclosure Template as specified by the HKMA.

LIO2 - Net stable funding ratio for category 1 institution

Amount in HKD\$ '000		Quarter ended 31 Dec 2022				Weighted amount
		Unweighted value by residual maturity				
Basis of disclosure: Hong Kong office		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	19,749,878	-	-	17,774,890
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	19,749,878	-	-	17,774,890
7	Wholesale funding:	-	60,947,162	9,436,063	22,583,519	37,486,683
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	60,947,162	9,436,063	22,583,519	37,486,683
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	4,000,886	1,164,070	2,858	86,242	20,672
12	Net derivative liabilities	13,800	-	-	-	-
13	All other funding and liabilities not included in the above categories	3,987,086	1,164,070	2,858	86,242	20,672
14	Total ASF					55,282,245
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes	-	-	-	3,122,607	-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	115,738	86,968,983	22,964,072	2,589,010	37,444,650
18	Performing loans to financial institutions secured by Level 1 HQLA	-	13,831,999	-	-	1,383,200
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	41,658,595	22,806,764	1,949,300	19,601,471
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	115,738	31,402,655	157,308	639,710	16,422,113
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	75,734	-	-	37,866
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	1,600,384	1,906,245	-	52,138	422,297
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	Net derivative assets	-	-	-	-	-
30	Total derivative liabilities before deduction of variation margin posted	1,503,274	-	-	-	75,164
31	All other assets not included in the above categories	97,110	1,906,245	-	52,138	347,133
32	Off-balance sheet items	-	-	-	235,674,579	61,309
33	Total RSF					37,928,256
34	Net Stable Funding Ratio (%)					145.75%

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

LIQ2 - Net stable funding ratio for category 1 institution - continued

HK\$'000	Quarter ended 30 Sept 2022					Weighted amount
	Unweighted value by residual maturity					
Basis of disclosure: Hong Kong office	No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more		
A. Available stable funding ("ASF") item						
1 Capital:	-	-	-	-	-	-
2 <i>Regulatory capital</i>	-	-	-	-	-	-
2a <i>Minority interests not covered by row 2</i>	-	-	-	-	-	-
3 <i>Other capital instruments</i>	-	-	-	-	-	-
4 Retail deposits and small business funding:	-	36,532,163	-	-	-	32,878,947
5 <i>Stable deposits</i>	-	-	-	-	-	-
6 <i>Less stable deposits</i>	-	36,532,163	-	-	-	32,878,947
7 Wholesale funding:	-	78,073,045	6,784,177	830,538	-	33,283,321
8 <i>Operational deposits</i>	-	-	-	-	-	-
9 <i>Other wholesale funding</i>	-	78,073,045	6,784,177	830,538	-	33,283,321
10 Liabilities with matching interdependent assets	-	-	-	-	-	-
11 Other liabilities:	4,136,752	3,054,087	64,490	61,083	-	3,383
12 <i>Net derivative liabilities</i>	19,550	-	-	-	-	-
13 <i>All other funding and liabilities not included in the above categories</i>	4,117,202	3,054,087	64,490	61,083	-	3,383
14 Total ASF						66,165,651
B. Required stable funding ("RSF") item						
15 Total HQLA for NSFR purposes	-	-	-	2,763,762	-	-
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-
17 Performing loans and securities:	153,982	113,766,301	4,531,284	4,648,297	-	36,853,092
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	16,971,856	-	-	-	1,697,186
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	34	57,650,401	4,463,159	3,924,925	-	14,804,099
20 <i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	153,948	39,068,883	68,125	723,372	-	20,314,227
21 <i>With a risk-weight of less than or equal to 35% under the STC approach</i>	-	-	-	-	-	-
22 <i>Performing residential mortgages, of which:</i>	-	75,161	-	-	-	37,580
23 <i>With a risk-weight of less than or equal to 35% under the STC approach</i>	-	-	-	-	-	-
24 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	-	-	-	-	-	-
25 Assets with matching interdependent liabilities	-	-	-	-	-	-
26 Other assets:	3,294,716	3,432,314	-	39,395	-	624,314
27 <i>Physical traded commodities, including gold</i>	-	-	-	-	-	-
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	-	-	-	-	-	-
29 <i>Net derivative assets</i>	-	-	-	-	-	-
30 <i>Total derivative liabilities before deduction of variation margin posted</i>	3,156,477	-	-	-	-	157,824
31 <i>All other assets not included in the above categories</i>	138,239	3,432,314	-	39,395	-	466,490
32 Off-balance sheet items	-	-	-	248,663,366	-	77,825
33 Total RSF						37,555,231
34 Net Stable Funding Ratio (%)						176.18%

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

LIC2 - Net stable funding ratio for category 1 institution - continued

HK\$'000		Quarter ended 31 Dec 2021				Weighted amount
		Unweighted value by residual maturity				
Basis of disclosure: Hong Kong office		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	35,599,794	-	-	32,039,815
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	35,599,794	-	-	32,039,815
7	Wholesale funding:	-	80,863,966	4,147,488	894,185	33,774,487
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	80,863,966	4,147,488	894,185	33,774,487
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	3,860,472	1,274,424	5,332	103,924	3,298
12	Net derivative liabilities	12,405	-	-	-	-
13	All other funding and liabilities not included in the above categories	3,848,067	1,274,424	5,332	103,924	3,298
14	Total ASF					65,817,600
B. Required stable funding ("RSF") item						
15	Total HOLA for NSFR purposes	-	-	-	2,018,302	103,692
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	868,402	117,864,664	1,605,703	3,084,560	39,558,929
18	Performing loans to financial institutions secured by Level 1 HOLA	-	18,487,072	-	-	1,848,707
19	Performing loans to financial institutions secured by non-Level 1 HOLA and unsecured performing loans to financial institutions	-	46,118,409	208,336	-	7,021,929
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	868,402	53,202,583	1,397,367	3,084,560	30,659,993
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	56,600	-	-	28,300
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HOLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	3,848,090	1,187,777	-	81,269	508,191
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	Net derivative assets	-	-	-	-	-
30	Total derivative liabilities before deduction of variation margin posted	3,804,481	-	-	-	190,224
31	All other assets not included in the above categories	43,609	1,187,777	-	81,269	317,967
32	Off-balance sheet items	-	-	-	254,324,404	142,686
33	Total RSF					40,313,498
34	Net Stable Funding Ratio (%)					163.26%

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

LIQ2 - Net stable funding ratio for category 1 institution - continued

HK\$'000		Quarter ended 30 Sept 2021				Weighted amount
		Unweighted value by residual maturity				
Basis of disclosure: Hong Kong office		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	36,921,012	-	-	33,228,911
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	36,921,012	-	-	33,228,911
7	Wholesale funding:	-	90,024,245	4,564,528	11,808,971	47,460,721
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	90,024,245	4,564,528	11,808,971	47,460,721
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	3,845,885	2,330,775	111,862	98,672	9,457
12	Net derivative liabilities	20,210	-	-	-	-
13	All other funding and liabilities not included in the above categories	3,825,675	2,330,775	111,862	98,672	9,457
14	Total ASF					80,699,089
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				2,711,732	136,280
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	185,214	128,014,791	13,095,955	3,104,458	48,336,654
18	Performing loans to financial institutions secured by Level 1 HQLA	-	22,041,104	-	-	2,204,110
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	491	46,281,633	11,495,694	-	12,690,583
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	184,723	59,604,768	1,600,261	3,104,458	33,398,318
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	87,286	-	-	43,643
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	5,341,494	2,567,268	-	-	638,942
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	Net derivative assets	-	-	-	-	-
30	Total derivative liabilities before deduction of variation margin posted	5,297,269	-	-	-	264,863
31	All other assets not included in the above categories	44,225	2,567,268	-	-	374,079
32	Off-balance sheet items	-	-	-	252,750,271	146,093
33	Total RSF					49,257,969
34	Net Stable Funding Ratio (%)					163.83%

**Credit Suisse AG
Hong Kong Branch
Liquidity Information**

Funding management

Treasury is responsible for the development, execution and regular updating of the funding plan. The plan reflects projected business growth, development of the balance sheet, future funding needs and maturity profiles as well as the effects of changing market and regulatory conditions.

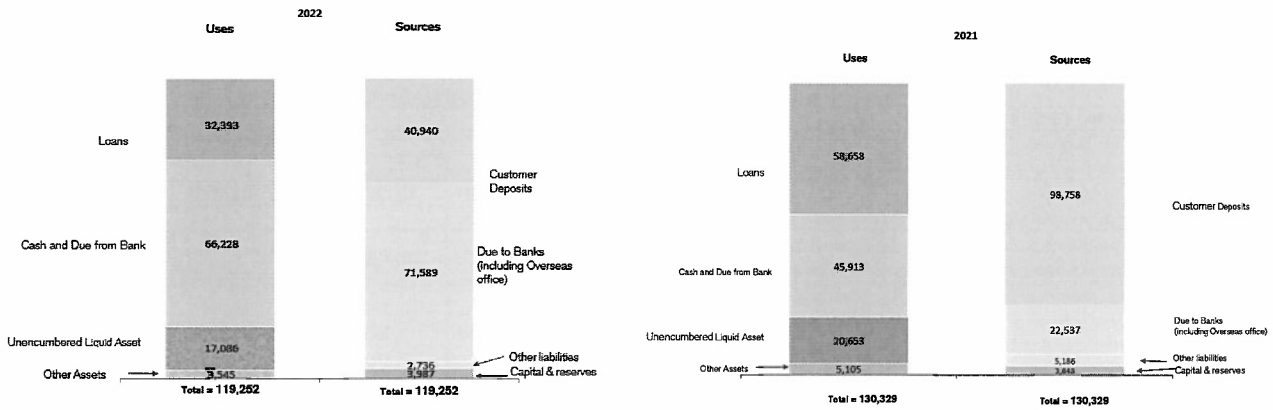
The Branch funds its balance sheet primarily through core customer deposits and affiliate borrowings. The Branch monitors the funding sources, including their concentrations against certain limits, according to their counterparty, currency and tenor.

Funding sources

The Branch holds a pool of HOLA as defined under Schedule 2 of the BLR with a majority of HOLA consisting of Level 1 assets, predominantly in government debt securities. The risk control framework aims to ensure the appropriate amount of liquidity is set aside locally whilst ensuring a sufficient amount of liquidity is held at Group level to support and meet its obligations.

Customer loans are primarily funded by private banking customers' deposits. In addition, the Branch is able to source additional funding, in the appropriate currency, from affiliates of the Group to meet its requirement. The positive funding gap is deployed towards reverse repurchase agreements to source HOLA and also outright purchases of HOLA, with excess funding placed back with Group affiliates. The following graphs provides the Branch's funding sources and uses.

Branch's funding sources and uses (HKD'million)



Unencumbered Liquid Asset includes readily monetizable debt securities held and amounts receivable from reverse repo.

Funds transfer pricing

The Group maintains an internal funds transfer pricing system based on market rates. The funds transfer pricing system is designed to allocate to businesses all funding costs in a way that incentivizes their efficient use of funding. The funds transfer pricing system is an essential tool that allocates to the businesses the short-term and long-term costs of funding their balance sheet usages and off-balance sheet contingencies. The funds transfer pricing framework ensures full funding costs allocation under normal business conditions, but it is of even greater importance in a stressed capital markets environment where raising funds is more challenging and expensive. Under this framework, businesses are also credited to the extent they provide long-term stable funding.

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Funding management (Continued)

Contractual maturity banding of assets and liabilities

The following tables provide contractual maturities of the assets and liabilities as at the end of each period.

At 31 Dec 2022 (HKD million)	On demand	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Balancing amount	Total
Assets							
Amount receivable arising from securities financing transactions (other than securities swap transactions)	13,830	189	-	-	-	-	14,019
Amount receivable arising from derivative contracts	68	51	877	439	55	-	1,490
Due from MA for a/c of Exchange Fund	55	-	-	-	-	-	55
Due from overseas central banks	1	-	-	-	-	-	1
Due from banks	5,667	9,277	23,079	26,200	1,949	-	66,172
Readily monetizable debt securities held (net of short positions)	3,067	-	-	-	-	-	3,067
Loans and advances to non-bank customers	5,131	23,632	2,745	245	640	-	32,393
Other assets	96	1,597	213	-	52	97	2,055
Total assets	27,915	34,746	26,914	26,884	2,696	97	119,252
Off Balance Sheet Claims	641	1,709	47	-	-	6,819	9,216
Liabilities							
Deposits from non-bank customers	19,549	8,260	8,309	4,822	-	-	40,940
Amount payable arising from derivative contracts	68	59	878	445	55	-	1,505
Due to banks	17,344	4,933	16,018	10,711	22,443	140	71,589
Other liabilities	393	605	115	52	66	-	1,231
Capital and reserves	-	-	-	-	-	3,987	3,987
Total liabilities including capital and reserves	37,354	13,857	25,320	16,030	22,564	4,127	119,252
Off Balance Sheet Obligations	1,170	1,880	567	9	1	6,819	10,446
Net liquidity gaps	(9,968)	20,718	1,074	10,845	(19,869)	(4,030)	(1,230)

At 31 Dec 2021 (HKD million)	On demand	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Balancing amount	Total
Assets							
Amount receivable arising from securities financing transactions (other than securities swap transactions)	18,487	228	-	-	-	-	18,715
Amount receivable arising from derivative contracts	55	200	404	898	2,234	1	3,792
Due from MA for a/c of Exchange Fund	79	-	-	-	-	-	79
Due from overseas central banks	1	-	-	-	-	-	1
Due from banks	11,339	22,551	10,699	1,244	-	-	45,833
Readily monetizable debt securities held (net of short positions)	1,938	-	-	-	-	-	1,938
Loans and advances to non-bank customers	5,732	42,038	5,936	1,867	3,085	-	58,658
Other assets	89	822	277	-	81	44	1,313
Total assets	37,720	65,839	17,316	4,009	5,400	45	130,329
Off Balance Sheet Claims	8	3,663	263	-	-	18,573	22,507
Liabilities							
Deposits from non-bank customers	72,153	12,624	11,394	2,587	-	-	98,758
Amount payable arising from derivative contracts	53	198	407	913	2,233	-	3,804
Due to banks	600	2,401	14,560	4,082	754	140	22,537
Other liabilities	344	583	226	128	101	-	1,382
Capital and reserves	-	-	-	-	-	3,848	3,848
Total liabilities including capital and reserves	73,150	15,806	26,587	7,710	3,088	3,988	130,329
Off Balance Sheet Obligations	637	5,692	458	12	-	18,573	25,372
Net liquidity gaps	(36,059)	48,004	(9,466)	(3,713)	2,312	(3,943)	(2,865)

Credit Suisse Group AG
Consolidated Financial Information

	31 Dec 2022	30 Jun 2022
Capital adequacy ratio (Note 1)		
Common Equity Tier 1 ratio	14.1%	13.5%
Tier 1 ratio	20.0%	19.2%
Total capital ratio	20.0%	19.4%
	CHF million	CHF million
Total shareholders' equity	45,129	45,842
Other financial information		
Balance sheet :		
Total assets	531,358	727,365
Total liabilities	486,027	681,299
Loans net of allowance for loan losses	264,165	285,573
Total customer deposits	233,235	389,484
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	CHF million	CHF million
Profit and Loss :		
Pre-tax (loss)/profit from continuing operations for the financial period	(3,258)	(600)

Note :

- (1) The capital adequacy ratio is computed in accordance with the Basel Capital Accord.
- (2) For further details on Credit Suisse Group AG financial information, please refer to the Credit Suisse Group AG 2022 Annual Report at www.credit-suisse.com.

Credit Suisse AG
Hong Kong Branch

Chief Executive's Declaration of Compliance

It is certified by the Chief Executive of Credit Suisse AG Hong Kong Branch that the information disclosed above is in compliance with the Banking (Disclosure) rules and the disclosure standards of the Supervisory Policy Manual – "Guideline on the Application of the Banking (Disclosure) Rules" issued by the Hong Kong Monetary Authority.



Benjamin Cavalli
Chief Executive, Credit Suisse AG Hong Kong Branch

111