

Credit Suisse AG

Hong Kong Branch

Quarterly Liquidity Information Disclosure Statement

As at 31 March 2021

**Credit Suisse AG
Hong Kong Branch**

Liquidity Information Disclosure Statement

The Liquidity Disclosure Statement complies with the Banking (Disclosure) Rules (BDR) made under section 60A of the Banking Ordinance.

Basis of preparation

The approaches used in calculating the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are in accordance with the Banking Liquidity Rules (BLR).

During 2021, Credit Suisse AG Hong Kong Branch (the Branch) is required to maintain LCR of not less than 100%.

The average LCR for the periods are as follow:

	Quarter ended (%)	
	31 Mar 2021	31 Dec 2020
Average LCR	163.50%	164.44%

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

The NSFR, Available Stable Funding (ASF) and Required Stable Funding (RSF) for the periods are as follow:

	Quarter ended (%)	
	31 Mar 2021	31 Dec 2020
NSFR	138.78%	139.63%

	Quarter ended (HKD million)	
	31 Mar 2021	31 Dec 2020
ASF	80,272	75,315
RSF	57,842	53,940

Accompanying narrative

The liquidity position of the Branch remained stable and healthy. The average LCR were 163.50% and 164.44% at end of 1Q2021 and 4Q2020 respectively. The NSFR were 138.78% and 139.63% for the quarters ended 31 March 2021 and 31 December 2020 respectively.

The Branch holds a pool of high quality liquid assets (HQLA) as defined under Schedule 2 of the BLR. The majority of the HQLA held by the Branch are Level 1 assets, predominantly in government debt securities.

Private banking customers' deposit remains as one of the major funding sources for the Branch. In addition, the Branch is able to source additional funding, in the appropriate currency, from affiliates of Credit Suisse Group AG (the Group) to meet its requirement.

The average LCR decreased from 164.44% for the quarter ended 31 Dec 2020 to 163.50% for the quarter ended 31 Mar 2021 mainly driven by a decrease in the pool of HQLA.

The Branch, being one of the branches of the Group monitors and manages liquidity risk on a standalone basis. 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.

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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 Mar 2021 and 31 Dec 2020 are both 61. 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 Mar 2021 (61 data points)		Quarter ended 31 Dec 2020 (61 data points)	
	Unweighted value (average)	Weighted value (average)	Unweighted amount (average)	Weighted amount (average)
Basis of disclosure: Hong Kong office basis				
A. HIGH QUALITY LIQUID ASSETS				
1 Total high quality liquid assets (HQLA)		27,343,912		27,492,535
B. CASH OUTFLOWS				
2 Retail deposits and small business funding, of which:	39,915,786	3,991,566	39,332,608	3,933,261
3 Stable retail deposits and stable small business funding	-	-	-	-
4 Less stable retail deposits and less stable small business funding	39,915,543	3,991,554	39,332,608	3,933,261
4a Retail term deposits and small business term funding	243	12	-	-
5 Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the FI, of which:	81,249,956	52,296,776	83,731,304	53,722,548
6 Operational deposits	-	-	-	-
7 Unsecured wholesale funding (other than small business funding) not covered in Row 6	81,249,956	52,296,776	83,731,304	53,722,548
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:	5,692,850	5,548,487	5,642,220	5,599,933
11 Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	2,356,276	2,356,276	2,514,965	2,514,965
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)	3,336,574	3,192,211	3,127,255	3,084,968
14 Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	5,113,924	5,113,924	3,688,915	3,688,915
15 Other contingent funding obligations (whether contractual or non-contractual)	243,933,380	1,083	243,666,866	1,054
16 TOTAL CASH OUTFLOWS		66,951,836		66,945,711
C. CASH INFLOWS				
17 Secured lending transactions (including securities swap transactions)	24,236,367	27,397	23,879,025	14,907
18 Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	101,383,461	70,173,434	103,516,155	73,438,342
19 Other cash inflows	7,373,607	5,686,983	6,163,928	4,909,879
20 TOTAL CASH INFLOWS	132,993,435	75,887,814	133,559,108	78,363,128
D. LIQUIDITY COVERAGE RATIO				
21 TOTAL HQLA		Adjusted value 27,343,912		Adjusted value 27,492,535
22 TOTAL NET CASH OUTFLOWS		16,737,959		16,736,427
23 LCR (%)		163.50%		164.44%

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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.

Francois Monnet
Chief Executive, Credit Suisse AG Hong Kong Branch