

Credit Suisse AG

Hong Kong Branch

Quarterly Liquidity Information Disclosure Statement

As at 31 March 2022

**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 2022, 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 2022	31 Dec 2021
Average LCR	196.00%	229.93%

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 2022	31 Dec 2021
NSFR	173.64%	163.26%

	Quarter ended (HKD million)	
	31 Mar 2022	31 Dec 2021
ASF	66,879	65,818
RSF	38,516	40,313

Accompanying narrative

The liquidity position of the Branch remained stable and healthy. The average LCR were 196.00% and 229.93% at end of 1Q2022 and 4Q2021 respectively. The NSFR were 173.64% and 163.26% for the quarters ended 31 March 2022 and 31 December 2021 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 229.93% for the quarter ended 31 Dec 2021 to 196.00% for the quarter ended 31 Mar 2022 mainly driven by a decrease in the pool of HQLA. NSFR increased from 163.26% for the quarter ended 31 Dec 2021 to 173.64% for the quarter ended 31 Mar 2022 mainly driven by a decrease in required stable funding arising from loans and funds provided to retail and wholesale customers.

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 31st Mar 2022 and 31st Dec 2021 are 61 and 62 respectively. 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 31st Mar 2022 (61 data points)		Quarter ended 31st 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)		20,054,154		23,533,046
B. CASH OUTFLOWS				
2 Retail deposits and small business funding, of which:	35,852,477	3,585,248	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	35,852,477	3,585,248	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:	62,070,002	28,576,349	62,227,285	28,102,836
6 Operational deposits	-	-	-	-
7 Unsecured wholesale funding (other than small business funding) not covered in Row 6	62,070,002	28,576,349	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:	6,295,450	5,917,330	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	3,779,320	3,779,320	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)	2,516,130	2,138,010	2,839,222	2,453,874
14 Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	2,979,175	2,979,175	2,050,810	2,050,810
15 Other contingent funding obligations (whether contractual or non-contractual)	251,302,774	872	251,266,184	1,072
16 TOTAL CASH OUTFLOWS		41,058,974		41,003,733
C. CASH INFLOWS				
17 Secured lending transactions (including securities swap transactions)	18,286,814	33,933	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	85,250,837	62,170,316	85,964,817	60,432,273
19 Other cash inflows	6,924,275	5,942,545	7,167,176	6,408,683
20 TOTAL CASH INFLOWS	110,461,926	68,146,794	113,802,525	66,875,647
D. LIQUIDITY COVERAGE RATIO				
21 TOTAL HQLA		Adjusted value 20,054,154		Adjusted value 23,533,046
22 TOTAL NET CASH OUTFLOWS		10,264,743		10,250,933
23 LCR (%)		196.00%		229.93%

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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.

Benjamin Cavalli
Chief Executive, Credit Suisse AG Hong Kong Branch