

Credit Suisse AG

Hong Kong Branch

Quarterly Liquidity Information Disclosure Statement

As at 31 March 2023

**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 2023, 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 2023	31 Dec 2022
Average LCR	226.11%	193.41%

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 2023	31 Dec 2022
NSFR	154.32%	145.75%

	Quarter ended (HKD million)	
	31 Mar 2023	31 Dec 2022
ASF	45,147	55,282
RSF	29,256	37,928

Accompanying narrative

The liquidity position of the Branch remained stable and healthy. The average LCR were 226.11% and 193.41% at end of 1Q2023 and 4Q2022 respectively. The NSFR were 154.32% and 145.75% for the quarters ended 31 March 2023 and 31 December 2022 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.

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 increased from 193.41% for the quarter ended 31 Dec 2022 to 226.11% for the quarter ended 31 Mar 2023 mainly driven by a decrease in net cash outflows from unsecured wholesale funding. NSFR increased from 145.75% for the quarter ended 31 Dec 2022 to 154.32% for the quarter ended 31 Mar 2023 mainly driven by a decrease in required stable funding arising from intercompany loans and loans 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 31 Mar 2023 and 31 Dec 2022 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 31 Mar 2023 (61 data points)		Quarter ended 31 Dec 2022 (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)			16,870,598		17,862,531
B. CASH OUTFLOWS						
2	Retail deposits and small business funding, of which:		22,726,933	2,272,693	21,350,169	2,135,017
3	Stable retail deposits and stable small business funding		-	-	-	-
4	Less stable retail deposits and less stable small business funding		22,726,933	2,272,693	21,350,169	2,135,017
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:		33,516,788	23,397,116	45,820,365	30,360,053
6	Operational deposits		-	-	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in Row 6		33,516,788	23,397,116	45,820,365	30,360,053
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:		3,168,305	2,886,936	3,236,924	2,864,207
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements		2,533,416	2,533,416	1,919,869	1,919,869
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)		634,889	353,520	1,317,055	944,338
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows		1,746,121	1,746,121	1,810,659	1,810,659
15	Other contingent funding obligations (whether contractual or non-contractual)		232,801,993	392	239,965,435	587
16	TOTAL CASH OUTFLOWS			30,303,258		37,170,523
C. CASH INFLOWS						
17	Secured lending transactions (including securities swap transactions)		13,362,678	28,409	15,145,796	26,882
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions		43,805,362	29,984,001	48,334,508	32,763,243
19	Other cash inflows		4,392,019	3,775,481	3,906,054	3,289,859
20	TOTAL CASH INFLOWS		61,560,059	33,787,891	67,386,358	36,079,984
D. LIQUIDITY COVERAGE RATIO						
21	TOTAL HQLA			16,870,598		17,862,531
22	TOTAL NET CASH OUTFLOWS			7,575,815		9,292,630
23	LCR (%)			226.11%		193.41%

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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.

Rickie Chan
Chief Executive, Credit Suisse AG Hong Kong Branch

Credit Suisse AG is incorporated in Switzerland with limited liability.