

Credit Suisse AG

Hong Kong Branch

Quarterly Liquidity Information Disclosure Statement

As at 30 September 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 (%)	
	30 Sep 2022	30 Jun 2022
Average LCR	217.23%	209.09%

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 (%)	
	30 Sep 2022	30 Jun 2022
NSFR	176.18%	156.34%

	Quarter ended (HKD million)	
	30 Sep 2022	30 Jun 2022
ASF	66,166	63,819
RSF	37,555	40,820

Accompanying narrative

The liquidity position of the Branch remained stable and healthy. The average LCR were 217.23% and 209.09% at end of 3Q2022 and 2Q2022 respectively. The NSFR were 176.18% and 156.34% for the quarters ended 30 Sep 2022 and 30 Jun 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.

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 increased from 209.09% for the quarter ended 30 Jun 2022 to 217.23% for the quarter ended 30 Sep 2022 primarily driven by a decrease in unsecured wholesale funding. NSFR increased from 156.34% for the quarter ended 30 Jun 2022 to 176.18% for the quarter ended 30 Sep 2022 mainly driven by increase in available stable funding due to an increase in retail and wholesale customer deposits and decrease in required stable funding arising from decrease in loans 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.

Credit Suisse AG
Hong Kong Branch

Liquidity Information

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 average value of the LCR and its related components for the quarters ended 30 Sep 2022 and 30 Jun 2022 are 64 and 59 data points 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 30 Sep 2022 (64 data points)		Quarter ended 30 Jun 2022 (59 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)			19,418,989
B. CASH OUTFLOWS				
2	Retail deposits and small business funding, of which:		34,774,651	3,477,465
3	Stable retail deposits and stable small business funding		-	-
4	Less stable retail deposits and less stable small business funding		34,774,651	3,477,465
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:		56,435,124	26,546,283
6	Operational deposits		-	-
7	Unsecured wholesale funding (other than small business funding) not covered in Row 6		56,435,124	26,546,283
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:		4,925,944	4,543,342
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements		2,839,197	2,839,197
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)		2,086,747	1,704,145
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows		2,682,419	2,682,419
15	Other contingent funding obligations (whether contractual or non-contractual)		256,163,901	606
16	TOTAL CASH OUTFLOWS			37,250,115
C. CASH INFLOWS				
17	Secured lending transactions (including securities swap transactions)		18,554,664	30,657
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions		71,680,793	51,774,661
19	Other cash inflows		5,662,546	4,665,450
20	TOTAL CASH INFLOWS		95,898,003	56,470,768
D. LIQUIDITY COVERAGE RATIO				
21	TOTAL HQLA			19,418,989
22	TOTAL NET CASH OUTFLOWS			9,312,529
23	LCR (%)			209.09%

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

Credit Suisse AG is incorporated in Switzerland with limited liability.