

Liquidity Coverage Ratio Disclosure Report

For the Quarter Ended September 30, 2021

Credit Suisse Holdings (USA), Inc. - Consolidated

Table of contents

Liquidity Coverage Ratio Disclosures	3
Executive Summary	3
LCR Requirements and Disclosures	3
Main Drivers of the LCR	4
Changes in the LCR over time and causes of such changes	4
Quantitative Disclosures	5
Composition of Eligible HQLA	6
Concentration of Funding Sources	6
Derivative and Currency Exposures	6
Centralized Liquidity Management	7

Liquidity Coverage Ratio Disclosures

Executive Summary

Credit Suisse Group AG (CS or Credit Suisse) is a leading global financial services company that operates across a variety of geographical markets including Europe, the Middle East and Africa, the Americas and Asia Pacific. More details about Credit Suisse can be found in the annual and interim reports available on Credit Suisse's website.

Credit Suisse Holdings (USA), Inc., a Delaware Corporation, is Credit Suisse's designated US intermediate holding company (IHC) (as required by the Federal Reserve's Regulation YY). As a holding company, Credit Suisse Holdings (USA), Inc. does not interact with the external market in any significant manner. Credit Suisse Holdings (USA), Inc. does not employ any staff and is reliant on staff in other entities. Credit Suisse AG (CS AG) owns 100% of the voting stock in Credit Suisse Holdings (USA), Inc. In this report, references to "Credit Suisse Holdings (USA), Inc." refer to the standalone entity, while references to "CSH USA" refer to the entity on a consolidated basis.

The main operating subsidiaries of Credit Suisse Holdings (USA), Inc. are (i) Credit Suisse Securities (USA) LLC, a US broker-dealer registered with the Securities and Exchange Commission (SEC) and a futures commission merchant regulated by the Commodities Futures Trading Commission; (ii) Credit Suisse Capital LLC, a US over-the-counter derivatives dealer registered as such with the SEC; and, (iii) Credit Suisse Management LLC, whose primary purpose is to carry out derivative transactions to hedge positions of US affiliates exclusively with other CS affiliates. Credit Suisse Holdings (USA), Inc. also maintains Credit Suisse (USA), Inc., a holding company that directly or indirectly owns most of the IHC operating entities and provides guarantees to its core subsidiaries, and a servicing entity, Credit Suisse Services (USA) LLC. CSH USA is subject to consolidated regulatory capital requirements pursuant to the Federal Reserve's Regulation YY.

LCR Requirements and Disclosures

The US liquidity coverage ratio (LCR) rule requires covered firms to hold a minimum amount of high-quality liquid assets (HQLA) that can be easily and quickly converted into cash. The ratio of the firm's HQLA to its net cash outflow amount is its LCR. Covered firms must disclose their consolidated LCRs each quarter, based on a 3-month average. Firms also are required to disclose their consolidated HQLA amounts, broken down by HQLA category. Additionally, firms are required to disclose their projected net stressed cash outflow amounts, including retail inflows and retail deposit outflows, derivatives inflows and outflows, and several other measures.

The Federal Reserve's implementation of certain enhanced prudential standards required by section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act and its relevant implementing regulations, requires that an IHC that is Category III Board-regulated institution with less than \$75 billion in weighted short-term wholesale funding (such as CSH USA) adhere to an LCR calibrated at 85% of the full LCR.

Main Drivers of the LCR

HQLA, at \$31.0 billion, and **Total Adjusted Net Cash Outflows**, at \$7.1 billion (described below) are the main drivers of the LCR.

Total Cash Outflow amounts this quarter were principally driven by secured wholesale funding (referred to herein as “secured funding transactions”) and asset exchange outflows, which represent 63% of the LCR cash outflow average weighted amount. Secured funding transactions include repurchase agreements, securities lending transactions and customer shorts.

Total Cash Inflow amounts this quarter were principally driven by secured lending and asset exchange inflows that constituted 81% of the LCR cash inflow average weighted amount. Secured lending transactions include reverse repurchase, securities borrows and margin loan transactions.

Changes in the LCR over time and causes of such changes

CSH USA maintained an average LCR of 439% during the third quarter, which represents a 66 percentage point increase when compared to the second quarter’s average of 373%. The following changes in the LCR numerator and denominator occurred this quarter:

The numerator increased by USD 1.6 billion, from USD 29.4 billion to USD 31.0 billion. This was primarily due to an increase in unencumbered Level 1 HQLA, Treasury and Agency securities held at CSH USA’s broker-dealer entities.

The denominator decreased by USD 0.9 billion, from USD 8.0 billion to USD 7.1 billion. This was primarily due to a reduction in secured financing activity with a commensurate reduction in secured funding related outflows, in addition to a reduction in unsecured funding outflows.

Quantitative Disclosures

07/01/2021 to 09/30/2021
In millions of US dollars

Average Unweighted
Amount

Average Weighted
Amount

High-Quality Liquid Assets

1	Total eligible high-quality liquid assets (HQLA), of which:	31,955	31,008
2	Eligible level 1 liquid assets	25,640	25,640
3	Eligible level 2A liquid assets	6,315	5,368
4	Eligible level 2B liquid assets		

Cash Outflow Amounts

5	Deposit outflow from retail customers and counterparties, of which:	1	0
6	Stable retail deposit outflow		
7	Other retail funding	1	0
8	Brokered deposit outflow		
9	Unsecured wholesale funding outflow, of which:	5,004	5,001
10	Operational deposit outflow		
11	Non-operational funding outflow	1,408	1,405
12	Unsecured debt outflow	3,595	3,595
13	Secured wholesale funding and asset exchange outflow	40,931	20,815
14	Additional outflow requirements, of which:	7,428	6,891
15	Outflow related to derivative exposures and other collateral requirements	6,606	6,447
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	822	443
17	Other contractual funding obligation outflow	289	289
18	Other contingent funding obligations outflow	769	23
19	Total Cash Outflows	54,422	33,019

Cash Inflow Amounts

20	Secured lending and asset exchange cash inflow	73,384	22,059
21	Retail cash inflow	1	0
22	Unsecured wholesale cash inflow	4,581	4,568
23	Other cash inflows, of which:	542	542
24	Net derivative cash inflow	147	147
25	Securities cash inflow	395	395
26	Broker-dealer segregated account inflow		
27	Other cash inflow		
28	Total Cash Inflows	78,507	27,170

Average Amount¹

29	HQLA Amount		31,008
30	Total Net Cash Outflow Amount Excluding the Maturity Mismatch Add-on		8,279
31	Maturity Mismatch Add-on		65
32	Total Unadjusted Net Cash Outflow Amount		8,344
33	Outflow Adjustment Percentage		85%
34	Total Adjusted Net Cash Outflow Amount		7,092
35	Liquidity Coverage Ratio (%)		439%

1 - The amounts reported in this column may not equal the calculation of those amounts using component amounts reported in rows 1-28 due to technical factors such as the application of the level 2 liquid asset caps and the total inflow cap.

Composition of Eligible HQLA

CSH USA's eligible HQLA is comprised primarily of Level 1 liquid assets, which include US Treasury securities and securities issued or guaranteed by a US government agency, whose obligations are explicitly guaranteed by the full faith and credit of the US government. CSH USA's Level 2A liquid assets primarily include qualifying US government-sponsored enterprise securities; CSH USA holds no Level 2B liquid assets as part of its HQLA as of the reporting date. CSH USA's combined Level 2 liquid assets are below the 40% cap for such assets under the LCR rules.

High Quality Liquid Assets in millions of US dollars	Average Unweighted Amount	Average Weighted Amount
Level 1	25,640	25,640
Level 2A	6,315	5,368
Level 2B	-	-
Total	31,955	31,008

Concentration of Funding Sources

CSH USA funds itself through unsecured debt across a range of tenors and equity capital provided directly or indirectly by affiliates, including (a) CS, which offers long-term debt securities for funding and capital purposes; and, (b) CS AG, an operating subsidiary of CS and a US registrant, which issues short and medium-term debt securities for funding diversification.

CSH USA, through its broker-dealer entities, funds itself on a secured basis by entering into secured funding and asset exchange transactions with third parties and affiliates, including CS AG.

Derivative and Currency Exposures

Derivative exposures within CSH USA result primarily from exchange-traded and over-the-counter transactions with affiliates, Financial Market Utilities (FMUs) and other third parties, that are entered into to manage risk across CSH USA and its affiliates. CSH USA's potential for derivative collateral calls is primarily a function of asymmetries in timing or the manner of margin calculation between the FMUs/third parties and CS affiliates. Relating to currency exposures, the vast majority of CSH USA's assets and liabilities are based in US dollars and, as a result, CSH USA does not have significant currency exposure.

Centralized Liquidity Management

The implementation and execution of Credit Suisse's liquidity and funding strategy is managed within the division of the Chief Financial Officer by Treasury and CS's Global Liquidity Group. The global liquidity group was established to centralize control of liability and collateral management with the aim of optimizing liquidity sourcing, funding costs and the HQLA portfolio on behalf of Treasury. Treasury ensures adherence to CS's funding policy, while the global liquidity group is focused on the efficient coordination of the short-term unsecured and secured funding desks. This liquidity and funding approach enhances CS's ability to manage potential liquidity and funding risks and promptly to adjust its liquidity and funding levels to meet stress situations. The Risk Committee of the Board of Directors of Credit Suisse Holdings (USA), Inc. (Risk Committee) oversees liquidity risk management pursuant to the Federal Reserve's Regulation YY and reviews and approves board-level liquidity risk limits in coordination with local governance and the second line of defense. The second line of defense for liquidity is executed by Treasury & Liquidity Risk Management (TLRM), which is part of the Chief Risk Officer function. TLRM oversees the management of liquidity risks by Treasury, the global liquidity group and the business divisions. TLRM also defines risk management frameworks and processes in line with regulatory and internal requirements. It executes its mandate focused in four pillars: Governance, Risk Constraints, Stress Testing, and Methodology.