

# Net Stable Funding Ratio Disclosure Report

For the Quarters Ended September 29, 2023 & December 29, 2023 Credit Suisse Holdings (USA), Inc. - Consolidated

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### Net Stable Funding Ratio Disclosures

#### **Executive Summary**

On June 12, 2023, UBS Group AG (UBS) completed the acquisition of Credit Suisse Group AG upon which Credit Suisse Group AG was merged into UBS. The combined entity is operating as a consolidated banking group with UBS managing two separate parent banks – UBS AG and Credit Suisse AG (CS or Credit Suisse). More details about Credit Suisse can be found in the annual and interim reports available on Credit Suisse's and UBS'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 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 owns 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.

#### **NSFR Requirements and Disclosures**

The US net stable funding ratio (NSFR) rule requires covered firms to hold a minimum amount of available stable funding (ASF) that can cover the required stable funding (RSF). The ratio of the firm's ASF to its RSF is its NSFR. Covered firms must disclose their consolidated NSFRs for each quarter on a semi-annual basis, using a 3-month daily average for each quarter.

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 a Category III Board-regulated institution with less than \$75 billion in weighted short-term wholesale funding (such as CSH USA) adhere to an NSFR requirement calibrated with an 85% weighting on the RSF requirement.

#### Main Drivers of the NSFR

**Average ASF** is \$20.8 billion in Q3 2023 and \$15.3 billion in Q4 2023. The quarterly change was driven by a reduction in term unsecured funding and capital.

**Average RSF,** before 85% weighting adjustment, is \$10.5 billion in Q3 2023 and \$10.1 billion in Q4 2023. The quarterly change is largely driven by a reduction in loans and securities. The **average adjusted RSF** stood at \$9 billion in Q3 2023 and \$8.6 billion in Q4 2023.

#### Changes in the NSFR over time and causes of such changes

CSH USA maintained an average NSFR of 232% in Q3 2023, and an average of 179% in Q4 2023. The average quarterly decrease of 53 percentage points was driven by the ASF decreasing more than the adjusted RSF. The average ASF decreased by \$5.5 billion, whereas the average adjusted RSF decreased by \$0.4 billion.

#### Quantitative Disclosures

Q3 2023

07/03/2023 to 09/29/2023 In millions of US dollars	Open bkt	< 6 Months	6 – 12 Months	>= 1 Year	Perpetual	Average Weighted Amount
ASF						
1 Capital and securities					10,949	10,949
2 NSFR regulatory capital elements					10,949	10,949
3 Other capital elements and securities						
4 Retail funding:						
5 Stable deposits						
6 Less stable deposits						
7 Sweep deposits, brokered reciprocal deposits, and brokered deposits						
8 Other retail funding						
9 Wholesale funding:	1,027	6,197	2,633	7,986		9,264
10 Operational deposits	1					1
11 Other wholesale funding	1,025	6,197	2,633	7,986		9,263
Other liabilities:					5,137	591
12 NSFR derivatives liability amount					121	
13 Total derivatives liability amount						
14 All other liabilities not included in the above categories	3,159	1,017	25	816		591
15 Total ASF					33,929	20,804
RSF						
16 Total high-quality liquid assets (HQLA)		211	4	287	1	104
17 Level 1 liquid assets		7	4	285		
18 Level 2A liquid assets				1		
19 Level 2B liquid assets		203		2	1	104
20 Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	16	983	2	223		
21 Operational deposits placed at financial sector entities or their consolidated subsidiaries	17					8
22 Loans and securities:	3,505	21,878	1,179	2,174	189	4,101
23 Loans to financial sector entities secured by level 1 liquid assets	2,142	19,020				
24 Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	1,322	1,224	764	330		1,049
25 Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	31	739	374	117		672
26 Of which: With a risk weight no greater than 20% under the [Agency Capital Regulation]						
27 Retail mortgages				933		793
28 Of which: With a risk weight of no greater than 50% under the [Agency Capital Regulation]						
29 Securities that do not qualify as HQLA	9	895	41	793	189	1,587
Other assets:					8,126	6,317
30 Commodities					7	7
31 Derivative RSF Amount					2,186	415
32 Current Transaction RSF Amount					1,080	
33 Potential Valuation Changes					656	33
34 Contributions to CCP and Initial Margin Provided					450	382
35 Additional RSF for 100% RSF assets pledged for IM and DFC						
36 All other assets not included in the above categories, including nonperforming assets		77		5,857		5,896
37 Undrawn commitments					334	17
38 Total RSF prior to application of required stable funding adjustment percentage					39,130	10,547
39 Required stable funding adjustment percentage						85%
40 Total Adjusted RSF						8,965
41 Net Stable Funding Ratio (%)						232.16%

Q4	2023						
	02/2023 to 29/2023	Open bkt	< 6 Months	6 - 12 Months	>= 1 Year	Perpetual	Average Weighted Amount
	illions of US dollars						
AS	F						
1	Capital and securities					10,108	10,108
2	NSFR regulatory capital elements					10,108	10,108
3	Other capital elements and securities						
4	Retail funding:						
5	Stable deposits						
6	Less stable deposits						
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits						
8	Other retail funding						
9	Wholesale funding:	982	8,589	1,138	4,183		4,627
10	Operational deposits						
11	Other wholesale funding	982	8,589	1,138	4,183		4,627
	Other liabilities:					5,474	585
12	NSFR derivatives liability amount					95	
13	Total derivatives liability amount						
14	All other liabilities not included in the above categories	4,017	704	27	630		585
15	Total ASF					30,473	15,320
RS	:						
16	Total high-quality liquid assets (HQLA)		170	8	56	10	90
17	Level 1 liquid assets		2	7	56		
18	Level 2A liquid assets						
19	Level 2B liquid assets		168		1	10	90
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	8	713	8	58		
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	11					5
22	Loans and securities:	1,754	20,628	1,232	1,698	346	3,653
23	Loans to financial sector entities secured by level 1 liquid assets	584	17,611				
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	953	1,678	906	308		1,052
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	212	630	292	39		601
26	Of which: With a risk weight no greater than 20% under the [Agency Capital Regulation]						
27	Retail mortgages				667		567
28	Of which: With a risk weight of no greater than 50% under the [Agency Capital Regulation]						
29	Securities that do not qualify as HQLA	5	709	33	684	346	1,434
	Other assets:					7,899	6,330
30	Commodities						
31	Derivative RSF Amount					2,185	636
32	Current Transaction RSF Amount					915	
33	Potential Valuation Changes					555	28
34	Contributions to CCP and Initial Margin Provided					716	608
35	Additional RSF for 100% RSF assets pledged for IM and DFC						<b>F 00 (</b>
36	All other assets not included in the above categories, including nonperforming assets		39		5,674	010	5,694
37	Undrawn commitments					313	16
38	Total RSF prior to application of required stable funding adjustment percentage					34,912	10,094
							950

39	Required stable funding adjustment percentage	85%
40	Total Adjusted RSF	8,580
41	Net Stable Funding Ratio (%)	179.06%

# Concentration of Funding Sources and Changes in Funding Structure

CSH USA relies on CS AG and affiliates as the primary source of unsecured debt, across a range of tenors, and equity capital. CSH USA, through its broker-dealer entities, also relies on secured funding and asset exchange transactions with CS AG and affiliates, and to a lesser extent with third parties.

#### Concentrations of ASF and RSF across Legal Entities

The majority of ASF is raised by Credit Suisse Holdings (USA), Inc. via intercompany unsecured funding provided by CS AG and affiliates. ASF is allocated to subsidiaries of Credit Suisse Holdings (USA), Inc. based on their required funding needs.

RSF is driven by the asset profile of Credit Suisse Holdings (USA) subsidiaries. Credit Suisse Securities (USA) LLC, Credit Suisse (USA), Inc., and DLJ Capital Mortgage, Inc. are the three subsidiaries with largest required stable funding.