

Credit Suisse AG

Hong Kong Branch

Key Financial Information Disclosure Statement

As at 31 December 2019

**Credit Suisse AG
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 31 December 2019**

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Credit Suisse AG
Hong Kong Branch
Profit & Loss Account
For The Year Ended 31 December 2019

		31 Dec 2019	31 Dec 2018
	Notes	HKD'000	HKD'000
Interest income		4,845,705	4,461,369
Interest expense		(3,372,132)	(3,035,997)
Net interest income		1,473,573	1,425,372
Other operating income	1	2,477,375	2,404,976
Total operating income		3,950,948	3,830,348
Total operating expenses	2	(2,735,247)	(2,641,240)
Impairment losses and provisions		(11,142)	(40,990)
Profit before taxation		1,204,559	1,148,118
Tax charge		(225,399)	(199,096)
Profit after taxation		979,160	949,022

Credit Suisse AG
Hong Kong Branch
Balance Sheet
As at 31 December 2019

		31 Dec 2019	30 Jun 2019
	Notes	HKD'000	HKD'000
Assets			
Cash and balances with banks		3,314,240	1,528,701
Due from Exchange Fund		57,476	204,291
Amount due from overseas offices		62,427,911	80,684,892
Loans and receivables	4	81,007,602	87,984,543
Amount receivable under reverse repos		17,263,451	3,298,461
Investment securities		6,534,145	30,122,737
Securities held for trading purposes		2,387,116	755,773
Property, plant and equipment		18,787	15,887
Total assets		<u>173,010,728</u>	<u>204,595,285</u>
Liabilities			
Deposits from customers	5	100,129,331	130,447,456
Deposit and balances of banks and other financial institutions		1,824,291	767
Amount due to overseas offices		64,569,139	66,077,543
Other liabilities		6,487,967	8,069,519
Total liabilities		<u>173,010,728</u>	<u>204,595,285</u>

Credit Suisse AG
Hong Kong Branch
Notes to the Financial Statements

		Year ended 31 Dec 2019	Year ended 31 Dec 2018
	Notes	HKD'000	HKD'000
1 Other operating income			
Gains less losses arising from trading in foreign currencies		(9,630)	(4,704)
Gains less losses arising from trading in other derivatives		(486,970)	(458,485)
Gains less losses on securities held for trading purposes		12,489	(632)
Net fees and commission income	3	2,932,092	2,837,654
Others		29,394	31,143
		<u>2,477,375</u>	<u>2,404,976</u>
2 Total operating expenses			
Staff and rental expenses		(1,326,809)	(1,240,131)
Other expenses		(1,403,843)	(1,396,315)
Charge for other provisions		(4,595)	(4,794)
		<u>(2,735,247)</u>	<u>(2,641,240)</u>
3 Net fees and commission income			
Fees and commission income		2,971,954	2,892,720
Less: Fees and commission expenses		(39,862)	(55,066)
		<u>2,932,092</u>	<u>2,837,654</u>
		31 Dec 2019	30 Jun 2019
		HKD'000	HKD'000
4 Loans and receivables			
Loans and advances to customers			
- Overdrafts and repayment on demand		1,285,879	1,333,453
- Other loans due within 1 month		60,552,349	65,602,720
- Between 1 and 3 months		10,445,472	9,862,337
- Between 3 months and 1 year		2,058,536	2,577,487
- Later than 1 year		3,065,690	2,777,224
		<u>77,407,926</u>	<u>82,153,221</u>
Total Loans and advances to customers	6		
Other accounts		3,253,775	5,344,276
Accrued interest		360,113	574,321
Provisions for impaired loans and receivables (general provisions)		(8,576)	(7,474)
Provisions for impaired loans and receivables (specific provisions)		(5,636)	(79,801)
		<u>81,007,602</u>	<u>87,984,543</u>
5 Deposits from customers			
Demand deposits and current accounts		33,999,425	35,231,979
Savings deposits		-	-
Time, call and notice deposits		66,129,906	95,215,477
		<u>100,129,331</u>	<u>130,447,456</u>

6 Analysis of gross amount of loans and advances to customers

a. Breakdown by industry sectors

The analysis of gross loans and advances to customers and secured loans and advances by industry sectors are based on the categories and definitions used by the Hong Kong Monetary Authority (HKMA).

	31 Dec 2019 HKD'000			30 Jun 2019 HKD'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans and advances for use in Hong Kong						
Industrial, commercial and financial						
Financial concerns	1,803,511	3,504,296	5,307,807	1,925,314	3,513,985	5,439,299
Recreational activities	255,112	-	255,112	150,318	-	150,318
Others	302,626	-	302,626	421,335	-	421,335
Individuals						
Others	25,203,004	98	25,203,102	25,947,300	62	25,947,362
Loans and advances for use outside Hong Kong	48,338,852	427	46,339,279	50,190,406	4,501	50,194,907
	<u>73,903,105</u>	<u>3,504,821</u>	<u>77,407,926</u>	<u>78,634,673</u>	<u>3,518,548</u>	<u>82,153,221</u>

When collateral value are greater than gross loans and advances, only the amount of collateral up to gross amount is included.

b. Breakdown by geographical areas

Loans and Advances to customers by geographical areas to which not less than 10% of the institution's total amount of loans and advances to customers are classified according to the location of the counterparties after taking into account the transfer of risk. The basis of the country classification is in accordance with the guidance notes from the HKMA.

	31 Dec 2019 HKD'000			30 Jun 2019 HKD'000		
	Total	Overdue/Impaired Loans & Advances	Specific Provision	Total	Overdue/Impaired Loans & Advances	Specific Provision
British Virgin Islands	30,554,524	-	-	34,755,683	-	-
Hong Kong	31,068,647	20,617	5,636	31,958,314	94,748	79,801
Others	15,784,755	-	-	15,439,224	-	-
	<u>77,407,926</u>	<u>20,617</u>	<u>5,636</u>	<u>82,153,221</u>	<u>94,748</u>	<u>79,801</u>
% of the total loans and advances to customers		<u>0.03%</u>			<u>0.12%</u>	
Fair value of security held against impaired advances to loans and advances		<u>20,617</u>			<u>19,894</u>	

7 Overdue and rescheduled loans and advances

a. Overdue advances

	31 Dec 2019		30 Jun 2019	
	HKD'000	% of total Loans & Advances to customers	HKD'000	% of total Loans & Advances to customers
Gross amount of advances which have been overdue for:				
- Six months or less but over three months	-	-	-	-
- One year or less but over six months	-	-	-	-
- Over one year	20,617	0.03%	94,748	0.12%
	<u>20,617</u>	<u>0.03%</u>	<u>94,748</u>	<u>0.12%</u>
Fair value of the collaterals held in respect of the overdue loans and advances to customers	<u>20,617</u>		<u>19,894</u>	
Specific provision made	<u>5,636</u>		<u>79,801</u>	

All non-performing loans to customers were overdue for more than one year as at 31 Dec 2019 & 30 Jun 2019.

The collaterals held include property and listed shares.

b. Rescheduled advances

Credit Suisse AG Hong Kong Branch (The Branch) does not have any rescheduled loans & advances to customers as at 31 Dec 2019 & 30 Jun 2019.

The Branch does not have any overdue & rescheduled loans & advances to banks as at 31 Dec 2019 & 30 Jun 2019.
The Branch does not have impaired loans and advances to banks as at 31 Dec 2019 & 30 Jun 2019.

8 Other Assets Overdue and Repossessed Assets

The Branch does not have any overdue other assets and repossessed assets as at 31 Dec 2019 & 30 Jun 2019.

Credit Suisse AG
Hong Kong Branch
Notes to the Financial Statements

9 International claims
(HKD million)

International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk and by types of counterparties. The basis of geographical segments and individual countries is in accordance with the definitions set out in the banking return of "Return of International Banking Statistics" issued by the HKMA. Geographical segments and individual countries constituting 10% or more of the aggregate international claims are summarized as follows:

31 Dec 2019						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed Countries	66,593	6,216	414	3,943	-	77,166
of which Switzerland	65,446	-	301	3,606	-	69,353
of which United States	312	6,144	26	-	-	6,482
Offshore Centres	17,147	-	190	54,206	-	71,543
of which British Virgin Islands	-	-	96	30,092	-	30,188
of which Hong Kong	1	-	23	16,931	-	16,955
of which Singapore	17,146	-	9	1,453	-	18,608

30 Jun 2019						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed Countries	83,390	30,649	764	3,990	-	118,793
of which Switzerland	82,270	-	658	3,602	-	86,530
of which United States	181	30,576	37	1	-	30,795
Offshore Centres	3,186	-	155	57,700	-	61,041
of which British Virgin Islands	-	-	1	36,559	-	36,560
of which Hong Kong	36	-	15	13,751	-	13,802
of which Singapore	3,150	-	38	1,765	-	4,953

The above country/geographical segment classification is based on the head office location of the counterparties and is derived according to the location of the counterparties after taking into account of any risk transfer.

Credit Suisse AG
Hong Kong Branch
Notes to the Financial Statements

10 Mainland Activities Disclosures
(HKD million)

Non-bank counterparties are identified in accordance with the definitions set out in the banking return of "Return of Mainland Activities" issued by the HKMA. Exposures in Mainland China arising from non-bank counterparties are summarized as follows:

	31 Dec 2019			30 Jun 2019		
	On-balance sheet exposure	Off-balance sheet exposure	Total	On-balance sheet exposure	Off-balance sheet exposure	Total
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	207	-	207	210	-	210
Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	12,134	46	12,180	12,869	63	12,932
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	902	10	912	982	10	992
Other counterparties where the exposures are considered by the reporting Institution to be non-bank Mainland China exposures	1,970	1	1,971	2,103	3	2,106
Total	15,213	57	15,270	16,164	76	16,240
Total assets after provision	173,011			204,595		
On-balance sheet exposures as percentage of total assets	8.79%			7.90%		

As at 31 Dec 2019 & 30 Jun 2019, no specific provision has been made on the exposures.

11 Foreign currency exposures
(HKD million)

Foreign currency constituting 10% or more of the total net position in all foreign currencies are summarized as follows:

	31 Dec 2019			
	USD	CHF	AUD	Total
Spot assets	90,693	4,227	4,731	99,651
Spot liabilities	(90,688)	(4,240)	(4,742)	(99,667)
Forward purchases	7,608	658	808	9,074
Forward sales	(7,595)	(660)	(808)	(9,063)
Net options positions	-	-	-	-
Net long (short) position	21	(15)	(11)	(5)
Net structural position	17	-	-	17

	30 Jun 2019			
	USD	CHF	AUD	Total
Spot assets	111,886	2,251	7,067	121,204
Spot liabilities	(112,061)	(2,151)	(7,063)	(121,275)
Forward purchases	13,486	1,371	1,776	16,633
Forward sales	(13,407)	(1,430)	(1,776)	(16,613)
Net options positions	-	-	-	-
Net (short) long position	(96)	41	4	(51)
Net structural position	16	-	-	16

Internal reporting method is adopted as basis of calculating the net options positions.

Credit Suisse AG
Hong Kong Branch
Off Balance Sheet Exposures

	31 Dec 2019	30 Jun 2019				
	HKD'000	HKD'000				
12 Contingent liabilities and commitments (contractual amounts)						
Direct credit substitutes	22,870	16,779				
Other commitments	252,051,717	246,075,796				
13 Derivatives instruments (HKD '000)						
	31 Dec 2019			30 Jun 2019		
	Fair Value		Total Notional Amount	Fair Value		Total Notional Amount
	Positive	Negative		Positive	Negative	
Exchange rate contracts (exclude forward foreign exchange contracts arising from swap deposit arrangements)	282,737	279,738	51,957,948	351,218	346,125	68,031,500
Equity contracts	584,514	584,514	55,816,492	616,221	616,221	46,073,449
Precious metals other than gold contracts	35,345	35,354	1,883,077	11,713	11,713	1,562,702

**Credit Suisse AG
Hong Kong Branch
Liquidity Information**

Liquidity management

Credit Suisse Group AG (The Group)'s liquidity and funding strategy is approved at the Group level by the Group's Capital Allocation & Risk Management Committee (CARMC) and overseen by the Board of Directors (The Board). The implementation and execution of the liquidity and funding strategy is managed within the CFO division by Treasury and the global liquidity group. The global liquidity group was established in the second quarter of 2018 to centralize control of liability and collateral management with the aim of optimizing liquidity sourcing, funding costs and high-quality liquid assets (HQLA) portfolio on behalf of Treasury. Treasury ensures adherence to the funding policy and the global liquidity group is focused on the efficient coordination of the short-term unsecured and secured funding desks. This approach enhances the ability to manage potential liquidity and funding risks and to promptly adjust the liquidity and funding levels to meet stress situations. The liquidity and funding profile is regularly reported to CARMC and the Board, who define the risk tolerance, including liquidity risk, and set parameters for the balance sheet and funding usage of the businesses. The Board is responsible for defining the overall risk tolerance in the form of a risk appetite statement.

CS AG Hong Kong Branch (The Branch)'s liquidity and funding profile reflects the strategy and risk appetite of the Branch and is driven by business activity levels and the overall operating environment.

Liquidity risk management

Our approach to liquidity risk management

The Branch's liquidity and funding policy is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events or issues specific to the Group. This is achieved through a conservative asset/liability management strategy aimed at maintaining long-term funding, including stable deposits, in excess of illiquid assets. To address short-term liquidity stress, the Branch maintains a liquidity pool, described below, that covers unexpected outflows in the event of severe market and idiosyncratic stress. The liquidity risk parameters of the Group reflect various liquidity stress assumptions that are believed to be conservative. The Branch's liquidity profile is managed at a sufficient level such that, in the event that the Branch is unable to access unsecured funding, it would be expected to have sufficient liquidity to sustain operations for a period of time in excess of the limit. The risk constraints framework aims to ensure the appropriate amount of liquidity is set aside locally whilst ensuring a sufficient amount of liquidity is held at the Group level to support and meet its obligations in times of stress, whether caused by market or issues specific to the Branch and/or the Group.

The Liquidity Coverage Ratio (LCR) aims to ensure that banks have unencumbered HQLA available to meet short-term liquidity needs under a severe stress scenario. The LCR is comprised of two components, the value of HQLA in stressed conditions and the total net cash outflows calculated according to specified scenario parameters. The Net Stable Funding Ratio (NSFR) establishes criteria for a minimum amount of stable funding based on the liquidity of a bank's on- and off-balance sheet activities over a one-year horizon. The NSFR is a complementary measure to the LCR and is structured to ensure that illiquid assets are funded with an appropriate amount of stable long-term funds.

The Branch adopted LCR and NSFR as primary tools, in parallel with the internal liquidity barometer, to monitor our structural liquidity position and plan for funding. The Branch uses the internal liquidity barometer framework to manage liquidity to internal targets and to a desired profile under the Group specific and market-wide stress scenarios that permits the Branch to continue business activities for a period of time (also known as a liquidity horizon) without changing business plans. Under this framework, the Branch also has short-term targets based on additional stress scenarios to ensure uninterrupted liquidity for short time frames. The internal barometer framework also supports the management of the funding structure. It allows the Branch to manage the time horizon over which the stressed market value of unencumbered assets (including cash) exceeds the aggregate value of contractual outflows of unsecured liabilities plus a conservative forecast of anticipated contingent commitments.

The Branch's overall liquidity management framework allows the Branch to run stress analyses on its balance sheet and off-balance sheet positions, which include significant withdrawals from private banking client deposits, reduction in funding value of unencumbered assets and other scenarios as deemed necessary from time to time.

Governance

Funding and liquidity in the Branch are managed centrally by Treasury. Oversight of these activities is provided by the Hong Kong Branch Governance Committee (HK BGC), the main governance body of the Branch, a committee that includes the Hong Kong Branch Chief Executive (CE), Hong Kong Branch Alternate Chief Executive (ACE), Hong Kong Monetary Authority (HKMA) Managers (in accordance with section 72B of the Banking Ordinance), which includes Hong Kong Branch Chief Risk Officer (CRO), and Treasurer. The Branch's liquidity and funding profile is regularly reported to the HK BGC. HK BGC has Hong Kong Branch Finance Committee (HKB FC) and Hong Kong Branch Risk Committee (HKB RMC) as its sub-committees who have powers delegated to them to manage all finance and risk issues respectively.

It is the HKB FC's responsibility to review the Liquidity Risk Management Strategy to allow for effective execution, planning, monitoring and management of liquidity at the Branch and to define and monitor adherence to internal risk limits.

The HKB RMC is responsible for defining the overall risk tolerance in the form of a risk appetite, regularly reviewing the risk appetite within the liquidity risk management framework defined by CARMC. Locally, the Branch's risk appetite is aligned to the Group risk appetite and shares the core strategic risk objectives. All liquidity stress tests are coordinated and overseen by the Branch CRO to ensure a consistent and coordinated approach across all risk disciplines.

With effect from January 2020, the HK Branch CARMC will be established to replace the HKB FC and HKB RMC.

Contingency funding planning

In the event of a liquidity crisis, the Branch has implemented a standalone Contingency Funding Plan (CFP) which provides for specific actions to be taken depending on the nature of the crisis. The plan is designed to address ever-increasing liquidity and funding stresses and has pre-defined escalation levels aimed at maximizing the likelihood that the Branch can take certain measures to address liquidity or funding shortfalls. In order to identify a deteriorating liquidity situation, the Branch monitors a set of regulatory and economic liquidity metrics while also seeking the views of subject matter experts as well as senior management, who retain at all times the authority to take remedial actions promptly. In all cases, the plan's primary objectives are to strengthen liquidity (immediate), reduce funding needs (medium term) and assess recovery options (longer term).

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics

Liquidity pool

The Branch holds a pool of HQLA as defined under Schedule 2 of the Banking (Liquidity) Rules (BLR) with a majority of HQLA consisting of Level 1 assets, predominantly in government debt securities.

The following liquidity disclosure complies with the Banking (Disclosure) Rules (BDR) made under section 60A of the Banking Ordinance.

Pursuant to the BLR, the Branch is required to maintain LCR of not less than 100% effective from 1 January 2019.

The average LCR for the period is as follows:

Quarter ended (%)	
31 Dec 2019	31 Dec 2018
193.48%	195.57%

Average LCR

Average LCR is the simple average value of all working days in the quarter.

The average LCR decreased from 195.57% for the quarter ended 31 Dec 2018 to 193.48% for the quarter ended 31 Dec 2019 driven by a decrease in the pool of HQLA in tandem with the decline in net cash outflows driven by reduction in retail and unsecured wholesale deposits.

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 Dec 2019 and 31 Dec 2018 are both 62. 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 Dec 2019 (62 data points)		Quarter ended 31 Dec 2018 (62 data points)	
Basis of disclosure: Hong Kong office basis		Unweighted value (average)	Weighted value (average)	Unweighted value (average)	Weighted value (average)
A. HIGH QUALITY LIQUID ASSETS					
1	Total high quality liquid assets (HQLA)		27,145,245		33,092,862
B. CASH OUTFLOWS					
2	Retail deposits and small business funding, of which:	48,500,390	4,850,039	53,866,652	5,383,317
3	Stable retail deposits and stable small business funding	-	-	-	-
4	Less stable retail deposits and less stable small business funding	48,500,390	4,850,039	53,799,678	5,379,968
4a	Retail term deposits and small business term funding	-	-	66,974	3,349
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the FI, of which:	69,985,787	43,397,253	81,306,433	50,586,124
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in Row 6	69,985,787	43,397,253	81,306,433	50,586,124
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:	5,001,031	4,526,953	8,260,703	7,748,911
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	2,128,401	2,128,401	2,012,185	2,012,185
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)	2,872,630	2,398,552	6,248,518	5,736,726
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	3,572,560	3,572,560	4,037,314	4,037,314
15	Other contingent funding obligations (whether contractual or non-contractual)	246,948,174	3,242	240,242,182	3,086
16	TOTAL CASH OUTFLOWS		56,350,047		67,758,752
C. CASH INFLOWS					
17	Secured lending transactions (including securities swap transactions)	9,859,318	-	-	-
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	90,094,068	56,587,855	85,908,812	57,526,283
19	Other cash inflows	6,086,810	4,709,687	5,752,366	4,372,598
20	TOTAL CASH INFLOWS	106,040,196	61,297,542	91,661,178	61,898,881
D. LIQUIDITY COVERAGE RATIO			Adjusted value		Adjusted value
21	TOTAL HQLA		27,145,245		33,092,862
22	TOTAL NET CASH OUTFLOWS		14,087,512		16,939,688
23	LCR (%)		193.48%		195.57%

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

Net Stable Funding Ratio

The Branch is required to maintain a NSFR of not less than 100%. The NSFR, Available Stable Funding (ASF) and Required Stable Funding (RSF) for the periods are as follows:

	Quarter ended (%)	
	31 Dec 2019	31 Dec 2018
NSFR	141.20%	158.88%
	Quarter ended (HKD million)	
	31 Dec 2019	31 Dec 2018
ASF	76,666	89,964
RSF	54,296	56,625

NSFR decreased from 158.88% on 31 Dec 2018 to 141.20% on 31 Dec 2019 driven by a decrease in available stable funding arising from decrease in retail and wholesale funding deposits.

The following table sets out the required disclosure items under NSFR Standard Disclosure Template as specified by the HKMA.

L1Q2 - Net stable funding ratio for category 1 institution

Amount in HKD\$ '000		Quarter ended 31 Dec 2019				Weighted amount
		Unweighted value by residual maturity				
Basis of disclosure: Hong Kong office		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	48,425,479	-	-	43,582,932
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	48,425,479	-	-	43,582,932
7	Wholesale funding:	-	117,582,064	1,978,198	4,821,837	33,074,553
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	117,582,064	1,978,198	4,821,837	33,074,553
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	2,538,221	2,592,610	3,846	123,298	8,576
12	Net derivative liabilities	41,694	-	-	-	-
13	All other funding and liabilities not included in the above categories	2,496,527	2,592,610	3,846	123,298	8,576
14	Total ASF					76,666,061
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				8,988,815	453,699
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	1,265,262	156,951,400	2,841,824	3,122,395	53,392,029
18	Performing loans to financial institutions secured by Level 1 HQLA	-	17,280,084	-	-	1,728,008
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	9,484	66,661,088	1,338,775	52,672	10,730,707
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	1,255,759	72,831,529	1,493,337	3,069,723	40,839,092
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	19	178,699	9,712	-	94,222
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	1,037,527	2,291,645	-	-	320,499
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	Net derivative assets	-	-	-	-	-
30	Total derivative liabilities before deduction of variation margin posted	944,290	-	-	-	NA
31	All other assets not included in the above categories	93,237	2,291,645	-	-	320,499
32	Off-balance sheet items				254,426,486	129,638
33	Total RSF					54,295,865
34	Net Stable Funding Ratio (%)					141.20%

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

LQ02 - Net stable funding ratio for category 1 institution - continued

HK\$'000		Quarter ended 30 Sept 2019				
Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	55,198,438	-	-	49,678,594
5	Stable deposits		-	-	-	-
6	Less stable deposits		55,198,438	-	-	49,678,594
7	Wholesale funding:	-	123,935,155	4,098,753	940,434	33,830,402
8	Operational deposits		-	-	-	-
9	Other wholesale funding	-	123,935,155	4,098,753	940,434	33,830,402
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	3,302,013	1,747,725	-	7,991	7,991
12	Net derivative liabilities	47,349				
13	All other funding and liabilities not included in the above categories	3,254,664	1,747,725	-	7,991	7,991
14	Total ASF					83,516,987
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				15,909,953	799,866
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	1,257,690	161,884,363	6,260,962	3,134,028	57,624,239
18	Performing loans to financial institutions secured by Level 1 HQLA	-	14,859,452	-	-	1,485,945
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	7	69,266,486	4,770,636	37,772	12,813,070
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	1,257,683	77,560,334	1,490,326	3,096,256	43,226,178
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	198,091	-	-	99,046
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	1,112,972	2,401,856	-	-	298,456
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-				-
29	Net derivative assets	-				-
30	Total derivative liabilities before deduction of variation margin posted	1,066,167				NA
31	All other assets not included in the above categories	46,805	2,401,856	-	-	298,456
32	Off-balance sheet items				247,047,740	154,070
33	Total RSF					58,876,631
34	Net Stable Funding Ratio (%)					141.85%

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

LQ2 - Net stable funding ratio for category 1 institution - continued

HK\$'000		Quarter ended 31 Dec 2018				
		Unweighted value by residual maturity				Weighted amount
Basis of disclosure: Hong Kong office		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	56,730,639	-	-	51,057,575
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	56,730,639	-	-	51,057,575
7	Wholesale funding:	-	126,106,676	5,854,842	2,163,412	38,896,035
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	126,106,676	5,854,842	2,163,412	38,896,035
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	2,334,875	3,971,322	-	9,994	9,994
12	Net derivative liabilities	45,559	-	-	-	-
13	All other funding and liabilities not included in the above categories	2,289,316	3,971,322	-	9,994	9,994
14	Total ASF					89,963,604
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				35,094,041	1,757,743
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	1,171,170	143,872,609	11,928,049	2,123,694	54,210,797
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,188	75,759,688	10,109,344	170,309	16,590,122
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	1,169,982	67,922,070	1,808,759	1,953,385	37,520,276
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	190,851	9,946	-	100,399
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	1,046,151	1,339,590	-	-	349,003
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	Net derivative assets	-	-	-	-	-
30	Total derivative liabilities before deduction of variation margin posted	864,358	-	-	-	NA
31	All other assets not included in the above categories	181,793	1,339,590	-	-	349,003
32	Off-balance sheet items	-	-	-	252,331,082	307,203
33	Total RSF					56,624,746
34	Net Stable Funding Ratio (%)					158.88%

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

LQ02 - Net stable funding ratio for category 1 institution - continued

HK\$'000		Quarter ended 30 Sept 2018				
		Unweighted value by residual maturity				Weighted amount
Basis of disclosure: Hong Kong office		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	53,668,056	-	-	48,301,251
5	Stable deposits		-	-	-	-
6	Less stable deposits		53,668,056	-	-	48,301,251
7	Wholesale funding:	-	132,030,573	8,068,797	915,090	38,334,432
8	Operational deposits		-	-	-	-
9	Other wholesale funding	-	132,030,573	8,068,797	915,090	38,334,432
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	2,558,719	2,229,781	-	9,874	9,874
12	Net derivative liabilities	58,437				
13	All other funding and liabilities not included in the above categories	2,500,282	2,229,781	-	9,874	9,874
14	Total ASF					86,645,557
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				30,142,175	1,512,217
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	4,267,643	147,317,940	12,473,081	1,941,271	58,056,946
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	77,482,416	9,804,166	18,031	16,542,476
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	4,267,643	69,552,811	2,659,678	1,923,240	41,368,494
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	282,713	9,237	-	145,976
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	1,132,037	2,224,818	-	-	431,241
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-				-
29	Net derivative assets	-				-
30	Total derivative liabilities before deduction of variation margin posted	1,051,822				NA
31	All other assets not included in the above categories	80,215	2,224,818	-	-	431,241
32	Off-balance sheet items				233,624,461	311,234
33	Total RSF					60,311,638
34	Net Stable Funding Ratio (%)					143.66%

Credit Suisse AG
Hong Kong Branch
Liquidity Information

Funding management

Treasury is responsible for the development, execution and regular updating of the funding plan. The plan reflects projected business growth, development of the balance sheet, future funding needs and maturity profiles as well as the effects of changing market and regulatory conditions.

The Branch funds its balance sheet primarily through core customer deposits and affiliate borrowings. The Branch monitors the funding sources, including their concentrations against certain limits, according to their counterparty, currency and tenor.

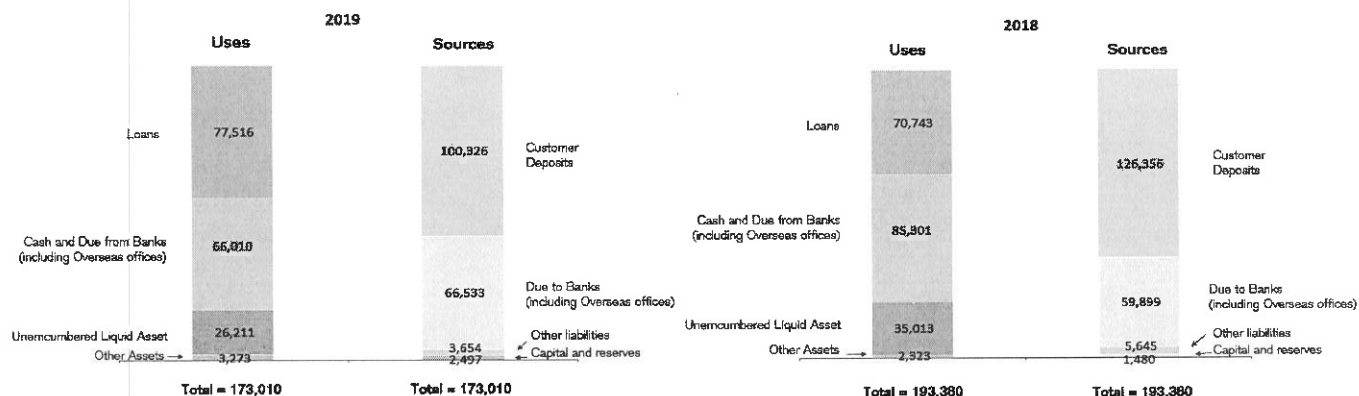
Funding sources

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 the Group to meet its requirement.

The Branch holds a pool of HQLA as defined under Schedule 2 of the BLR with a majority of HQLA consisting of Level 1 assets, predominantly in government debt securities. 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.

In 2019, customers' deposits remains the major funding source for the Branch, supplemented with funding from affiliates (Due from banks). The positive funding gap is deployed towards reverse repurchase agreements to source HQLA and also outright purchases of HQLA, with excess funding placed back with Group affiliates. The following graphs provides the Branch's funding sources and uses.

Branch's funding sources and uses (HKD'million)



Unencumbered Liquid Asset includes readily monetizable debt securities held and amounts receivable from reverse repo.

Funds transfer pricing

The Group maintains an internal funds transfer pricing system based on market rates. The funds transfer pricing system is designed to allocate to businesses all funding costs in a way that incentivizes their efficient use of funding. The funds transfer pricing system is an essential tool that allocates to the businesses the short-term and long-term costs of funding their balance sheet usages and off-balance sheet contingencies. The funds transfer pricing framework ensures full funding costs allocation under normal business conditions, but it is of even greater importance in a stressed capital markets environment where raising funds is more challenging and expensive. Under this framework, businesses are also credited to the extent they provide long-term stable funding.

Funding management (Continued)

Contractual maturity banding of assets and liabilities

The following tables provide contractual maturities of the assets and liabilities as at the end of each period.

At 31 Dec 2019 (HKD million)	On demand	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Balancing amount	Total
Assets							
Amount receivable arising from securities financing transactions (other than securities swap transactions)	-	2,776	14,504	-	-	-	17,280
Amount receivable arising from derivative contracts	144	26	31	383	319	-	903
Due from MA for a/c of Exchange Fund	57	-	-	-	-	-	57
Due from overseas central banks	1	-	-	-	-	-	1
Due from banks	13,922	18,001	25,968	8,023	38	-	65,952
Readily monetizable debt securities held (net of short positions)	8,931	-	-	-	-	-	8,931
Loans and advances to non-bank customers	8,848	53,041	10,489	2,062	3,070	6	77,516
Other assets	219	1,651	425	56	-	19	2,370
Total assets	32,122	75,495	51,417	10,524	3,427	25	173,010
Off Balance Sheet Claims	2,520	6,302	548	17	-	13,605	22,992
Liabilities							
Deposits from non-bank customers	42,258	28,583	22,288	7,197	-	-	100,326
Amount payable arising from derivative contracts	140	26	35	420	321	-	942
Due to banks	2,556	30,410	26,124	2,620	4,682	141	66,533
Other liabilities	717	1,433	326	121	115	-	2,712
Capital and reserves	-	-	-	-	-	2,497	2,497
Total liabilities including capital and reserves	45,671	60,452	48,773	10,358	5,118	2,638	173,010
Off Balance Sheet Obligations	2,755	8,441	334	380	93	13,605	25,608
Net liquidity gaps	(13,784)	12,904	2,858	(197)	(1,784)	(2,613)	(2,616)
At 31 Dec 2018 (HKD million)	On demand	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Balancing amount	Total
Assets							
Amount receivable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-
Amount receivable arising from derivative contracts	139	51	88	393	148	-	819
Due from MA for a/c of Exchange Fund	81	-	-	-	-	-	81
Due from overseas central banks	1	-	-	-	-	-	1
Due from banks	6,584	20,869	33,989	23,746	31	-	85,219
Readily monetizable debt securities held (net of short positions)	35,013	-	-	-	-	-	35,013
Loans and advances to non-bank customers	8,076	49,257	6,627	4,823	1,953	7	70,743
Other assets	53	971	403	67	-	10	1,504
Total assets	49,947	71,148	41,107	29,029	2,132	17	193,380
Off Balance Sheet Claims	2,912	4,128	695	5	-	15,511	23,251
Liabilities							
Deposits from non-bank customers	42,967	44,195	20,604	18,590	-	-	126,356
Amount payable arising from derivative contracts	141	66	113	395	150	-	865
Due to banks	25,978	6,655	24,388	738	1,999	141	59,899
Other liabilities	381	3,768	445	103	83	-	4,780
Capital and reserves	-	-	-	-	-	1,480	1,480
Total liabilities including capital and reserves	69,467	54,684	45,550	19,826	2,232	1,621	193,380
Off Balance Sheet Obligations	2,000	10,352	903	470	174	15,511	29,410
Net liquidity gaps	(18,608)	10,240	(4,651)	8,738	(274)	(1,604)	(6,159)

Credit Suisse Group AG
Consolidated Financial Information

	31 Dec 2019	30 Jun 2019
Capital adequacy ratio (Note 1)		
Common Equity Tier 1 ratio	12.7%	12.5%
Tier 1 ratio	17.1%	16.3%
Total capital ratio	18.3%	17.6%
	CHF million	CHF million
Total shareholders' equity	43,644	43,673
Other financial information		
Balance sheet :		
Total assets	787,295	784,216
Total liabilities	743,581	740,288
Loans net of allowance for loan losses	296,779	293,797
Total customer deposits	383,783	364,302
	Year ended 31 Dec 2019	Year ended 31 Dec 2018
	CHF million	CHF million
Profit and Loss :		
Pre-tax profit from continuing operations for the financial period	4,720	3,372

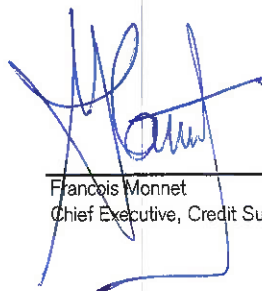
Note :

- (1) The capital adequacy ratio is computed in accordance with the Basel Capital Accord.
- (2) For further details on Credit Suisse Group AG financial information, please refer to the Credit Suisse Group AG 2019 Annual Report at www.credit-suisse.com.

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.



Francois Monnet
Chief Executive, Credit Suisse AG Hong Kong Branch