

Credit Suisse AG

Hong Kong Branch

Key Financial Information Disclosure Statement

As at 30 June 2016

**Credit Suisse AG
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 30 June 2016**

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**Credit Suisse AG
Hong Kong Branch
Profit & Loss Account
For The Year Ended 30 June 2016**

		6 months ended 30 Jun 2016	6 months ended 30 Jun 2015
	Notes	HKD'000	HKD'000
Interest income		750,220	600,046
Interest expense		(269,117)	(247,302)
Net interest income		481,103	352,744
Other operating income	1	484,797	870,430
Total operating income		965,900	1,223,174
Total operating expenses	2	(717,287)	(729,032)
Impairment losses and provisions for impaired loans and receivables		60,853	(70)
Profit before taxation		309,466	494,072
Tax charge		(51,405)	(82,062)
Profit after taxation		258,061	412,010

**Credit Suisse AG
Hong Kong Branch
Balance Sheet
As at 30 June 2016**

		30 Jun 2016	31 Dec 2015
	Notes	HKD'000	HKD'000
Assets			
Cash and balances with banks		967,532	1,684,356
Due from Exchange Fund		119,140	2,359
Amount due from overseas offices		37,818,205	28,342,534
Loans and receivables	4	62,031,379	63,123,548
Investment securities		15,738,024	14,947,918
Total assets		<u>116,674,280</u>	<u>108,100,715</u>
Liabilities			
Deposits from customers	5	66,920,172	60,463,109
Deposit and balances of banks and other financial institutions		89,619	-
Amount due to overseas offices		44,720,331	44,151,783
Other liabilities		4,944,158	3,485,823
Total liabilities		<u>116,674,280</u>	<u>108,100,715</u>

Credit Suisse AG
Hong Kong Branch
Notes to the Financial Statements

		6 months ended 30 Jun 2016	6 months ended 30 Jun 2015
	Notes	HKD'000	HKD'000
1 Other operating income			
Gains less losses arising from activities in foreign currencies		(6,475)	(867)
Gains less losses arising from trading in other derivatives		(319,155)	(136,998)
Gains less losses on securities held for trading purposes		(144)	65
Net fees and commission income	3	804,692	1,007,896
Others		5,879	334
		<u>484,797</u>	<u>870,430</u>
2 Total operating expenses			
Staff and rental expenses		(529,887)	(514,024)
Other expenses		(187,173)	(206,703)
Charge for other provisions		(227)	(8,305)
		<u>(717,287)</u>	<u>(729,032)</u>
3 Net fees and commission income			
Fees and commission income		1,070,210	1,110,624
Less: Fees and commission expenses		(265,518)	(102,728)
		<u>804,692</u>	<u>1,007,896</u>
		30 Jun 2016	31 Dec 2015
		HKD'000	HKD'000
4 Loans and receivables			
Loans and advances to customers			
- Overdrafts		641,035	731,610
- Other loans due within 1 month		41,888,311	41,519,835
- Between 1 and 3 months		11,178,110	12,965,399
- Between 3 months and 1 year		1,816,794	3,254,896
- Later than 1 year		2,673,708	2,416,586
Total Loans and advances to customers	6	<u>58,197,958</u>	<u>60,888,326</u>
Other accounts		3,745,927	2,224,260
Accrued interest		93,409	77,648
		(525)	(539)
Provisions for impaired loans and receivables (collective provisions)		(5,390)	(66,147)
Provisions for impaired loans and receivables (specific provisions)		<u>(5,390)</u>	<u>(66,147)</u>
		<u>62,031,379</u>	<u>63,123,548</u>
5 Deposits from customers			
Demand deposits and current accounts		40,283,738	35,298,636
Savings deposits		-	-
Time, call and notice deposits		26,636,434	25,164,473
		<u>66,920,172</u>	<u>60,463,109</u>

Credit Suisse AG
Hong Kong Branch
Notes to the Financial Statements

6 Analysis of gross amount of loans and advances to customers

a. Breakdown by industry sectors

	30 Jun 2016 HKD'000			31 Dec 2015 HKD'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans and advances for use in Hong Kong						
Industrial, commercial and financial						
Property development	8,353	-	8,353	7,340	-	7,340
Financial concerns	2,041,250	3,491,454	5,532,704	2,049,139	3,487,680	5,536,819
Others	40,009	-	40,009	54,669	-	54,669
Individuals						
Others	11,209,072	85	11,209,157	12,976,009	100	12,976,109
Loans and advances for use outside Hong Kong	41,387,236	20,500	41,407,736	42,312,173	1,216	42,313,389
	<u>54,685,920</u>	<u>3,512,039</u>	<u>58,197,958</u>	<u>57,399,330</u>	<u>3,488,996</u>	<u>60,888,326</u>

b. Breakdown by geographical areas

Loans and Advances to customers by geographical areas that are classified according to the location of the counterparties after taking into account the transfer of risk.

	30 Jun 2016 HKD'000			31 Dec 2015 HKD'000		
	Total	Impaired Loans & Advances	Specific Provision	Total	Impaired Loans & Advances	Specific Provision
British Virgin Islands	27,497,291	-	-	28,149,883	220,200	54,341
Hong Kong	10,033,340	-	-	12,481,789	-	-
Others	20,667,327	85,258	5,390	20,256,654	82,497	11,806
	<u>58,197,958</u>	<u>85,258</u>	<u>5,390</u>	<u>60,888,326</u>	<u>302,697</u>	<u>66,147</u>
% of the total loans and advances to customers		<u>0.15%</u>			<u>0.50%</u>	
Market value of security held against impaired advances to loans and advances		<u>85,258</u>			<u>297,045</u>	

7 Loans and advances to customers and banks which have been overdue

The gross amount of loans and advances to customers which have been overdue for

	30 Jun 2016 HKD'000			31 Dec 2015 HKD'000		
	Overdue Loans & Advances	% of total Loans & Advances to customers	Specific Provision	Overdue Loans & Advances	% of total Loans & Advances to customers	Specific Provision
Six months or less but over three months	-	-	-	220,200	0.36%	54,341
One year or less but over six months	85,258	0.15%	5,390	82,497	0.14%	11,806
Over one year	-	-	-	-	-	-
	<u>85,258</u>	<u>0.15%</u>	<u>5,390</u>	<u>302,697</u>	<u>0.50%</u>	<u>66,147</u>

The branch does not have any rescheduled loans & advances to banks as at 30 Jun 2016 and 31 Dec 2015.
The branch does not have impaired loans and advances to banks as at 30 Jun 2016 and 31 Dec 2015.

8 Other Assets Overdue

The branch does not have any overdue other assets as at 30 Jun 2016 and 31 Dec 2015.

9 Repossessed Assets

The branch does not have any repossessed assets as at 30 Jun 2016 and 31 Dec 2015.

**Credit Suisse AG
Hong Kong Branch
Off Balance Sheet and Liquidity Information**

	30 Jun 2016	31 Dec 2015
	HKD'000	HKD'000
10 Contingent liabilities and commitments (contractual amounts)		
Direct credit substitutes	3,104	11,494
Other commitments	151,645,911	139,244,060

11 Derivatives instruments
(HKD '000)

	30 Jun 2016			31 Dec 2015		
	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)	957,344	960,199	69,104,836	451,088	450,867	59,764,572
Equity contracts	153,638	189,467	22,731,498	564,731	536,285	28,342,987
Others	88,614	88,614	1,924,787	78,232	78,232	1,926,583

12 Liquidity ratio

	30 Jun 2016	30 Jun 2015
Average liquidity ratio for the financial period	44.34%	40.25%

The liquidity maintenance ratio (LMR) is calculated in accordance with the Banking (Liquidity) Rules effective from 1 January 2015.

The average liquidity maintenance ratio is the arithmetic mean of each Wednesday of a calendar month's average LMR as reported in the Return of "Liquidity Position of an Authorized Institution".

Liquidity Risk Management

Credit Suisse will ensure Credit Suisse AG, Hong Kong Branch ("CSHKB") has adequate liquidity at all time to meet the financial obligations and cash-outflow as they fall due under both a) normal business condition and b) systematic and firm specific crisis based on assumption as per Credit Suisse's Global Liquidity Policy.

The Liquidity Risk Management Policy Statement for CSHKB is the primary internal policy document that provides direction to the branch's business and functions on the management of liquidity and sets clear governance process which is updated by the Treasury. The branch also has a liquidity contingency plan.

Besides the Treasury, CSHKB finance committee also share management oversight on liquidity management.

Credit Suisse AG
Hong Kong Branch
Notes to the Financial Statements

13 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. Geographical segments and individual countries constituting 10% or more of the aggregate international claims are summarized as follows:

	30 Jun 2016				
	Banks	Official Sector	Non-bank private sector	Others	Total
Developed Countries	2,794	15,706	270	-	18,770
of which Switzerland	2,101	-	1	-	2,102
of which United States	242	15,706	29	-	15,977
Offshore Centres	36,934	3	47,300	-	84,237
of which Bahamas	-	-	1,522	-	1,522
of which British Virgin Islands	-	-	28,000	-	28,000
of which Cayman Islands	-	-	1,801	-	1,801
of which Hong Kong	463	3	12,457	-	12,923
of which Singapore	36,471	-	2,716	-	39,187
	31 Dec 2015				
	Banks	Official Sector	Non-bank private sector	Others	Total
Developed Countries	2,459	14,916	309	-	17,684
of which Switzerland	1,625	-	1	-	1,626
of which United States	321	14,916	30	-	15,267
Offshore Centres	27,841	1	48,488	-	76,330
of which Bahamas	-	-	1,312	-	1,312
of which British Virgin Islands	-	-	28,375	-	28,375
of which Cayman Islands	-	-	1,296	-	1,296
of which Hong Kong	950	1	12,072	-	13,023
of which Singapore	26,891	-	4,625	-	31,516

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.

14 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:

	30 Jun 2016			31 Dec 2015		
	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)	12	-	12	12	-	12
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	4,786	91	4,877	3,662	67	3,729
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	973	2	975	579	3	582
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	5,564	30	5,594	5,516	58	5,574
Total	11,335	123	11,458	9,769	128	9,897
Total assets after provision	<u>116,674</u>			<u>108,101</u>		
On-balance sheet exposures as percentage of total	<u>9.72%</u>			<u>9.04%</u>		

As at 30 Jun 2016 & 31 Dec 2015, no specific provision has been made on the exposures.

15 Foreign currency exposures
(HKD million)

	30 Jun 2016		
	USD	JPY	Total
Spot assets	65,477	1,581	67,058
Spot liabilities	(65,495)	(1,581)	(67,076)
Forward purchases	19,297	6,778	26,075
Forward sales	(19,259)	(6,778)	(26,037)
Net options positions	-	-	-
Net long (short) position	20	0	20
Net structural position	-	-	-
	31 Dec 2015		
	USD	JPY	Total
Spot assets	53,056	5,751	58,807
Spot liabilities	(53,030)	(5,750)	(58,780)
Forward purchases	15,802	3,586	19,388
Forward sales	(15,842)	(3,510)	(19,352)
Net options positions	-	-	-
Net long (short) position	(14)	77	63
Net structural position	-	-	-

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

Credit Suisse Group AG
Consolidated Financial Information

Consolidated financial information for the period from 1 January 2016 to 30 June 2016

	30 Jun 2016	31 Dec 2015
Capital adequacy ratio (Note 1)		
Common Equity Tier 1 ratio	14.2%	14.3%
Tier 1 ratio	18.1%	18.0%
Total ratio	21.4%	21.3%
	CHF million	CHF million
Total shareholders' equity	44,962	44,382
Other financial information		
Balance sheet :		
Total assets	821,164	820,805
Total liabilities	776,202	776,423
Loans net of allowance for loan losses	273,835	272,995
Total customer deposits	347,559	342,705
	30 Jun 2016	30 Jun 2015
	CHF million	CHF million
Profit and Loss :		
Pre-tax (loss)/profit from continuing operations for the financial period	(290)	3,172

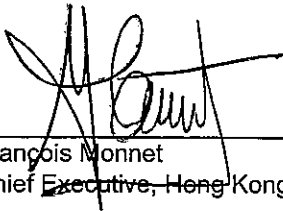
Note :

- (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 2016 Interim 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, Hong Kong Branch

Date: 28 September 2016