

**Credit Suisse AG**

**Hong Kong Branch**

**Key Financial Information Disclosure Statement**

**As at 30 June 2017**

**Credit Suisse AG  
Hong Kong Branch  
Key Financial Information Disclosure Statement  
As at 30 June 2017**

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**Credit Suisse AG  
Hong Kong Branch  
Profit & Loss Account  
For The Year Ended 30 June 2017**

31/06/2017 09:07

		6 months ended 30 Jun 2017	6 months ended 30 Jun 2016
	Notes	HKD'000	HKD'000
Interest income		1,016,875	750,220
Interest expense		(459,093)	(269,117)
Net interest income		557,782	481,103
Other operating income	1	787,450	484,797
Total operating income		1,345,232	965,900
Total operating expenses	2	(954,044)	(717,287)
Impairment losses and provisions for impaired loans and receivables		(536)	60,853
Profit before taxation		390,652	309,466
Tax charge		(64,023)	(51,405)
Profit after taxation		<u>326,629</u>	<u>258,061</u>

**Credit Suisse AG**  
**Hong Kong Branch**  
**Balance Sheet**  
**As at 30 June 2017**

		30 Jun 2017	31 Dec 2016
	Notes	HKD'000	HKD'000
<b>Assets</b>			
Cash and balances with banks		1,447,982	803,788
Due from Exchange Fund		50,549	3,475
Amount due from overseas offices		34,574,734	36,858,611
Loans and receivables	4	81,819,353	62,409,420
Investment securities		23,566,761	19,795,890
Total assets		<u>141,459,379</u>	<u>119,871,184</u>
<b>Liabilities</b>			
Deposits from customers	5	91,768,988	76,343,890
Deposit and balances of banks and other financial institutions		59,191	178,092
Amount due to overseas offices		43,120,597	39,749,426
Other liabilities		6,510,603	3,599,776
Total liabilities		<u>141,459,379</u>	<u>119,871,184</u>

Credit Suisse AG  
Hong Kong Branch  
Notes to the Financial Statements

		6 months ended 30 Jun 2017	6 months ended 30 Jun 2016
	Notes	HKD'000	HKD'000
<b>1 Other operating income</b>			
Gains less losses arising from activities in foreign currencies		2,688	(6,475)
Gains less losses arising from trading in other derivatives		(225,000)	(319,155)
Gains less losses on securities held for trading purposes		36	(144)
Net fees and commission income	3	997,742	804,692
Others		11,984	5,879
		<u>787,450</u>	<u>484,797</u>
<b>2 Total operating expenses</b>			
Staff and rental expenses		(702,503)	(529,887)
Other expenses		(237,073)	(187,173)
Charge for other provisions		(14,468)	(227)
		<u>(954,044)</u>	<u>(717,287)</u>
<b>3 Net fees and commission income</b>			
Fees and commission income		1,265,433	1,070,210
Less: Fees and commission expenses		(267,691)	(265,518)
		<u>997,742</u>	<u>804,692</u>
		30 Jun 2017	31 Dec 2016
		HKD'000	HKD'000
<b>4 Loans and receivables</b>			
Loans and advances to customers			
- Overdrafts		1,551,501	1,694,809
- Other loans due within 1 month		60,227,788	47,545,787
- Between 1 and 3 months		9,156,681	6,921,943
- Between 3 months and 1 year		2,329,909	2,953,831
- Later than 1 year		3,664,724	1,231,873
Total Loans and advances to customers	6	<u>76,930,603</u>	<u>60,348,243</u>
Other accounts		5,056,492	2,252,350
Accrued interest		150,881	124,851
Provisions for impaired loans and receivables (collective provisions)		(276)	(305)
Provisions for impaired loans and receivables (specific provisions)		<u>(318,347)</u>	<u>(315,719)</u>
		<u>81,819,353</u>	<u>62,409,420</u>
<b>5 Deposits from customers</b>			
Demand deposits and current accounts		49,062,356	44,108,224
Time, call and notice deposits		42,706,632	32,235,666
		<u>91,768,988</u>	<u>76,343,890</u>

6 Analysis of gross amount of loans and advances to customers

a. Breakdown by industry sectors

	30 Jun 2017 HKD'000			31 Dec 2016 HKD'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans and advances for use in Hong Kong						
Industrial, commercial and financial						
Civil Engineering Works	-	-	-	6,227	-	6,227
Financial concerns	2,137,588	3,512,455	5,650,043	2,194,747	3,489,669	5,684,636
Others	106,542	-	106,542	131,601	-	131,601
Individuals						
Others	19,769,538	5	19,769,543	13,605,153	65	13,605,218
Loans and advances for use outside Hong Kong	51,357,169	47,306	51,404,475	40,919,267	1,294	40,920,561
	<u>73,370,837</u>	<u>3,559,766</u>	<u>76,930,603</u>	<u>56,856,995</u>	<u>3,491,248</u>	<u>60,348,243</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 2017 HKD'000			31 Dec 2016 HKD'000		
	Total	Impaired Loans & Advances	Specific Provision	Total	Impaired Loans & Advances	Specific Provision
British Virgin Islands	35,967,488	23,935	13,229	28,265,204	22,713	11,606
Hong Kong	17,836,158	291,152	207,795	12,467,509	296,199	191,374
China	8,806,152	13,692	13,690	6,523,427	15,359	14,639
Others	14,320,805	109,845	83,633	13,092,103	194,358	98,100
	<u>76,930,603</u>	<u>438,623</u>	<u>318,347</u>	<u>60,348,243</u>	<u>528,628</u>	<u>315,719</u>
% of the total loans and advances to customers		0.57%			0.88%	
Market value of security held against impaired advances to loans and advances		120,239			175,412	

7 Overdue and rescheduled loans and advances

a. Overdue advances

	30 Jun 2017		31 Dec 2016	
	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	-	-	445,032	0.74%
- One year or less but over six months	438,623	0.57%	-	-
- Over one year	-	-	83,596	0.14%
	<u>438,623</u>	<u>0.57%</u>	<u>528,628</u>	<u>0.88%</u>
Fair value of the collaterals held in respect of the overdue loans and advances to customers	120,239		175,412	
Specific provision made	318,347		315,719	

b. Rescheduled advances

	30 Jun 2017		31 Dec 2016	
	HKD'000	% of total Loans & Advances to customers	HKD'000	% of total Loans & Advances to customers
Amount of rescheduled loans and advances to customers excluding those which have been overdue for more than 3 months	-	-	367,294	0.61%

All non-performing loans to customers were overdue for more than three months as at 30 Jun 2017 & 31 Dec 2016

The branch does not have any overdue & rescheduled loans & advances to banks as at 30 Jun 2017 & 31 Dec 2016

The branch does not have impaired loans and advances to banks as at 30 Jun 2017 & 31 Dec 2016

8 Other Assets Overdue

The branch does not have any overdue other assets as at 30 Jun 2017 & 31 Dec 2016

9 Repossessed Assets

The branch does not have any repossessed assets as at 30 Jun 2017 & 31 Dec 2016

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

	30 Jun 2017	31 Dec 2016
	HKD'000	HKD'000
<b>10 Contingent liabilities and commitments</b> (contractual amounts)		
Direct credit substitutes	6,400	2,482
Other commitments	162,866,842	162,549,977

**11 Derivatives instruments**  
(HKD '000)

	30 Jun 2017			31 Dec 2016		
	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)	497,488	497,458	79,240,917	730,072	732,928	62,274,767
Equity contracts	191,917	220,888	29,849,691	126,732	150,878	18,416,185
Others	33,639	33,639	1,749,905	48,144	48,144	1,481,987

**12 Liquidity ratio**

	30 Jun 2017	30 Jun 2016
Average liquidity ratio for the financial period	41.79%	44.34%

The liquidity maintenance ratio (LMR) is calculated in accordance with the Banking (Liquidity) Rules.

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 target to 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 Manual 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 maintained by Market and Liquidity Risk Management ("MLRM") which is part of the CRO organization. The branch also has a contingency funding plan which is maintained by Treasury.

Besides the Treasury and MLRM, CSHKB Risk Management Committee and 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 2017					
	Banks	Official Sector	Non-bank private sector	Others	Total
<b>Developed Countries</b>	<b>3,817</b>	<b>23,536</b>	<b>235</b>	-	<b>27,588</b>
of which Switzerland	2,691	-	38	-	2,729
of which United States	829	23,466	-	-	24,295
<b>Offshore Centres</b>	<b>33,696</b>	-	<b>57,005</b>	-	<b>90,701</b>
of which Bahamas	-	-	1,723	-	1,723
of which British Virgin Islands	-	-	36,804	-	36,804
of which Cayman Islands	-	-	1,348	-	1,348
of which Hong Kong	401	-	13,867	-	14,268
of which Singapore	33,295	-	2,161	-	35,456

31 Dec 2016					
	Banks	Official Sector	Non-bank private sector	Others	Total
<b>Developed Countries</b>	<b>2,133</b>	<b>19,765</b>	<b>208</b>	-	<b>22,106</b>
of which Switzerland	1,711	-	35	-	1,746
of which United States	248	19,765	-	-	20,013
<b>Offshore Centres</b>	<b>36,507</b>	<b>4</b>	<b>45,524</b>	-	<b>82,035</b>
of which Bahamas	-	-	1,563	-	1,563
of which British Virgin Islands	-	-	28,459	-	28,459
of which Cayman Islands	-	-	1,025	-	1,025
of which Hong Kong	379	4	11,637	-	12,020
of which Singapore	36,128	-	1,965	-	38,093

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.



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**Notes to the Financial Statements**

**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 2017			31 Dec 2016		
	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)	11	-	11	11	-	11
Local governments, local government-owned entities and their subsidiaries and JVs	53	-	53	53	-	53
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	6,434	39	6,473	4,937	30	4,967
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,464	8	1,472	961	2	963
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,070	16	4,086	4,196	43	4,239
<b>Total</b>	<b>12,032</b>	<b>63</b>	<b>12,095</b>	<b>10,158</b>	<b>75</b>	<b>10,233</b>
Total assets after provision	141,459			119,871		
On-balance sheet exposures as percentage of total	8.51%			8.47%		

As at 30 Jun 2017 & 31 Dec 2016, no specific provision has been made on the exposures.

**15 Foreign currency exposures**  
(HKD million)

	30 Jun 2017	
	USD	Total
Spot assets	69,450	69,450
Spot liabilities	(69,500)	(69,500)
Forward purchases	15,073	15,073
Forward sales	(14,984)	(14,984)
Net options positions	-	-
<b>Net long (short) position</b>	<b>39</b>	<b>39</b>
<b>Net structural position</b>	<b>-</b>	<b>-</b>
	31 Dec 2016	
	USD	Total
Spot assets	67,117	67,117
Spot liabilities	(67,154)	(67,154)
Forward purchases	15,946	15,946
Forward sales	(15,886)	(15,886)
Net options positions	-	-
<b>Net long (short) position</b>	<b>23</b>	<b>23</b>
<b>Net structural position</b>	<b>-</b>	<b>-</b>

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

**Credit Suisse Group AG**  
**Consolidated Financial Information**

	30 Jun 2017	31 Dec 2016
<b>Capital adequacy ratio (Note 1)</b>		
Common Equity Tier 1 ratio	14.2%	13.5%
Tier 1 ratio	19.6%	18.0%
Total ratio	21.7%	20.5%
	CHF million	CHF million
<b>Total shareholders' equity</b>	<b>43,493</b>	<b>41,897</b>
<b>Other financial information</b>		
Balance sheet :		
Total assets	783,411	819,861
Total liabilities	783,068	777,964
Loans net of allowance for loan losses	273,865	275,976
Total customer deposits	356,674	355,833
	30 Jun 2017	30 Jun 2016
	CHF million	CHF million
Profit and Loss :		
Pre-tax (loss)/profit from continuing operations for the financial period	1,253	(290)

Note :

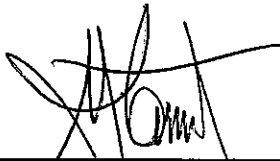
- (1) The capital adequacy ratio is computed in accordance with the Basel Capital Accord.
- (2) For further details on Credit Suisse Group AG financial information, please refer to the Credit Suisse Group AG 2017 Interim Report at [www.credit-suisse.com](http://www.credit-suisse.com)

**Credit Suisse AG**  
**Hong Kong Branch**

**Chief Executive's Declaration of Compliance**

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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



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Francois Monnet  
Chief Executive, Hong Kong Branch

Date: 28 September 2017