

Credit Suisse AG

Hong Kong Branch

Quarterly Liquidity Information Disclosure Statement

As at 31 March 2019

**Credit Suisse AG
Hong Kong Branch**

Liquidity Information Disclosure Statement

The Liquidity Disclosure Statement complies with the Banking (Disclosure) Rules (BDR) made under section 60A of the Banking Ordinance.

Basis of preparation

The approaches used in calculating the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are in accordance with the Banking Liquidity Rules (BLR).

During 2019, Credit Suisse AG Hong Kong Branch (the Branch) is required to maintain LCR of not less than 100%.

The average LCR for the periods are as follow:

	Quarter ended (%)	
	31 Mar 2019	31 Dec 2018
Average LCR	187.44%	195.57%

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

The NSFR, Available Stable Funding (ASF) and Required Stable Funding (RSF) for the periods are as follow:

	Quarter ended (%)	
	31 Mar 2019	31 Dec 2018
NSFR	154.78%	158.88%

	Quarter ended (HKD million)	
	31 Mar 2019	31 Dec 2018
ASF	93,294	89,964
RSF	60,275	56,625

Accompanying narrative

The liquidity position of the Branch remained stable and healthy. The average LCR were 187.44% and 195.57% at end of 1Q2019 and 4Q2018 respectively. The NSFR were 154.78% and 158.88% for the quarters ended 31 March 2019 and 31 December 2018 respectively.

The Branch holds a pool of high quality liquid assets (HQLA) as defined under Schedule 2 of the BLR. The majority of the HQLA held by the Branch are Level 1 assets, predominantly in government debt securities.

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 Credit Suisse Group AG (the Group) to meet its requirement.

The decrease in average LCR in the first quarter of 2019 primarily reflected an increase in net cash outflow, while the level of HQLA was stable compared to the prior quarter. The increase in net cash outflow was primarily driven by an increase in unsecured funding from depositors.

The Branch, being one of the branches of the Group monitors and manages liquidity risk on a standalone basis. 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.

Credit Suisse AG
Hong Kong Branch

Liquidity Information Disclosure Statement

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 average value of the LCR and its related components for the quarters ending 31 March 2019 and 31 December 2018 are 60 and 62 data points respectively. 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 Mar 2019 (60 data points)		Quarter ended 31 Dec 2018 (62 data points)	
	Unweighted value (average)	Weighted value (average)	Unweighted amount (average)	Weighted amount (average)
Basis of disclosure: Hong Kong office basis				
A. HIGH QUALITY LIQUID ASSETS				
1 Total high quality liquid assets (HQLA)		33,136,569		33,092,862
B. CASH OUTFLOWS				
2 Retail deposits and small business funding, of which:	56,006,419	5,597,562	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	55,944,831	5,594,483	53,799,678	5,379,968
4a Retail term deposits and small business term funding	61,588	3,079	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:	81,628,628	53,720,767	81,306,433	50,586,124
6 Operational deposits	-	-	-	-
7 Unsecured wholesale funding (other than small business funding) not covered in Row 6	81,628,628	53,720,767	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:	7,174,043	6,885,783	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	1,824,977	1,824,977	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)	5,349,066	5,060,806	6,248,518	5,736,726
14 Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	4,611,394	4,611,394	4,037,314	4,037,314
15 Other contingent funding obligations (whether contractual or non-contractual)	246,073,658	1,650	240,242,182	3,086
16 TOTAL CASH OUTFLOWS		70,817,156		67,758,752
C. CASH INFLOWS				
17 Secured lending transactions (including securities swap transactions)	131	-	-	-
18 Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	89,021,841	59,236,222	85,908,812	57,526,283
19 Other cash inflows	6,084,954	4,495,361	5,752,366	4,372,598
20 TOTAL CASH INFLOWS	95,106,926	63,731,583	91,661,178	61,898,881
D. LIQUIDITY COVERAGE RATIO				
		Adjusted value		Adjusted value
21 TOTAL HQLA		33,136,569		33,092,862
22 TOTAL NET CASH OUTFLOWS		17,704,289		16,939,688
23 LCR (%)		187.44%		195.57%