

**Credit Suisse AG**

**Hong Kong Branch**

**Quarterly Liquidity Information Disclosure Statement**

**As at 30 September 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 (%)	
	30 Sep 2019	30 Jun 2019
<b>Average LCR</b>	199.06%	194.43%

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 (%)	
	30 Sep 2019	30 Jun 2019
<b>NSFR</b>	141.85%	149.95%

  

	Quarter ended (HKD million)	
	30 Sep 2019	30 Jun 2019
<b>ASF</b>	83,517	94,501
<b>RSF</b>	58,877	63,023

**Accompanying narrative**

The liquidity position of the Branch remained stable and healthy. The average LCR were 199.06% and 194.43% at end of 3Q2019 and 2Q2019 respectively. The NSFR were 141.85% and 149.95% for the quarters ended 30 September 2019 and 30 June 2019 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 average LCR increased from 194.43% for the quarter ended 30 Jun 2019 to 199.06% for the quarter ended 30 Sep 2019 driven by a decrease in outflows arising from potential outflows from undrawn loan commitments; unsecured wholesale funding and retail deposits. NSFR decreased from 149.95% for the quarter ended 30 Jun 2019 to 141.85% for the quarter ended 30 Sep 2019 driven by a decrease in Available Stable Funding.

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.

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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 30 September 2019 and 30 June 2019 are 65 and 59 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 30 Sep 2019 (65 data points)		Quarter ended 30 Jun 2019 (59 data points)	
	Unweighted value (average)	Weighted value (average)	Unweighted amount (average)	Weighted amount (average)
<b>Basis of disclosure:</b> Hong Kong office basis				
<b>A. HIGH QUALITY LIQUID ASSETS</b>				
1	Total high quality liquid assets (HQLA)			32,583,513
<b>B. CASH OUTFLOWS</b>				
2	Retail deposits and small business funding, of which:		54,941,783	5,494,166
3	Stable retail deposits and stable small business funding		-	-
4	Less stable retail deposits and less stable small business funding		54,941,541	5,494,154
4a	Retail term deposits and small business term funding		242.00	12
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the FI, of which:		81,230,577	51,121,515
6	Operational deposits		-	-
7	Unsecured wholesale funding (other than small business funding) not covered in Row 6		81,230,577	51,121,515
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:		5,002,797	4,612,049
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements		2,038,655	2,038,655
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)		2,964,142	2,573,394
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows		4,280,537	4,280,537
15	Other contingent funding obligations (whether contractual or non-contractual)		247,626,059	1,936
16	<b>TOTAL CASH OUTFLOWS</b>			65,510,203
<b>C. CASH INFLOWS</b>				
17	Secured lending transactions (including securities swap transactions)		1,122,277	-
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions		94,521,608	60,599,253
19	Other cash inflows		6,498,073	5,049,988
20	<b>TOTAL CASH INFLOWS</b>		102,141,958	65,649,241
<b>D. LIQUIDITY COVERAGE RATIO</b>				
21	TOTAL HQLA			Adjusted value 32,583,513
22	TOTAL NET CASH OUTFLOWS			Adjusted value 16,377,551
23	LCR (%)			Adjusted value 199.06%