

Credit Suisse AG

Hong Kong Branch

Quarterly Liquidity Information Disclosure Statement

As at 30 September 2018

**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).

Average LCR

The average LCR for the periods are as follow

Quarter ended (%)	
30 Sep 2018	30 Jun 2018
195.11%	198.44%

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

NSFR

The NSFR for the periods are as follow

Quarter ended (%)	
30 Sep 2018	30 Jun 2018
143.66%	143.81%

Further to the above, the Available Stable Funding (ASF) and Required Stable Funding (RSF) for the quarters ended 30 September and 30 June 2018 respectively are:

	Quarter ended HKD (million)	
	30 Sep 2018	30 Jun 2018
ASF	86,646	92,989
RSF	60,312	64,661

Accompanying narrative

The liquidity position of the Branch remained stable and healthy. The average LCR were 195.11% and 198.44% at end of 3Q2018 and 2Q2018 respectively. The NSFR were 143.66% and 143.81% for the quarters ended 30 September 2018 and 30 June 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 government bonds.

Customer deposit is one of the major funding sources. The Branch has diversified Private Banking depositors. Whilst customer deposit is one of the major funding sources, 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 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 Template as specified by the HKMA. The number of data points used in calculating the average value of the LCR and related components for quarters ending 30 September 2018 and 30 June 2018 are 63 and 60 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 2018 (63 data points)		Quarter ended 30 Jun 2018 (60 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)		31,017,030		32,024,208
B. CASH OUTFLOWS				
2 Retail deposits and small business funding, of which:	51,304,699	5,126,665	52,345,687	5,232,354
3 Stable retail deposits and stable small business funding	-	-	-	-
4 Less stable retail deposits and less stable small business funding	51,228,604	5,122,860	52,301,393	5,230,139
4a Retail term deposits and small business term funding	76,095	3,805	44,294	2,215
5 Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the FI, of which:	74,068,395	46,908,047	73,095,988	46,626,508
6 Operational deposits	-	-	-	-
7 Unsecured wholesale funding (other than small business funding) not covered in Row 6	74,068,395	46,908,047	73,095,988	46,626,508
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:	7,699,185	7,467,109	8,488,149	8,301,777
11 Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	1,751,619	1,751,619	2,596,125	2,596,125
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)	5,947,566	5,715,490	5,892,024	5,705,652
14 Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	4,191,774	4,191,774	4,558,845	4,558,845
15 Other contingent funding obligations (whether contractual or non-contractual)	219,740,825	1,908	193,153,150	1,858
16 TOTAL CASH OUTFLOWS		63,695,503		64,721,342
C. CASH INFLOWS				
17 Secured lending transactions (including securities swap transactions)	-	-	-	-
18 Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	91,348,998	57,966,497	100,988,807	61,059,795
19 Other cash inflows	5,364,007	4,127,342	6,348,905	5,014,788
20 TOTAL CASH INFLOWS	96,713,005	62,093,839	107,337,712	66,074,583
D. LIQUIDITY COVERAGE RATIO				
21 TOTAL HQLA		Adjusted value 31,017,030		Adjusted value 32,024,208
22 TOTAL NET CASH OUTFLOWS		15,923,876		16,180,336
23 LCR (%)		195.11%		198.44%