

Credit Suisse AG

A UBS Group Company

Hong Kong Branch

Key Financial Information Disclosure Statement

As at 31 December 2023

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 31 December 2023

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Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Profit & Loss Account
For The Year Ended 31 December 2023

		31 Dec 2023	31 Dec 2022
	Notes	HKD'000	HKD'000
Interest income		5,467,673	2,875,930
Interest expense		(4,230,122)	(1,735,425)
Net interest income		1,237,551	1,140,505
Other operating income	1	1,168,011	2,085,020
Total operating income		2,405,562	3,225,525
Total operating expenses	2	(2,695,232)	(3,113,178)
Impairment gains/(losses) and provisions		14,112	(17,692)
(Loss)/Profit before taxation		(275,558)	94,655
Tax charge		(52,977)	(20,026)
(Loss)/Profit after taxation		<u>(328,535)</u>	<u>74,629</u>

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Balance Sheet
As at 31 December 2023

		31 Dec 2023	30 Jun 2023
	Notes	HKD'000	HKD'000
Assets			
Cash and balances with banks		1,004,530	2,356,117
Due from Exchange Fund		36,041	40,199
Amount due from overseas offices		52,660,343	51,306,497
Loans and receivables	4	18,789,740	26,160,898
Amount receivable under reverse repos		7,586,161	11,721,043
Investment securities		-	2,761,241
Securities held for trading purposes		3,518,195	953,573
Property, plant and equipment		10,924	43,991
		<hr/>	<hr/>
Total assets		<u>83,605,934</u>	<u>95,343,559</u>
Liabilities			
Deposits from customers	5	61,996,882	44,214,561
Deposit and balances of banks and other financial institutions		87,434	1,625
Amount due to overseas offices		16,096,997	45,481,727
Other liabilities		5,424,621	5,645,646
		<hr/>	<hr/>
Total liabilities		<u>83,605,934</u>	<u>95,343,559</u>

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Notes to the Financial Statements

		Year ended 31 Dec 2023	Year ended 31 Dec 2022
	Notes	HKD'000	HKD'000
1 Other operating income			
Gains less losses arising from trading in foreign currencies		(2,182)	(2,204)
Gains less losses arising from trading in other derivatives		(124,200)	(151,951)
Gains less losses on securities held for trading purposes		(1,766)	16,472
Net fees and commission income	3	1,292,258	2,180,865
Others		3,901	41,838
		<u>1,168,011</u>	<u>2,085,020</u>
2 Total operating expenses			
Staff and rental expenses		(1,185,756)	(1,320,835)
Other expenses		(1,501,665)	(1,763,854)
Charge for other provisions		(7,811)	(28,489)
		<u>(2,695,232)</u>	<u>(3,113,178)</u>
3 Net fees and commission income			
Fees and commission income		1,467,291	2,463,412
Less: Fees and commission expenses		(175,033)	(282,547)
		<u>1,292,258</u>	<u>2,180,865</u>
		31 Dec 2023	30 Jun 2023
		HKD'000	HKD'000
4 Loans and receivables			
Loans and advances to customers			
- Overdrafts and repayment on demand		194,905	75,666
- Other loans due within 1 month		15,596,315	21,198,431
- Between 1 and 3 months		798,781	2,525,086
- Between 3 months and 1 year		444,576	402,235
- Later than 1 year		11,954	32,702
Total Loans and advances to customers	6	17,046,531	24,234,120
Other accounts		1,117,368	1,517,346
Accrued interest		643,345	435,642
Provisions for impaired loans and receivables (general provisions)		(9,137)	(18,242)
Provisions for impaired loans and receivables (specific provisions)		(8,367)	(7,968)
		<u>18,789,740</u>	<u>26,160,898</u>
5 Deposits from customers			
Demand deposits and current accounts		9,809,302	11,655,412
Time, call and notice deposits		52,187,580	32,559,149
		<u>61,996,882</u>	<u>44,214,561</u>

6 Analysis of gross amount of loans and advances to customers

a. Breakdown by industry sectors

The analysis of gross loans and advances to customers and secured loans and advances by industry sectors are based on the categories and definitions used by the Hong Kong Monetary Authority (HKMA).

	31 Dec 2023 HKD'000			30 Jun 2023 HKD'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans and advances for use in Hong Kong						
Industrial, commercial and financial	482,685	-	482,685	945,849	-	945,849
Financial concerns						
Individuals						
Others	6,820,118	8,504	6,828,622	10,501,329	7,974	10,509,303
Loans and advances for use outside Hong Kong	9,735,218	6	9,735,224	12,778,896	72	12,778,968
	<u>17,038,021</u>	<u>8,510</u>	<u>17,046,531</u>	<u>24,226,074</u>	<u>8,046</u>	<u>24,234,120</u>

When collateral value are greater than gross loans and advances, only the amount of collateral up to gross amount is included.

b. Breakdown by geographical areas

Loans and Advances to customers by geographical areas to which not less than 10% of the institution's total amount of loans and advances to customers are classified according to the location of the counterparties after taking into account the transfer of risk. The basis of the country classification is in accordance with the guidance notes from the HKMA.

	31 Dec 2023 HKD'000			30 Jun 2023 HKD'000		
	Total	Overdue/Impaired Loans & Advances	Specific Provision	Total	Overdue/Impaired Loans & Advances	Specific Provision
Hong Kong	7,311,307	8,367	8,367	11,455,152	7,968	7,968
British Virgin Islands	3,879,847	-	-	4,911,570	-	-
Bahamas	1,977,794	-	-	1,803,072	-	-
China	1,949,748	-	-	2,322,250	-	-
Others	1,827,835	-	-	3,742,076	-	-
	<u>17,046,531</u>	<u>8,367</u>	<u>8,367</u>	<u>24,234,120</u>	<u>7,968</u>	<u>7,968</u>
% of the total loans and advances to customers		<u>0.05%</u>			<u>0.03%</u>	
Fair value of security held against impaired advances to loans and advances		<u>-</u>			<u>-</u>	

* Loans and Advances to customers in Bahamas to which less than 10% of the institution's total amount of loans and advances to customers is presented for comparative purpose only.

7 Overdue and rescheduled loans and advances

a. Overdue loans and advances

	31 Dec 2023		30 Jun 2023	
	HKD'000	% of total Loans & Advances to customers	HKD'000	% of total Loans & Advances to customers
Gross amount of loans and advances which have been overdue for:				
- Six months or less but over three months	-	-	-	-
- One year or less but over six months	-	-	-	-
- Over one year	8,367	0.05%	7,968	0.03%
	<u>8,367</u>	<u>0.05%</u>	<u>7,968</u>	<u>0.03%</u>
Fair value of the collaterals held in respect of the overdue loans and advances to customers	<u>-</u>		<u>-</u>	
Specific provision made	<u>8,367</u>		<u>7,968</u>	

All non-performing loans to customers were overdue for more than 1 year as at 31 Dec 2023 & 30 Jun 2023.

No collaterals are held in respect of the overdue loans and advances.

b. Rescheduled advances

Credit Suisse AG, a UBS Group Company Hong Kong Branch (the Branch) does not have any rescheduled loans & advances to customers as at 31 Dec 2023 & 30 Jun 2023

The Branch does not have any overdue & rescheduled loans & advances to banks as at 31 Dec 2023 & 30 Jun 2023

The Branch does not have impaired loans and advances to banks as at 31 Dec 2023 & 30 Jun 2023

8 Other Assets Overdue and Repossessed Assets

The Branch does not have any overdue other assets and repossessed assets as at 31 Dec 2023 & 30 Jun 2023

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Notes to the Financial Statements

9 International claims

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. The basis of geographical segments and individual countries is in accordance with the definitions set out in the banking return of "Return of International Banking Statistics" issued by the HKMA. Geographical segments and individual countries constituting 10% or more of the aggregate international claims are summarized as follows:

(HKD million)

	31 Dec 2023					
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed Countries	54,497	-	39	163	-	54,699
of which Switzerland	53,853	-	12	3	-	53,868
Offshore Centres	7,660	297	64	10,093	-	18,114
of which Singapore	7,583	-	1	212	-	7,796

(HKD million)

	30 Jun 2023					
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed Countries	53,156	53	191	181	-	53,581
of which Switzerland	52,333	-	184	4	-	52,521
Offshore Centres	12,707	291	51	15,788	-	28,837
of which Singapore	11,727	-	-	423	-	12,150

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.

10 Mainland Activities Disclosures

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:

(HKD million)	31 Dec 2023				30 Jun 2023			
	On-balance sheet exposure	Off-balance sheet exposure	Total	Specific provision	On-balance sheet exposure	Off-balance sheet exposure	Total	Specific provision
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	297	-	297	-	291	-	291	-
Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-	-	-	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	4,421	133	4,554	-	5,133	133	5,266	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	371	1	372	-	432	2	434	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	208	4	207	-	239	1	240	-
Total	5,292	138	5,430	-	6,095	136	6,231	-
Total assets after provision	83,606				95,344			
On-balance sheet exposures as percentage of total assets	6.33%				6.39%			

11 Foreign currency exposures

Foreign currency constituting 10% or more of the total net position in all foreign currencies are summarized as follows:

(HKD million)	31 Dec 2023		
	US dollars	Chinese Renminbi	Total
Spot assets	48,511	4,335	52,846
Spot liabilities	(48,592)	(4,348)	(52,940)
Forward purchases	1,731	145	1,876
Forward sales	(1,701)	(141)	(1,842)
Net options positions			
Net long (short) position	(61)	(9)	(60)
Net structural position	11	-	11

(HKD million)	30 Jun 2023		
	US dollars	Chinese Renminbi	Total
Spot assets	61,232	1,784	63,016
Spot liabilities	(61,198)	(1,864)	(63,062)
Forward purchases	2,657	301	3,158
Forward sales	(2,819)	(301)	(3,120)
Net options positions	-	-	-
Net long (short) position	72	(80)	(8)
Net structural position	38	-	38

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

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Off Balance Sheet Exposures

31 Dec 2023 30 Jun 2023
HKD'000 HKD'000

12 Contingent liabilities and commitments
(contractual amounts)

Direct credit substitutes	4,297,068	3,917
Other commitments	202,205,501	224,800,832

13 Derivatives instruments
(HKD '000)

	31 Dec 2023			30 Jun 2023		
	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)	119,772	116,827	12,111,264	137,754	135,881	19,289,990
Equity contracts	210,348	211,380	9,996,918	210,833	210,053	12,784,681
Precious metals including gold contracts	51,971	51,971	3,140,234	46,875	46,848	5,112,005

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Liquidity Information

Treasury management

Balance sheet, liquidity and funding management

Strategy, objectives and governance

Our management of liquidity and funding has the overall objective of protecting our business franchises and prudently managing our internal and regulatory liquidity and funding requirements. We measure liquidity and funding risk using internal and regulatory models and metrics. We define and implement internal stress testing across different time horizons and scenarios to ensure the firm has sufficient liquidity and funding, while remaining compliant with regulatory requirements, primarily expressed through the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). Funding and liquidity in the Branch are managed centrally by Treasury. Oversight of these activities is provided by the Hong Kong Branch Governance Committee (HK BGC), the main governance body of the Branch, a committee that includes the HK Branch Chief Executive (CE), HK Branch Alternate Chief Executive (ACE), HKMA Managers (in accordance with section 72B of the Banking Ordinance), which includes HK Branch Chief Risk Officer (CRO), and Treasurer. The Branch's liquidity and funding profiles are regularly reported to the HK BGC. HK Branch Capital Allocation and Risk Management Committee (HKB CARMC), a sub-committee of HK Branch Governance Committee (HKBGC), has the delegated powers to manage all risk related issues.

Liquidity risk strategy, policies and any related issues are also discussed and reviewed in HKB CARMC, which is composed of branch management, representatives from various business lines and risk control.

Liquidity and funding limits and other indicators (including early warning indicators) are reviewed and reconfirmed at least once a year by HKB CARMC, taking into consideration the business strategy and risk appetite. Treasury Risk Control provides independent oversight over liquidity and funding risk.

Group Treasury monitors and oversees the implementation and execution of our liquidity and funding strategy and manages liquidity and funding risk within the limits and other relevant indicators, thereby adhering to the internal risk appetite and regulatory requirements. This includes close control of both our cash and collateral, including our high-quality liquid assets (HQLA), and centralizes the Group's access to wholesale cash markets in Group Treasury. To complement our business-as-usual management, Group Treasury maintains a Contingency Funding Plan and contributes to plans for recovery to define procedures throughout the crisis continuum. Treasury reports the the Branch's liquidity and funding position, at least monthly, to HKB CARMC and HKBGC.

Liquidity and funding stress testing

Our liquidity and funding risk management aims to ensure that the firm has sufficient liquidity and funding to survive a severe idiosyncratic and market-wide liquidity and funding stress event without government support, allowing for discrete management actions. Group Treasury maintains a diversified, high-quality pool of unencumbered liquid assets under Treasury control. The liquid asset portfolio is managed dynamically, so as to operate at all times within the internal risk appetite and other relevant liquidity and funding requirements. Our liquidity and funding stress testing covers three main stress scenarios per regulatory requirements: combined (market and idiosyncratic) severe and less-severe scenarios, an idiosyncratic scenario and a market scenario. We continuously refine stress-testing assumptions. The objective of these stress tests is to ensure that the Branch maintains a positive cumulative behavioral liquidity gap in one month tenor. The liquidity gap is assessed by modeling the stressed liquidity value of the liquidity buffer, and stressed liquidity inflows and outflows under these scenarios.

Funding management

Group Treasury is responsible for the development of our funding plan. UBS Group operates a central funding model to generate efficiencies for the Group. Thus, intra-group funding moves liquidity from businesses and locations that create excess funding to the businesses that are net users of funds. Group Treasury Funding Management manages funds centrally for the Group. All funding is provided on an arm's-length basis.

Group Treasury monitors our funding position, including concentration risk, aiming to ensure that we maintain a well-balanced and diversified liability structure. Our funding management team looks to create the optimal liability structure to finance our businesses in a reliable and cost-efficient manner. Our funding activities are planned by analyzing the overall liquidity and funding requirements, taking into account the amount of stable funding that would be needed to support ongoing business activities through periods of difficult market conditions.

The Branch leverages the diversified funding portfolio from the Group and develops its own set of funding strategy which includes controlling the size of term borrowing from the Group.

Contingency Funding Plan

We maintain the Contingency Funding Plan as a preparation and action plan, aiming to ensure we maintain sufficient liquidity to meet payment obligations in a liquidity and funding stress. The plan specifies the processes, tools and responsibilities that we have available to effectively manage liquidity and funding through these periods. Our funding diversification and group scope help to protect our liquidity position in the event of a crisis. Our contingent funding sources include our HQLA portfolios, liquidity support from intra-group entities, contingent reductions of business assets, and other actions available to the management.

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Liquidity Information

Liquidity metrics

Liquidity pool

The Branch holds a pool of HQLA as defined under Schedule 2 of the Banking (Liquidity) Rules (BLR) with a majority of HQLA consisting of Level 1 assets, predominantly in government debt securities.

The following liquidity disclosure complies with the Banking (Disclosure) Rules (BDR) made under section 60A of the Banking Ordinance.

Pursuant to the BLR, the Branch is required to maintain LCR of not less than 100% effective from 1 January 2019.

The average LCR for the period is as follows:

Quarter ended (%)	
31 Dec 2023	31 Dec 2022
275.50%	193.41%

Average LCR

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

The average LCR increased from 193.41% for the quarter ended 31 Dec 2022 to 275.50% for the quarter ended 31 Dec 2023 is primarily due to decrease in affiliate borrowings.

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 the average value of the LCR and related components for quarters ended 31 Dec 2023 and 31 Dec 2022 are 61 and 62 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 Dec 2023 (61 data points)		Quarter ended 31 Dec 2022 (62 data points)	
	Unweighted value (average)	Weighted value (average)	Unweighted value (average)	Weighted value (average)
Basis of disclosure: Hong Kong office basis				
A. HIGH QUALITY LIQUID ASSETS				
1 Total high quality liquid assets (HQLA)		11,198,602		17,862,531
B. CASH OUTFLOWS				
2 Retail deposits and small business funding, of which:	23,031,409	2,303,141	21,350,169	2,135,017
3 Stable retail deposits and stable small business funding	-	-	-	-
4 Less stable retail deposits and less stable small business funding	23,031,409	2,303,141	21,350,169	2,135,017
4a Retail term deposits and small business term funding	-	-	-	-
5 Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the FI, of which:	23,171,942	11,941,318	45,820,365	30,360,053
6 Operational deposits	-	-	-	-
7 Unsecured wholesale funding (other than small business funding) not covered in Row 6	23,171,942	11,941,318	45,820,365	30,360,053
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:	1,685,476	1,147,491	3,236,924	2,864,207
11 Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	1,072,263	1,072,263	1,919,869	1,919,869
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)	613,213	75,228	1,317,055	944,338
14 Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	917,184	917,184	1,810,659	1,810,659
15 Other contingent funding obligations (whether contractual or non-contractual)	211,712,549	70,791	239,965,435	587
16 TOTAL CASH OUTFLOWS		16,379,925		37,170,523
C. CASH INFLOWS				
17 Secured lending transactions (including securities swap transactions)	7,607,854	16,412	15,145,796	26,882
18 Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	44,774,085	35,583,414	48,334,508	32,763,243
19 Other cash inflows	2,116,493	1,673,588	3,906,054	3,289,859
20 TOTAL CASH INFLOWS	54,498,432	37,273,414	67,386,358	36,079,984
D. LIQUIDITY COVERAGE RATIO				
21 TOTAL HQLA		Adjusted value 11,198,602		Adjusted value 17,862,531
22 TOTAL NET CASH OUTFLOWS		4,094,981		9,292,630
23 LCR (%)		275.50%		193.41%

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

Net Stable Funding Ratio

The Branch is required to maintain a NSFR of not less than 100%. The NSFR, Available Stable Funding (ASF) and Required Stable Funding (RSF) for the periods are as follows:

	Quarter ended (%)	
	31 Dec 2023	31 Dec 2022
NSFR	207.69%	145.75%
	Quarter ended (HKD million)	
	31 Dec 2023	31 Dec 2022
ASF	42,956	55,282
RSF	20,683	37,928

NSFR increased from 145.75% on 31 Dec 2022 to 207.69% on 31 Dec 2023 driven by a decrease in required stable funding primarily arising from decrease in intercompany lending and loans provided to customers.

The following table sets out the required disclosure items under NSFR Standard Disclosure Template as specified by the HKMA.

LIQ2 - Net stable funding ratio for category 1 institution

Amount in HKD\$ '000		Quarter ended 31 Dec 2023				Weighted amount
		Unweighted value by residual maturity				
Basis of disclosure: Hong Kong office		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	23,755,071	-	-	21,379,564
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	23,755,071	-	-	21,379,564
7	Wholesale funding:	-	50,815,437	4,210,417	153,107	21,566,948
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	50,815,437	4,210,417	153,107	21,566,948
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	3,641,908	724,546	629	48,314	9,136
12	Net derivative liabilities	-	-	-	-	-
13	All other funding and liabilities not included in the above categories	3,641,908	724,546	629	48,314	9,136
14	Total ASF					42,955,648
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes	-	-	-	3,556,724	-
16	Deposits held at other financial institutions for operational purposes	-	973,700	-	-	486,850
17	Performing loans and securities:	186,537	70,626,087	6,909,048	234,723	19,910,347
18	Performing loans to financial institutions secured by Level 1 HQLA	-	7,589,575	-	-	758,958
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	39	46,322,250	6,804,783	222,132	10,572,900
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	186,498	16,644,666	104,265	12,591	8,543,691
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	69,596	-	-	34,798
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	405,370	693,181	-	30,542	258,376
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	Net derivative assets	1,912	-	-	-	1,912
30	Total derivative liabilities before deduction of variation margin posted	380,178	-	-	-	19,009
31	All other assets not included in the above categories	23,280	693,181	-	30,542	237,455
32	Off-balance sheet items	-	-	-	206,502,569	27,426
33	Total RSF					20,682,999
34	Net Stable Funding Ratio (%)					207.69%

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

L1Q2 - Net stable funding ratio for category 1 institution - continued

HK\$'000	Quarter ended 30 Sept 2023					Weighted amount
	Unweighted value by residual maturity					
Basis of disclosure: Hong Kong office	No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more		
A. Available stable funding ("ASF") item						
1 Capital:	-	-	-	-	-	-
2 Regulatory capital	-	-	-	-	-	-
2a Minority interests not covered by row 2	-	-	-	-	-	-
3 Other capital instruments	-	-	-	-	-	-
4 Retail deposits and small business funding:		22,398,954	-	-	-	20,159,059
5 Stable deposits		-	-	-	-	-
6 Less stable deposits		22,398,954	-	-	-	20,159,059
7 Wholesale funding:		52,588,895	3,997,906	11,896,349		30,647,170
8 Operational deposits		-	-	-	-	-
9 Other wholesale funding		52,588,895	3,997,906	11,896,349		30,647,170
10 Liabilities with matching interdependent assets		-	-	-	-	-
11 Other liabilities:	3,462,921	2,073,435	59,947	52,356		16,269
12 Net derivative liabilities	16,395	-	-	-		-
13 All other funding and liabilities not included in the above categories	3,446,526	2,073,435	59,947	52,356		16,269
14 Total ASF						50,822,498
B. Required stable funding ("RSF") item						
15 Total HQLA for NSFR purposes				3,741,765		-
16 Deposits held at other financial institutions for operational purposes	-	1,083,830	-	-		541,915
17 Performing loans and securities:	206,683	78,764,720	10,582,386	294,749		24,004,569
18 Performing loans to financial institutions secured by Level 1 HQLA	-	7,531,651	-	-		753,165
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	3	51,758,375	10,515,100	219,268		13,240,577
20 Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	206,680	19,405,811	67,286	75,481		9,976,386
21 With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-		-
22 Performing residential mortgages, of which:	-	68,883	-	-		34,441
23 With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-		-
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-		-
25 Assets with matching interdependent liabilities	-	-	-	-		-
26 Other assets:	404,512	1,592,812	-	28,423		256,532
27 Physical traded commodities, including gold	-	-	-	-		-
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-		-
29 Net derivative assets	-	-	-	-		-
30 Total derivative liabilities before deduction of variation margin posted	327,892	-	-	-		16,395
31 All other assets not included in the above categories	76,620	1,592,812	-	28,423		240,137
32 Off-balance sheet items				212,947,360		33,138
33 Total RSF						24,836,154
34 Net Stable Funding Ratio (%)						204.63%

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

LIQ2 - Net stable funding ratio for category 1 institution - continued

HK\$'000		Quarter ended 31 Dec 2022				Weighted amount
		Unweighted value by residual maturity				
Basis of disclosure: Hong Kong office		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	19,749,878	-	-	17,774,890
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	19,749,878	-	-	17,774,890
7	Wholesale funding:	-	60,947,162	9,436,063	22,583,519	37,486,683
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	60,947,162	9,436,063	22,583,519	37,486,683
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	4,000,886	1,164,070	2,858	86,242	20,672
12	Net derivative liabilities	13,800	-	-	-	-
13	All other funding and liabilities not included in the above categories	3,987,086	1,164,070	2,858	86,242	20,672
14	Total ASF					55,282,245
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				3,122,607	-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	115,738	86,968,983	22,964,072	2,589,010	37,444,650
18	Performing loans to financial institutions secured by Level 1 HQLA	-	13,831,999	-	-	1,383,200
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	41,658,595	22,806,764	1,949,300	19,601,471
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	115,738	31,402,655	157,308	639,710	16,422,113
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	75,734	-	-	37,866
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	1,600,384	1,906,245	-	52,138	422,297
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	Net derivative assets	-	-	-	-	-
30	Total derivative liabilities before deduction of variation margin posted	1,503,274	-	-	-	75,164
31	All other assets not included in the above categories	97,110	1,906,245	-	52,138	347,133
32	Off-balance sheet items	-	-	-	235,674,579	61,309
33	Total RSF					37,928,256
34	Net Stable Funding Ratio (%)					145.75%

Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Liquidity Information

Liquidity metrics (Continued)

L102 - Net stable funding ratio for category 1 institution - continued

HK\$'000		Quarter ended 30 Sept 2022				Weighted amount
		Unweighted value by residual maturity				
Basis of disclosure: Hong Kong office		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	36,532,163	-	-	32,878,947
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	36,532,163	-	-	32,878,947
7	Wholesale funding:	-	78,073,045	6,784,177	830,538	33,283,321
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	78,073,045	6,784,177	830,538	33,283,321
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	4,136,752	3,054,087	64,490	61,083	3,383
12	Net derivative liabilities	19,550	-	-	-	-
13	All other funding and liabilities not included in the above categories	4,117,202	3,054,087	64,490	61,083	3,383
14	Total ASF					66,165,651
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				2,763,762	-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	153,982	113,766,301	4,531,284	4,648,297	36,853,092
18	Performing loans to financial institutions secured by Level 1 HQLA	-	16,971,856	-	-	1,697,186
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	34	57,650,401	4,463,159	3,924,925	14,804,099
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	153,948	39,068,883	68,125	723,372	20,314,227
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	75,161	-	-	37,580
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	3,294,716	3,432,314	-	39,395	624,314
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	Net derivative assets	-	-	-	-	-
30	Total derivative liabilities before deduction of variation margin posted	3,156,477	-	-	-	157,824
31	All other assets not included in the above categories	138,239	3,432,314	-	39,395	466,490
32	Off-balance sheet items	-	-	-	248,663,366	77,825
33	Total RSF					37,555,231
34	Net Stable Funding Ratio (%)					176.18%

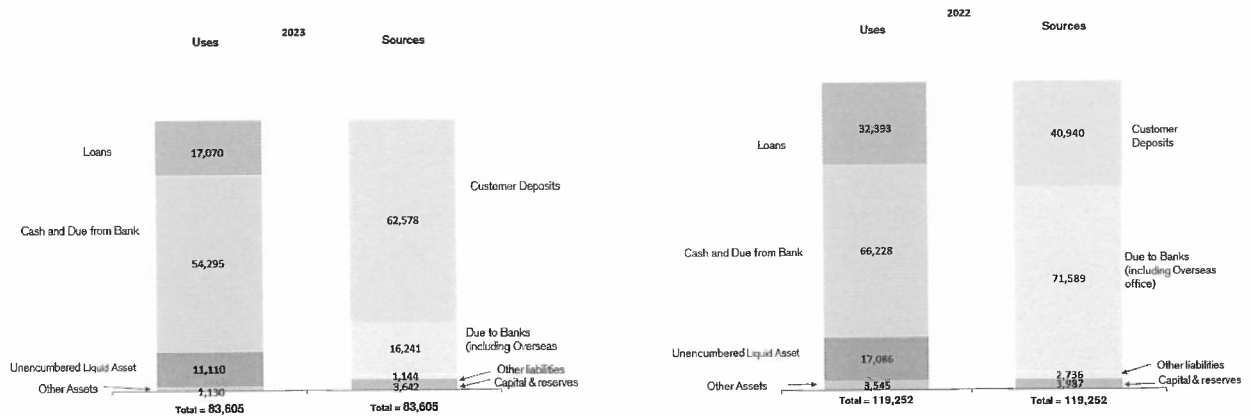
Credit Suisse AG, a UBS Group Company
Hong Kong Branch
Liquidity Information

Funding sources

The Branch holds a pool of HOLA as defined under Schedule 2 of the BLR with a majority of HOLA consisting of Level 1 assets, predominantly in government debt securities. 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.

Customer loans and due to banks are primarily funded by private banking customers' deposits. In addition, the Branch is able to source additional funding, in the appropriate currency, from affiliates of the Group to meet its requirement. The positive funding gap is deployed towards reverse repurchase agreements to source HOLA and also outright purchases of HOLA, with excess funding placed back with Group affiliates. The following graphs provides the Branch's funding sources and uses.

Branch's funding sources and uses (HKD'million)



Unencumbered Liquid Asset includes readily monetizable debt securities held and amounts receivable from reverse repo.

Funding management

Contractual maturity banding of assets and liabilities

The following tables provide contractual maturities of the assets and liabilities as at the end of each period.

At 31 Dec 2023 (HKD million)	On demand	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Balancing amount	Total
Assets							
Amount receivable arising from securities financing transactions (other than securities swap transactions)	7,590	-	-	-	-	-	7,590
Amount receivable arising from derivative contracts	67	25	29	239	23	-	383
Due from MA for a/c of Exchange Fund	36	-	-	-	-	-	36
Due from overseas central banks	1	-	-	-	-	-	1
Due from banks	11,298	16,224	11,918	14,597	222	-	54,259
Readily monetizable debt securities held (net of short positions)	3,520	-	-	-	-	-	3,520
Loans and advances to non-bank customers	3,180	12,625	804	448	13	-	17,070
Other assets	95	284	314	-	31	22	746
Total assets	25,787	29,158	13,065	15,284	289	22	83,605
Off Balance Sheet Claims	550	809	10	-	-	4,798	6,167
Liabilities							
Deposits from non-bank customers	15,073	21,138	10,139	15,987	241	-	62,578
Amount payable arising from derivative contracts	64	24	28	244	20	-	380
Due to banks	790	4,046	6,985	4,267	12	141	16,241
Other liabilities	61	433	175	56	39	-	764
Capital and reserves	-	-	-	-	-	3,642	3,642
Total liabilities including capital and reserves	15,988	25,641	17,327	20,554	312	3,783	83,605
Off Balance Sheet Obligations	714	573	624	6	4,297	4,798	11,012
Net liquidity gaps	9,635	3,753	(4,876)	(5,276)	(4,320)	(3,761)	(4,845)

At 31 Dec 2022 (HKD million)	On demand	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Balancing amount	Total
Assets							
Amount receivable arising from securities financing transactions (other than securities swap transactions)	13,830	189	-	-	-	-	14,019
Amount receivable arising from derivative contracts	68	51	877	439	55	-	1,490
Due from MA for a/c of Exchange Fund	55	-	-	-	-	-	55
Due from overseas central banks	1	-	-	-	-	-	1
Due from banks	5,667	9,277	23,079	26,200	1,949	-	66,172
Readily monetizable debt securities held (net of short positions)	3,067	-	-	-	-	-	3,067
Loans and advances to non-bank customers	5,131	23,632	2,745	245	640	-	32,393
Other assets	96	1,597	213	-	52	97	2,055
Total assets	27,915	34,746	26,914	26,884	2,696	97	119,252
Off Balance Sheet Claims	641	1,709	47	-	-	6,819	9,216
Liabilities							
Deposits from non-bank customers	19,549	8,260	8,309	4,822	-	-	40,940
Amount payable arising from derivative contracts	68	59	878	445	55	-	1,505
Due to banks	17,344	4,933	16,018	10,711	22,443	140	71,589
Other liabilities	393	605	115	52	66	-	1,231
Capital and reserves	-	-	-	-	-	3,987	3,987
Total liabilities including capital and reserves	37,354	13,857	25,320	16,030	22,564	4,127	119,252
Off Balance Sheet Obligations	1,170	1,880	567	9	1	6,819	10,446
Net liquidity gaps	(9,968)	20,718	1,074	10,845	(19,869)	(4,030)	(1,230)

UBS Group AG Consolidated Financial Information

On 12 June 2023, UBS Group AG acquired Credit Suisse Group AG, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse Group AG, and became the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse Group AG (the Transaction).

Upon the completion of the Transaction, each outstanding, registered Credit Suisse share converted to the right to receive, subject to the payment of certain fees to the Credit Suisse Depositary in the case of Credit Suisse American depository shares (ADS), the merger consideration consisting of 1/22.48 UBS Group AG shares. In aggregate, Credit Suisse shareholders received 5.1% of the outstanding UBS Group AG shares on the acquisition date, with a purchase price of USD 3.6bn.

In December 2023, the Board of Directors of UBS Group AG (the BoD) approved the merger of UBS AG and Credit Suisse AG, and both entities entered into a definitive merger agreement. The completion of the merger is subject to regulatory approvals and is expected to occur by the end of the second quarter of 2024.

	31 Dec 2023	30 Jun 2023
Capital adequacy ratio (Note 1)		
Common Equity Tier 1 ratio	14.36%	14.21% ³
Tier 1 ratio	16.90%	16.55% ³
Total capital ratio	16.90%	16.55% ³
	USD million	USD million
Total shareholders' equity	86,108	86,999
Other financial information		
Balance sheet :		
Total assets	1,717,246	1,678,780
Total liabilities	1,630,607	1,591,145
Total loans and advances to customers	639,844	651,770
Total customer deposits	792,029	712,546
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
	USD million	USD million
Profit and Loss :		
Pre-tax profit from continuing operations for the financial period	28,739	9,604

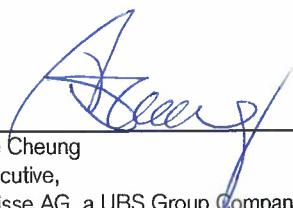
Note :

- (1) The capital adequacy ratio is computed in accordance with the Basel Capital Accord.
- (2) UBS Group AG reports consolidated financial results for the combined group under IFRS in USD.
- (3) Information as of 30 June 2023 has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group Annual Report 2023, available under "Annual reporting" at ubs.com/investors, for more information.

Credit Suisse AG, a UBS Group Company
Hong Kong Branch

Chief Executive's Declaration of Compliance

It is certified by the Chief Executive of Credit Suisse AG, a UBS Group Company 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.



Lawrence Cheung
Chief Executive,
Credit Suisse AG, a UBS Group Company Hong Kong Branch