

CREDIT SUISSE GROUP AG  
Form 6-K  
August 28, 2018  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Form 6-K

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**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

August 28, 2018  
Commission File Number 001-15244  
CREDIT SUISSE GROUP AG  
(Translation of registrant's name into English)  
Paradeplatz 8, CH 8001 Zurich, Switzerland  
(Address of principal executive office)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F    Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

**Note:** Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

**Note:** Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes    No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**CREDIT SUISSE GROUP AG**

(Registrant)

Date: August 28, 2018

By:

/s/ Joachim Oechslin

Joachim Oechslin

Chief Risk Officer

By:

/s/ David R. Mathers

David R. Mathers

Chief Financial Officer

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For purposes of this report, unless the context otherwise requires, the terms “Credit Suisse,” the “Group,” “we,” “us” and “our” mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse AG, the direct bank subsidiary of the Group, is substantially similar to the Group, and we use these terms to refer to both when the subject is the same or substantially similar. We use the term the “Bank” when we are only referring to Credit Suisse AG and its consolidated subsidiaries.

Abbreviations are explained in the List of abbreviations in the back of this report.

Publications referenced in this report, whether via website links or otherwise, are not incorporated into this report.

In various tables, use of “–” indicates not meaningful or not applicable.

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## Introduction

### General

This report as of June 30, 2018 for the Group is based on the revised Circular 2016/1 “Disclosure – banks” (FINMA circular) issued by the Swiss Financial Market Supervisory Authority FINMA (FINMA). The FINMA circular includes the implementation of the revised Pillar 3 disclosure requirements issued by the Basel Committee on Banking Supervisions (BCBS) in January 2015. This document should be read in conjunction with the Pillar 3 and regulatory disclosures – Credit Suisse Group AG 4Q17, the Pillar 3 and regulatory disclosures – Credit Suisse Group AG 1Q18, the Credit Suisse Annual Report 2017 and the Credit Suisse Financial Report 2Q18, which include additional information on regulatory capital, risk management (specific references have been made herein to these documents) and regulatory developments and proposals.

The highest consolidated entity in the Group to which the FINMA circular applies is Credit Suisse Group.

This report is produced and published quarterly, in accordance with FINMA requirements. The reporting frequency for each disclosure requirement is either annual, semi-annual or quarterly.

These disclosures were verified and approved internally in line with our board-approved policy on disclosure controls and procedures. The level of internal control processes for these disclosures is similar to those applied to the Group’s quarterly and annual financial reports. This report has not been audited by the Group’s external auditors.

> Refer to “Pillar 3 and regulatory disclosures – Credit Suisse Group AG 4Q17” under [credit-suisse.com/regulatorydisclosures](http://credit-suisse.com/regulatorydisclosures) for the annual qualitative disclosures required by the FINMA circular.

For certain prescribed table formats where line items have zero balances, such line items have not been presented.

### Other regulatory disclosures

In connection with the implementation of Basel III, certain regulatory disclosures for the Group and certain of its subsidiaries are required. The Group’s Pillar 3 disclosure, regulatory disclosures, additional information on capital instruments, including the main features and terms and conditions of regulatory capital instruments that form part of the eligible capital base, global systemically important banks (G-SIB) financial indicators, reconciliation requirements, leverage ratios and certain liquidity disclosures as well as regulatory disclosures for subsidiaries can be found on our website.

> Refer to [credit-suisse.com/regulatorydisclosures](http://credit-suisse.com/regulatorydisclosures) for additional information.

## Risk-weighted assets

The following table provides an overview of total risk-weighted assets (RWA) forming the denominator of the risk-based capital requirements. Further breakdowns of RWA are presented in subsequent parts of this report.

## OV1 – Overview of risk-weighted assets and capital requirements

| end of<br>CHF million  | Risk-weighted assets |                |                     | Capital                          |
|--|----------------------|----------------|---------------------|----------------------------------|
|  | 2Q18                 | 1Q18           | 4Q17                | requirement <sub>1</sub><br>2Q18 |
| Credit risk (excluding counterparty credit risk)   | 130,261              | 123,717        | 121,706             | 10,421                           |
| of which standardized approach (SA)  | 12,878               | 11,493         | 10,511              | 1,030                            |
| of which internal rating-based (IRB) approach  | 117,383              | 112,224        | 111,195             | 9,391                            |
| Counterparty credit risk   | 24,512               | 23,496         | 24,664              | 1,961                            |
| of which standardized approach for counterparty credit risk (SA-CCR) <sup>2</sup>                                | 5,161                | 5,065          | 5,492               | 413                              |
| of which internal model method (IMM) <sup>3</sup>  | 19,351               | 18,431         | 19,172              | 1,548                            |
| of which derivatives and SFTs  | 14,951               | 15,188         | 14,983              | 1,196                            |
| Equity positions in the banking book   | 7,817                | 7,380          | 8,218               | 626                              |
| Settlement risk  | 417                  | 335            | 150                 | 33                               |
| Securitization exposures in the banking book   | 10,775               | 10,549         | 10,731 <sub>4</sub> | 862                              |
| of which securitization internal ratings-based approach (SEC-IRBA)   | 5,704                | 5,482          | –                   | 456                              |
| of which securitization external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA) | 1,725                | 3,144          | –                   | 138                              |
| of which securitization standardized approach (SEC-SA)   | 3,346                | 1,923          | –                   | 268                              |
| Amounts below the thresholds for deduction (subject to 250% risk weight)   | 11,216               | 10,786         | 11,043              | 897                              |
| <b>Total credit risk</b>   | <b>184,998</b>       | <b>176,263</b> | <b>176,512</b>      | <b>14,800</b>                    |
| <b>Total market risk</b>   | <b>19,565</b>        | <b>21,639</b>  | <b>21,290</b>       | <b>1,565</b>                     |
| of which standardized approach (SA)  | 2,490                | 3,620          | 3,765               | 199                              |
| of which internal model approach (IMA)   | 17,075               | 18,019         | 17,525              | 1,366                            |
| <b>Total operational risk</b>  | <b>72,562</b>        | <b>73,113</b>  | <b>75,013</b>       | <b>5,805</b>                     |
| of which advanced measurement approach (AMA)   | 72,562               | 73,113         | 75,013              | 5,805                            |
| Floor adjustment <sup>5</sup>  | 0                    | 0              | 0                   | 0                                |
| <b>Total</b>   | <b>277,125</b>       | <b>271,015</b> | <b>272,815</b>      | <b>22,170</b>                    |

1  
Calculated as 8% of risk-weighted assets based on BIS total capital minimum requirements excluding capital conservation buffer and G-SIB buffer requirements.

2  
Calculated under the current exposure method.

3  
Includes RWA relating to advanced credit valuation adjustment and central counterparties of CHF 6,972 million, CHF 5,806 million and CHF 7,177 million as of the end of 2Q18, 1Q18

and 4Q17, respectively.

4

In January 2018, a new securitization framework was implemented and will be phased in over 2018. The 4Q17 number was calculated in accordance with the previous methodology.

5

Credit Suisse is not subject to a floor adjustment because current capital requirements and deductions exceed 80% of those under Basel I.

RWA movements in 2Q18

RWA increased 2% to CHF 277.1 billion as of the end of 2Q18 compared to CHF 271.0 billion as of the end of 1Q18, primarily driven by a positive foreign exchange impact, methodology and policy changes and increases resulting from movements in risk levels in credit risk and by model and parameter updates in credit risk and market risk. These increases were partially offset by decreases resulting from movements in risk levels, mainly in market risk.

RWA flow statements for credit risk, counterparty credit risk (CCR) and market risk are presented below.

> Refer to “Risk-weighted assets” (pages 63 to 64) in II – Treasury, risk, balance sheet and off-balance sheet – Capital management in the Credit Suisse Financial Report 2Q18 for further information on risk-weighted assets movements in 2Q18.

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## Credit risk

## General

This section covers credit risk as defined by the Basel framework. Counterparty credit risk, including those that are in the banking book for regulatory purposes, and all positions subject to the securitization framework are presented in separate sections.

> Refer to “Counterparty credit risk” (pages 19 to 26) for further information on the capital requirements relating to counterparty credit risk.

> Refer to “Securitization” (pages 27 to 29) for further information on the securitization framework.

The Basel framework permits banks to choose between two broad methodologies in calculating their capital requirements for credit risk: the standardized approach or the internal ratings-based (IRB) approach. Off-balance-sheet items are converted into credit exposure equivalents through the use of credit conversion factors (CCF).

The majority of the credit risk is with institutional counterparties (sovereigns, other institutions, banks and corporates) and arises from lending and trading activity in the investment banking businesses and the private, corporate and institutional banking businesses. The remaining credit risk is with retail counterparties and mostly arises in the private, corporate and institutional banking businesses from residential mortgage loans and other secured lending, including loans collateralized by securities.

## Credit quality of assets

The following table provides a comprehensive picture of the credit quality of the Group’s on and off-balance sheet assets.

## CR1 – Credit quality of assets

| end of                                   | Defaulted exposures | Non-defaulted exposures | Gross exposures | Allowances/ impairments | Net exposures  |
|--|---------------------|-------------------------|-----------------|-------------------------|----------------|
| 2Q18 (CHF million)                       |                     |                         |                 |                         |                |
| Loans <sup>1</sup>                       | 2,685               | 378,552                 | 381,237         | (911)                   | 380,326        |
| Debt securities                          | 10                  | 14,806                  | 14,816          | 0                       | 14,816         |
| Off-balance sheet exposures <sup>2</sup> | 82                  | 107,779                 | 107,861         | (142)                   | 107,719        |
| <b>Total</b>                             | <b>2,777</b>        | <b>501,137</b>          | <b>503,914</b>  | <b>(1,053)</b>          | <b>502,861</b> |
| 4Q17 (CHF million)                       |                     |                         |                 |                         |                |
| Loans <sup>1</sup>                       | 2,402               | 369,226                 | 371,628         | (883)                   | 370,745        |
| Debt securities                          | 1                   | 14,350                  | 14,351          | 0                       | 14,351         |
| Off-balance sheet exposures <sup>2</sup> | 69                  | 102,971                 | 103,040         | (123)                   | 102,917        |
| <b>Total</b>                             | <b>2,472</b>        | <b>486,547</b>          | <b>489,019</b>  | <b>(1,006)</b>          | <b>488,013</b> |

1

Loans include cash and due from banks.

2

Revocable loan commitments which are excluded from the disclosed exposures can attract risk-weighted assets.

The definitions of “past due” and “impaired” are aligned between accounting and regulatory purposes. However, there are some exemptions for impaired positions related to troubled debt restructurings where the default definition is different for accounting and regulatory purposes.

> Refer to “Loans” in “Note 1 – Summary of significant accounting policies” (pages 265 to 267), “Note 18 – Loans, allowance for loan losses and credit quality” (pages 283 to 291) in VI – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2017 and “Note 18 – Loans, allowance for loan losses and credit quality” (pages 109 to 114) in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q18 for further information on the credit quality of loans including past due and impaired loans.

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The following table presents the changes in the Group's stock of defaulted loans, debt securities and off-balance sheet exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

CR2 – Changes in stock of defaulted exposures

1H18

CHF million

|   |              |
|---|--------------|
| <b>Defaulted exposures at beginning of period</b>             | <b>2,472</b> |
| Exposures that have defaulted since the last reporting period | 911          |
| Returned to non-defaulted status                              | (251)        |
| Amounts written-off   | (120)        |
| Other changes   | (235)        |
| <b>Defaulted exposures at end of period</b>                   | <b>2,777</b> |

Credit risk mitigation

Credit Suisse actively mitigates credit exposure utilizing a variety of techniques including netting and securing positions through collateral, financial guarantees and credit derivatives, primarily through credit default swaps (CDS). Recognizing credit risk mitigation (CRM) against exposures is governed by a robust set of policies and processes that ensure enforceability and effectiveness. Credit Suisse additionally monitors the exposure to credit mitigation providers as part of the overall credit risk exposure monitoring framework.

The following table presents the extent of use of CRM techniques.

CR3 – Credit risk mitigation techniques

| end of             | Net exposures  |                                  |                | Exposures secured by |                         |                       |
|--------------------|----------------|----------------------------------|----------------|----------------------|-------------------------|-----------------------|
|                    | Unsecured      | Partially<br>or fully<br>secured | Total          | Collateral           | Financial<br>guarantees | Credit<br>derivatives |
| 2Q18 (CHF million) |                |                                  |                |                      |                         |                       |
| Loans <sup>1</sup> | 152,054        | 228,272                          | 380,326        | 193,468              | 5,299                   | 264                   |
| Debt securities    | 14,633         | 183                              | 14,816         | 183                  | 0                       | 0                     |
| <b>Total</b>       | <b>166,687</b> | <b>228,455</b>                   | <b>395,142</b> | <b>193,651</b>       | <b>5,299</b>            | <b>264</b>            |
| of which defaulted | 1,028          | 1,163                            | 2,191          | 876                  | 122                     | 0                     |
| 4Q17 (CHF million) |                |                                  |                |                      |                         |                       |
| Loans <sup>1</sup> | 143,023        | 227,722                          | 370,745        | 191,409              | 5,598                   | 520                   |
| Debt securities    | 13,951         | 400                              | 14,351         | 310                  | 0                       | 90                    |
| <b>Total</b>       | <b>156,974</b> | <b>228,122</b>                   | <b>385,096</b> | <b>191,719</b>       | <b>5,598</b>            | <b>610</b>            |
| of which defaulted | 720            | 1,308                            | 2,028          | 1,271                | 37                      | 0                     |

1

Loans include cash and due from banks.

5

## Credit risk under the standardized approach

## Credit risk exposure and CRM effects

The following table illustrates the effect of CRM (comprehensive and simple approach) on the standardized approach capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

## CR4 – Credit risk exposure and CRM effects

| end of                                     | Exposures pre-CCF and CRM |                   |               | Exposures post-CCF and CRM |                   |               | RWA           | RWA density |
|--|---------------------------|-------------------|---------------|----------------------------|-------------------|---------------|---------------|-------------|
|  | On-balance sheet          | Off-balance sheet | Total         | On-balance sheet           | Off-balance sheet | Total         |               |             |
| 2Q18 (CHF million, except where indicated) |                           |                   |               |                            |                   |               |               |             |
| Sovereigns                                 | 14,373                    | 0                 | 14,373        | 14,373                     | 0                 | 14,373        | 279           | 2%          |
| Institutions - Banks and securities dealer | 175                       | 544               | 719           | 175                        | 272               | 447           | 92            | 20%         |
| Corporates                                 | 1,017                     | 0                 | 1,017         | 1,017                      | 0                 | 1,017         | 940           | 92%         |
| Retail                                     | 329                       | 79                | 408           | 329                        | 79                | 408           | 355           | 87%         |
| Other exposures                            | 12,356                    | 1,877             | 14,233        | 12,329                     | 1,876             | 14,205        | 11,212        | 79%         |
| of which                                   |                           |                   |               |                            |                   |               |               |             |
| non-counterparty related assets            | 5,273                     | 0                 | 5,273         | 5,273                      | 0                 | 5,273         | 5,273         | 100%        |
| <b>Total</b>                               | <b>28,250</b>             | <b>2,500</b>      | <b>30,750</b> | <b>28,223</b>              | <b>2,227</b>      | <b>30,450</b> | <b>12,878</b> | <b>42%</b>  |
| 4Q17 (CHF million, except where indicated) |                           |                   |               |                            |                   |               |               |             |
| Sovereigns                                 | 15,253                    | 0                 | 15,253        | 15,253                     | 0                 | 15,253        | 292           | 2%          |
| Institutions - Banks and securities dealer | 0                         | 544               | 544           | 0                          | 272               | 272           | 55            | 20%         |
| Institutions - Other institutions          | 59                        | 0                 | 59            | 59                         | 0                 | 59            | 12            | 20%         |
| Retail                                     | 110                       | 77                | 187           | 110                        | 77                | 187           | 187           | 100%        |
| Other exposures                            | 11,262                    | 1,790             | 13,052        | 11,262                     | 1,790             | 13,052        | 9,965         | 76%         |
| of which                                   |                           |                   |               |                            |                   |               |               |             |
| non-counterparty related assets            | 5,273                     | 0                 | 5,273         | 5,273                      | 0                 | 5,273         | 5,273         | 100%        |
| <b>Total</b>                               | <b>26,684</b>             | <b>2,411</b>      | <b>29,095</b> | <b>26,684</b>              | <b>2,139</b>      | <b>28,823</b> | <b>10,511</b> | <b>36%</b>  |

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## Exposures by asset classes and risk weights

The following table presents the breakdown of credit exposures under the standardized approach by asset class and risk weight (RW), which correspond to the riskiness attributed to the exposure according to the standardized approach.

## CR5 – Exposures by asset classes and risk weights

| end of   | Risk weight   |            |              |          |            |            |               |          |           | Exposures<br>post-CCF<br>and CRM |
|--|---------------|------------|--------------|----------|------------|------------|---------------|----------|-----------|----------------------------------|
|  | 0%            | 10%        | 20%          | 35%      | 50%        | 75%        | 100%          | 150%     | Others    |                                  |
| 2Q18 (CHF million)                               |               |            |              |          |            |            |               |          |           |                                  |
| Sovereigns                                       | 13,485        | 0          | 556          | 0        | 328        | 0          | 4             | 0        | 0         | 14,373                           |
| Institutions -<br>Banks and<br>securities dealer | 0             | 0          | 444          | 0        | 0          | 0          | 3             | 0        | 0         | 447                              |
| Corporates                                       | 0             | 0          | 44           | 0        | 82         | 0          | 891           | 0        | 0         | 1,017                            |
| Retail   | 0             | 0          | 0            | 0        | 0          | 213        | 195           | 0        | 0         | 408                              |
| Other exposures                                  | 3,023         | 0          | 3            | 0        | 0          | 0          | 11,168        | 0        | 11        | 14,205                           |
| of which<br>non-counterparty<br>related assets   | 0             | 0          | 0            | 0        | 0          | 0          | 5,273         | 0        | 0         | 5,273                            |
| <b>Total</b>                                     | <b>16,508</b> | <b>0</b>   | <b>1,047</b> | <b>0</b> | <b>410</b> | <b>213</b> | <b>12,261</b> | <b>0</b> | <b>11</b> | <b>30,450</b>                    |
| 4Q17 (CHF million)                               |               |            |              |          |            |            |               |          |           |                                  |
| Sovereigns                                       | 13,997        | 443        | 529          | 0        | 284        | 0          | 0             | 0        | 0         | 15,253                           |
| Institutions -<br>Banks and<br>securities dealer | 0             | 0          | 272          | 0        | 0          | 0          | 0             | 0        | 0         | 272                              |
| Institutions -<br>Other institutions             | 0             | 0          | 59           | 0        | 0          | 0          | 0             | 0        | 0         | 59                               |
| Retail   | 0             | 0          | 0            | 0        | 0          | 0          | 187           | 0        | 0         | 187                              |
| Other exposures                                  | 3,021         | 0          | 6            | 0        | 166        | 0          | 9,851         | 0        | 8         | 13,052                           |
| of which<br>non-counterparty<br>related assets   | 0             | 0          | 0            | 0        | 0          | 0          | 5,273         | 0        | 0         | 5,273                            |
| <b>Total</b>                                     | <b>17,018</b> | <b>443</b> | <b>866</b>   | <b>0</b> | <b>450</b> | <b>0</b>   | <b>10,038</b> | <b>0</b> | <b>8</b>  | <b>28,823</b>                    |

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Credit risk under internal risk-based approaches

Credit risk exposures by portfolio and PD range

The following table shows the main parameters used for the calculation of capital requirements for IRB models.

CR6 – Credit risk exposures by portfolio and PD range

| end of 2Q18                                      | Original on-balance sheet gross exposure | Off-balance sheet exposures pre CCF | Total exposures | Average CCF | EAD post-CRF <sub>1</sub> | Average PD   | Number of obligors | Average LGD | Average maturity (years) | RWA <sub>2</sub> | RW density |  |
|--|--|-------------------------------------|-----------------|-------------|---------------------------|--------------|--------------------|-------------|--------------------------|------------------|------------|--|
| Sovereigns (CHF million, except where indicated) |  |                                     |                 |             |                           |              |                    |             |                          |                  |            |  |
| 0.00% to <0.15%                                  | 93,545                                   | 492                                 | 94,037          | 78%         | 94,326                    | 0.02%        | 74                 | 3%          | 1.2                      | 930              | 1          |  |
| 0.15% to <0.25%                                  | 90                                       | 16                                  | 106             | 0%          | 90                        | 0.22%        | 8                  | 51%         | 2.9                      | 55               | 62         |  |
| 0.25% to <0.50%                                  | 114                                      | 0                                   | 114             | 100%        | 114                       | 0.37%        | 9                  | 48%         | 1.3                      | 61               | 53         |  |
| 0.50% to <0.75%                                  | 38                                       | 0                                   | 38              | 0%          | 38                        | 0.64%        | 17                 | 42%         | 5.0                      | 40               | 105        |  |
| 0.75% to <2.50%                                  | 28                                       | 18                                  | 46              | 43%         | 34                        | 1.16%        | 19                 | 41%         | 1.2                      | 27               | 80         |  |
| 2.50% to <10.00%                                 | 1,341                                    | 3                                   | 1,344           | 99%         | 388                       | 6.47%        | 28                 | 51%         | 2.7                      | 767              | 197        |  |
| 10.00% to <100.00%                               | 17                                       | 0                                   | 17              | 0%          | 17                        | 16.44%       | 1                  | 58%         | 1.0                      | 49               | 289        |  |
| 100.00% (Default)                                | 465                                      | 0                                   | 465             | 0%          | 366                       | 100.00%      | 3                  | 58%         | 3.6                      | 388              | 106        |  |
| <b>Sub-total</b>                                 | <b>95,638</b>                            | <b>529</b>                          | <b>96,167</b>   | <b>78%</b>  | <b>95,373</b>             | <b>0.44%</b> | <b>159</b>         | <b>4%</b>   | <b>1.2</b>               | <b>2,317</b>     | <b>2</b>   |  |
| Institutions - Banks and securities dealer       |  |                                     |                 |             |                           |              |                    |             |                          |                  |            |  |
| 0.00% to <0.15%                                  | 9,529                                    | 1,033                               | 10,562          | 58%         | 11,652                    | 0.06%        | 599                | 55%         | 0.5                      | 1,700            | 15         |  |
| 0.15% to <0.25%                                  | 127                                      | 136                                 | 263             | 50%         | 396                       | 0.22%        | 70                 | 49%         | 1.1                      | 184              | 46         |  |
| 0.25% to <0.50%                                  | 822                                      | 366                                 | 1,188           | 33%         | 932                       | 0.37%        | 160                | 56%         | 1.3                      | 628              | 67         |  |
| 0.50% to <0.75%                                  | 92                                       | 339                                 | 431             | 71%         | 221                       | 0.61%        | 106                | 44%         | 0.7                      | 150              | 68         |  |
| 0.75% to <2.50%                                  | 1,185                                    | 355                                 | 1,540           | 69%         | 1,293                     | 1.17%        | 239                | 50%         | 0.6                      | 1,164            | 90         |  |
| 2.50% to <10.00%                                 | 187                                      | 351                                 | 538             | 46%         | 131                       | 7.34%        | 95                 | 48%         | 1.5                      | 259              | 197        |  |
| 10.00% to <100.00%                               | 6  | 4                                   | 10              | 50%         | 8                         | 17.17%       | 10                 | 52%         | 0.5                      | 20               | 257        |  |
| 100.00% (Default)                                | 8  | 1                                   | 9               | 50%         | 9                         | 100.00%      | 9                  | 46%         | 2.8                      | 9                | 106        |  |
| <b>Sub-total</b>                                 | <b>11,956</b>                            | <b>2,585</b>                        | <b>14,541</b>   | <b>58%</b>  | <b>14,642</b>             | <b>0.32%</b> | <b>1,288</b>       | <b>54%</b>  | <b>0.6</b>               | <b>4,114</b>     | <b>28</b>  |  |
| Institutions - Other institutions                |  |                                     |                 |             |                           |              |                    |             |                          |                  |            |  |
| 0.00% to <0.15%                                  | 790                                      | 1,874                               | 2,664           | 100%        | 1,189                     | 0.05%        | 381                | 40%         | 2.7                      | 213              | 18         |  |
| 0.15% to <0.25%                                  | 32                                       | 129                                 | 161             | 100%        | 63                        | 0.18%        | 64                 | 40%         | 1.5                      | 21               | 33         |  |
| 0.25% to <0.50%                                  | 6  | 14                                  | 20              | 99%         | 13                        | 0.37%        | 17                 | 44%         | 1.7                      | 7                | 53         |  |

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|                                  |               |               |               |             |               |              |              |            |            |               |           |
|----------------------------------|---------------|---------------|---------------|-------------|---------------|--------------|--------------|------------|------------|---------------|-----------|
| 0.50% to<br><0.75%               | 1             | 0             | 1             | 79%         | 6             | 0.58%        | 74           | 68%        | 1.1        | 7             | 118       |
| 0.75% to<br><2.50%               | 0             | 1             | 1             | 100%        | 0             | 1.02%        | 18           | 40%        | 1.4        | 0             | 72        |
| 2.50% to<br><10.00%              | 29            | 44            | 73            | 100%        | 48            | 5.08%        | 5            | 9%         | 5.1        | 17            | 36        |
| 10.00% to<br><100.00%            | 0             | 0             | 0             | 0%          | 0             | 0.00%        | 0            | 0%         | 0.0        | 0             | 0         |
| 100.00%<br>(Default)             | 0             | 0             | 0             | 100%        | 0             | 100.00%      | 1            | 44%        | 1.0        | 0             | 106       |
| <b>Sub-total</b>                 | <b>858</b>    | <b>2,062</b>  | <b>2,920</b>  | <b>100%</b> | <b>1,319</b>  | <b>0.28%</b> | <b>560</b>   | <b>39%</b> | <b>2.7</b> | <b>265</b>    | <b>20</b> |
| Corporates - Specialized lending |               |               |               |             |               |              |              |            |            |               |           |
| 0.00% to<br><0.15%               | 7,503         | 1,702         | 9,205         | 100%        | 8,144         | 0.06%        | 823          | 29%        | 2.2        | 1,590         | 20        |
| 0.15% to<br><0.25%               | 6,419         | 2,096         | 8,515         | 95%         | 7,374         | 0.21%        | 795          | 28%        | 2.4        | 2,570         | 35        |
| 0.25% to<br><0.50%               | 3,141         | 1,433         | 4,574         | 88%         | 3,705         | 0.37%        | 494          | 30%        | 2.1        | 1,843         | 50        |
| 0.50% to<br><0.75%               | 5,539         | 2,723         | 8,262         | 72%         | 6,430         | 0.58%        | 416          | 24%        | 2.1        | 2,594         | 40        |
| 0.75% to<br><2.50%               | 10,212        | 3,456         | 13,668        | 72%         | 11,281        | 1.26%        | 786          | 18%        | 2.8        | 4,747         | 42        |
| 2.50% to<br><10.00%              | 1,313         | 56            | 1,369         | 62%         | 1,329         | 4.31%        | 88           | 12%        | 3.6        | 568           | 43        |
| 10.00% to<br><100.00%            | 27            | 20            | 47            | 88%         | 37            | 17.64%       | 9            | 21%        | 2.8        | 46            | 125       |
| 100.00%<br>(Default)             | 464           | 15            | 479           | 97%         | 471           | 100.00%      | 36           | 20%        | 1.7        | 499           | 106       |
| <b>Sub-total</b>                 | <b>34,618</b> | <b>11,501</b> | <b>46,119</b> | <b>84%</b>  | <b>38,771</b> | <b>1.93%</b> | <b>3,447</b> | <b>24%</b> | <b>2.4</b> | <b>14,457</b> | <b>37</b> |

1

CRM is reflected by shifting the counterparty exposure from the underlying obligor to the protection provider.

2

Reflects risk-weighted assets post CCF.

Total exposures of CHF 654.7 billion increased CHF 25.1 billion, or 4%, compared to the end of 4Q17, primarily reflecting an increase in corporates without specialized lending.

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CR6 – Credit risk exposures by portfolio and PD range (continued)

| end of 2Q18  | Original on-balance sheet gross exposure | Off-balance sheet exposures pre CCF | Total exposures | Average CCF | EAD post-CRM and post-CCF <sub>1</sub> | Average PD   | Number of obligors | Average LGD | Average maturity (years) | RWA <sub>2</sub> |
|--|--|-------------------------------------|-----------------|-------------|--|--------------|--------------------|-------------|--------------------------|------------------|
| Corporates without specialized lending (CHF million, except where indicated) |  |                                     |                 |             |  |              |                    |             |                          |                  |
| 0.00% to <0.15%  | 16,928                                   | 53,472                              | 70,400          | 58%         | 44,677                                 | 0.07%        | 2,832              | 41%         | 2.4                      | 9,927            |
| 0.15% to <0.25%  | 7,738                                    | 11,708                              | 19,446          | 68%         | 11,976                                 | 0.21%        | 1,760              | 40%         | 2.1                      | 4,622            |
| 0.25% to <0.50%  | 6,035                                    | 12,698                              | 18,733          | 54%         | 10,998                                 | 0.37%        | 1,276              | 37%         | 2.4                      | 5,823            |
| 0.50% to <0.75%  | 5,394                                    | 5,469                               | 10,863          | 62%         | 7,259                                  | 0.60%        | 1,404              | 42%         | 2.5                      | 5,313            |
| 0.75% to <2.50%  | 11,764                                   | 9,955                               | 21,719          | 65%         | 15,372                                 | 1.45%        | 2,999              | 39%         | 2.6                      | 14,967           |
| 2.50% to <10.00%   | 6,721                                    | 18,816                              | 25,537          | 51%         | 11,497                                 | 5.62%        | 2,250              | 35%         | 2.9                      | 20,623           |
| 10.00% to <100.00%   | 781                                      | 451                                 | 1,232           | 56%         | 842                                    | 20.03%       | 136                | 25%         | 2.6                      | 1,787            |
| 100.00% (Default)  | 652                                      | 156                                 | 808             | 76%         | 736                                    | 100.00%      | 201                | 44%         | 2.2                      | 780              |
| <b>Sub-total</b>   | <b>56,013</b>                            | <b>112,725</b>                      | <b>168,738</b>  | <b>58%</b>  | <b>103,357</b>                         | <b>1.85%</b> | <b>12,858</b>      | <b>40%</b>  | <b>2.5</b>               | <b>63,842</b>    |
| Residential mortgages  |  |                                     |                 |             |  |              |                    |             |                          |                  |
| 0.00% to <0.15%  | 32,145                                   | 1,738                               | 33,883          | 100%        | 32,246                                 | 0.08%        | 43,073             | 15%         | 2.9                      | 2,051            |
| 0.15% to <0.25%  | 48,601                                   | 2,706                               | 51,307          | 100%        | 49,713                                 | 0.20%        | 69,916             | 15%         | 3.0                      | 6,487            |
| 0.25% to <0.50%  | 17,742                                   | 1,680                               | 19,422          | 100%        | 18,309                                 | 0.35%        | 20,670             | 17%         | 2.8                      | 3,723            |
| 0.50% to <0.75%  | 5,403                                    | 654                                 | 6,057           | 100%        | 5,537                                  | 0.58%        | 7,773              | 17%         | 2.7                      | 1,720            |
| 0.75% to <2.50%  | 4,311                                    | 735                                 | 5,046           | 100%        | 4,495                                  | 1.22%        | 7,250              | 17%         | 2.6                      | 2,308            |
| 2.50% to <10.00%   | 462                                      | 38                                  | 500             | 100%        | 464                                    | 4.57%        | 715                | 15%         | 2.3                      | 467              |
| 10.00% to <100.00%   | 40                                       | 0                                   | 40              | 100%        | 41                                     | 17.67%       | 62                 | 21%         | 1.8                      | 89               |
| 100.00% (Default)  | 433                                      | 10                                  | 443             | 100%        | 442                                    | 100.00%      | 277                | 17%         | 1.7                      | 468              |
| <b>Sub-total</b>   | <b>109,137</b>                           | <b>7,561</b>                        | <b>116,698</b>  | <b>100%</b> | <b>111,247</b>                         | <b>0.67%</b> | <b>149,736</b>     | <b>15%</b>  | <b>2.9</b>               | <b>17,313</b>    |
| Qualifying revolving retail  |  |                                     |                 |             |  |              |                    |             |                          |                  |
| 0.75% to <2.50%  | 474                                      | 5,660                               | 6,134           | 0%          | 502                                    | 1.30%        | 801,319            | 50%         | 1.0                      | 124              |
| 10.00% to <100.00%   | 98                                       | 0                                   | 98              | 50%         | 98                                     | 25.00%       | 84,100             | 35%         | 0.2                      | 104              |
| 100.00% (Default)  | 3  | 0                                   | 3               | 0%          | 3                                      | 100.00%      | 274                | 35%         | 0.2                      | 3                |
| <b>Sub-total</b>   | <b>575</b>                               | <b>5,660</b>                        | <b>6,235</b>    | <b>50%</b>  | <b>603</b>                             | <b>5.61%</b> | <b>885,693</b>     | <b>47%</b>  | <b>0.9</b>               | <b>231</b>       |
| Other retail   | 57,025                                   | 118,694                             | 175,719         | 95%         | 65,786                                 | 0.04%        | 49,733             | 63%         | 1.4                      | 5,340            |

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|   |                |                |                |            |                |              |                  |            |            |                |
|---|----------------|----------------|----------------|------------|----------------|--------------|------------------|------------|------------|----------------|
| 0.00% to <0.15%   |                |                |                |            |                |              |                  |            |            |                |
| 0.15% to <0.25%   | 2,541          | 7,779          | 10,320         | 87%        | 3,354          | 0.19%        | 5,104            | 37%        | 1.2        | 507            |
| 0.25% to <0.50%   | 1,263          | 2,883          | 4,146          | 79%        | 1,654          | 0.37%        | 4,182            | 33%        | 1.7        | 352            |
| 0.50% to <0.75%   | 553            | 745            | 1,298          | 90%        | 728            | 0.58%        | 11,895           | 44%        | 1.2        | 262            |
| 0.75% to <2.50%   | 5,388          | 1,805          | 7,193          | 95%        | 5,678          | 1.63%        | 81,210           | 41%        | 1.9        | 2,950          |
| 2.50% to <10.00%  | 3,615          | 624            | 4,239          | 95%        | 3,756          | 5.08%        | 85,402           | 43%        | 2.7        | 2,622          |
| 10.00% to <100.00%  | 70             | 30             | 100            | 100%       | 82             | 16.11%       | 325              | 49%        | 1.7        | 84             |
| 100.00% (Default)   | 243            | 30             | 273            | 96%        | 183            | 100.00%      | 5,880            | 74%        | 1.7        | 195            |
| <b>Sub-total</b>  | <b>70,698</b>  | <b>132,590</b> | <b>203,288</b> | <b>94%</b> | <b>81,221</b>  | <b>0.64%</b> | <b>243,731</b>   | <b>58%</b> | <b>1.5</b> | <b>12,312</b>  |
| Sub-total (all portfolios)  |                |                |                |            |                |              |                  |            |            |                |
| 0.00% to <0.15%   | 217,465        | 179,005        | 396,470        | 68%        | 258,020        | 0.04%        | 97,515           | 30%        | 1.7        | 21,751         |
| 0.15% to <0.25%   | 65,548         | 24,570         | 90,118         | 78%        | 72,966         | 0.20%        | 77,717           | 21%        | 2.7        | 14,446         |
| 0.25% to <0.50%   | 29,123         | 19,074         | 48,197         | 62%        | 35,725         | 0.36%        | 26,808           | 26%        | 2.5        | 12,437         |
| 0.50% to <0.75%   | 17,020         | 9,930          | 26,950         | 68%        | 20,219         | 0.59%        | 21,685           | 30%        | 2.4        | 10,086         |
| 0.75% to <2.50%   | 33,362         | 21,985         | 55,347         | 69%        | 38,655         | 1.38%        | 893,840          | 31%        | 2.5        | 26,287         |
| 2.50% to <10.00%  | 13,668         | 19,932         | 33,600         | 52%        | 17,613         | 5.41%        | 88,583           | 35%        | 2.9        | 25,323         |
| 10.00% to <100.00%  | 1,039          | 505            | 1,544          | 60%        | 1,125          | 19.94%       | 84,643           | 28%        | 2.3        | 2,179          |
| 100.00% (Default)   | 2,268          | 212            | 2,480          | 82%        | 2,210          | 100.00%      | 6,681            | 38%        | 2.2        | 2,342          |
| <b>Sub-total (all portfolios)</b>   | <b>379,493</b> | <b>275,213</b> | <b>654,706</b> | <b>67%</b> | <b>446,533</b> | <b>0.99%</b> | <b>1,297,472</b> | <b>29%</b> | <b>2.1</b> | <b>114,851</b> |
| Alternative treatment   |                |                |                |            |                |              |                  |            |            |                |
| Exposures from free deliveries applying standardized risk weights or 100% under the alternative treatment | —              | —              | —              | —          | 113            | —            | —                | —          | —          | 99             |
| IRB - maturity and export   | —              | —              | —              | —          | —              | —            | —                | —          | —          | 959            |



finance

buffer

Total (all portfolios and alternative treatment)

**Total (all**

**portfolios**

**and**

**alternative**

**treatment)    379,493    275,213    654,706    67%    446,646    0.99%    1,297,472    29%    2.1    115,909**

1

CRM is reflected by shifting the counterparty exposure from the underlying obligor to the protection provider.

2

Reflects risk-weighted assets post CCF.

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CR6 – Credit risk exposures by portfolio and PD range

| end of 4Q17                                      | Original on-balance sheet gross exposure | Off-balance sheet exposures pre-CCF | Total exposures | Average CCF | EAD post-CCF <sup>1</sup> | Average PD   | Number of obligors | Average LGD | Average maturity (years) | RWA <sup>2</sup> | RWA density |
|--|--|-------------------------------------|-----------------|-------------|---------------------------|--------------|--------------------|-------------|--------------------------|------------------|-------------|
| Sovereigns (CHF million, except where indicated) |  |                                     |                 |             |                           |              |                    |             |                          |                  |             |
| 0.00% to <0.15%                                  | 93,859                                   | 702                                 | 94,561          | 87%         | 94,657                    | 0.02%        | 71                 | 3%          | 1.3                      | 834              | 1           |
| 0.15% to <0.25%                                  | 88                                       | 75                                  | 163             | 0%          | 88                        | 0.22%        | 10                 | 45%         | 2.8                      | 46               | 52          |
| 0.25% to <0.50%                                  | 104                                      | 0                                   | 104             | 100%        | 104                       | 0.37%        | 8                  | 45%         | 1.2                      | 50               | 48          |
| 0.50% to <0.75%                                  | 144                                      | 0                                   | 144             | 0%          | 69                        | 0.64%        | 21                 | 44%         | 5.0                      | 76               | 111         |
| 0.75% to <2.50%                                  | 427                                      | 71                                  | 498             | 88%         | 528                       | 1.10%        | 20                 | 44%         | 3.3                      | 574              | 109         |
| 2.50% to <10.00%                                 | 1,300                                    | 66                                  | 1,366           | 99%         | 282                       | 6.28%        | 26                 | 41%         | 2.7                      | 409              | 145         |
| 10.00% to <100.00%                               | 0  | 0                                   | 0               | 0%          | 0                         | 0.00%        | 0                  | 0%          | 0.0                      | 0                | 0           |
| 100.00% (Default)                                | 90                                       | 0                                   | 90              | 0%          | 89                        | 10.00%       | 2                  | 44%         | 3.4                      | 94               | 106         |
| <b>Sub-total</b>                                 | <b>96,012</b>                            | <b>914</b>                          | <b>96,926</b>   | <b>87%</b>  | <b>95,817</b>             | <b>0.14%</b> | <b>158</b>         | <b>3%</b>   | <b>1.3</b>               | <b>2,083</b>     | <b>2</b>    |
| Institutions - Banks and securities dealer       |  |                                     |                 |             |                           |              |                    |             |                          |                  |             |
| 0.00% to <0.15%                                  | 7,611                                    | 1,722                               | 9,333           | 62%         | 12,376                    | 0.06%        | 623                | 50%         | 1.2                      | 1,671            | 14          |
| 0.15% to <0.25%                                  | 328                                      | 131                                 | 459             | 58%         | 615                       | 0.22%        | 85                 | 49%         | 0.8                      | 267              | 43          |
| 0.25% to <0.50%                                  | 584                                      | 280                                 | 864             | 32%         | 682                       | 0.37%        | 153                | 51%         | 1.6                      | 411              | 60          |
| 0.50% to <0.75%                                  | 120                                      | 82                                  | 202             | 43%         | 159                       | 0.61%        | 114                | 67%         | 0.8                      | 172              | 108         |
| 0.75% to <2.50%                                  | 913                                      | 310                                 | 1,223           | 76%         | 1,046                     | 1.17%        | 238                | 51%         | 1.0                      | 1,145            | 109         |
| 2.50% to <10.00%                                 | 166                                      | 301                                 | 467             | 47%         | 149                       | 6.61%        | 102                | 43%         | 1.5                      | 254              | 170         |
| 10.00% to <100.00%                               | 0  | 4                                   | 4               | 34%         | 1                         | 19.14%       | 4                  | 47%         | 0.4                      | 2                | 232         |
| 100.00% (Default)                                | 8  | 19                                  | 27              | 64%         | 19                        | 100.00%      | 8                  | 40%         | 1.1                      | 21               | 106         |
| <b>Sub-total</b>                                 | <b>9,730</b>                             | <b>2,849</b>                        | <b>12,579</b>   | <b>62%</b>  | <b>15,047</b>             | <b>0.36%</b> | <b>1,327</b>       | <b>50%</b>  | <b>1.2</b>               | <b>3,943</b>     | <b>26</b>   |
| Institutions - Other institutions                |  |                                     |                 |             |                           |              |                    |             |                          |                  |             |
| 0.00% to <0.15%                                  | 653                                      | 1,678                               | 2,331           | 100%        | 997                       | 0.05%        | 338                | 38%         | 2.8                      | 170              | 17          |
| 0.15% to <0.25%                                  | 39                                       | 210                                 | 249             | 100%        | 81                        | 0.19%        | 102                | 40%         | 1.5                      | 27               | 33          |
| 0.25% to <0.50%                                  | 13                                       | 40                                  | 53              | 100%        | 26                        | 0.37%        | 26                 | 44%         | 1.7                      | 14               | 53          |
| 0.50% to <0.75%                                  | 0  | 9                                   | 9               | 100%        | 2                         | 0.58%        | 82                 | 44%         | 1.1                      | 1                | 59          |
|  | 31                                       | 8                                   | 39              | 100%        | 34                        | 1.94%        | 25                 | 14%         | 4.6                      | 13               | 40          |

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|                                  |               |               |               |            |               |              |              |            |            |               |           |
|----------------------------------|---------------|---------------|---------------|------------|---------------|--------------|--------------|------------|------------|---------------|-----------|
| 0.75% to<br><2.50%               |               |               |               |            |               |              |              |            |            |               |           |
| 2.50% to<br><10.00%              | 0             | 63            | 63            | 81%        | 31            | 7.03%        | 5            | 23%        | 5.0        | 36            | 116       |
| 10.00% to<br><100.00%            | 0             | 0             | 0             | 0%         | 0             | 0.00%        | 0            | 0%         | 0.0        | 0             | 0         |
| 100.00%<br>(Default)             | 1             | 0             | 1             | 100%       | 1             | 100.00%      | 1            | 44%        | 1.0        | 1             | 106       |
| <b>Sub-total</b>                 | <b>737</b>    | <b>2,008</b>  | <b>2,745</b>  | <b>98%</b> | <b>1,172</b>  | <b>0.36%</b> | <b>579</b>   | <b>37%</b> | <b>2.8</b> | <b>262</b>    | <b>22</b> |
| Corporates - Specialized lending |               |               |               |            |               |              |              |            |            |               |           |
| 0.00% to<br><0.15%               | 8,859         | 1,683         | 10,542        | 100%       | 9,552         | 0.06%        | 810          | 30%        | 2.2        | 1,827         | 19        |
| 0.15% to<br><0.25%               | 7,900         | 1,960         | 9,860         | 95%        | 8,747         | 0.21%        | 816          | 29%        | 2.4        | 2,963         | 34        |
| 0.25% to<br><0.50%               | 3,833         | 1,808         | 5,641         | 86%        | 4,550         | 0.37%        | 528          | 28%        | 2.3        | 1,961         | 43        |
| 0.50% to<br><0.75%               | 5,052         | 2,141         | 7,193         | 73%        | 5,746         | 0.58%        | 412          | 25%        | 2.1        | 2,400         | 42        |
| 0.75% to<br><2.50%               | 9,741         | 3,631         | 13,372        | 68%        | 10,687        | 1.24%        | 779          | 20%        | 2.7        | 4,801         | 45        |
| 2.50% to<br><10.00%              | 1,387         | 52            | 1,439         | 80%        | 1,406         | 4.16%        | 122          | 11%        | 3.6        | 570           | 41        |
| 10.00% to<br><100.00%            | 8             | 0             | 8             | 0%         | 8             | 19.31%       | 2            | 22%        | 4.1        | 14            | 169       |
| 100.00%<br>(Default)             | 509           | 15            | 524           | 98%        | 515           | 100.00%      | 37           | 20%        | 1.9        | 546           | 106       |
| <b>Sub-total</b>                 | <b>37,289</b> | <b>11,290</b> | <b>48,579</b> | <b>84%</b> | <b>41,211</b> | <b>1.90%</b> | <b>3,506</b> | <b>25%</b> | <b>2.4</b> | <b>15,082</b> | <b>37</b> |

1

CRM is reflected by shifting the counterparty exposure from the underlying obligor to the protection provider.

2

Reflects risk-weighted assets post CCF.

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CR6 – Credit risk exposures by portfolio and PD range (continued)

| end of 4Q17  | Original on-balance sheet gross exposure | Off-balance sheet exposures pre CCF | Total exposures | Average CCF | EAD post-CRM and post-CCF <sub>1</sub> | Average PD   | Number of obligors | Average LGD | Average maturity (years) | RWA <sub>2</sub> |
|--|--|-------------------------------------|-----------------|-------------|--|--------------|--------------------|-------------|--------------------------|------------------|
| Corporates without specialized lending (CHF million, except where indicated) |  |                                     |                 |             |  |              |                    |             |                          |                  |
| 0.00% to <0.15%  | 11,884                                   | 48,871                              | 60,755          | 62%         | 36,978                                 | 0.06%        | 2,724              | 44%         | 2.3                      | 8,863            |
| 0.15% to <0.25%  | 5,482                                    | 11,910                              | 17,392          | 66%         | 9,849                                  | 0.21%        | 1,706              | 39%         | 2.2                      | 3,894            |
| 0.25% to <0.50%  | 6,567                                    | 8,107                               | 14,674          | 60%         | 9,847                                  | 0.37%        | 1,297              | 36%         | 2.5                      | 5,084            |
| 0.50% to <0.75%  | 4,440                                    | 5,070                               | 9,510           | 64%         | 6,181                                  | 0.60%        | 1,353              | 41%         | 2.7                      | 4,470            |
| 0.75% to <2.50%  | 12,577                                   | 9,654                               | 22,231          | 57%         | 16,235                                 | 1.46%        | 2,705              | 40%         | 2.5                      | 14,792           |
| 2.50% to <10.00%   | 6,380                                    | 17,181                              | 23,561          | 50%         | 11,621                                 | 5.46%        | 1,923              | 35%         | 2.8                      | 19,535           |
| 10.00% to <100.00%   | 782                                      | 751                                 | 1,533           | 68%         | 947                                    | 20.54%       | 100                | 24%         | 2.1                      | 1,717            |
| 100.00% (Default)  | 781                                      | 93                                  | 874             | 8%          | 818                                    | 100.00%      | 202                | 39%         | 2.7                      | 867              |
| <b>Sub-total</b>   | <b>48,893</b>                            | <b>101,637</b>                      | <b>150,530</b>  | <b>60%</b>  | <b>92,476</b>                          | <b>2.17%</b> | <b>12,010</b>      | <b>40%</b>  | <b>2.4</b>               | <b>59,222</b>    |
| Residential mortgages  |  |                                     |                 |             |  |              |                    |             |                          |                  |
| 0.00% to <0.15%  | 31,280                                   | 1,724                               | 33,004          | 100%        | 31,450                                 | 0.08%        | 42,771             | 15%         | 2.9                      | 1,843            |
| 0.15% to <0.25%  | 48,054                                   | 2,506                               | 50,560          | 100%        | 48,933                                 | 0.20%        | 69,443             | 15%         | 3.0                      | 5,938            |
| 0.25% to <0.50%  | 17,800                                   | 1,285                               | 19,085          | 100%        | 18,318                                 | 0.35%        | 20,747             | 17%         | 2.8                      | 3,535            |
| 0.50% to <0.75%  | 5,528                                    | 516                                 | 6,044           | 100%        | 5,709                                  | 0.58%        | 7,969              | 17%         | 2.7                      | 1,614            |
| 0.75% to <2.50%  | 4,529                                    | 540                                 | 5,069           | 100%        | 4,722                                  | 1.21%        | 7,472              | 17%         | 2.6                      | 2,240            |
| 2.50% to <10.00%   | 554                                      | 17                                  | 571             | 100%        | 564                                    | 4.67%        | 800                | 15%         | 2.2                      | 540              |
| 10.00% to <100.00%   | 53                                       | 0                                   | 53              | 0%          | 53                                     | 17.85%       | 80                 | 17%         | 1.8                      | 98               |
| 100.00% (Default)  | 313                                      | 5                                   | 318             | 100%        | 317                                    | 100.00%      | 200                | 18%         | 1.4                      | 336              |
| <b>Sub-total</b>   | <b>108,111</b>                           | <b>6,593</b>                        | <b>114,704</b>  | <b>100%</b> | <b>110,066</b>                         | <b>0.57%</b> | <b>149,482</b>     | <b>15%</b>  | <b>2.9</b>               | <b>16,144</b>    |
| Qualifying revolving retail  |  |                                     |                 |             |  |              |                    |             |                          |                  |
| 0.75% to <2.50%  | 518                                      | 5,516                               | 6,034           | 0%          | 591                                    | 1.30%        | 788,602            | 50%         | 1.0                      | 146              |
| 10.00% to <100.00%   | 101                                      | 0                                   | 101             | 68%         | 101                                    | 25.00%       | 96,906             | 35%         | 0.2                      | 107              |
| 100.00% (Default)  | 0  | 0                                   | 0               | 0%          | 1                                      | 100.00%      | 153                | 36%         | 0.2                      | 1                |
| <b>Sub-total</b>   | <b>619</b>                               | <b>5,516</b>                        | <b>6,135</b>    | <b>68%</b>  | <b>693</b>                             | <b>4.84%</b> | <b>885,661</b>     | <b>48%</b>  | <b>0.9</b>               | <b>254</b>       |
| Other retail   | 55,768                                   | 115,295                             | 171,063         | 95%         | 64,749                                 | 0.04%        | 49,560             | 63%         | 1.4                      | 5,155            |

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|   |                |                |                |            |                |              |                  |            |            |                |
|---|----------------|----------------|----------------|------------|----------------|--------------|------------------|------------|------------|----------------|
| 0.00% to <0.15%   |                |                |                |            |                |              |                  |            |            |                |
| 0.15% to <0.25%   | 3,000          | 8,251          | 11,251         | 90%        | 3,883          | 0.19%        | 5,040            | 42%        | 1.5        | 667            |
| 0.25% to <0.50%   | 921            | 2,611          | 3,532          | 86%        | 1,246          | 0.37%        | 4,339            | 23%        | 1.5        | 185            |
| 0.50% to <0.75%   | 1,091          | 830            | 1,921          | 80%        | 1,255          | 0.58%        | 11,947           | 43%        | 1.2        | 444            |
| 0.75% to <2.50%   | 4,058          | 1,712          | 5,770          | 96%        | 4,398          | 1.63%        | 78,724           | 44%        | 2.0        | 2,443          |
| 2.50% to <10.00%  | 2,786          | 768            | 3,554          | 98%        | 2,965          | 5.72%        | 85,657           | 40%        | 3.0        | 1,925          |
| 10.00% to <100.00%  | 53             | 24             | 77             | 99%        | 63             | 15.95%       | 283              | 52%        | 1.8        | 65             |
| 100.00% (Default)   | 233            | 26             | 259            | 85%        | 180            | 100.00%      | 5,821            | 76%        | 1.6        | 191            |
| <b>Sub-total</b>  | <b>67,910</b>  | <b>129,517</b> | <b>197,427</b> | <b>94%</b> | <b>78,739</b>  | <b>0.61%</b> | <b>241,371</b>   | <b>59%</b> | <b>1.5</b> | <b>11,075</b>  |
| Sub-total (all portfolios)  |                |                |                |            |                |              |                  |            |            |                |
| 0.00% to <0.15%   | 209,914        | 171,675        | 381,589        | 71%        | 250,759        | 0.04%        | 96,897           | 29%        | 1.7        | 20,363         |
| 0.15% to <0.25%   | 64,891         | 25,043         | 89,934         | 77%        | 72,196         | 0.20%        | 77,202           | 22%        | 2.7        | 13,802         |
| 0.25% to <0.50%   | 29,822         | 14,131         | 43,953         | 69%        | 34,773         | 0.36%        | 27,098           | 25%        | 2.6        | 11,240         |
| 0.50% to <0.75%   | 16,375         | 8,648          | 25,023         | 70%        | 19,121         | 0.59%        | 21,898           | 29%        | 2.4        | 9,177          |
| 0.75% to <2.50%   | 32,794         | 21,442         | 54,236         | 64%        | 38,241         | 1.37%        | 878,565          | 32%        | 2.5        | 26,154         |
| 2.50% to <10.00%  | 12,573         | 18,448         | 31,021         | 51%        | 17,018         | 5.40%        | 88,635           | 34%        | 2.8        | 23,269         |
| 10.00% to <100.00%  | 997            | 779            | 1,776          | 69%        | 1,173          | 20.55%       | 97,375           | 26%        | 1.9        | 2,003          |
| 100.00% (Default)   | 1,935          | 158            | 2,093          | 56%        | 1,940          | 100.00%      | 6,424            | 34%        | 2.2        | 2,057          |
| <b>Sub-total (all portfolios)</b>   | <b>369,301</b> | <b>260,324</b> | <b>629,625</b> | <b>69%</b> | <b>435,221</b> | <b>0.95%</b> | <b>1,294,094</b> | <b>28%</b> | <b>2.1</b> | <b>108,065</b> |
| Alternative treatment   |                |                |                |            |                |              |                  |            |            |                |
| Exposures from free deliveries applying standardized risk weights or 100% under the alternative treatment | —              | —              | —              | —          | 77             | —            | —                | —          | —          | 66             |
| IRB - maturity and export   | —              | —              | —              | —          | —              | —            | —                | —          | —          | 1,002          |

finance

buffer

Total (all portfolios and alternative treatment)

**Total (all**

**portfolios**

**and**

**alternative**

**treatment)      369,301      260,324      629,625      69%      435,298      0.95%      1,294,094      28%      2.1      109,133**

1

CRM is reflected by shifting the counterparty exposure from the underlying obligor to the protection provider.

2

Reflects risk-weighted assets post CCF.

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Effect of credit derivatives used as CRM techniques on risk-weighted assets

The following table shows the effect of credit derivatives used as CRM techniques on the IRB approach capital requirements' calculations.

For exposures covered by recognized credit derivatives, the substitution approach is applied. Hence, the risk weight of the obligor is substituted with the risk-weight of the protection provider.

CR7 – Effect on risk-weighted assets of credit derivatives used as CRM techniques

|   | 2Q18                       |                | 4Q17 <sub>1</sub>          |                |
|---|----------------------------|----------------|----------------------------|----------------|
|   | Pre-credit derivatives RWA | Actual RWA     | Pre-credit derivatives RWA | Actual RWA     |
| end of  |                            |                |                            |                |
| CHF million   |                            |                |                            |                |
| Sovereigns - A-IRB                                  | 2,377                      | 2,317          | 2,087                      | 2,083          |
| Institutions - Banks and securities dealers - A-IRB | 4,282                      | 4,119          | 5,747                      | 3,946          |
| Institutions - Other institutions - A-IRB           | 265                        | 265            | 262                        | 262            |
| Corporates - Specialized lending - A-IRB            | 15,933                     | 15,933         | 17,143                     | 17,143         |
| Corporates without specialized lending - A-IRB      | 65,157                     | 63,935         | 59,453                     | 59,284         |
| Residential mortgages                               | 17,313                     | 17,313         | 16,145                     | 16,145         |
| Qualifying revolving retail                         | 231                        | 231            | 254                        | 254            |
| Other retail  | 12,312                     | 12,312         | 11,075                     | 11,075         |
| <b>Total</b>  | <b>117,870</b>             | <b>116,425</b> | <b>112,166</b>             | <b>110,192</b> |

1

As of the end of 2Q18, a RWA scaling factor of 1.06 under the IRB approach has been applied. Prior period numbers have been restated to conform to the current presentation.

RWA flow statements of credit risk exposures under IRB

The following table presents the 2Q18 flow statement explaining the variations in the credit risk RWA determined under an IRB approach.

Credit risk RWA under IRB of CHF 117.4 billion increased CHF 5.2 billion compared to the end of 1Q18, primarily driven by a foreign exchange impact, increases related to asset size, mainly reflecting higher exposures, and methodology and policy changes.

The increase in methodology and policy changes was mainly due to an additional phase-in of the multiplier on income producing real estate (IPRE) and non-IPRE exposures, and on certain investment banking corporate exposures.

CR8 – Risk-weighted assets flow statements of credit risk exposures under IRB

| 2Q18   | RWA            |
|--|----------------|
| CHF million  |                |
| <b>Risk-weighted assets at beginning of period</b> | <b>112,224</b> |
| Asset size   | 1,635          |
| Asset quality                                      | (170)          |
| Model and parameter updates                        | 589            |
| Methodology and policy changes                     | 1,464          |
| Foreign exchange impact                            | 1,641          |
| <b>Risk-weighted assets at end of period</b>       | <b>117,383</b> |

Definition of risk-weighted assets movement components related to credit risk and CCR

| Description   | Definition   |
|---|--|
| <b>Asset size</b>                                     | Represents changes arising in the ordinary course of business (including new businesses) |
| <b>Asset quality/Credit quality of counterparties</b> | Represents changes in average risk weighting across credit risk classes                  |
| <b>Model and parameter updates</b>                    | Represents movements arising from updates to models and recalibrations of parameters and |

|                                       |   |
|---------------------------------------|---|
| <b>Methodology and policy changes</b> | internal changes impacting how exposures are treated<br>Represents movements due to methodology changes in calculations driven by regulatory policy changes, including both revisions to existing regulations and new regulations |
| <b>Acquisitions and disposals</b>     | Represents changes in book sizes due to acquisitions and disposals of entities  |
| <b>Foreign exchange impact</b>        | Represents changes in exchange rates of the transaction currencies compared to the Swiss franc  |
| <b>Other</b>                          | Represents changes that cannot be attributed to any other category  |

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## Specialized lending

The following tables show the carrying values, exposure amounts and RWA for the Group's specialized lending.

## CR10 – Specialized lending

| end of 2Q18   | Remaining maturity              | On-<br>balance<br>sheet<br>amount | Off-<br>balance<br>sheet<br>amount | Risk<br>weight    | Exposure<br>amount <sup>1</sup> | RWA          | Expected<br>losses |
|---|---------------------------------|-----------------------------------|------------------------------------|-------------------|---------------------------------|--------------|--------------------|
| Other than high-volatility commercial real estate (CHF million, except where indicated) |                                 |                                   |                                    |                   |                                 |              |                    |
| <b>Regulatory categories</b>  |                                 |                                   |                                    |                   |                                 |              |                    |
| Strong  | Less than 2.5 years             | 195                               | 332                                | 50%               | 344                             | 172          | 0                  |
|   | Equal to or more than 2.5 years | 167                               | 593                                | 70%               | 249                             | 174          | 1                  |
| Good  | Less than 2.5 years             | 92                                | 91                                 | 70%               | 517                             | 361          | 2                  |
|   | Equal to or more than 2.5 years | 194                               | 180                                | 90%               | 292                             | 263          | 2                  |
| Satisfactory  |                                 | 117                               | 157                                | 115% <sup>2</sup> | 187                             | 215          | 6                  |
| Weak  |                                 | 49                                | 28                                 | 250%              | 64                              | 161          | 5                  |
| Default   |                                 | 183                               | 0                                  | –                 | 0                               | –            | 35                 |
| <b>Total</b>  |                                 | <b>997</b>                        | <b>1,381</b>                       | <b>–</b>          | <b>1,653</b>                    | <b>1,346</b> | <b>51</b>          |
| High-volatility commercial real estate (CHF million, except where indicated)            |                                 |                                   |                                    |                   |                                 |              |                    |
| <b>Regulatory categories</b>  |                                 |                                   |                                    |                   |                                 |              |                    |
| Good  | Equal to or more than 2.5 years | 130                               | 17                                 | 120%              | 107                             | 128          | 0                  |
| Default   |                                 | 13                                | 0                                  | –                 | 13                              | 0            | 7                  |
| <b>Total</b>  |                                 | <b>143</b>                        | <b>17</b>                          | <b>–</b>          | <b>120</b>                      | <b>128</b>   | <b>7</b>           |
| end of 4Q17   |                                 |                                   |                                    |                   |                                 |              |                    |
| Other than high-volatility commercial real estate (CHF million, except where indicated) |                                 |                                   |                                    |                   |                                 |              |                    |
| <b>Regulatory categories</b>  |                                 |                                   |                                    |                   |                                 |              |                    |
| Strong  | Less than 2.5 years             | 453                               | 793                                | 50%               | 870                             | 435          | 0                  |
|   | Equal to or more than 2.5 years | 374                               | 429                                | 70%               | 610                             | 427          | 2                  |
| Good  | Less than 2.5 years             | 86                                | 53                                 | 70%               | 167                             | 117          | 1                  |
|   | Equal to or more than 2.5 years | 400                               | 205                                | 90%               | 542                             | 488          | 4                  |
| Satisfactory  |                                 | 313                               | 175                                | 115% <sup>2</sup> | 377                             | 433          | 11                 |
| Weak  |                                 | 4                                 | 1                                  | 250%              | 4                               | 11           | 0                  |
| Default   |                                 | 176                               | 0                                  | –                 | 176                             | –            | 88                 |
| <b>Total</b>  |                                 | <b>1,806</b>                      | <b>1,656</b>                       | <b>–</b>          | <b>2,746</b>                    | <b>1,911</b> | <b>106</b>         |
| High-volatility commercial real estate (CHF million, except where indicated)            |                                 |                                   |                                    |                   |                                 |              |                    |
| <b>Regulatory categories</b>  |                                 |                                   |                                    |                   |                                 |              |                    |
| Good  | Less than 2.5 years             | 0                                 | 0                                  | 120%              | 126                             | 151          | 0                  |
| Default   |                                 | 12                                | 0                                  | –                 | 13                              | 0            | 6                  |
| <b>Total</b>  |                                 | <b>12</b>                         | <b>0</b>                           | <b>–</b>          | <b>139</b>                      | <b>151</b>   | <b>6</b>           |

1

Includes project finance, object finance, commodities finance and IPRE.

2

For a portion of the exposure, a risk weight of 120% is applied.

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Equity positions in the banking book under the simple risk-weight approach

For equity type securities in the banking book, risk weights are determined using the simple risk-weight approach, which differentiates by equity sub-asset types, such as exchange-traded and other equity exposures.

RWA relating to equities under the simple risk-weight approach of CHF 7.8 billion decreased 5% compared to the end of 4Q17, mainly due to a decrease in equity exposures with counterparties.

CR10 – Equity positions in the banking book under the simple risk-weight approach

|  | On-balance<br>sheet<br>amount | Off-balance<br>sheet<br>amount | Risk<br>weight | Exposure<br>amount | RWA          |
|--|-------------------------------|--------------------------------|----------------|--------------------|--------------|
| end of                                     |                               |                                |                |                    |              |
| 2Q18 (CHF million, except where indicated) |                               |                                |                |                    |              |
| Exchange-traded equity exposures           | 33                            | 0                              | 300%           | 33                 | 99           |
| Other equity exposures                     | 1,929                         | 0                              | 400%           | 1,929              | 7,718        |
| <b>Total</b>                               | <b>1,962</b>                  | <b>0</b>                       | –              | <b>1,962</b>       | <b>7,817</b> |
| 4Q17 (CHF million, except where indicated) |                               |                                |                |                    |              |
| Exchange-traded equity exposures           | 32                            | 0                              | 300%           | 32                 | 95           |
| Other equity exposures                     | 2,031                         | 0                              | 400%           | 2,031              | 8,123        |
| <b>Total</b>                               | <b>2,063</b>                  | <b>0</b>                       | –              | <b>2,063</b>       | <b>8,218</b> |

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## Counterparty credit risk

## General

## Counterparty exposure

Counterparty credit risk (CCR) arises from over the counter (OTC) and exchange-traded derivatives, repurchase agreements, securities lending and borrowing and other similar products and activities. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature.

Credit Suisse received approval from FINMA to use the internal model method for measuring CCR for the majority of the derivative and secured financing exposures.

## Details of counterparty credit risk exposures

## Analysis of counterparty credit risk exposure by approach

The following table provides a comprehensive view of the methods used to calculate CCR regulatory requirements and the main parameters used within each method.

## CCR1 – Analysis of counterparty credit risk exposure by approach

| end of   | Re-placement<br>cost | PFE   | EEPE   | Alpha<br>used for<br>computing<br>regulatory<br>EAD | EAD<br>post-CRM | RWA           |
|--|----------------------|-------|--------|---|-----------------|---------------|
| 2Q18 (CHF million, except where indicated)                   |                      |       |        |   |                 |               |
| SA-CCR (for derivatives) <sup>1</sup>                        | 4,638                | 3,359 | –      | 1.0   | 7,712           | 2,520         |
| Internal Model Method (for derivatives and SFTs)             | –                    | –     | 25,411 | 1.4 <sub>2</sub>                                    | 35,575          | 10,237        |
| Simple Approach for credit risk mitigation (for SFTs)        | –                    | –     | –      | –   | 56              | 0             |
| Comprehensive Approach for credit risk mitigation (for SFTs) | –                    | –     | –      | –   | 6               | 3             |
| VaR for SFTs   | –                    | –     | –      | –   | 35,980          | 4,714         |
| <b>Total</b>   | –                    | –     | –      | –   | <b>79,329</b>   | <b>17,474</b> |
| 4Q17 (CHF million, except where indicated)                   |                      |       |        |   |                 |               |
| SA-CCR (for derivatives) <sup>1</sup>                        | 3,871                | 3,226 | –      | 1.0   | 8,846           | 2,390         |
| Internal Model Method (for derivatives and SFTs)             | –                    | –     | 25,883 | 1.4 <sub>2</sub>                                    | 36,236          | 10,550        |
| Simple Approach for credit risk mitigation (for SFTs)        | –                    | –     | –      | –   | 50              | 0             |
| Comprehensive Approach for credit risk mitigation (for SFTs) | –                    | –     | –      | –   | 35              | 7             |
| VaR for SFTs   | –                    | –     | –      | –   | 33,359          | 4,433         |
| <b>Total</b>   | –                    | –     | –      | –   | <b>78,526</b>   | <b>17,380</b> |

1

Calculated under the current exposure method.

2

For a smaller portion of the derivative exposure, an alpha of 1.6 is applied.

## Credit valuation adjustment capital charge

The following table shows the credit valuation adjustment (CVA) regulatory calculations with a breakdown by standardized and advanced approaches.

RWA of CHF 5.2 billion decreased 6% compared to the end of 4Q17, mainly due to a decrease in the average probability of default (PD) of the derivatives portfolio.

## CCR2 – Credit valuation adjustment capital charge

2Q18

4Q17

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| end of<br>CHF million   | EAD<br>post-CRM | RWA          | EAD<br>post-CRM | RWA          |
|---|-----------------|--------------|-----------------|--------------|
| Total portfolios subject to the advanced<br>CVA capital charge    | 32,332          | 5,174        | 34,790          | 5,441        |
| of which VaR component (including<br>the 3 x multiplier)          | –               | 1,592        | –               | 1,306        |
| of which stressed VaR component<br>(including the 3 x multiplier) | –               | 3,582        | –               | 4,135        |
| All portfolios subject to the standardized<br>CVA capital charge  | 68              | 65           | 64              | 107          |
| <b>Total subject to the CVA capital<br/>charge</b>                | <b>32,400</b>   | <b>5,239</b> | <b>34,854</b>   | <b>5,548</b> |

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## CCR exposures by regulatory portfolio and risk weights – standardized approach

The following table shows a breakdown of CCR exposures calculated according to the standardized approach by portfolio (type of counterparties) and by risk weight (riskiness attributed according to standardized approach).

## CCR3 – CCR exposures by regulatory portfolio and risk weights - standardized approach

| end of             | Risk weight |          |          |          |          |            |          |          | Exposures<br>post-<br>CCF and<br>CRM |
|--------------------|-------------|----------|----------|----------|----------|------------|----------|----------|--------------------------------------|
|                    | 0%          | 10%      | 20%      | 50%      | 75%      | 100%       | 150%     | Others   |                                      |
| 2Q18 (CHF million) |             |          |          |          |          |            |          |          |                                      |
| Retail             | 0           | 0        | 0        | 0        | 0        | 31         | 0        | 0        | 31                                   |
| Other exposures    | 56          | 0        | 0        | 0        | 0        | 327        | 0        | 0        | 383                                  |
| <b>Total</b>       | <b>56</b>   | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>358</b> | <b>0</b> | <b>0</b> | <b>414</b>                           |
| 4Q17 (CHF million) |             |          |          |          |          |            |          |          |                                      |
| Retail             | 0           | 0        | 0        | 0        | 0        | 27         | 0        | 0        | 27                                   |
| Other exposures    | 50          | 0        | 0        | 0        | 0        | 184        | 0        | 0        | 234                                  |
| <b>Total</b>       | <b>50</b>   | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>211</b> | <b>0</b> | <b>0</b> | <b>261</b>                           |

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## CCR exposures by portfolio and PD scale – IRB models

The following table provides all relevant parameters used for the calculation of CCR capital requirements for IRB models.

## CCR4 – CCR exposures by portfolio and PD scale - IRB models

| end of 2Q18                                      | EAD<br>post-<br>CRM | Average<br>PD | Number<br>of<br>obligors | Average<br>LGD | Average<br>maturity<br>(years) | RWA          | RWA<br>density |
|--|---------------------|---------------|--------------------------|----------------|--------------------------------|--------------|----------------|
| Sovereigns (CHF million, except where indicated) |                     |               |                          |                |                                |              |                |
| 0.00% to <0.15%                                  | 3,715               | 0.02%         | 61                       | 54%            | 0.4                            | 187          | 5%             |
| 0.15% to <0.25%                                  | 722                 | 0.22%         | 4                        | 41%            | 1.0                            | 214          | 30%            |
| 0.50% to <0.75%                                  | 0                   | 0.64%         | 1                        | 42%            | 1.0                            | 0            | 53%            |
| 0.75% to <2.50%                                  | 54                  | 1.10%         | 2                        | 53%            | 0.2                            | 45           | 83%            |
| 2.50% to <10.00%                                 | 106                 | 8.87%         | 3                        | 52%            | 0.3                            | 207          | 195%           |
| 10.00% to <100.00%                               | 0                   | 16.44%        | 1                        | 44%            | 1.0                            | 0            | 219%           |
| <b>Sub-total</b>                                 | <b>4,597</b>        | <b>0.27%</b>  | <b>72</b>                | <b>52%</b>     | <b>0.5</b>                     | <b>653</b>   | <b>14%</b>     |
| Institutions - Banks and securities dealer       |                     |               |                          |                |                                |              |                |
| 0.00% to <0.15%                                  | 16,519              | 0.06%         | 560                      | 56%            | 0.6                            | 3,126        | 19%            |
| 0.15% to <0.25%                                  | 915                 | 0.22%         | 100                      | 56%            | 0.7                            | 436          | 48%            |
| 0.25% to <0.50%                                  | 440                 | 0.37%         | 89                       | 52%            | 0.9                            | 262          | 60%            |
| 0.50% to <0.75%                                  | 187                 | 0.64%         | 61                       | 53%            | 0.5                            | 132          | 70%            |
| 0.75% to <2.50%                                  | 404                 | 1.35%         | 126                      | 51%            | 0.8                            | 420          | 104%           |
| 2.50% to <10.00%                                 | 142                 | 6.78%         | 114                      | 48%            | 0.7                            | 204          | 143%           |
| 10.00% to <100.00%                               | 4                   | 23.35%        | 6                        | 34%            | 1.0                            | 9            | 204%           |
| 100.00% (Default)                                | 25                  | 100.00%       | 1                        | 60%            | 1.0                            | 27           | 106%           |
| <b>Sub-total</b>                                 | <b>18,636</b>       | <b>0.30%</b>  | <b>1,057</b>             | <b>56%</b>     | <b>0.6</b>                     | <b>4,616</b> | <b>25%</b>     |
| Institutions - Other institutions                |                     |               |                          |                |                                |              |                |
| 0.00% to <0.15%                                  | 149                 | 0.04%         | 38                       | 44%            | 2.9                            | 31           | 21%            |
| 0.15% to <0.25%                                  | 11                  | 0.20%         | 5                        | 37%            | 3.4                            | 5            | 42%            |
| 0.25% to <0.50%                                  | 1                   | 0.37%         | 1                        | 44%            | 3.3                            | 0            | 71%            |
| 0.50% to <0.75%                                  | 0                   | 0.58%         | 3                        | 53%            | 3.4                            | 0            | 105%           |
| <b>Sub-total</b>                                 | <b>161</b>          | <b>0.05%</b>  | <b>47</b>                | <b>44%</b>     | <b>3.0</b>                     | <b>36</b>    | <b>22%</b>     |
| Corporates - Specialized lending                 |                     |               |                          |                |                                |              |                |
| 0.00% to <0.15%                                  | 109                 | 0.04%         | 19                       | 40%            | 4.7                            | 29           | 27%            |
| 0.15% to <0.25%                                  | 15                  | 0.21%         | 25                       | 33%            | 4.2                            | 6            | 41%            |
| 0.25% to <0.50%                                  | 7                   | 0.37%         | 14                       | 34%            | 4.6                            | 4            | 55%            |
| 0.50% to <0.75%                                  | 7                   | 0.58%         | 9                        | 33%            | 5.0                            | 5            | 70%            |
| 0.75% to <2.50%                                  | 10                  | 0.96%         | 17                       | 21%            | 4.4                            | 5            | 48%            |
| 2.50% to <10.00%                                 | 1                   | 4.48%         | 6                        | 14%            | 3.8                            | 0            | 49%            |
| <b>Sub-total</b>                                 | <b>149</b>          | <b>0.19%</b>  | <b>90</b>                | <b>37%</b>     | <b>4.6</b>                     | <b>49</b>    | <b>33%</b>     |

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## CCR4 – CCR exposures by portfolio and PD scale - IRB models (continued)

| end of 2Q18   | EAD<br>post-<br>CRM | Average<br>PD | Number<br>of obligors | Average<br>LGD | Average<br>maturity<br>(years) | RWA           | RWA<br>density |
|---|---------------------|---------------|-----------------------|----------------|--------------------------------|---------------|----------------|
| Corporates without specialized lending (CHF million, except where indicated)                              |                     |               |                       |                |                                |               |                |
| 0.00% to <0.15%   | 42,227              | 0.05%         | 11,620                | 51%            | 0.6                            | 4,501         | 11%            |
| 0.15% to <0.25%   | 1,712               | 0.21%         | 1,207                 | 45%            | 1.7                            | 727           | 42%            |
| 0.25% to <0.50%   | 781                 | 0.37%         | 557                   | 56%            | 1.8                            | 582           | 74%            |
| 0.50% to <0.75%   | 652                 | 0.63%         | 519                   | 62%            | 1.2                            | 671           | 103%           |
| 0.75% to <2.50%   | 1,082               | 1.50%         | 1,411                 | 69%            | 1.1                            | 1,909         | 176%           |
| 2.50% to <10.00%  | 1,230               | 4.29%         | 2,079                 | 57%            | 0.9                            | 2,840         | 231%           |
| 10.00% to <100.00%  | 24                  | 27.99%        | 16                    | 52%            | 1.0                            | 106           | 448%           |
| 100.00% (Default)   | 4                   | 100.00%       | 6                     | 53%            | 2.2                            | 4             | 106%           |
| <b>Sub-total</b>  | <b>47,712</b>       | <b>0.23%</b>  | <b>17,415</b>         | <b>52%</b>     | <b>0.7</b>                     | <b>11,340</b> | <b>24%</b>     |
| Other retail  |                     |               |                       |                |                                |               |                |
| 0.00% to <0.15%   | 3,143               | 0.07%         | 1,877                 | 49%            | 0.9                            | 323           | 10%            |
| 0.15% to <0.25%   | 241                 | 0.18%         | 383                   | 21%            | 1.5                            | 21            | 9%             |
| 0.25% to <0.50%   | 45                  | 0.37%         | 254                   | 23%            | 1.7                            | 7             | 14%            |
| 0.50% to <0.75%   | 14                  | 0.58%         | 922                   | 27%            | 2.2                            | 3             | 22%            |
| 0.75% to <2.50%   | 58                  | 0.96%         | 146                   | 50%            | 1.4                            | 30            | 52%            |
| 2.50% to <10.00%  | 19                  | 4.06%         | 35                    | 33%            | 1.1                            | 10            | 51%            |
| 10.00% to <100.00%  | 2                   | 19.26%        | 6                     | 16%            | 5.0                            | 1             | 38%            |
| 100.00% (Default)   | 0                   | 100.00%       | 1                     | 53%            | 1.0                            | 0             | 107%           |
| <b>Sub-total</b>  | <b>3,522</b>        | <b>0.12%</b>  | <b>3,624</b>          | <b>47%</b>     | <b>0.9</b>                     | <b>395</b>    | <b>11%</b>     |
| Sub-total (all portfolios)  |                     |               |                       |                |                                |               |                |
| 0.00% to <0.15%   | 65,862              | 0.05%         | 14,175                | 52%            | 0.6                            | 8,197         | 12%            |
| 0.15% to <0.25%   | 3,616               | 0.21%         | 1,724                 | 45%            | 1.3                            | 1,409         | 39%            |
| 0.25% to <0.50%   | 1,274               | 0.37%         | 915                   | 53%            | 1.5                            | 855           | 67%            |
| 0.50% to <0.75%   | 860                 | 0.63%         | 1,515                 | 59%            | 1.1                            | 811           | 94%            |
| 0.75% to <2.50%   | 1,608               | 1.42%         | 1,702                 | 63%            | 1.0                            | 2,409         | 150%           |
| 2.50% to <10.00%  | 1,498               | 4.85%         | 2,237                 | 56%            | 0.9                            | 3,261         | 218%           |
| 10.00% to <100.00%  | 30                  | 26.84%        | 29                    | 47%            | 1.2                            | 116           | 391%           |
| 100.00% (Default)   | 29                  | 100.00%       | 8                     | 59%            | 1.2                            | 31            | 106%           |
| <b>Sub-total (all portfolios)</b>   | <b>74,777</b>       | <b>0.25%</b>  | <b>22,305</b>         | <b>52%</b>     | <b>0.7</b>                     | <b>17,089</b> | <b>23%</b>     |
| Alternative treatment   |                     |               |                       |                |                                |               |                |
| Exposures from free deliveries applying standardized risk weights or 100% under the alternative treatment |                     |               |                       |                |                                |               |                |
|   | –                   | –             | –                     | –              | –                              | 0             | –              |
| Total (all portfolios and alternative treatment)  |                     |               |                       |                |                                |               |                |
| <b>Total (all portfolios and alternative treatment)</b>   | <b>74,777</b>       | <b>0.25%</b>  | <b>22,305</b>         | <b>52%</b>     | <b>0.7</b>                     | <b>17,089</b> | <b>23%</b>     |

Exposure at default (EAD) post-CRM of CHF 74.8 billion were stable compared to the end of 4Q17, mainly reflecting higher corporates without specialized lending, offset by a decrease in institutions – banks and securities dealer.

## CCR4 – CCR exposures by portfolio and PD scale - IRB models

| end of 4Q17                                      | EAD<br>post-<br>CRM | Average<br>PD | Number<br>of<br>obligors | Average<br>LGD | Average<br>maturity<br>(years) | RWA          | RWA<br>density |
|--|---------------------|---------------|--------------------------|----------------|--------------------------------|--------------|----------------|
| Sovereigns (CHF million, except where indicated) |                     |               |                          |                |                                |              |                |
| 0.00% to <0.15%                                  | 3,532               | 0.03%         | 65                       | 46%            | 0.5                            | 171          | 5%             |
| 0.15% to <0.25%                                  | 904                 | 0.22%         | 3                        | 44%            | 1.0                            | 293          | 32%            |
| 0.25% to <0.50%                                  | 10                  | 0.37%         | 2                        | 45%            | 0.9                            | 4            | 45%            |
| 0.50% to <0.75%                                  | 0                   | 0.64%         | 1                        | 44%            | 1.0                            | 0            | 55%            |
| 0.75% to <2.50%                                  | 64                  | 1.10%         | 2                        | 52%            | 0.2                            | 52           | 81%            |
| 2.50% to <10.00%                                 | 119                 | 9.50%         | 3                        | 52%            | 0.2                            | 235          | 197%           |
| 10.00% to <100.00%                               | 0                   | 16.44%        | 1                        | 42%            | 1.0                            | 0            | 209%           |
| <b>Sub-total</b>                                 | <b>4,629</b>        | <b>0.32%</b>  | <b>77</b>                | <b>46%</b>     | <b>0.6</b>                     | <b>755</b>   | <b>16%</b>     |
| Institutions - Banks and securities dealer       |                     |               |                          |                |                                |              |                |
| 0.00% to <0.15%                                  | 19,520              | 0.06%         | 574                      | 55%            | 0.8                            | 3,042        | 16%            |
| 0.15% to <0.25%                                  | 1,185               | 0.22%         | 101                      | 54%            | 0.7                            | 518          | 44%            |
| 0.25% to <0.50%                                  | 460                 | 0.37%         | 93                       | 53%            | 1.0                            | 280          | 61%            |
| 0.50% to <0.75%                                  | 182                 | 0.64%         | 67                       | 52%            | 0.5                            | 123          | 67%            |
| 0.75% to <2.50%                                  | 854                 | 1.14%         | 118                      | 54%            | 0.7                            | 858          | 100%           |
| 2.50% to <10.00%                                 | 119                 | 5.91%         | 108                      | 49%            | 0.9                            | 196          | 164%           |
| 10.00% to <100.00%                               | 5                   | 25.79%        | 6                        | 41%            | 1.0                            | 10           | 225%           |
| 100.00% (Default)                                | 48                  | 100.00%       | 3                        | 58%            | 1.0                            | 50           | 106%           |
| <b>Sub-total</b>                                 | <b>22,373</b>       | <b>0.37%</b>  | <b>1,070</b>             | <b>55%</b>     | <b>0.8</b>                     | <b>5,077</b> | <b>23%</b>     |
| Institutions - Other institutions                |                     |               |                          |                |                                |              |                |
| 0.00% to <0.15%                                  | 591                 | 0.04%         | 40                       | 44%            | 1.4                            | 81           | 14%            |
| 0.15% to <0.25%                                  | 19                  | 0.19%         | 8                        | 41%            | 3.5                            | 9            | 47%            |
| 0.25% to <0.50%                                  | 4                   | 0.37%         | 4                        | 48%            | 1.8                            | 3            | 70%            |
| 0.50% to <0.75%                                  | 37                  | 0.58%         | 2                        | 44%            | 5.1                            | 40           | 108%           |
| 0.75% to <2.50%                                  | 0                   | 0.90%         | 2                        | 44%            | 4.5                            | 1            | 118%           |
| 2.50% to <10.00%                                 | 0                   | 3.25%         | 2                        | 44%            | 1.0                            | 0            | 119%           |
| <b>Sub-total</b>                                 | <b>651</b>          | <b>0.08%</b>  | <b>58</b>                | <b>44%</b>     | <b>1.7</b>                     | <b>134</b>   | <b>20%</b>     |
| Corporates - Specialized lending                 |                     |               |                          |                |                                |              |                |
| 0.00% to <0.15%                                  | 126                 | 0.06%         | 18                       | 47%            | 5.1                            | 52           | 41%            |
| 0.15% to <0.25%                                  | 21                  | 0.21%         | 28                       | 36%            | 4.3                            | 9            | 45%            |
| 0.25% to <0.50%                                  | 8                   | 0.37%         | 14                       | 39%            | 4.3                            | 5            | 62%            |
| 0.50% to <0.75%                                  | 8                   | 0.58%         | 8                        | 38%            | 5.1                            | 6            | 79%            |
| 0.75% to <2.50%                                  | 12                  | 1.02%         | 19                       | 24%            | 4.7                            | 7            | 57%            |
| 2.50% to <10.00%                                 | 0                   | 4.03%         | 2                        | 24%            | 2.7                            | 0            | 63%            |
| <b>Sub-total</b>                                 | <b>175</b>          | <b>0.19%</b>  | <b>89</b>                | <b>43%</b>     | <b>4.9</b>                     | <b>79</b>    | <b>45%</b>     |



## CCR4 – CCR exposures by portfolio and PD scale - IRB models (continued)

| end of 4Q17   | EAD<br>post-<br>CRM | Average<br>PD | Number<br>of obligors | Average<br>LGD | Average<br>maturity<br>(years) | RWA           | RWA<br>density |
|---|---------------------|---------------|-----------------------|----------------|--------------------------------|---------------|----------------|
| Corporates without specialized lending (CHF million, except where indicated)                              |                     |               |                       |                |                                |               |                |
| 0.00% to <0.15%   | 37,212              | 0.05%         | 11,334                | 52%            | 0.5                            | 4,308         | 12%            |
| 0.15% to <0.25%   | 1,941               | 0.21%         | 1,285                 | 47%            | 1.8                            | 886           | 46%            |
| 0.25% to <0.50%   | 982                 | 0.37%         | 619                   | 51%            | 1.5                            | 621           | 63%            |
| 0.50% to <0.75%   | 686                 | 0.63%         | 466                   | 54%            | 1.6                            | 634           | 92%            |
| 0.75% to <2.50%   | 1,346               | 1.61%         | 1,439                 | 63%            | 1.0                            | 1,945         | 144%           |
| 2.50% to <10.00%  | 991                 | 4.67%         | 2,128                 | 53%            | 1.0                            | 2,199         | 222%           |
| 10.00% to <100.00%  | 18                  | 27.25%        | 12                    | 51%            | 1.0                            | 72            | 400%           |
| 100.00% (Default)   | 34                  | 100.00%       | 15                    | 45%            | 1.3                            | 36            | 106%           |
| <b>Sub-total</b>  | <b>43,210</b>       | <b>0.32%</b>  | <b>17,298</b>         | <b>52%</b>     | <b>0.7</b>                     | <b>10,701</b> | <b>25%</b>     |
| Other retail  |                     |               |                       |                |                                |               |                |
| 0.00% to <0.15%   | 2,702               | 0.06%         | 2,747                 | 58%            | 1.0                            | 282           | 10%            |
| 0.15% to <0.25%   | 193                 | 0.20%         | 358                   | 28%            | 2.2                            | 24            | 12%            |
| 0.25% to <0.50%   | 63                  | 0.37%         | 235                   | 39%            | 1.5                            | 16            | 25%            |
| 0.50% to <0.75%   | 14                  | 0.58%         | 777                   | 32%            | 2.9                            | 4             | 26%            |
| 0.75% to <2.50%   | 59                  | 0.98%         | 131                   | 48%            | 1.3                            | 29            | 50%            |
| 2.50% to <10.00%  | 3                   | 4.63%         | 36                    | 42%            | 1.2                            | 2             | 64%            |
| 10.00% to <100.00%  | 2                   | 19.24%        | 4                     | 19%            | 5.0                            | 1             | 44%            |
| 100.00% (Default)   | 3                   | 100.00%       | 2                     | 100%           | 5.1                            | 4             | 106%           |
| <b>Sub-total</b>  | <b>3,039</b>        | <b>0.23%</b>  | <b>4,290</b>          | <b>55%</b>     | <b>1.1</b>                     | <b>362</b>    | <b>12%</b>     |
| Sub-total (all portfolios)  |                     |               |                       |                |                                |               |                |
| 0.00% to <0.15%   | 63,683              | 0.05%         | 14,778                | 53%            | 0.6                            | 7,936         | 12%            |
| 0.15% to <0.25%   | 4,263               | 0.22%         | 1,783                 | 47%            | 1.3                            | 1,739         | 41%            |
| 0.25% to <0.50%   | 1,527               | 0.37%         | 967                   | 51%            | 1.3                            | 929           | 61%            |
| 0.50% to <0.75%   | 927                 | 0.63%         | 1,321                 | 53%            | 1.5                            | 807           | 87%            |
| 0.75% to <2.50%   | 2,335               | 1.40%         | 1,711                 | 58%            | 0.9                            | 2,892         | 124%           |
| 2.50% to <10.00%  | 1,232               | 5.26%         | 2,279                 | 53%            | 0.9                            | 2,632         | 214%           |
| 10.00% to <100.00%  | 25                  | 26.34%        | 23                    | 46%            | 1.3                            | 83            | 339%           |
| 100.00% (Default)   | 85                  | 100.00%       | 20                    | 55%            | 1.3                            | 90            | 106%           |
| <b>Sub-total (all portfolios)</b>   | <b>74,077</b>       | <b>0.33%</b>  | <b>22,882</b>         | <b>53%</b>     | <b>0.7</b>                     | <b>17,108</b> | <b>23%</b>     |
| Alternative treatment   |                     |               |                       |                |                                |               |                |
| Exposures from free deliveries applying standardized risk weights or 100% under the alternative treatment |                     |               |                       |                |                                |               |                |
|   | –                   | –             | –                     | –              | –                              | 0             | –              |
| Total (all portfolios and alternative treatment)  |                     |               |                       |                |                                |               |                |
| <b>Total (all portfolios and alternative treatment)</b>   | <b>74,077</b>       | <b>0.33%</b>  | <b>22,882</b>         | <b>53%</b>     | <b>0.7</b>                     | <b>17,108</b> | <b>23%</b>     |

## Composition of collateral for CCR exposure

The following table shows a breakdown of all types of collateral posted or received by banks to support or reduce the CCR exposures related to derivative transactions or to securities financing transactions (SFT), including transactions cleared through a central counterparty (CCP). For disclosure purposes, collateral values are presented as the market value of the collateral without regulatory or contractual haircuts.

By their nature, various components of the SFT business do not attract haircuts on a trade-by-trade basis, and as such a contractual haircut cannot be uniformly derived for the entire collateral population.

The fair value of collateral received on SFTs of CHF 921.0 billion increased 3% compared to the end of 4Q17 mainly relating to equity securities and corporate bonds, partially offset by a decrease in cash – other currencies. The fair value of collateral posted for SFTs of CHF 655.3 billion were stable compared to the end of 4Q17 mainly related to other sovereign debt, partially offset by an increase in equity securities. These changes were primarily due to changes in product portfolios.

## CCR5 – Composition of collateral for CCR exposure

| end of<br>2Q18 (CHF million) | Fair value of collateral received |               |               | Fair value of posted collateral |               |               | Collateral used in<br>SFTs                 |  |
|------------------------------|-----------------------------------|---------------|---------------|---------------------------------|---------------|---------------|--|--|
|                              | Segregated                        | Unsegregated  | Total         | Segregated                      | Unsegregated  | Total         | Fair<br>value of<br>collateral<br>received | Fair<br>value<br>of posted<br>collateral |
| Cash - domestic<br>currency  | 1                                 | 2,261         | 2,262         | 0                               | 3,915         | 3,915         | 1,001                                      | 7,261                                    |
| Cash - other<br>currencies   | 1,379                             | 26,292        | 27,671        | 951                             | 32,555        | 33,506        | 229,588                                    | 320,313                                  |
| Domestic<br>sovereign debt   | 0                                 | 17            | 17            | 0                               | 10            | 10            | 3,975                                      | 1,503                                    |
| Other sovereign<br>debt      | 5,265                             | 5,998         | 11,263        | 5,841                           | 3,842         | 9,683         | 277,548                                    | 185,643                                  |
| Government<br>agency debt    | 38                                | 17            | 55            | 0                               | 0             | 0             | 1,542                                      | 7,624                                    |
| Corporate bonds              | 935                               | 1,777         | 2,712         | 93                              | 1,107         | 1,200         | 96,411                                     | 25,974                                   |
| Equity securities            | 1,960                             | 387           | 2,347         | 0                               | 787           | 787           | 285,547 <sub>1</sub>                       | 79,508 <sub>1</sub>                      |
| Other collateral             | 7,367                             | 239           | 7,606         | 0                               | 0             | 0             | 25,434                                     | 27,454                                   |
| <b>Total</b>                 | <b>16,945</b>                     | <b>36,988</b> | <b>53,933</b> | <b>6,885</b>                    | <b>42,216</b> | <b>49,101</b> | <b>921,046</b>                             | <b>655,280</b>                           |
| 4Q17 (CHF million)           |                                   |               |               |                                 |               |               |  |  |
| Cash - domestic<br>currency  | 1                                 | 2,371         | 2,372         | 0                               | 2,962         | 2,962         | 953  | 4,751                                    |
| Cash - other<br>currencies   | 1,393                             | 27,012        | 28,405        | 816                             | 31,139        | 31,955        | 246,869                                    | 319,137                                  |
| Domestic<br>sovereign debt   | 0                                 | 3             | 3             | 0                               | 45            | 45            | 3,714                                      | 1,278                                    |
| Other sovereign<br>debt      | 5,098                             | 6,495         | 11,593        | 6,499                           | 5,286         | 11,785        | 284,648                                    | 203,318                                  |
| Government<br>agency debt    | 17                                | 69            | 86            | 0                               | 0             | 0             | 2,386                                      | 5,600                                    |
| Corporate bonds              | 1,210                             | 1,624         | 2,834         | 73                              | 786           | 859           | 70,203                                     | 28,587                                   |
| Equity securities            | 1,635                             | 64            | 1,699         | 0                               | 871           | 871           | 254,738 <sub>1</sub>                       | 67,363 <sub>1</sub>                      |
| Other collateral             | 6,399                             | 323           | 6,722         | 0                               | 0             | 0             | 27,359                                     | 34,699                                   |
| <b>Total</b>                 | <b>15,753</b>                     | <b>37,961</b> | <b>53,714</b> | <b>7,388</b>                    | <b>41,089</b> | <b>48,477</b> | <b>890,870</b>                             | <b>664,733</b>                           |

The Equity Prime Brokerage business consists of clients acquiring long and short positions in the market in a Credit Suisse account along with the appropriate margins. In the case of a counterparty default, Credit Suisse gains control over the long positions and are free to sell them to cover the exposure and the long positions are thus considered as 'collateral received'. On the other hand, the short positions are considered as 'trades' and are not reported in the disclosure as 'posted collateral'.

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## Credit derivatives exposures

The following table shows the extent of the Group's exposures to credit derivative transactions broken down between derivatives bought or sold.

## CCR6 – Credit derivatives exposures

| end of                            | 2Q18              |                 | 4Q17              |                 |
|-----------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                   | Protection bought | Protection sold | Protection bought | Protection sold |
| Notionals (CHF billion)           |                   |                 |                   |                 |
| Single-name credit default swaps  | 99.4              | 75.5            | 106.0             | 85.5            |
| Index credit default swaps        | 104.9             | 96.3            | 122.5             | 109.1           |
| Total return swaps                | 5.1               | 5.1             | 3.5               | 3.2             |
| Credit options                    | 0.9               | 0.0             | 0.7               | 0.1             |
| Other credit derivatives          | 56.8              | 18.6            | 75.4              | 18.9            |
| of which credit default swaptions | 56.8              | 18.6            | 75.4              | 18.9            |
| <b>Total notionals</b>            | <b>267.1</b>      | <b>195.5</b>    | <b>308.1</b>      | <b>216.8</b>    |
| Fair values (CHF billion)         |                   |                 |                   |                 |
| Positive fair value (asset)       | 2.7               | 4.0             | 2.5               | 5.2             |
| Negative fair value (liability)   | 5.7               | 2.4             | 6.7               | 2.2             |

Protection bought of CHF 267.1 billion decreased 13% compared to the end of 4Q17 primarily relating to credit default swaptions and index CDS. Protection sold of CHF 195.5 billion decreased 10% compared to the end of 4Q17 primarily relating to index CDS and single-name CDS.

> Refer to “Note 27 – Derivatives and hedging activities” (pages 126 to 130) in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q18 for further information on credit protection bought and credit protection sold.

## RWA flow statements of CCR exposures under IMM

The following table presents the 2Q18 flow statement explaining changes in CCR RWA determined under the Internal Model Method (IMM) for CCR (derivatives and SFTs).

## CCR7 – Risk-weighted assets flow statements of CCR exposures under IMM

| 2Q18   | RWA           |
|--|---------------|
| CHF million  |               |
| <b>Risk-weighted assets at beginning of period</b> | <b>15,188</b> |
| Asset size   | (828)         |
| Credit quality of counterparties                   | 36            |
| Methodology and policy changes                     | 42            |
| Foreign exchange impact                            | 513           |
| <b>Risk-weighted assets at end of period</b>       | <b>14,951</b> |

CCR RWA under IMM of CHF 15.0 billion decreased 2% compared to the end of 1Q18, primarily driven by decreases relating to asset size due to reductions in exposures, partially offset by a foreign exchange impact.

> Refer to “RWA flow statements of credit risk exposures under IRB” (page 16) in Credit risk for the definitions of the RWA flow statements components.

## Exposures to central counterparties

The following table provides a comprehensive picture of the Group's exposure to CCPs.

## CCR8 – Exposures to central counterparties

| CHF million                       | 2Q18           |              | 4Q17           |              |
|-----------------------------------|----------------|--------------|----------------|--------------|
|                                   | EAD (post-CRM) | RWA          | EAD (post-CRM) | RWA          |
| <b>Exposures to QCCPs (total)</b> | <b>–</b>       | <b>1,737</b> | <b>–</b>       | <b>1,641</b> |
| Exposures for trades at QCCPs     | 18,327         | 591          | 14,789         | 487          |
| of which OTC derivatives          | 7,184          | 144          | 4,226          | 85           |
|                                   | 10,355         | 431          | 9,446          | 380          |

|   |          |           |          |           |
|---|----------|-----------|----------|-----------|
| of which exchange-traded<br>derivatives       |          |           |          |           |
| of which securities financing<br>transactions | 788      | 16        | 1,116    | 22        |
| Segregated initial margin                     | 60       | –         | 153      | –         |
| Pre-funded default fund<br>contributions      | 0        | 1,146     | 0        | 1,154     |
| <b>Exposures to non-QCCPs (total)</b>         | <b>–</b> | <b>62</b> | <b>–</b> | <b>95</b> |
| Exposures for trades at non-QCCPs             | 41       | 44        | 73       | 76        |
| of which exchange-traded<br>derivatives       | 0        | 3         | 0        | 3         |
| of which securities financing<br>transactions | 41       | 41        | 73       | 73        |
| Pre-funded default fund<br>contributions      | 0        | 18        | 0        | 19        |

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## Securitization

## Securitization exposures in the banking book

The following table shows the Group's retained interests in banking book securitization exposures.

## SEC1 – Securitization exposures in the banking book

| end of<br>2Q18 (CHF million)    | Bank acts as originator |               |               | Bank acts as sponsor |           |            | Bank acts as investor |            |               |
|---------------------------------|-------------------------|---------------|---------------|----------------------|-----------|------------|-----------------------|------------|---------------|
|                                 | Traditional             | Synthetic     | Total         | Traditional          | Synthetic | Total      | Traditional           | Synthetic  | Total         |
| Commercial                      |                         |               |               |                      |           |            |                       |            |               |
| mortgages                       | 10                      | 0             | 10            | 0                    | 0         | 0          | 0                     | 0          | 0             |
| Residential                     |                         |               |               |                      |           |            |                       |            |               |
| mortgages                       | 478                     | 0             | 478           | 0                    | 0         | 0          | 223                   | 0          | 223           |
| CDO/CLO                         | 4,155                   | 25,271        | 29,426        | 149                  | 71        | 220        | 2,692                 | 297        | 2,989         |
| Other ABS                       | 200                     | 0             | 200           | 0                    | 0         | 0          | 9,947                 | 0          | 9,947         |
| <b>Total</b>                    | <b>4,843</b>            | <b>25,271</b> | <b>30,114</b> | <b>149</b>           | <b>71</b> | <b>220</b> | <b>12,862</b>         | <b>297</b> | <b>13,159</b> |
| 4Q17 (CHF million) <sup>1</sup> |                         |               |               |                      |           |            |                       |            |               |
| Commercial                      |                         |               |               |                      |           |            |                       |            |               |
| mortgages                       | 9                       | 0             | 9             | 0                    | 0         | 0          | 0                     | 0          | 0             |
| Residential                     |                         |               |               |                      |           |            |                       |            |               |
| mortgages                       | 29                      | 0             | 29            | 0                    | 0         | 0          | 127                   | 0          | 127           |
| CDO/CLO                         | 4,042                   | 24,478        | 28,520        | 146                  | 0         | 146        | 3,377                 | 0          | 3,377         |
| Other ABS                       | 546                     | 0             | 546           | 0                    | 0         | 0          | 8,557                 | 0          | 8,557         |
| <b>Total</b>                    | <b>4,626</b>            | <b>24,478</b> | <b>29,104</b> | <b>146</b>           | <b>0</b>  | <b>146</b> | <b>12,061</b>         | <b>0</b>   | <b>12,061</b> |

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In line with the requirements of the Basel framework, exposures not retained by Credit Suisse are excluded. Prior period numbers have been restated to conform to the current presentation.

## Securitization exposures in the trading book

The following table shows the Group's securitization exposures in its trading book.

## SEC2 – Securitization exposures in the trading book

| end of<br>2Q18 (CHF million) | Bank acts as originator |           |            | Bank acts as sponsor |           |          | Bank acts as investor |              |              |
|------------------------------|-------------------------|-----------|------------|----------------------|-----------|----------|-----------------------|--------------|--------------|
|                              | Traditional             | Synthetic | Total      | Traditional          | Synthetic | Total    | Traditional           | Synthetic    | Total        |
| Commercial                   |                         |           |            |                      |           |          |                       |              |              |
| mortgages                    | 94                      | 0         | 94         | 0                    | 0         | 0        | 1,932                 | 717          | 2,649        |
| Residential                  |                         |           |            |                      |           |          |                       |              |              |
| mortgages                    | 403                     | 0         | 403        | 0                    | 0         | 0        | 3,213                 | 108          | 3,321        |
| Other ABS                    | 1                       | 0         | 1          | 0                    | 0         | 0        | 755                   | 128          | 883          |
| CDO/CLO                      | 3                       | 0         | 3          | 0                    | 0         | 0        | 302                   | 409          | 711          |
| <b>Total</b>                 | <b>501</b>              | <b>0</b>  | <b>501</b> | <b>0</b>             | <b>0</b>  | <b>0</b> | <b>6,202</b>          | <b>1,362</b> | <b>7,564</b> |
| 4Q17 (CHF million)           |                         |           |            |                      |           |          |                       |              |              |
| Commercial                   |                         |           |            |                      |           |          |                       |              |              |
| mortgages                    | 107                     | 0         | 107        | 0                    | 0         | 0        | 1,387                 | 386          | 1,773        |
| Residential                  |                         |           |            |                      |           |          |                       |              |              |
| mortgages                    | 100                     | 0         | 100        | 0                    | 0         | 0        | 3,032                 | 7            | 3,039        |
| Other ABS                    | 0                       | 0         | 0          | 0                    | 0         | 0        | 1,158                 | 0            | 1,158        |
| CDO/CLO                      | 0                       | 0         | 0          | 0                    | 0         | 0        | 300                   | 80           | 380          |
| Nth-to-default               | 0                       | 0         | 0          | 0                    | 0         | 0        | 0                     | 365          | 365          |
| <b>Total</b>                 | <b>207</b>              | <b>0</b>  | <b>207</b> | <b>0</b>             | <b>0</b>  | <b>0</b> | <b>5,877</b>          | <b>838</b>   | <b>6,715</b> |

Securitization exposures in the trading book where the Group acts as investor were CHF 7.6 billion, an increase of 13% compared to the end of 4Q17. The increase was primarily due to new commercial mortgage securitizations.

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Calculation of capital requirements

The following tables show the securitization exposures in the banking book and the associated regulatory capital requirements.

SEC3 – Securitization exposures in the banking book and associated regulatory capital requirements - Credit Suisse acting as originator

| end of<br>2Q18 (CHF million) | Exposure value (by RW band) |              |            |            |           | Exposure value (by regulatory approach) |            |            |          | RWA (by regulatory approach) |            |
|------------------------------|-----------------------------|--------------|------------|------------|-----------|---|------------|------------|----------|------------------------------|------------|
|                              | <=20%                       | >20%         | >50%       | >100%      | >1250%    | SEC-IRBA                                | SEC-ERBA   | SEC-SA     | 1250%    | SEC-IRBA                     | SEC-ERBA   |
|                              | RW                          | to           | to         | to         | RW        | RW                                      | RW         | RW         | RW       | RW                           | RW         |
|                              |                             | 50%          | 100%       | <1250%     |           |   |            |            |          |                              |            |
| <b>Total exposures</b>       | <b>26,718</b>               | <b>3,306</b> | <b>127</b> | <b>122</b> | <b>61</b> | <b>29,426</b>                           | <b>628</b> | <b>278</b> | <b>2</b> | <b>5,131</b>                 | <b>497</b> |
| Traditional securitization   | 4,079                       | 724          | 109        | 76         | 4         | 4,155                                   | 627        | 207        | 2        | 749                          | 478        |
| of which securitization      | 4,079                       | 724          | 109        | 76         | 4         | 4,155                                   | 627        | 207        | 2        | 749                          | 478        |
| of which retail underlying   | 453                         | 197          | 23         | 1          | 4         | 0                                       | 478        | 197        | 2        | 0                            | 126        |
| of which wholesale           | 3,626                       | 527          | 86         | 75         | 0         | 4,155                                   | 149        | 10         | 0        | 749                          | 352        |
| Synthetic securitization     | 22,639                      | 2,582        | 18         | 46         | 57        | 25,271                                  | 1          | 71         | 0        | 4,382                        | 19         |
| of which securitization      | 22,639                      | 2,582        | 18         | 46         | 57        | 25,271                                  | 1          | 71         | 0        | 4,382                        | 19         |
| of which retail underlying   | 46                          | 11           | 0          | 0          | 0         | 57                                      | 0          | 0          | 0        | (686)                        | 0          |
| of which wholesale           | 22,593                      | 2,571        | 18         | 46         | 57        | 25,214                                  | 1          | 71         | 0        | 5,068                        | 19         |

| end of<br>4Q17 (CHF million) <sup>1</sup> | Exposure value (by RW band) |            |            |           |            | Exposure value (by regulatory approach) |            |          |            | RWA (by regulatory approach) |            |
|---|-----------------------------|------------|------------|-----------|------------|---|------------|----------|------------|------------------------------|------------|
|   | <=20%                       | >20%       | >50%       | >100%     | >1250%     | IRB SFA                                 | IRB RBA    | SA/SSFA  | 1250%      | IRB SFA                      | IRB RBA    |
|   | RW                          | to         | to         | to        | RW         | RW                                      | RW         | RW       | RW         | RW                           | RW         |
|   |                             | 50%        | 100%       | <1250%    |            |   |            |          |            |                              |            |
| <b>Total exposures</b>                    | <b>28,497</b>               | <b>128</b> | <b>394</b> | <b>72</b> | <b>159</b> | <b>28,481</b>                           | <b>610</b> | <b>0</b> | <b>159</b> | <b>3,097</b>                 | <b>391</b> |
| Traditional securitization                | 4,411                       | 128        | 84         | 38        | 111        | 4,052                                   | 610        | 0        | 111        | 472                          | 391        |
| of which securitization                   | 4,411                       | 128        | 84         | 38        | 111        | 4,052                                   | 610        | 0        | 111        | 472                          | 391        |
| of which retail underlying                | 425                         | 0          | 28         | 19        | 103        | 0                                       | 472        | 0        | 103        | 0                            | 203        |
| of which wholesale                        | 3,986                       | 128        | 56         | 19        | 8          | 4,052                                   | 138        | 0        | 8          | 472                          | 188        |
| Synthetic securitization                  | 24,086                      | 0          | 310        | 34        | 48         | 24,429                                  | 0          | 0        | 48         | 2,625                        | 0          |
| of which securitization                   | 24,086                      | 0          | 310        | 34        | 48         | 24,429                                  | 0          | 0        | 48         | 2,625                        | 0          |

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of which  
wholesale 24,086 0 310 34 48 24,429 0 0 48 2,625 0

1  
In January 2018, a new securitization framework was implemented and will be phased in over 2018. Prior period numbers are prepared under the old methodology.

SEC4 – Securitization exposures in the banking book and associated regulatory capital requirements - Credit Suisse acting as issuer

| end of<br>2Q18 (CHF million)                | Exposure value (by RW band) |              |              |              |             | Exposure value (by regulatory approach) |              |              |          | RWA (by regulatory approach) |              |
|---|-----------------------------|--------------|--------------|--------------|-------------|---|--------------|--------------|----------|------------------------------|--------------|
|   | >20%                        | >50%         | >100%        | >100%        | 1250%       | SEC-IRBA                                | SEC-ERBA     | SEC-SA       | RW       | SEC-IRBA                     | SEC-ERBA     |
|   | <=20%<br>RW                 | 50%<br>RW    | 100%<br>RW   | <1250%<br>RW | 1250%<br>RW |   |              |              |          |                              |              |
| <b>Total exposures</b>                      | <b>8,167</b>                | <b>2,661</b> | <b>1,182</b> | <b>1,145</b> | <b>4</b>    | <b>2,602</b>                            | <b>3,120</b> | <b>7,437</b> | <b>0</b> | <b>573</b>                   | <b>1,228</b> |
| Traditional securitization                  | 7,890                       | 2,661        | 1,182        | 1,125        | 4           | 2,602                                   | 2,823        | 7,437        | 0        | 573                          | 1,176        |
| of which securitization                     | 7,890                       | 2,661        | 1,182        | 1,125        | 4           | 2,602                                   | 2,823        | 7,437        | 0        | 573                          | 1,176        |
| of which retail underlying                  | 5,272                       | 2,644        | 1,182        | 1,067        | 4           | 188                                     | 2,823        | 7,159        | 0        | 70                           | 1,176        |
| of which wholesale Synthetic securitization | 2,618                       | 17           | 0            | 58           | 0           | 2,414                                   | 0            | 278          | 0        | 503                          | 0            |
| of which securitization                     | 277                         | 0            | 0            | 20           | 0           | 0                                       | 297          | 0            | 0        | 0                            | 52           |
| of which securitization                     | 277                         | 0            | 0            | 20           | 0           | 0                                       | 297          | 0            | 0        | 0                            | 52           |
| of which wholesale                          | 277                         | 0            | 0            | 20           | 0           | 0                                       | 297          | 0            | 0        | 0                            | 52           |

| end of<br>4Q17 (CHF million) <sup>1</sup> | Exposure value (by RW band) |              |              |              |             | Exposure value (by regulatory approach) |              |              |          | RWA (by regulatory approach) |            |
|---|-----------------------------|--------------|--------------|--------------|-------------|---|--------------|--------------|----------|------------------------------|------------|
|   | >20%                        | >50%         | >100%        | >100%        | 1250%       | IRB SFA                                 | IRB RBA      | SA/SSFA      | RW       | IRB SFA                      | IRB RBA    |
|   | <=20%<br>RW                 | 50%<br>RW    | 100%<br>RW   | <1250%<br>RW | 1250%<br>RW |   |              |              |          |                              |            |
| <b>Total exposures</b>                    | <b>6,632</b>                | <b>1,616</b> | <b>3,512</b> | <b>299</b>   | <b>2</b>    | <b>2,783</b>                            | <b>2,266</b> | <b>7,010</b> | <b>2</b> | <b>195</b>                   | <b>724</b> |
| Traditional securitization                | 6,632                       | 1,616        | 3,512        | 299          | 2           | 2,783                                   | 2,266        | 7,010        | 2        | 195                          | 724        |
| of which securitization                   | 6,632                       | 1,616        | 3,512        | 299          | 2           | 2,783                                   | 2,266        | 7,010        | 2        | 195                          | 724        |
| of which retail underlying                | 3,366                       | 1,604        | 3,433        | 281          | 0           | 0                                       | 1,674        | 7,010        | 0        | 0                            | 538        |
| of which wholesale                        | 3,266                       | 12           | 79           | 18           | 2           | 2,783                                   | 592          | 0            | 2        | 195                          | 186        |

1  
In January 2018, a new securitization framework was implemented and will be phased in over 2018. Prior period numbers are prepared under the old methodology.



## Market risk

## General

We use the advanced approach for calculating the market risk capital requirements for the majority of our market risk exposures. The percentage of RWA covered by internal models as of June 30, 2018 was 87%. In line with regulatory requirements, the standardized measurement method is used for the specific risk of securitization exposures.

## Market risk under standardized approach

The following table shows the components of the capital requirement under the standardized approach for market risk.

## MR1 – Market risk under standardized approach

|                                    |              |              |
|------------------------------------|--------------|--------------|
| end of                             | 2Q18         | 4Q17         |
| Risk-weighted assets (CHF million) |              |              |
| <b>Options</b>                     |              |              |
| Securitization                     | 2,490        | 3,765        |
| <b>Total risk-weighted assets</b>  | <b>2,490</b> | <b>3,765</b> |

## Market risk under internal model approach

## RWA flow statements of market risk exposures under an IMA

The following table presents the 2Q18 flow statement explaining variations in the market risk RWA determined under an internal model approach.

Market risk RWA under an IMA of CHF 17.1 billion decreased 5% compared to the end of 1Q18, primarily due to the reduction in stressed value-at-risk (VaR) and incremental risk charge (IRC), driven by movements in risk levels.

## MR2 – Risk-weighted assets flow statements of market risk exposures under an IMA

| 2Q18  | Regulatory<br>VaR | Stressed<br>VaR | IRC          | Other <sup>1</sup> | Total<br>RWA       |
|---|-------------------|-----------------|--------------|--------------------|--------------------|
| CHF million   |                   |                 |              |                    |                    |
| <b>Risk-weighted assets at beginning of period</b>              | <b>2,716</b>      | <b>5,427</b>    | <b>2,417</b> | <b>7,459</b>       | <b>18,019</b>      |
| Regulatory adjustment   | 550               | (1,347)         | (1,179)      | 39                 | (1,937)            |
| <b>Risk-weighted assets at beginning of period (end of day)</b> | <b>3,266</b>      | <b>4,080</b>    | <b>1,238</b> | <b>7,498</b>       | <b>16,082</b>      |
| Movement in risk levels   | (26)              | (271)           | 189          | 755                | 647                |
| Model and parameter updates                                     | (154)             | 2,530           | (83)         | (1,141)            | 1,152 <sup>2</sup> |
| Foreign exchange impact   | 19                | 44              | 17           | 51                 | 131                |
| <b>Risk-weighted assets at end of period (end of day)</b>       | <b>3,105</b>      | <b>6,383</b>    | <b>1,361</b> | <b>7,163</b>       | <b>18,012</b>      |
| Regulatory adjustment   | (477)             | (1,350)         | 628          | 262                | (937)              |
| <b>Risk-weighted assets at end of period</b>                    | <b>2,628</b>      | <b>5,033</b>    | <b>1,989</b> | <b>7,425</b>       | <b>17,075</b>      |

1

Risks not in VaR.

2

Reflects CHF 11 million from parameter updates with the remaining balance relating to model changes.

Definitions of risk-weighted assets movement components related to market risk

## Description

## Definition

**RWA as of the end of the previous and current reporting periods** Represents RWA at quarter-end

**Regulatory adjustment** Indicates the difference between RWA and RWA (end of day) at beginning and end of period

**RWA as of the previous and current quarters end (end of day)** For a given component (e.g. VaR) it refers to the RWA that would be computed if the snapshot quarter end figure of the component determines the quarter end

|                                       |   |
|---------------------------------------|---|
| <b>Movement in risk levels</b>        | RWA, as opposed to a 60-day average for regulatory  |
| <b>Model and parameter updates</b>    | Represents movements due to position changes<br>Represents movements arising from updates to models and recalibrations of parameters and internal changes impacting how exposures are treated |
| <b>Methodology and policy changes</b> | Represents movements due to methodology changes in calculations driven by regulatory policy changes, including both revisions to existing regulations and new regulations                     |
| <b>Acquisitions and disposals</b>     | Represents changes in book sizes due to acquisitions and disposals of entities  |
| <b>Foreign exchange impact</b>        | Represents changes in exchange rates of the transaction currencies compared to the Swiss franc  |
| <b>Other</b>                          | Represents changes that cannot be attributed to any other category  |

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Internal model approach values for trading portfolios

The following table shows the values (maximum, minimum, average and period ending for the reporting period) resulting from the different types of models used for computing regulatory capital charge at the Group level, before any additional capital charge is applied.

MR3 – Regulatory VaR, stressed VaR and Incremental Risk Charge

| in / end of                        | 1H18 | 2H17 |
|------------------------------------|------|------|
| CHF million                        |      |      |
| <b>Regulatory VaR (10 day 99%)</b> |      |      |
| Maximum value                      | 103  | 92   |
| Average value                      | 74   | 63   |
| Minimum value                      | 51   | 42   |
| Period end                         | 83   | 79   |
| <b>Stressed VaR (10 day 99%)</b>   |      |      |
| Maximum value                      | 195  | 265  |
| Average value                      | 142  | 132  |
| Minimum value                      | 111  | 91   |
| Period end                         | 170  | 143  |
| <b>IRC (99.9%)</b>                 |      |      |
| Maximum value                      | 284  | 208  |
| Average value                      | 175  | 150  |
| Minimum value                      | 90   | 102  |
| Period end                         | 109  | 109  |

During 6M18, the stressed VaR increase was primarily driven by credit spread model enhancements.

Comparison of VaR estimates with gains/losses

The following chart compares the results of estimates from the regulatory VaR model with both hypothetical and actual trading outcomes.

For capital purposes, FINMA, in line with Bank for International Settlements (BIS) requirements, uses a multiplier to impose an increase in market risk capital for every regulatory VaR backtesting exception over four in the prior rolling 12-month period calculated using a subset of actual daily trading revenues, also referred to as hypothetical trading revenues under the Basel framework. These hypothetical trading revenues are defined on a consistent basis with the regulatory VaR model and thereby exclude non-market elements such as fees, commissions, gains and losses from intra-day trading, as well as cancellations and terminations.

The key difference between hypothetical profits and losses and actual profits and losses is that actual profits and losses takes into account the profits and losses from intraday activity while hypothetical profits and losses does not. The dispersion of trading revenues indicates the day-to-day volatility in our trading activities.

In 6M18, we had no backtesting exceptions in our regulatory VaR model calculated using the subset of actual daily trading revenues.

Since there were fewer than five backtesting exceptions in the rolling 12-month period through the end of 2Q18, in line with BIS industry guidelines, the VaR model is deemed to be statistically valid.

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## Reconciliation requirements

## Balance sheet

The following table shows the balance sheet as published in the consolidated financial statements of the Group and the balance sheet under the regulatory scope of consolidation. The reference indicates how such assets and liabilities are considered in the composition of regulatory capital.

> Refer to “Principles of consolidation” (page 8) in Linkages between financial statements and regulatory disclosures – Differences between accounting and regulatory scopes of consolidation in the Pillar 3 and regulatory disclosures – Credit Suisse Group AG 4Q17 for information on key differences between the accounting and the regulatory scope of consolidation.

> Refer to “Note 3 – Business developments and subsequent events” (page 100) in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q18 for information on changes in the scope of consolidation.

> Refer to “Note 39 – Significant subsidiaries and equity method investments” (pages 383 to 385) in VI – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2017 for a list of significant subsidiaries and associated entities.

> Refer to “Liquidity and funding management” (pages 110 to 117) in III – Treasury, Risk, Balance sheet and Off-balance sheet and “Note 36 – Capital adequacy” (page 372) in VI – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2017 for information on restrictions on transfer of funds or regulatory capital.

## Balance sheet

|   | Financial statements | Balance sheet<br>Regulatory scope of consolidation | Reference to composition of capital |
|---|----------------------|--|-------------------------------------|
| end of 2Q18   |                      |  |                                     |
| Assets (CHF million)  |                      |  |                                     |
| Cash and due from banks   | 112,513              | 112,175  |                                     |
| Interest-bearing deposits with banks  | 1,022                | 1,397  |                                     |
| Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions | 117,617              | 110,993  |                                     |
| Securities received as collateral, at fair value  | 45,522               | 45,522   |                                     |
| Trading assets, at fair value   | 135,586              | 130,564  |                                     |
| Investment securities   | 2,331                | 1,881  |                                     |
| Other investments   | 5,626                | 5,639  |                                     |
| Net loans   | 287,660              | 288,326  |                                     |
| Premises and equipment  | 4,831                | 4,896  |                                     |
| Goodwill  | 4,797                | 4,802  | a                                   |
| Other intangible assets   | 212                  | 212  |                                     |
| of which other intangible assets (excluding mortgage servicing rights)                                      | 61                   | 61   | b                                   |
| Brokerage receivables   | 45,132               | 45,132   |                                     |
| Other assets  | 35,309               | 34,342   |                                     |
| of which deferred tax assets related to net operating losses  | 1,798                | 1,798  | c                                   |
| of which deferred tax assets from temporary differences   | 3,393                | 2,957  | d                                   |
| of which defined-benefit pension fund net assets  | 2,504                | 2,504  | e                                   |
| <b>Total assets</b>   | <b>798,158</b>       | <b>785,881</b>                                     |                                     |

## Balance sheet (continued)

|   | Balance sheet  |                |              |
|---|----------------|----------------|--------------|
|   | Financial      | Regulatory     | Reference to |
| end of 2Q18   | statements     | scope of       | composition  |
| Liabilities and equity (CHF million)  |                | consolidation  | of capital   |
| Due to banks  | 17,459         | 18,234         |              |
| Customer deposits   | 367,408        | 367,560        |              |
| Central bank funds purchased, securities sold<br>under repurchase agreements and securities<br>lending transactions | 19,886         | 19,886         |              |
| Obligation to return securities received as<br>collateral, at fair value  | 45,522         | 45,522         |              |
| Trading liabilities, at fair value  | 42,776         | 42,818         |              |
| Short-term borrowings   | 30,573         | 24,168         |              |
| Long-term debt  | 165,961        | 164,968        |              |
| Brokerage payables  | 34,450         | 34,450         |              |
| Other liabilities   | 30,514         | 24,625         |              |
| <b>Total liabilities</b>  | <b>754,549</b> | <b>742,231</b> |              |
| of which additional tier 1 instruments, fully<br>eligible   | 12,801         | 12,801         | g            |
| of which additional tier 1 instruments subject to<br>phase-out  | 2,915          | 2,915          | h            |
| of which tier 2 instruments, fully eligible   | 4,058          | 4,058          | i            |
| of which tier 2 instruments subject to phase-out  | 2,432          | 2,432          | j            |
| Common shares   | 102            | 102            |              |
| Additional paid-in capital  | 34,678         | 34,678         |              |
| Retained earnings   | 26,290         | 26,261         |              |
| Treasury shares, at cost  | (96)           | (94)           |              |
| Accumulated other comprehensive income/(loss)   | (17,504)       | (17,478)       |              |
| <b>Total shareholders' equity</b> <sup>1</sup>  | <b>43,470</b>  | <b>43,469</b>  |              |
| Noncontrolling interests <sup>2</sup>   | 139            | 181            |              |
| <b>Total equity</b>   | <b>43,609</b>  | <b>43,650</b>  |              |
| <b>Total liabilities and equity</b>   | <b>798,158</b> | <b>785,881</b> |              |

1

Eligible as CET1 capital, prior to regulatory adjustments.

2

The difference between the accounting and regulatory scope of consolidation primarily represents private equity and other fund type vehicles, which FINMA does not require to consolidate for capital adequacy reporting.

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## Composition of BIS regulatory capital

The following tables provide details on the composition of BIS regulatory capital and details on common equity tier 1 (CET1) capital adjustments subject to phase-in as well as details on additional tier 1 capital and tier 2 capital.

## Composition of BIS regulatory capital

| end of   | 2Q18                 |
|--|----------------------|
| Eligible capital (CHF million)                     |                      |
| <b>Total shareholders' equity (US GAAP)</b>        | <b>43,470</b>        |
| Regulatory adjustments                             | (244) <sup>1</sup>   |
| Adjustments subject to phase-in                    | (7,693) <sup>2</sup> |
| <b>CET1 capital</b>                                | <b>35,533</b>        |
| Additional tier 1 instruments                      | 12,571 <sup>3</sup>  |
| Additional tier 1 instruments subject to phase-out | 2,915 <sup>4</sup>   |
| <b>Additional tier 1 capital</b>                   | <b>15,486</b>        |
| <b>Tier 1 capital</b>                              | <b>51,019</b>        |
| Tier 2 instruments                                 | 4,058 <sup>5</sup>   |
| Tier 2 instruments subject to phase-out            | 797                  |
| <b>Tier 2 capital</b>                              | <b>4,855</b>         |
| <b>Total eligible capital</b>                      | <b>55,874</b>        |

1

Includes regulatory adjustments not subject to phase-in, including a cumulative dividend accrual.

2

Reflects 100% phase-in deductions, including goodwill, other intangible assets and certain deferred tax assets.

3

Consists of high-trigger and low-trigger capital instruments. Of this amount, CHF 7.8 billion consists of capital instruments with a capital ratio write-down trigger of 7% and CHF 4.8 billion consists of capital instruments with a capital ratio write-down trigger of 5.125%.

4

Includes hybrid capital instruments that are subject to phase-out.

5

Consists of low-trigger capital instruments with a capital ratio write-down trigger of 5%.

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The following tables provide details on CET1 capital adjustments subject to phase-in and details on additional tier 1 capital and tier 2 capital. The column "Transition amount" represents the amounts that have been recognized in eligible capital as of June 30, 2018.

Details on CET1 capital adjustments subject to phase-in

| end of 2Q18   | Balance sheet | Reference to balance sheet <sup>1</sup> | Regulatory adjustments | Total   | Transition amount <sup>2</sup> |
|---|---------------|---|------------------------|---------|--------------------------------|
| CET1 capital adjustments subject to phase-in (CHF million)                              |               |   |                        |         |                                |
| Goodwill  | 4,802         | a                                       | (8) <sup>3</sup>       | 4,794   | (4,794)                        |
| Other intangible assets (excluding mortgage-servicing rights)                           | 61            | b                                       | (5) <sup>4</sup>       | 56      | (56)                           |
| Deferred tax assets that rely on future profitability (excluding temporary differences) | 1,798         | c                                       | –                      | 1,798   | (1,798)                        |
| Shortfall of provisions to expected losses  | –             |   | 447                    | 447     | (447)                          |
| Gains/(losses) due to changes in own credit on fair-valued liabilities                  | –             |   | (1,331)                | (1,331) | 1,331                          |
| Defined-benefit pension assets  | 2,504         | e                                       | (568) <sup>4</sup>     | 1,936   | (1,936)                        |
| Investments in own shares   | –             |   | –                      | –       | (54)                           |
| Other adjustments <sup>5</sup>  | –             |   | –                      | –       | 111                            |
| Amounts above 10% threshold   | 2,957         |   | (2,907)                | 50      | (50)                           |
| of which deferred tax assets from temporary differences                                 | 2,957         | d                                       | (2,907) <sup>6</sup>   | 50      | (50)                           |
| <b>Adjustments subject to phase-in to CET1 capital</b>                                  |               |   |                        |         | <b>(7,693)</b>                 |

Rounding differences may occur.

<sup>1</sup> Refer to the balance sheet under regulatory scope of consolidation in the table "Balance sheet". Only material items are referenced to the balance sheet.

<sup>2</sup> Reflects 100% phase-in deductions, including goodwill, other intangible assets and certain deferred tax assets.

<sup>3</sup> Represents related deferred tax liability and goodwill on equity method investments.

<sup>4</sup> Represents related deferred tax liability.

<sup>5</sup> Includes cash flow hedge reserve.

<sup>6</sup> Includes threshold adjustments of CHF (3,558) million and an aggregate of CHF 651 million related to the add-back of deferred tax liabilities on goodwill, other intangible assets, mortgage servicing rights and pension assets that are netted against deferred tax assets under US GAAP.

Details on additional tier 1 capital and tier 2 capital

| end of 2Q18   | Balance sheet | Reference to balance sheet <sup>1</sup> | Regulatory adjustments | Total  | Transition amount |
|---|---------------|---|------------------------|--------|-------------------|
| Additional tier 1 capital (CHF million)                         |               |   |                        |        |                   |
| Additional tier 1 instruments <sup>2</sup>                      | 12,801        | g                                       | (230) <sup>3</sup>     | 12,571 | 12,571            |
| Additional tier 1 instruments subject to phase-out <sup>2</sup> | 2,915         | h                                       | –                      | 2,915  | 2,915             |

|  |       |   |                      |       |               |
|--|-------|---|----------------------|-------|---------------|
| <b>Total additional tier 1 instruments</b> |       |   |                      |       | <b>15,486</b> |
| Tier 2 capital (CHF million)               |       |   |                      |       |               |
| Tier 2 instruments                         | 4,058 | i | –                    | 4,058 | 4,058         |
| Tier 2 instruments subject to phase-out    | 2,432 | j | (1,635) <sup>4</sup> | 797   | 797           |
| <b>Tier 2 capital</b>                      |       |   |                      |       | <b>4,855</b>  |

1  
Refer to the balance sheet under regulatory scope of consolidation in the table "Balance sheet".  
Only material items are referenced to the balance sheet.

2  
Classified as liabilities under US GAAP.

3  
Includes the reversal of gains/(losses) due to changes in own credit spreads on fair valued capital instruments.

4  
Primarily includes the impact of the prescribed amortization requirements as instruments move closer to their maturity.

Additional information  
end of

2Q18

Amounts below the thresholds for deduction (before risk weighting) (CHF million)

**Non-significant investments in BFI entities**

2,993

Significant investments in BFI entities

799

Mortgage servicing rights

128<sup>1</sup>

Deferred tax assets arising from temporary differences

3,558<sup>1</sup>

Applicable caps on the inclusion of provisions in tier 2 (CHF million) [TBU]

Cap on inclusion of provisions in tier 2 under standardized approach

87

Cap for inclusion of provisions in tier 2 under internal ratings-based approach

848

1  
Net of related deferred tax liability.

35



## Additional regulatory disclosures

## Swiss capital requirements

The FINMA circular requires certain additional disclosures for systemically relevant financial institutions and stand-alone banks. The following tables show the capital requirements based on capital ratios and leverage ratio.

> Refer to "Swiss requirements" (pages 58 to 60) in II – Treasury, risk, balance sheet and off-balance sheet in the Credit Suisse Financial Report 2Q18 for further information on Swiss capital requirements.

## Swiss capital requirements and metrics

|  | Phase-in            |                    | Look-through   |                |
|--|---------------------|--------------------|----------------|----------------|
| end of 2Q18  | CHF<br>million      | in %<br>of RWA     | CHF<br>million | in %<br>of RWA |
| Swiss risk-weighted assets   |                     |                    |                |                |
| Swiss risk-weighted assets   | 277,658             | –                  | 277,658        | –              |
| Risk-based capital requirements (going-concern) based on Swiss capital ratios                                    |                     |                    |                |                |
| Total  | 36,355              | 13.094             | 40,354         | 14.534         |
| of which CET1: minimum   | 14,994              | 5.4                | 12,495         | 4.5            |
| of which CET1: buffer  | 11,273              | 4.06               | 15,271         | 5.5            |
| of which CET1: countercyclical buffers   | 649                 | 0.234              | 649            | 0.234          |
| of which additional tier 1: minimum  | 7,219               | 2.6                | 9,718          | 3.5            |
| of which additional tier 1: buffer   | 2,221               | 0.8                | 2,221          | 0.8            |
| Swiss eligible capital (going-concern)   |                     |                    |                |                |
| Swiss CET1 capital and additional tier 1 capital <sup>1</sup>  | 52,049              | 18.7               | 47,991         | 17.3           |
| of which CET1 capital <sup>2</sup>   | 35,419              | 12.8               | 35,419         | 12.8           |
| of which additional tier 1 high-trigger capital instruments  | 7,755               | 2.8                | 7,755          | 2.8            |
| of which additional tier 1 low-trigger capital instruments <sup>3</sup>  | 4,816               | 1.7                | 4,816          | 1.7            |
| of which tier 2 low-trigger capital instruments <sup>4</sup>   | 4,058               | 1.5                | 0              | 0.0            |
| Risk-based requirement for additional total loss-absorbing capacity (gone-concern) based on Swiss capital ratios |                     |                    |                |                |
| Total  | 21,252 <sub>5</sub> | 7.654 <sub>5</sub> | 32,117         | 11.567         |
| Eligible additional total loss-absorbing capacity (gone-concern)   |                     |                    |                |                |
| Total  | 39,098 <sub>6</sub> | 14.1               | 38,711         | 13.9           |
| of which bail-in instruments   | 34,654              | 12.5               | 34,654         | 12.5           |

Rounding differences may occur.

1

Excludes tier 1 capital which is used to fulfill gone-concern requirements.

2

Excludes CET1 capital which is used to fulfill gone-concern requirements.

3

If issued before July 1, 2016, such capital instruments qualify as additional tier 1 high-trigger capital instruments until their first call date according to the transitional Swiss "Too Big to Fail" rules.

4

If issued before July 1, 2016, such capital instruments qualify as additional tier 1 high-trigger capital instruments no later than December 31, 2019 according to the transitional Swiss "Too Big to Fail" rules.

5

The total loss-absorbing capacity (gone concern) requirement of 8.9% was reduced by 1.246%, or CHF 3,460 million, reflecting rebates in accordance with article 133 of the CAO.  
6

Includes CHF 4,444 million of capital instruments (additional tier 1 instruments subject to phase-out, tier 2 instruments subject to phase-out, tier 2 amortization component and certain deductions) which, under the phase-in rules, continue to count as gone concern capital.

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## Swiss leverage requirements and metrics

|   | Phase-in            |                   | Look-through   |                   |
|---|---------------------|-------------------|----------------|-------------------|
|   | CHF<br>million      | in %<br>of LRD    | CHF<br>million | in %<br>of LRD    |
| end of 2Q18   |                     |                   |                |                   |
| Leverage exposure   |                     |                   |                |                   |
| Leverage ratio denominator  | 920,002             | –                 | 920,002        | –                 |
| Unweighted capital requirements (going-concern) based on Swiss leverage ratio                                     |                     |                   |                |                   |
| Total   | 36,800              | 4.0               | 46,000         | 5.0               |
| of which CET1: minimum  | 17,480              | 1.9               | 13,800         | 1.5               |
| of which CET1: buffer   | 9,200               | 1.0               | 18,400         | 2.0               |
| of which additional tier 1: minimum   | 10,120              | 1.1               | 13,800         | 1.5               |
| Swiss eligible capital (going-concern)  |                     |                   |                |                   |
| Swiss CET1 capital and additional tier 1 capital <sup>1</sup>   | 52,049              | 5.7               | 47,991         | 5.2               |
| of which CET1 capital <sup>2</sup>  | 35,419              | 3.8               | 35,419         | 3.8               |
| of which additional tier 1 high-trigger capital instruments   | 7,755               | 0.8               | 7,755          | 0.8               |
| of which additional tier 1 low-trigger capital instruments <sup>3</sup>   | 4,816               | 0.5               | 4,816          | 0.5               |
| of which tier 2 low-trigger capital instruments <sup>4</sup>  | 4,058               | 0.4               | 0              | 0.0               |
| Unweighted requirements for additional total loss-absorbing capacity (gone-concern) based on Swiss leverage ratio |                     |                   |                |                   |
| Total   | 23,736 <sub>5</sub> | 2.58 <sub>5</sub> | 37,531         | 4.07 <sub>9</sub> |
| Eligible additional total loss-absorbing capacity (gone-concern) <sup>5</sup>                                     |                     |                   |                |                   |
| Total   | 39,098 <sub>6</sub> | 4.2               | 38,711         | 4.2               |
| of which bail-in instruments  | 34,654              | 3.8               | 34,654         | 3.8               |

Rounding differences may occur.

1

Excludes tier 1 capital which is used to fulfill gone-concern requirements.

2

Excludes CET1 capital which is used to fulfill gone-concern requirements.

3

If issued before July 1, 2016, such capital instruments qualify as additional tier 1 high-trigger capital instruments until their first call date according to the transitional Swiss "Too Big to Fail" rules.

4

If issued before July 1, 2016, such capital instruments qualify as additional tier 1 high-trigger capital instruments no later than December 31, 2019 according to the transitional Swiss "Too Big to Fail" rules.

5

The total loss-absorbing capacity (gone concern) requirement of 3.0% was reduced by 0.42%, or CHF 3,864 million, reflecting rebates in accordance with article 133 of the CAO.

6

Includes CHF 4,444 million of capital instruments (additional tier 1 instruments subject to phase-out, tier 2 instruments subject to phase-out, tier 2 amortization component and certain deductions) which, under the phase-in rules, continue to count as gone concern capital.

37

## Leverage metrics

Beginning in 1Q15, Credit Suisse adopted the BIS leverage ratio framework, as issued by the BCBS and implemented in Switzerland by FINMA.

> Refer to “Leverage metrics” (page 131) in III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management in the Credit Suisse Annual Report 2017 and “Leverage metrics” (page 65) in II – Treasury, risk, balance sheet and off-balance sheet – Capital management in the Credit Suisse Financial Report 2Q18 for further information on leverage metrics.

|   |                |
|---|----------------|
| Reconciliation of consolidated assets to leverage exposure – Phase-in end of  | 2Q18           |
| Reconciliation of consolidated assets to leverage exposure (CHF million)  |                |
| Total consolidated assets as per published financial statements   | 798,158        |
| Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation <sup>1</sup> | (13,519)       |
| Adjustments for derivatives financial instruments   | 86,297         |
| Adjustments for SFTs (i.e. repos and similar secured lending)   | (34,790)       |
| Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)   | 83,856         |
| <b>Total leverage exposure</b>  | <b>920,002</b> |

1

Includes adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation and tier 1 capital deductions related to balance sheet assets.

|  |                |
|--|----------------|
| BIS leverage ratio common disclosure template – Phase-in end of  | 2Q18           |
| Reconciliation of consolidated assets to leverage exposure (CHF million)   |                |
| On-balance sheet items (excluding derivatives and SFTs, but including collateral)  | 591,482        |
| Asset amounts deducted from Basel III tier 1 capital   | (9,244)        |
| <b>Total on-balance sheet exposures</b>  | <b>582,238</b> |
| Reconciliation of consolidated assets to leverage exposure (CHF million)   |                |
| Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                               | 26,283         |
| Add-on amounts for PFE associated with all derivatives transactions  | 87,503         |
| Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | 21,292         |
| Deductions of receivables assets for cash variation margin provided in derivatives transactions  | (19,939)       |
| Exempted CCP leg of client-cleared trade exposures   | (18,267)       |
| Adjusted effective notional amount of all written credit derivatives   | 177,004        |
| Adjusted effective notional offsets and add-on deductions for written credit derivatives   | (167,977)      |
| <b>Derivative Exposures</b>  | <b>105,899</b> |
| Securities financing transaction exposures (CHF million)   |                |
| Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions                                      | 164,325        |
| Netted amounts of cash payables and cash receivables of gross SFT assets   | (27,048)       |
| Counterparty credit risk exposure for SFT assets   | 12,311         |
| Agent transaction exposures  | (1,579)        |
| <b>Securities financing transaction exposures</b>  | <b>148,009</b> |
| Other off-balance sheet exposures (CHF million)  |                |
| Off-balance sheet exposure at gross notional amount  | 261,207        |
| Adjustments for conversion to credit equivalent amounts  | (177,351)      |
| <b>Other off-balance sheet exposures</b>   | <b>83,856</b>  |
| Tier 1 capital (CHF million)   |                |
| <b>Tier 1 capital</b>  | <b>51,019</b>  |
| Leverage exposure (CHF million)  |                |

|                                 |                |
|---------------------------------|----------------|
| <b>Total leverage exposure</b>  | <b>920,002</b> |
| Leverage ratio (%)              |                |
| <b>Basel III leverage ratio</b> | <b>5.5</b>     |
| 38                              |                |

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## Liquidity coverage ratio

Our calculation methodology for the liquidity coverage ratio is prescribed by FINMA. For disclosure purposes, our LCR is calculated using a three-month average which, beginning in 1Q17, is measured using daily calculations during the quarter rather than the month-end metrics used before. This change in the LCR averaging methodology resulted from updated FINMA requirements that became effective January 1, 2017.

> Refer to “Liquidity metrics” (pages 112 to 113) in III – Treasury, Risk, Balance sheet and Off-balance sheet – Liquidity and funding management in the Credit Suisse Annual Report 2017 and “Liquidity metrics” (pages 53 to 54) in II – Treasury, risk, balance sheet and off-balance sheet – Liquidity and funding management in the Credit Suisse Financial Report 2Q18 for further information on the Group’s liquidity management including high quality liquid assets, liquidity pool and liquidity coverage ratio.

## Liquidity coverage ratio

|  | Unweighted<br>value <sup>1</sup> | Weighted<br>value <sup>2</sup> |
|--|----------------------------------|--------------------------------|
| end of 2Q18  |                                  |                                |
| High Quality Liquid Assets (CHF million)   |                                  |                                |
| <b>High quality liquid assets</b>  | –                                | <b>188,030</b>                 |
| Cash outflows (CHF million)  |                                  |                                |
| Retail deposits and deposits from small business customers                                       | 158,965                          | 20,602                         |
| of which less stable deposits  | 158,965                          | 20,602                         |
| Unsecured wholesale funding  | 220,350                          | 90,416                         |
| of which operational deposits (all counterparties) and deposits in networks of cooperative banks | 36,264                           | 9,066                          |
| of which non-operational deposits (all counterparties)   | 108,429                          | 63,949                         |
| of which unsecured debt  | 15,731                           | 15,731                         |
| Secured wholesale funding  | –                                | 61,951                         |
| Additional requirements  | 174,408                          | 38,466                         |
| of which outflows related to derivative exposures and other collateral requirements              | 66,047                           | 17,698                         |
| of which outflows related to loss of funding on debt products                                    | 1,707                            | 1,707                          |
| of which credit and liquidity facilities   | 106,654                          | 19,061                         |
| Other contractual funding obligations  | 71,676                           | 71,676                         |
| Other contingent funding obligations   | 245,493                          | 5,660                          |
| <b>Total cash outflows</b>   | –                                | <b>288,771</b>                 |
| Cash inflows (CHF million)   |                                  |                                |
| Secured lending  | 143,415                          | 96,165                         |
| Inflows from fully performing exposures  | 71,455                           | 34,179                         |
| Other cash inflows   | 75,175                           | 75,175                         |
| <b>Total cash inflows</b>  | <b>290,045</b>                   | <b>205,519</b>                 |
| Liquidity cover ratio  |                                  |                                |
| High quality liquid assets (CHF million)   | –                                | 188,030                        |
| Net cash outflows (CHF million)  | –                                | 83,252                         |
| <b>Liquidity coverage ratio (%)</b>  | –                                | <b>226</b>                     |

Calculated using a three-month average, which is calculated on a daily basis.

1

Calculated as outstanding balances maturing or callable within 30 days.

2

Calculated after the application of haircuts for high quality liquid assets or inflow and outflow rates.

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## Minimum disclosures for large banks

The following table shows the Group's minimum disclosure requirements for large banks prepared in accordance with Swiss Capital Adequacy Ordinance (CAO) for non-systemically relevant financial institutions.

Key metrics for non-systemically relevant financial institutions  
end of 2Q18

|  | Phase-in |
|--|----------|
| CHF million, except where indicated                    |          |
| Minimum required capital (8% of risk-weighted assets)  | 22,213   |
| Swiss total eligible capital                           | 55,761   |
| of which Swiss CET1 capital                            | 35,419   |
| of which Swiss tier 1 capital                          | 50,906   |
| Swiss risk-weighted assets                             | 277,658  |
| Swiss CET1 ratio (%)                                   | 12.8     |
| Swiss tier 1 ratio (%)                                 | 18.3     |
| Swiss total capital ratio (%)                          | 20.1     |
| Countercyclical buffers (%)                            | 0.234    |
| Swiss CET1 ratio requirement (%) <sup>1</sup>          | 8.434    |
| Swiss tier 1 ratio requirement (%) <sup>1</sup>        | 10.434   |
| Swiss total capital ratio requirement (%) <sup>1</sup> | 13.034   |
| Swiss leverage ratio based on tier 1 capital (%)       | 5.5      |
| Leverage exposure                                      | 920,002  |
| Liquidity coverage ratio (%) <sup>2</sup>              | 226      |
| Numerator: total high quality liquid assets            | 188,030  |
| Denominator: net cash outflows                         | 83,252   |

Reflects the view as if the Group was not a Swiss SIFI. Refer to "Swiss capital requirements and metrics" and "Swiss leverage requirements and metrics" tables for the Swiss SIFI view.

1

The capital requirements are in accordance with Appendix 8 of the CAO, plus the countercyclical buffer.

2

Calculated using a three-month average, which is calculated on a daily basis.

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List of abbreviations

|       |  |
|-------|--|
| A     |  |
| ABS   | Asset-backed securities                            |
| A-IRB | Advanced-Internal Ratings-Based Approach           |
| AMA   | Advanced Measurement Approach                      |
| B     |  |
| BCBS  | Basel Committee on Banking Supervision             |
| BFI   | Banking, financial and insurance                   |
| BIS   | Bank for International Settlements                 |
| C     |  |
| CAO   | Capital Adequacy Ordinance                         |
| CCF   | Credit Conversion Factor                           |
| CCP   | Central counterparties                             |
| CCR   | Counterparty credit risk                           |
| CDO   | Collateralized debt obligation                     |
| CDS   | Credit default swap                                |
| CET1  | Common equity tier 1                               |
| CLO   | Collateralized loan obligation                     |
| CRM   | Credit Risk Mitigation                             |
| CVA   | Credit valuation adjustment                        |
| E     |  |
| EAD   | Exposure at default                                |
| EEPE  | Effective Expected Positive Exposure               |
| F     |  |
| FINMA | Swiss Financial Market Supervisory Authority FINMA |
| G     |  |
| G-SIB | Global systemically important banks                |
| I     |  |
| IAA   | Internal Assessment Approach                       |
| IMA   | Internal Models Approach                           |
| IMM   | Internal Models Method                             |
| IPRE  | Income producing real estate                       |
| IRB   | Internal Ratings-Based Approach                    |
| IRC   | Incremental Risk Charge                            |
| L     |  |
| LCR   | Liquidity coverage ratio                           |
| LGD   | Loss given default                                 |
| LRD   | Leverage ratio denominator                         |
| O     |  |
| OTC   | Over-the-counter                                   |
| P     |  |
| P&L   | Profits and losses                                 |
| PD    | Probability of default                             |
| PFE   | Potential future exposure                          |
| Q     |  |
| QCCP  | Qualifying central counterparty                    |
| R     |  |
| RBA   | Ratings-Based Approach                             |
| RW    | Risk weight  |
| RWA   | Risk-weighted assets                               |
| S     |  |



|          |  |
|----------|--|
| SA       | Standardized Approach                              |
| SA-CCR   | Standardized Approach - counterparty credit risk   |
| SEC-ERBA | Securitization External Ratings-Based Approach     |
| SEC-IRBA | Securitization Internal Ratings-Based Approach     |
| SEC-SA   | Securitization Standardized Approach               |
| SFA      | Supervisory Formula Approach                       |
| SFT      | Securities Financing Transactions                  |
| SIFI     | Systemically Important Financial Institution       |
| SSFA     | Simplified Supervisory Formula Approach            |
| U        |  |
| US GAAP  | Accounting principles generally accepted in the US |
| V        |  |
| VaR      | Value-at-Risk                                      |
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Cautionary statement regarding forward-looking information

This document contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, objectives, ambitions, targets or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as “believes,” “anticipates,” “expects,” “intends” and “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, ambitions, targets, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility and interest rate fluctuations and developments affecting interest rate levels;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of continued slow economic recovery or downturn in the US or other developed countries or in emerging markets in 2018 and beyond;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic goals, including those related to cost efficiency, income/(loss) before taxes, capital ratios and return on regulatory capital, leverage exposure threshold, risk-weighted assets threshold, return on tangible equity and other targets, objectives and ambitions;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies, as well as currency fluctuations;
- political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- the risk of cyber attacks on our business or operations;
- actions taken by regulators with respect to our business and practices and possible resulting changes to our business organization, practices and policies in countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting or tax standards, policies or practices in countries in which we conduct our operations;
- the potential effects of proposed changes in our legal entity structure;
- competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
- the adverse resolution of litigation, regulatory proceedings and other contingencies; and
- other unforeseen or unexpected events and our success at managing these and the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in “Risk factors” in I – Information on the company in our Annual Report 2017.

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