

CREDIT SUISSE GROUP  
Form 6-K  
August 02, 2007

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16**

**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2, 2007

Commission File Number 001-15244

**CREDIT SUISSE GROUP**

(Translation of registrant's name into English)

Paradeplatz 8, P.O. Box 1, CH-8070 Zurich, Switzerland

(Address of principal executive office)

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.

## Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

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-

### CREDIT SUISSE GROUP

Paradeplatz 8

Telephone +41 844 33 88 44

P.O. Box

Fax +41 44 333 88 77

CH-8070 Zurich

media.relations@credit-suisse.com

Switzerland

## Media Release

### Credit Suisse Group reports net income of CHF 3.2 billion

#### for the second quarter of 2007

**Current share buyback program of CHF 8 billion expected to be completed during 2008, ahead of plan.**

**In the second quarter of 2007, diluted earnings per share improved to CHF 2.82 from CHF 1.86 in the same period a year earlier, and the return on equity was 29.7% compared to 21.6%.**

**For the first half of 2007, net income was CHF 5.9 billion. Diluted earnings per share improved to CHF 5.24 from CHF 4.07 in the same period a year earlier, and the return on equity was 27.4% compared to 23.1%.**

**Net new assets in the second quarter of 2007 were CHF 13.3 billion in Wealth Management and CHF 20.4 billion in Asset Management.**

### Financial Highlights

(in CHF million, except where indicated)

	2Q07	1Q07	2Q06	% change vs 1Q07	% change vs 2Q06
Income from continuing operations	3,189	2,729	1,872	17	70

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Net income	<b>3,189</b>	2,729	<b>2,158</b>	17	<b>48</b>
Diluted earnings per share from continuing operations (CHF)	<b>2.82</b>	2.42	<b>1.61</b>	17	<b>75</b>
Diluted earnings per share (CHF)	<b>2.82</b>	2.42	<b>1.86</b>	17	<b>52</b>
Return on equity	<b>29.7%</b>	25.2%	<b>21.6%</b>	-	-
BIS tier 1 ratio (end of period)	<b>13.0%</b>	13.2%	<b>10.6%</b>	-	-

**Core results**<sup>1</sup>

Net revenues	<b>11,703</b>	10,669	<b>8,047</b>	10	<b>45</b>
Provision for credit losses	<b>(20)</b>	53	<b>10</b>	-	-
Total operating expenses	<b>7,637</b>	7,040	<b>5,587</b>	8	<b>37</b>
Income from continuing operations before taxes	<b>4,086</b>	3,576	<b>2,450</b>	14	<b>67</b>

<sup>1</sup> Core results include the results of the three segments and the Corporate Center, excluding revenues and expenses in respect of minority interests without significant economic interest.

Zurich, August 2, 2007 **Credit Suisse Group today announced net income of CHF 3,189 million for the second quarter of 2007. Income from continuing operations increased 70% from the same period a year earlier. Diluted earnings per share were CHF 2.82, up from CHF 1.86 in the same period a year earlier.**

Commenting on the quarter, Brady W. Dougan, Chief Executive Officer of Credit Suisse Group, said:

The record operating results for the second quarter continue to build on the strong earnings momentum we have established over the past year. Revenues rose from both the previous quarter and a year earlier

# Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Media Release

August 2, 2007

Page 2/5

and benefited from our client-focused business model. Our focus on efficiency led to improved operating leverage, even as we continue to invest in the growth of our business.

He added: I am particularly pleased with our performance given the fact that we had more challenging conditions in some markets, which we expect to continue. However, I am very optimistic about the long-term growth prospects for Credit Suisse, and I believe that our client-focused, integrated business model and disciplined risk-taking will enable us to deliver superior value to shareholders through market cycles.

## Segment Results

(in CHF million)		2Q07	1Q07	2Q06	% change vs 1Q07	% change vs 2Q06
<b>Investment Banking</b>	Net revenues	7,538	6,582	4,436	15	70
	Provision for credit losses	9	61	16	(85)	(44)
	Total operating expenses	5,027	4,531	3,133	11	60
	Income from continuing operations before taxes	2,502	1,990	1,287	26	94
<b>Private Banking</b>	Net revenues	3,353	3,366	2,913	0	15
	Provision for credit losses	(29)	(7)	(5)	-	-
	Total operating expenses	2,001	1,934	1,795	3	11
	Income from continuing operations before taxes	1,381	1,439	1,123	(4)	23
<b>Asset Management</b>	Net revenues	853	776	675	10	26
	Provision for credit losses	0	0	(1)	-	100
	Total operating expenses	554	519	649	7	(15)
	Income from continuing operations before taxes	299	257	27	16	-

## Investment Banking

The Investment Banking segment reported record income from continuing operations before taxes of CHF 2,502 million for the second quarter of 2007, up 94% compared to the second quarter of 2006. Net revenues increased 70% to record levels, with substantial increases in all major business areas. Provisions for credit losses decreased compared to the second quarter of 2006. Total operating expenses increased 60%. Excluding the impact in the second quarter of 2006 of credits from insurance settlements for litigation and related costs, total operating expenses rose 39% in the second quarter of 2007 compared to the same period in 2006, due primarily to higher compensation expenses, reflecting higher revenues, and higher other operating expenses. Investment Banking continued to reduce its non-compensation costs. General and administrative expenses were down 14% in the second quarter of 2007 compared to the second quarter of 2006, excluding the impact of the credits from insurance settlements. This decline reflected a lower fixed cost run-rate despite increased business activity. The compensation/revenue ratio was 51.5% in the second quarter of 2007 compared to 53.5% in the second quarter of 2006. The pre-tax income margin rose to 33.2% in the quarter from 29.0% in the second quarter of 2006.

## Private Banking

## Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

The Private Banking segment, which is comprised of the Wealth Management and Corporate & Retail Banking businesses, reported income from continuing operations before taxes of CHF 1,381 million for the second quarter of 2007, up 23% compared to the second quarter of 2006.

**Media Release**

August 2, 2007

Page 3/5

The **Wealth Management** business reported record income from continuing operations before taxes of CHF 1,001 million for the second quarter of 2007, up 28% compared to the second quarter of 2006. Net revenues rose 17%, driven by strong improvements in recurring revenues, mainly due to higher asset-based commissions and fees, particularly from managed assets, as well as an increase in transaction-based revenues. The 10% increase in total operating expenses during the quarter was primarily attributable to higher compensation and benefits related to the ongoing strategic investment in the global franchise and higher performance-related compensation in line with improved results. The pre-tax income margin was 42.0% in the second quarter of 2007, compared to 38.3% in the second quarter of 2006.

The **Corporate & Retail Banking** business reported a 10% rise in income from continuing operations before taxes to CHF 380 million for the second quarter of 2007 compared to the second quarter of 2006. Net revenues rose 10%. The 14% increase in total operating expenses compared to the second quarter of 2006 reflected an increase in compensation and benefits as well as higher other operating expenses. Provisions for credit losses reflected net releases of CHF 28 million, mainly due to the resolution of a single exposure. The pre-tax income margin was 39.2% in the second quarter of 2007, compared to 39.1% in the second quarter of 2006.

#### **Asset Management**

The Asset Management segment reported income from continuing operations before taxes of CHF 299 million for the second quarter of 2007, an increase of CHF 272 million compared to the second quarter of 2006. Net revenues increased 26% compared to the second quarter of 2006, driven by asset management and administrative revenues as well as by increased private equity and other investment-related gains. Total operating expenses were down 15% from the second quarter of 2006. The second quarter of 2006 included costs of CHF 152 million associated with the realignment of the Asset Management business, particularly in the US. The pre-tax income margin was 35.1% in the second quarter of 2007. As of June 30, 2007, assets under management totaled CHF 749.6 billion, an increase of 5.8% from March 31, 2007.

#### **Net New Assets**

The Wealth Management business generated net new assets of CHF 13.3 billion in the second quarter of 2007, representing an annualized quarterly growth rate of 6.5%. This was driven by particularly strong inflows from Europe and the Americas. The Asset Management business reported strong net new assets of CHF 20.4 billion in the second quarter of 2007, mainly reflecting inflows from money market assets, alternative investments and balanced assets. Credit Suisse's total assets under management were CHF 1,629.0 billion as of June 30, 2007, an increase of 5.0% from March 31, 2007.

#### **First-half 2007 results**

Credit Suisse Group posted net income of CHF 5,918 million in the first half of 2007. Income from continuing operations increased 40% from the same period a year earlier. Diluted earnings per share improved to CHF 5.24 in the first half of 2007 from CHF 4.07 in the same period of 2006, and the return on equity amounted to 27.4% in the first half of 2007, up from 23.1% in the first half of 2006.

#### **Acceleration of current share buyback program**

As part of its current share buyback program of up to CHF 8 billion, which was launched on May 9, 2007, Credit Suisse Group bought back CHF 2.5 billion by the end of July. It plans to repurchase a further CHF

# Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

## Media Release

August 2, 2007

Page 4/5

2.5 billion by the end of 2007 and expects to complete the program during 2008, well ahead of the 2010 target.

### Information

Media Relations Credit Suisse, telephone +41 844 33 88 44, [media.relations@credit-suisse.com](mailto:media.relations@credit-suisse.com)

Investor Relations Credit Suisse, telephone +41 44 333 71 49, [investor.relations@credit-suisse.com](mailto:investor.relations@credit-suisse.com)

### Credit Suisse Group

As one of the world's leading banks, Credit Suisse provides its clients with investment banking, private banking and asset management services worldwide. Credit Suisse offers advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as retail clients in Switzerland. Credit Suisse is active in over 50 countries and employs approximately 45,000 people. Credit Suisse's parent company, Credit Suisse Group, is a leading global financial services company headquartered in Zurich. Credit Suisse Group's registered shares (CSGN) are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse can be found at [www.credit-suisse.com](http://www.credit-suisse.com).

### Cautionary Statement Regarding Forward-Looking and Non-GAAP Information

This press release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 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 except as may be required by applicable securities laws.

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, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- The ability to maintain sufficient liquidity and access capital markets;
- Market and interest rate fluctuations;
- 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 ability of counterparties to meet their obligations to us;
- The effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations;

## Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

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;

Actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations;

The effects of changes in laws, regulations or accounting policies or practices;

Competition 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 and other contingencies; and

Our success at managing 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, as well as the information set forth in our Form 20-F Item 3 - Key Information - Risk factors.

This press release contains non-GAAP financial information. Information needed to reconcile such non-GAAP financial information to the most directly comparable measures under GAAP can be found in Credit Suisse Group's Financial Review 2Q07 and Credit Suisse Group's Financial Statements 2Q07.



**Media Release**

August 2, 2007

Page 5/5

## **Presentation of Credit Suisse Group's Second-Quarter 2007 Results**

### **Analyst and Media Conference**

§ Thursday, August 2, 2007  
10:00 CEST / 09:00 BST / 04:00 EST

Credit Suisse Auditorium Uetlihof, Zurich

§ Simultaneous interpreting: German English, English German

### **§ Speakers**

Brady W. Dougan, Chief Executive Officer of Credit Suisse Group

Renato Fassbind, Chief Financial Officer of Credit Suisse Group

### **§ Internet**

Live broadcast at: [www.credit-suisse.com/results](http://www.credit-suisse.com/results)

Video playback available approximately 3 hours after the event

### **§ Telephone**

Live audio dial-in on +41 91 610 5600 (Europe), +44 207 107 0611 (UK) and +1 866 291 4166 (US); ask for Credit Suisse Group quarterly results .

Please dial in 10-15 minutes before the start of the presentation

Telephone replay available approximately 1 hour after the event on +41 91 612 4330 (Europe), +44 207 108 6233 (UK) and +1 866 416 2558 (US); conference ID English 375#, conference

ID German 369#

Second Quarter  
Results 2007

Zurich

August 2, 2007

Brady W. Dougan, CEO  
Renato Fassbind, CFO

Cautionary statement

**Cautionary statement regarding forward-looking and non-GAAP information**

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements.

A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions we express in these forward-looking statements, including those we identify in "Risk Factors" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2006 filed with the US Securities and Exchange Commission, and in other public filings and press releases.

We do not intend to update these forward-looking statements except as may be required by applicable laws.

This presentation contains non-GAAP financial information. Information needed to reconcile such non-GAAP financial information to the most directly comparable measures under GAAP can be found in Credit Suisse Group's second quarter report 2007.

Second Quarter Results 2007

Slide 2

Building on strong momentum

vs. 1Q07

vs. 2Q06

2Q07

Change in %

CHF m, except where indicated

1) for Core Results, i.e. excluding results from minority interests without significant economic interest

1Q07

2Q06

2Q07

in

Second Quarter Results 2007

Slide 3

1)

1)

1)

1)

Net revenues

11,703

45%

10%

Total operating expenses

7,637

37%

8%

Income from continuing operations before taxes

4,086

67%

14%

**Net income**

**3,189**

**48%**

**17%**

Diluted earnings per share in CHF

2.82

52%

17%

Cost/income ratio

65.3%

69.4%