

CREDIT SUISSE GROUP
Form 6-K
August 04, 2004

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Dated August 4, 2004

**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

For the month of August 4, 2004

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 offices)

Indicate by check mark whether the registrant files or will file annual reports under cover 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 by furnishing the information contained in this Form, the registrant 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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Credit Suisse Group Reports Net Income of CHF 3.3 Billion for the First Half of 2004

Credit Suisse Financial Services: Achieves Net Income of CHF 2.2 Billion for the First Half and CHF 1.1 Billion for the Second Quarter of 2004

Credit Suisse First Boston: Delivers Net Income of CHF 1.2 Billion for the First Half and CHF 430 Million for the Second Quarter of 2004

Financial Highlights

| in CHF million | 2Q2004 | 1Q2004 | 2Q2003 | Change in % from 1Q2004 | Change in % from 2Q2003 |
|-----------------------------------|---------------|--------|--------|-------------------------------|-------------------------------|
| Net revenues | 13,510 | 16,563 | 12,136 | (18) | 11 |
| Total operating expenses | 6,260 | 6,314 | 7,584 | (1) | (17) |
| Net income | 1,457 | 1,861 | (556) | (22) | |
| Return on equity | 16.6% | 21.3% | (6.5%) | | |
| Basic earnings per share (in CHF) | 1.26 | 1.56 | (0.48) | | |
| BIS tier 1 ratio | 11.6% | 11.5% | n/ a | | |

n/ a: not applicable

Zurich, August 4, 2004 □ Credit Suisse Group today reported net income of CHF 3,318 million for the first half of 2004, compared to the loss reported under US GAAP in the first half of 2003. The Group's net income for the second quarter of 2004 amounted to CHF 1,457 million, compared to CHF 1,861 million in the strong first quarter of 2004. Credit Suisse Financial Services contributed CHF 1,070 million to the Group's second quarter 2004 result, driven primarily by strong revenue generation. Private Banking achieved solid net revenues and attracted CHF 7.9 billion in net new assets. Corporate &

Retail Banking delivered a strong quarterly performance, based on good underlying results and benefiting from gains on interest rate derivatives. Both insurance segments recorded a good operating performance as well as solid investment income. Credit Suisse First Boston contributed CHF 430 million to the Group's second quarter 2004 result and achieved a return on average allocated capital of 14.5%. Credit Suisse Group's return on equity was 16.6% in the second quarter of 2004.

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Oswald J. Grübel, CEO of Credit Suisse Group, stated, "We are pleased with our results in the first half of 2004, with healthy revenue growth at Private Banking and Corporate & Retail Banking accompanied by a continued good operating performance and solid investment income at Winterthur. Following a strong first quarter, Credit Suisse First Boston achieved satisfactory second quarter results given the challenging environment."

He continued, "Our second quarter results not only underscore the Group's fundamental strengths but also pinpoint the areas we must build on. We have defined a series of key growth measures: in Private Banking, we will continue to concentrate on growth markets worldwide, as well as targeting profitable growth in key European markets. In Corporate & Retail Banking in Switzerland, the emphasis will be on increasing market share in the lending business and in retail investment products, as well as on expanding business with investment-grade corporates. At Credit Suisse First Boston, our main goal is to drive revenue growth by building on our successful businesses such as high-yield and private equity and by increasing the scale of existing businesses such as large cap banking and prime brokerage, as well as entering new areas with promising growth potential. In insurance, we remain firmly committed to enhancing business momentum and to positioning Winterthur as one of the leading retail insurers in key European and other selected markets, while exploring options to capture value for stakeholders."

He concluded, "We have a strong team of dedicated professionals in place to drive profitable growth. Together, we will implement our strategy of providing the Group's full expertise to our clients and delivering operational excellence, while remaining committed to fostering a diverse, team-oriented culture and increasing accountability. With the more powerful, integrated Group structure announced at the end of June, I firmly believe that our company is ideally positioned to leverage its strong franchises and underpin its competitive position as a leader in our industry."

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[Back to Contents](#)**Net New Assets****Net New Assets and Assets under Management (AuM) for 2Q2004**

| in CHF billion | Net New Assets | Total AuM | Change in AuM % from 31.03.04 |
|---|-----------------------|------------------|----------------------------------|
| Private Banking | 7.9 | 537.2 | (0.6) |
| Corporate & Retail Banking | (0.3) | 53.3 | (2.0) |
| Life & Pensions | 0.1 | 117.4 | (1.0) |
| Non-Life | n/ a | 25.3 | (1.9) |
| Credit Suisse Financial Services | 7.7 | 733.2 | (0.8) |
| Institutional Securities | (0.6) | 16.3 | (7.4) |
| Wealth & Asset Management | 2.0 | 477.8 | (1.3) |
| Credit Suisse First Boston | 1.4 | 494.1 | (1.6) |
| Credit Suisse Group | 9.1 | 1,227.3 | (1.1) |

Credit Suisse Group reported CHF 9.1 billion in net new assets in the second quarter of 2004. Private Banking contributed net new assets of CHF 7.9 billion, corresponding to an annualized growth rate of 5.8% and thus exceeding its mid-term target for the second quarter in succession. A net new asset inflow of CHF 2.0 billion was reported at Wealth & Asset Management. The Group's total assets under management amounted to CHF 1,227.3 billion as of June 30, 2004, a marginal decrease of 1.1% from March 31, 2004, due to market valuations and foreign exchange impacts.

Credit Suisse Financial Services**CSFS Business Unit Results**

| in CHF million | 2Q2004 | 1Q2004 | 2Q2003 | Change in % from 1Q2004 | Change in % from 2Q2003 |
|--------------------------|---------------|--------|--------|----------------------------------|----------------------------------|
| Net revenues | 9,039 | 11,880 | 8,370 | (24) | 8 |
| Total operating expenses | 2,906 | 2,751 | 4,189 | 6 | (31) |
| Net income | 1,070 | 1,112 | (646) | (4) | |

Credit Suisse Financial Services reported net income of CHF 2,182 million for the first half of 2004, compared to a loss for the first half of 2003. In the second quarter of 2004, the business unit recorded net income of CHF 1,070 million, compared to net income of CHF 1,112 million in the first quarter of 2004.

CSFS Net Income by Segment

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| in CHF million | 2Q2004 | 1Q2004 | 2Q2003 | Change in % from 1Q2004 | Change in % from 2Q2003 |
|----------------------------|---------------|--------|---------|----------------------------------|----------------------------------|
| Private Banking | 665 | 681 | 401 | (2) | 66 |
| Corporate & Retail Banking | 256 | 189 | 163 | 35 | 57 |
| Life & Pensions | 67 | 139 | (1,301) | (52) | |
| Non-Life | 82 | 103 | 91 | (20) | (10) |

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Private Banking reported net income of CHF 665 million in the second quarter, practically unchanged compared to the strong first quarter of 2004. Net revenues decreased 4% compared to the first quarter of 2004, driven mainly by lower brokerage income, offset by the positive change in the fair value of interest rate derivatives. Total operating expenses were virtually unchanged compared to the first quarter of 2004. The cost/income ratio stood at 57.9%, up 2.6 percentage points compared to the first quarter of 2004. Private Banking's gross margin remained high at 139.1 basis points, down 7.2 basis points compared to the first quarter of 2004 but up 14.5 basis points compared to the second quarter of 2003.

Corporate & Retail Banking posted strong net income of CHF 256 million in the second quarter of 2004, up 35% versus the prior quarter. Net revenues rose 21% compared to the first quarter of 2004, mainly reflecting the positive change in the fair value of interest rate derivatives. Total operating expenses rose 12% compared to the first quarter of 2004, as efficiency improvements were more than offset by higher incentive-related compensation accruals in line with the improved result. Credit provisions remained moderate in the second quarter given the ongoing favorable risk profile of the lending portfolio. The segment further improved its cost/income ratio to 58.2%, down 4.6 percentage points compared to the first quarter of 2004. The return on average allocated capital increased to 20.4% in the second quarter, compared to 15.1% in the first quarter of 2004.

Life & Pensions reported net income of CHF 206 million in the first half of 2004, compared to a net loss of CHF 1,818 million in the first half of 2003. This year-on-year improvement was due primarily to a goodwill impairment of CHF 1,510 million and a cumulative effect of a change in accounting for provisions for policyholders and annuities, both of which were recognized in the first half of 2003. The total business volume, which includes deposits from policyholders and gross premiums written on traditional business, increased 1% compared to the first half of 2003. Administration expenses declined 13% compared to the first half of 2003 due to efficiency gains. Net investment income rose 12% to CHF 2,403 million compared to the first half of 2003 and the net investment return was 5.1%. The return on average allocated capital amounted to 7.9% in the first half of 2004.

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Non-Life reported net income of CHF 185 million in the first half of 2004, up 1% compared to the first half of 2003, as an improved operating performance and higher investment income were partially offset by provisions relating to discontinued businesses in the UK and France as well as by restructuring charges related primarily to the streamlining of its Spanish operations. Net premiums earned rose 9% in the first half of 2004 compared to the first half of 2003, and the combined ratio improved 1.6 percentage points to 99.0%. The claims ratio stood at 74.0%, essentially unchanged versus the first half of 2003, and the expense ratio fell 1.8 percentage points, as the increase in expenses was contained to 1% compared to net premium growth of 9%. The segment reported net investment income of CHF 599 million, up from CHF 420 million in the first half of 2003, and the net investment return was 4.8% compared to 3.9% in the same period of last year. The return on average allocated capital was 17.9% in the first half of 2004.

Winterthur also announced today that effective September 1, 2004, its Chief Financial Officer, John Dacey, will take on a new role within the Winterthur Executive Board, examining all the strategic options for Winterthur. The Board of Directors of Winterthur has appointed Hans Ulrich Lienau as his successor. Mr Lienau has extensive experience in the financial services sector and his previous positions include the role of Chief Financial Officer of GE Frankona Re Group, where he was also a Member of the Group Executive Board. Additionally, the Board of Directors of Winterthur has appointed Heinrich Linz to the newly created post of Head of Corporate Center, also effective September 1, 2004. Mr Linz was previously responsible for Special Projects at Allianz Group.

Credit Suisse First Boston

CSFB Business Unit Results

| in CHF million | 2Q2004 | 1Q2004 | 2Q2003 | Change in % from 1Q2004 | Change in % from 2Q2003 |
|--------------------------|---------------|--------|--------|----------------------------------|----------------------------------|
| Net revenues | 4,633 | 4,863 | 3,960 | (5) | 17 |
| Total operating expenses | 3,494 | 3,722 | 3,460 | (6) | 1 |
| Net income | 430 | 759 | 202 | (43) | 113 |

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Credit Suisse First Boston reported net income of CHF 1,189 million for the first half of 2004, compared to net income of CHF 800 million in the first half of 2003. For the second quarter of 2004, Credit Suisse First Boston recorded net income of CHF 430 million, down 43% on lower trading results compared to the first quarter but up 113% compared to the second quarter of 2003. Net revenues were down 5% compared to the first quarter and total operating expenses were down 6%. The return on average allocated capital decreased by 13.6 percentage points to 14.5% compared with the first quarter of 2004.

CSFB Net Income by Segment

| in CHF million | 2Q2004 | 1Q2004 | 2Q2003 | Change in % from 1Q2004 | Change in % from 2Q2003 |
|---------------------------|---------------|--------|--------|----------------------------------|----------------------------------|
| Institutional Securities | 129 | 623 | 155 | (79) | (17) |
| Wealth & Asset Management | 301 | 136 | 47 | 121 | |

Institutional Securities reported a 79% decrease in net income in the second quarter of 2004 from the strong prior quarter. Compared to the second quarter of 2003, net income was down 17%. The segment's net revenues declined 22% compared to the first quarter of 2004, or 24% on a US dollar basis. Total trading revenues were down 38% compared to the first quarter of 2004, primarily reflecting significantly lower fixed income trading results due to lower proprietary trading results, reduced client activity and losses on derivatives used for risk management purposes, which do not qualify for hedge accounting. Equity trading revenues declined as convertible results were negatively impacted by lower liquidity and reduced volumes. Investment Banking revenues remained solid, with strong advisory fees and debt underwriting offset by lower equity underwriting compared with the first quarter of 2004. The segment's 2004 revenues were favorably impacted by gains on legacy assets. In aggregate, second quarter 2004 non-compensation expenses were up 11% from the first quarter of 2004, or 8% on a US dollar basis, primarily reflecting increased business activity. Compensation and benefits expenses declined 15%, or 18% on a US dollar basis, compared to the first quarter of 2004 and decreased 3% versus the second quarter of 2003, with a decline in incentive compensation in line with lower revenues.

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At Wealth & Asset Management, net income rose by 121% versus the prior quarter and was up more than 500% compared to the second quarter of 2003, due principally to increased private equity investment gains, asset management and administrative fees, and other revenues. Second quarter 2004 net revenues were up 73% compared to the first quarter of 2004, largely due to the consolidation of certain private equity funds required under a new US GAAP pronouncement, for which offsetting minority interests were recorded, as well as gains on private equity investments. Excluding the consolidation impact, net revenues increased 30% compared to the first quarter of 2004. Total operating expenses increased 2% compared to the first quarter of 2004, reflecting volume-related commission expenses.

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Outlook

With progress in a number of its core businesses and a solid pipeline of mandates and products, Credit Suisse Group is confident that it can achieve further improvements in its results. However, the Group's results are dependent on economic and market conditions and their impact on client activity and transaction volumes. Additionally, the Group is subject to continued cost pressure, particularly in its investment banking business. Going forward, Credit Suisse Group is committed to achieving continued progress in its performance relative to its peers.

Enquiries

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For additional information on Credit Suisse Group's results for the second quarter and first half of 2004, we refer you to the Group's Quarterly Report Q2 2004, as well as the Group's slide presentation for analysts and the press, posted on the Internet at: www.credit-suisse.com/results.

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Credit Suisse Group

Credit Suisse Group is a leading global financial services company headquartered in Zurich. It provides private clients and small and medium-sized companies with private banking and financial advisory services, and pension and insurance solutions from Winterthur. In the area of investment banking, it serves global institutional, corporate, government and individual clients in its role as a financial intermediary. Credit Suisse Group's registered shares (CSGN) are listed in Switzerland and in the form of American Depositary Shares (CSR) in New York. The Group employs around 60,000 staff worldwide. As of June 30, 2004, it reported assets under management of CHF 1,227.3 billion.

Cautionary Statement Regarding Forward-Looking Information

This press release 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 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 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 (i) market and interest rate fluctuations; (ii) 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; (iii) the ability of counterparties to meet their obligations to us; (iv) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (v) political and social developments, including war, civil unrest or terrorist activity; (vi) the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations; (vii) the ability to maintain sufficient liquidity and access capital markets; (viii) operational factors such as systems failure, human error, or the failure to properly implement procedures; (ix) actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations; (x) the effects of changes in laws, regulations or accounting policies or practices; (xi) competition in geographic and business areas in which we conduct our operations; (xii) the ability to retain and recruit qualified personnel; (xiii) the ability to maintain our reputation and promote our brands; (xiv) the ability to increase market share and control expenses; (xv) technological changes; (xvi) the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users; (xvii) acquisitions, including the ability to integrate successfully acquired businesses; (xviii) the adverse resolution of litigation and other contingencies; and (xix) 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 risks identified in our most recently filed Form 20-F and reports on Form 6-K furnished to the US Securities and Exchange Commission.

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Today's Presentation of the Results

Analysts' Presentation, Zurich (English)

August 4, 2004, 9.00 a.m. CET / 8.00 a.m. BST / 3.00 a.m. EST at the Credit Suisse Forum St. Peter, Zurich
Internet

- Live broadcast at 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), or +1 866 291 4166 (USA), ask for [Credit Suisse Group quarterly results]; please dial in 10 minutes before the start of the presentation
- Telephone replay available approximately 1 hour after the event on +41 91 612 4330 (Europe), +44 207 866 4300 (UK) or +1 412 858 1440 (USA), conference ID 156#

Speakers

Oswald J. Grübel, CEO of Credit Suisse Group
Philip K. Ryan, Chief Financial Officer of Credit Suisse Group

Media Conference, Zurich (English/German)

August 4, 2004, 11.00 a.m. CET / 10.00 a.m. BST / 5.00 a.m. EST at the Credit Suisse Forum St. Peter, Zurich
Simultaneous interpreting: German [English, English [German
Internet

- Live broadcast at 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), or +1 866 291 4166 (USA), ask for [Credit Suisse Group quarterly results]; please dial in 10 minutes before the start of the presentation
- Telephone replay available approximately 1 hour after the event on +41 91 612 4330 (Europe), +44 207 866 43 00 (UK) or +1 412 858 1440 (USA), conference ID 025# (English) or 087# (German)

Speakers

Oswald J. Grübel, CEO of Credit Suisse Group
Philip K. Ryan, Chief Financial Officer of Credit Suisse Group

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Dear shareholders,

Credit Suisse Group recorded net income of CHF 3,318 million for the first six months of 2004, one of the best half-year results in the Group's history. In the second quarter of 2004, the Group reported net income of CHF 1,457 million. This result was driven primarily by good revenue generation across most businesses and the improvement in economic conditions versus the prior year, as well as our continued focus on process efficiency. However, our second quarter results not only underscore the Group's fundamental strengths but also pinpoint the areas we must build on going forward.

Credit Suisse Group reported net income of CHF 3,318 million for the first half of 2004, compared to the loss reported under US GAAP in the first half of 2003. The Group's net income for the second quarter of 2004 amounted to CHF 1,457 million, compared to CHF 1,861 million in the strong first quarter of 2004.

Credit Suisse Financial Services contributed CHF 1,070 million to the Group's second quarter 2004 result, driven primarily by strong revenue generation. Private Banking achieved solid net revenues and attracted CHF 7.9 billion in net new assets. Corporate & Retail Banking delivered a strong quarterly performance, based on good underlying results and benefiting from gains on interest rate derivatives. Both insurance segments recorded a good operating performance as well as solid investment income.

Credit Suisse First Boston contributed CHF 430 million to the Group's second quarter 2004 with Wealth & Asset Management achieving significant gains from private equity investments. However, due to the more challenging market environment, the Institutional Securities Segment reported a decrease in trading revenues and certain other businesses versus the strong first quarter. At the same time, Credit Suisse First Boston's franchise remains strong and I am convinced that we will be able to capture the host of opportunities available to enhance growth and profitability even more effectively going forward.

Credit Suisse Group's return on equity was 16.6% in the second quarter of 2004 and 19.0% for the first half of 2004.

Net new assets

The Group reported net new assets of CHF 9.1 billion in the second quarter of 2004, with Private Banking contributing net new assets of CHF 7.9 billion, representing an annualized growth rate of 5.8%. Corporate & Retail Banking reported a net asset outflow of CHF 0.3 billion in the second quarter of 2004. A net asset inflow of CHF 2.0 billion was recorded in Wealth & Asset Management, and Institutional Securities reported a net asset outflow of CHF 0.6 billion.

Equity capital

Credit Suisse Group's consolidated BIS tier 1 ratio was 11.6% as of June 30, 2004, up from 11.5% as of March 31, 2004. This increase was attributable to strong earnings generation, combined with a slight increase in risk-weighted assets of CHF 1.4 billion. The Group's shareholders' equity as of June 30, 2004, remained stable at CHF 35.3 billion compared to March 31, 2004.

Private Banking

Private Banking reported net income of CHF 665 million in the second quarter, practically unchanged compared to the first quarter of 2004. Net revenues decreased 4% compared to the first quarter of 2004, driven mainly by lower brokerage income, offset by the positive change in the fair value of interest rate derivatives. Total operating expenses were virtually unchanged compared to the first quarter of 2004. The cost/income ratio stood at 57.9%, up 2.6 percentage points compared to the first quarter of 2004. Private Banking's gross margin remained high at 139.1 basis points, down 7.2 basis points compared to the first quarter of 2004 but up 14.5 basis points compared to the second quarter of 2003.

Corporate & Retail Banking

Corporate & Retail Banking posted strong net income of CHF 256 million in the second quarter of 2004, up 35% versus the prior quarter. Net revenues rose 21% compared to the first quarter of 2004, mainly reflecting the positive change in the fair value of interest rate derivatives. Total operating expenses rose 12% compared to the first quarter of 2004, as efficiency improvements were more than offset by higher incentive-related compensation accruals in line with the improved result. Credit provisions remained moderate in the second quarter given the ongoing favorable risk profile of the lending portfolio. The segment further improved its cost/income ratio to 58.2%, down 4.6 percentage points compared to the first quarter of 2004. The return on average allocated capital increased to 20.4% in the second quarter, compared to 15.1% in the first quarter of 2004.

Life & Pensions

Life & Pensions reported net income of CHF 206 million in the first half of 2004, compared to a net loss of CHF 1,818 million in the first half of 2003. This year-on-year improvement was due primarily to a goodwill impairment of CHF 1,510 million and a cumulative effect of a change in accounting for provisions for policyholders and annuities, both of which were recognized in the first half of 2003. The total business volume, which includes deposits from policyholders and gross premiums written on traditional business, increased 1% compared to the first half of 2003. Administration expenses declined 13% compared to the first half of 2003 due to efficiency gains. Net investment income rose 12% to CHF 2,403 million compared to the first half of 2003 and the net investment return was 5.1%. The return on average allocated capital amounted to 7.9% in the first half of 2004.

Non-Life

Non-Life reported net income of CHF 185 million in the first half of 2004, up 1% compared to the first half of 2003, as an improved operating performance and higher investment income were partially offset by provisions relating to discontinued businesses in the UK and France as well as by restructuring charges related primarily to the streamlining of its Spanish operations. Net premiums earned rose 9% in the first half of 2004 compared to the first half of 2003, and the combined ratio improved 1.6 percentage points to 99.0%. The claims ratio rose to 74.0%, essentially unchanged versus the first half of 2003, and the expense ratio fell 1.8 percentage points, as the increase in expenses was contained to 1% compared to net premium growth of 9%. The segment reported net investment income of CHF 599 million, up from CHF 420 million in the first half of 2003, and the net investment return was 4.8% compared to 3.9% in the same period of last year. The return on average allocated capital was 17.9% in the first half of 2004.

Credit Suisse First Boston

Credit Suisse First Boston reported net income of CHF 1,189 million for the first half of 2004, compared to net income of CHF 800 million in the first half of 2003. For the second quarter of 2004, Credit Suisse First Boston recorded net income of CHF 430 million, down 43% on lower trading results compared to the first quarter but up 113% compared to the second quarter of 2003. Net revenues were down 5% compared to the first quarter and total operating expenses were down 6%. The return on average allocated capital decreased by 13.6 percentage points to 14.5% compared with the first quarter of 2004.

Institutional Securities

Institutional Securities reported a 79% decrease in net income in the second quarter of 2004 from the strong prior quarter. Compared to the second quarter of 2003, net income was down 17%. The segment's net revenues declined 22% compared to the first quarter of 2004. Total trading revenues were down 38% compared to the first quarter of

2004, primarily reflecting significantly lower fixed income trading results due to lower proprietary trading results, reduced client activity and losses in derivatives used for risk management purposes which do not qualify for hedge accounting. Equity trading revenues declined as results with convertible securities were negatively impacted by lower liquidity and reduced volumes. Investment Banking revenues remained solid, with strong advisory fees and debt underwriting offset by lower equity underwriting compared with the first quarter of 2004. The segment's 2004 revenues were favorably impacted by gains on legacy assets. In aggregate, second quarter 2004 non-compensation expenses were up 11% from the first quarter of 2004, primarily reflecting increased business activity. Compensation and benefits expenses declined 15%, compared to the first quarter of 2004 and decreased 3% versus the second quarter of 2003, with a decline in incentive compensation in line with lower revenues.

Wealth & Asset Management

At Wealth & Asset Management, net income rose by 121% versus the prior quarter and was up more than 500% compared to the second quarter of 2003, due principally to increased private equity investment gains, asset management and administrative fees, and other revenues. Second quarter 2004 net revenues were up 73% compared to the first quarter of 2004, largely due to the consolidation of certain private equity funds required under a new US GAAP pronouncement, for which offsetting minority interests were recorded, as well as gains on private equity investments. Excluding the consolidation impact, net revenues increased 30% compared to the first quarter of 2004. Total operating expenses increased 2% compared to the first quarter of 2004, reflecting volume-related commission expenses.

Outlook

With progress in a number of its core businesses and a solid pipeline of mandates and products, Credit Suisse Group is confident that it can achieve further improvements in its results. However, the Group's results are dependent on economic and market conditions and their impact on client activity as well as transaction volumes. Additionally, the Group is subject to continued cost pressure, particularly in its investment banking business. Going forward, Credit Suisse Group is committed to achieving continued progress in its performance relative to its peers.

Oswald J. Grübel
August 2004

Segment reporting

Net revenues

| in CHF m | 2Q2004 | 1Q2004 | 2Q2003 | 6 months | |
|---|---------------|--------|--------|---------------|--------|
| | | | | 2004 | 2003 |
| Private Banking | 1,869 | 1,940 | 1,478 | 3,809 | 2,965 |
| Corporate & Retail Banking | 950 | 787 | 789 | 1,737 | 1,563 |
| Life & Pensions | 3,225 | 6,028 | 3,342 | 9,253 | 9,381 |
| Non-Life | 2,995 | 3,125 | 2,761 | 6,120 | 5,433 |
| Institutional Securities ¹⁾ | 3,134 | 3,997 | 3,312 | 7,131 | 6,866 |
| Wealth & Asset Management ²⁾ | 1,499 | 866 | 648 | 2,365 | 1,323 |
| Corporate Center | (162) | (180) | (194) | (342) | (707) |
| Credit Suisse Group | 13,510 | 16,563 | 12,136 | 30,073 | 26,824 |

1) Including CHF 53 million, CHF 40 million and CHF 93 million in 2Q2004, 1Q2004 and 6 months 2004, respectively, from minority interest revenues relating to the FIN 46R consolidation.

2) Including CHF 462 million, CHF 68 million and CHF 530 million in 2Q2004, 1Q2004 and 6 months 2004, respectively, from minority interest revenues relating to the FIN 46R consolidation.

Net income

| in CHF m | 2Q2004 | 1Q2004 | 2Q2003 | 6 months | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| | | | | 2004 | 2003 |
| Private Banking | 665 | 681 | 401 | 1,346 | 797 |
| Corporate & Retail Banking | 256 | 189 | 163 | 445 | 318 |
| Life & Pensions | 67 | 139 | (1,301) | 206 | (1,818) |
| Non-Life | 82 | 103 | 91 | 185 | 183 |
| Institutional Securities | 129 | 623 | 155 | 752 | 666 |
| Wealth & Asset Management | 301 | 136 | 47 | 437 | 134 |
| Corporate Center | (43) | (10) | (112) | (53) | (557) |
| Credit Suisse Group | 1,457 | 1,861 | (556) | 3,318 | (277) |

Consolidated statements of income (unaudited)

| in CHF m | 2Q2004 | 1Q2004 | 2Q2003 | 1Q2004 | 2Q2003 | 6 months | | Change in % from 2003 |
|--|---------------|---------------|---------------|-------------|-----------|-------------------------------|-------------------------------|--------------------------------|
| | | | | | | 2004 | 2003 | |
| | | | | | | Change in % from 2Q2003 | Change in % from 1Q2004 | |
| Interest and dividend income | 7,896 | 7,742 | 7,504 | 2 | 5 | 15,638 | 14,031 | 11 |
| Interest expense | (4,536) | (4,663) | (4,484) | (3) | 1 | (9,199) | (8,516) | 8 |
| Net interest income | 3,360 | 3,079 | 3,020 | 9 | 11 | 6,439 | 5,515 | 17 |
| Commissions and fees | 3,418 | 3,563 | 3,171 | (4) | 8 | 6,981 | 6,192 | 13 |
| Trading revenues | 712 | 1,516 | 1,214 | (53) | (41) | 2,228 | 2,501 | (11) |
| Realized gains/(losses) from investment securities, net | 198 | 528 | 589 | (63) | (66) | 726 | 670 | 8 |
| Insurance net premiums earned | 4,708 | 7,417 | 4,618 | (37) | 2 | 12,125 | 12,076 | 0 |
| Other revenues | 1,114 | 460 | (476) | 142 | - | 1,574 | (130) | - |
| Total noninterest revenues | 10,150 | 13,484 | 9,116 | (25) | 11 | 23,634 | 21,309 | 11 |
| Net revenues | 13,510 | 16,563 | 12,136 | (18) | 11 | 30,073 | 26,824 | 12 |
| Policyholder benefits, claims and dividends | 4,623 | 7,594 | 4,645 | (39) | 0 | 12,217 | 12,012 | 2 |

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| | | | | | | | | |
|---|--------------|-------|--------|------|------|---------------|--------|------|
| Provision for credit losses | 133 | 34 | 114 | 291 | 17 | 167 | 311 | (46) |
| Total benefits, claims and credit losses | 4,756 | 7,628 | 4,759 | (38) | 0 | 12,384 | 12,323 | 0 |
| Insurance underwriting, acquisition and administration expenses | 1,117 | 1,059 | 1,046 | 5 | 7 | 2,176 | 2,191 | (1) |
| Banking compensation and benefits | 3,087 | 3,428 | 3,092 | (10) | 0 | 6,515 | 6,034 | 8 |
| Other expenses | 1,996 | 1,823 | 1,901 | 9 | 5 | 3,819 | 3,825 | 0 |
| Goodwill impairment | 0 | 0 | 1,510 | – | – | 0 | 1,510 | – |
| Restructuring charges | 60 | 4 | 35 | – | 71 | 64 | 60 | 7 |
| Total operating expenses | 6,260 | 6,314 | 7,584 | (1) | (17) | 12,574 | 13,620 | (8) |
| Income/(loss) from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes | 2,494 | 2,621 | (207) | (5) | – | 5,115 | 881 | 481 |
| Income tax expense/(benefit) | 442 | 570 | 357 | (22) | 24 | 1,012 | 677 | 49 |
| Dividends on preferred securities for consolidated entities | 0 | 0 | 33 | – | – | 0 | 65 | – |
| Minority interests, net of tax | 548 | 119 | 8 | 361 | – | 667 | 7 | – |
| Income/(loss) from continuing operations before extraordinary items and cumulative effect of accounting changes | 1,504 | 1,932 | (605) | (22) | – | 3,436 | 132 | – |
| Income/(loss) from discontinued operations, net of tax | (47) | (65) | 60 | (28) | – | (112) | 127 | – |
| Extraordinary items, net of tax | 0 | 0 | 1 | – | – | 0 | 5 | – |
| Cumulative effect of accounting changes, net of tax | 0 | (6) | (12) | – | – | (6) | (541) | (99) |
| Net income/(loss) | 1,457 | 1,861 | (556) | (22) | – | 3,318 | (277) | – |
| Return on equity | 16.6% | 21.3% | (6.5%) | – | – | 19.0% | (1.6%) | – |
| Earnings per share in CHF | | | | | | | | |
| Basic earnings per share | 1.26 | 1.56 | (0.48) | – | – | 2.82 | (0.24) | – |
| Diluted earnings per share | 1.18 | 1.48 | (0.48) | – | – | 2.67 | (0.24) | – |

Key figures

Change Change

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| in CHF m, except where indicated | 30.06.04 | 31.03.04 | 31.12.03 | in % from 31.03.04 | in % from 31.12.03 |
|---|------------------|-----------|-----------|-----------------------|-----------------------|
| Total assets | 1,131,684 | 1,138,196 | 1,004,308 | (1) | 13 |
| Shareholders' equity | 35,284 | 35,338 | 33,991 | 0 | 4 |
| Assets under management in CHF bn | 1,227.3 | 1,241.3 | 1,181.1 | (1) | 4 |
| Market price per registered share in CHF | 44.50 | 43.90 | 45.25 | 1 | (2) |
| Market capitalization | 49,238 | 49,124 | 51,149 | 0 | (4) |
| Book value per share in CHF | 31.89 | 31.58 | 30.07 | 1 | 6 |
| BIS tier 1 ratio | 11.6% | 11.5% | 11.7% | – | – |
| BIS total capital ratio | 16.2% | 16.4% | 17.4% | – | – |

Additional information

Additional information on the Credit Suisse Group's second quarter 2004 results can be obtained in the Quarterly Report 2/04 and the analysts' presentation, which are available on our website at: www.credit-suisse.com/results. The Quarterly Report (English only) can be ordered at Credit Suisse, KIDM23, Uetlibergstrasse 231, 8070 Zurich, fax: +41 1 332 7294.

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 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 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 (i) market and interest rate fluctuations; (ii) 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; (iii) the ability of counterparties to meet their obligations to us; (iv) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (v) political and social developments, including war, civil unrest or terrorist activity; (vi) the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations; (vii) the ability to maintain sufficient liquidity and access capital markets; (viii) operational factors such as systems failure, human error, or the failure to properly implement procedures; (ix) actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations; (x) the effects of changes in laws, regulations or accounting policies or practices; (xi) competition in geographic and business areas in which we conduct our operations; (xii) the ability to retain and recruit qualified personnel; (xiii) the ability to maintain our reputation and promote our brands; (xiv) the ability to increase market share and control expenses; (xv) technological changes; (xvi) the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users; (xvii) acquisitions, including the ability to integrate successfully acquired businesses; (xviii) the adverse resolution of litigation and other contingencies; and (xix) our success at managing the risks involved in the foregoing. We caution

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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 risks identified in our most recently filed Form 20-F and reports on Form 6-K furnished to the US Securities and Exchange Commission.

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QUARTERLY REPORT 2004 Q2

Credit Suisse Group is a leading global financial services company headquartered in Zurich. It provides private clients and small and medium-sized companies with private banking and financial advisory services, and pension and insurance solutions from Winterthur. In the area of investment banking, it serves global institutional, corporate, government and individual clients in its role as a financial intermediary. Credit Suisse Group's registered shares (CSGN) are listed in Switzerland and in the form of American Depositary Shares (CSR) in New York. The Group employs around 60,000 staff worldwide.

QUARTERLY REPORT 2004

Cautionary statement regarding forward-looking information

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This Quarterly Report 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 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 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 (i) market and interest rate fluctuations; (ii) 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; (iii) the ability of counterparties to meet their obligations to us; (iv) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (v) political and social developments, including war, civil unrest or terrorist activity; (vi) the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations; (vii) the ability to maintain sufficient liquidity and access capital markets; (viii) operational factors such as systems failure, human error, or the failure to properly implement procedures; (ix) actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations; (x) the effects of changes in laws, regulations or accounting policies or practices; (xi) competition in geographic and business areas in which we conduct our operations; (xii) the ability to retain and recruit qualified personnel; (xiii) the ability to maintain our reputation and promote our brands; (xiv) the ability to increase market share and control expenses; (xv) technological changes; (xvi) the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users; (xvii) acquisitions, including the ability to integrate successfully acquired businesses; (xviii) the adverse resolution of litigation and other contingencies; and (xix) 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 risks identified in our most recently filed Form 20-F and reports on Form 6-K furnished to the US Securities and Exchange Commission.

EDITORIAL

Oswald J. Grübel
Chief Executive Officer
Credit Suisse Group

Dear shareholders, clients and colleagues

Credit Suisse Group recorded net income of CHF 3,318 million for the first six months of 2004, one of the best half-year results in the Group's history. In the second quarter of 2004, the Group reported net income of CHF 1,457 million. This result was driven primarily by good revenue generation across most businesses and the improvement in economic conditions versus the prior year, as well as our continued focus on process efficiency. However, our second quarter results not only underscore the Group's fundamental strengths but also pinpoint the areas we must build on going forward.

Credit Suisse Financial Services achieved a strong result with net income of CHF 2,182 million in the first half and CHF 1,070 million in the second quarter of 2004. Private Banking underscored its worldwide product leadership and powerful franchise by recording net income of CHF 665 million and net new assets of CHF 7.9 billion in the second

quarter. Corporate & Retail Banking also posted a strong quarterly result, benefiting from gains on interest rate derivatives and efficiency improvements. Life & Pensions and Non-Life, our insurance segments, again recorded a good operating performance as well as solid investment income.

Credit Suisse First Boston reported net income of CHF 1,189 million in the first half and CHF 430 million in the second quarter of 2004, with Wealth & Asset Management achieving significant gains from private equity investments. However, due to the more challenging market environment – which led to a decrease in trading and certain other businesses versus the first quarter – Credit Suisse First Boston’s overall performance in the second quarter was below our expectations. At the same time, Credit Suisse First Boston’s franchise remains strong and I am convinced that we will be able to capture the host of opportunities available to enhance growth and profitability even more effectively going forward.

In June, we announced the sharpening of our strategic focus and the realignment of our management teams. Consequently, as of July 13, Credit Suisse Group has a clear management structure in place which is organized along the existing six reporting segments: Private Banking and Corporate & Retail Banking under the business unit Credit Suisse; Institutional Securities and Wealth & Asset Management under the business unit Credit Suisse First Boston; and Life & Pensions and Non-Life under the business unit Winterthur. Going forward, we aim to enhance co-operation between the business units and to strengthen the Group Corporate Center with the goal of further increasing client focus and accountability across the Group.

With a strong and dedicated team of senior managers in place, and with our more powerful integrated structure, I firmly believe that the Group is ideally placed to further strengthen its competitive position as a leader in our industry.

Oswald J. Grübel
August 2004

CREDIT SUISSE GROUP FINANCIAL HIGHLIGHTS Q2/2004

Credit Suisse Group financial highlights

| in CHF m, except where indicated | 2Q2004 | 1Q2004 | 2Q2003 | Change in % from 1Q2004 | Change in % from 2Q2003 | 6 months | | Change in % from 2003 |
|---|---------------|--------|--------|-------------------------------|-------------------------------|---------------|--------|-----------------------------|
| | | | | | | 2004 | 2003 | |
| Consolidated income statement | | | | | | | | |
| Net revenues | 13,510 | 16,563 | 12,136 | (18) | 11 | 30,073 | 26,824 | 12 |
| Income/(loss) from continuing operations before extraordinary items and cumulative effect of accounting changes | 1,504 | 1,932 | (605) | (22) | – | 3,436 | 132 | – |
| Net income/(loss) | 1,457 | 1,861 | (556) | (22) | – | 3,318 | (277) | – |
| Return on equity | 16.6% | 21.3% | (6.5%) | – | – | –19.0% | (1.6%) | – |
| Earnings per share | | | | | | | | |
| Basic earnings per share in CHF | 1.26 | 1.56 | (0.48) | – | – | 2.82 | (0.24) | – |

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| | | | | | | | | |
|-----------------------------------|-------------|------|--------|---|---|-------------|--------|---|
| Diluted earnings per share in CHF | 1.18 | 1.48 | (0.48) | – | – | 2.67 | (0.24) | – |
| Net new assets in CHF bn | 9.1 | 15.6 | 0.4 | – | – | 24.7 | (1.1) | – |

| in CHF m, except where indicated | | 30.06.04 | 31.03.04 | 31.12.03 | Change in % from 31.03.04 | Change in % from 31.12.03 |
|--|--|----------------------|---------------|---------------|---------------------------------|---------------------------------|
| Assets under management in CHF bn | | 1,227.3 | 1,241.3 | 1,181.1 | (1) | 4 |
| Consolidated balance sheet | | | | | | |
| Total assets | | 1,131,684 | 1,138,196 | 1,004,308 | (1) | 13 |
| Shareholders' equity | | 35,284 | 35,338 | 33,991 | 0 | 4 |
| Consolidated BIS capital data ¹⁾ | | | | | | |
| Risk-weighted assets | | 202,589 | 201,161 | 190,761 | – | – |
| Tier 1 ratio | | 11.6% | 11.5% | 11.7% | – | – |
| Total capital ratio | | 16.2% | 16.4% | 17.4% | – | – |
| Number of employees | | | | | | |
| Switzerland – banking segments | | 19,089 | 19,084 | 19,301 | 0 | (1) |
| Switzerland – insurance segments | | 6,336 | 6,154 | 6,426 | 3 | (1) |
| Outside Switzerland – banking segments | | 20,775 | 20,422 | 20,310 | 2 | 2 |
| Outside Switzerland – insurance segments | | 13,372 | 14,328 | 14,440 | (7) | (7) |
| Number of employees (full-time equivalents) | | 59,572 | 59,988 | 60,477 | (1) | (1) |
| Stock market data | | | | | | |
| Market price per registered share in CHF | | 44.50 | 43.90 | 45.25 | 1 | (2) |
| Market price per American Depositary Share in USD | | 35.81 | 34.80 | 36.33 | 3 | (1) |
| Market capitalization | | 49,238 | 49,124 | 51,149 | 0 | (4) |
| Market capitalization in USD m | | 39,623 | 38,941 | 41,066 | 2 | (4) |
| Book value per share in CHF | | 31.89 | 31.58 | 30.07 | 1 | 6 |
| Shares outstanding | | 1,106,464,994 | 1,118,998,681 | 1,130,362,948 | (1) | (2) |

¹⁾ All calculations through December 31, 2003, are on the basis of Swiss GAAP. For further details see page 5.

Further information for investors is presented on page 48.

AN OVERVIEW OF CREDIT SUISSE GROUP

Credit Suisse Group recorded net income of CHF 1,457 million in the second quarter of 2004, versus a net loss of CHF 556 million in the second quarter of 2003 and net income of CHF 1,861 million in the first quarter of 2004. Net revenues were up 11% to CHF 13,510 million compared with the second quarter of 2003. The result was driven by revenue growth in the Credit Suisse Financial Services banking businesses and in Credit Suisse First Boston's Wealth & Asset Management segment, a continued strong investment performance at Winterthur and cost discipline. Compared to the previous quarter, the Institutional Securities segment was impacted by lower levels of client activity and trading revenues. Credit Suisse Financial Services reported net income of CHF 1,070 million and Credit Suisse First Boston recorded net income of CHF 430 million in the second quarter of 2004.

Credit Suisse Financial Services reported net income of CHF 1,070 million in the second quarter of 2004, compared to a net loss of CHF 646 million in the second quarter of 2003, which included a goodwill impairment of CHF 1,510 million in the Life & Pensions segment. Net income in the second quarter of 2004 was slightly below the strong previous quarter. The second quarter 2004 result reflected strong net revenues in Private Banking and Corporate & Retail Banking. The insurance segments reported good operating performance and solid investment income. Private Banking reported net income of CHF 665 million in the second quarter of 2004, compared to CHF 401 million in the second quarter of 2003. The segment also reported sustained growth in net new assets. Corporate & Retail Banking recorded a strong quarterly result with net income of CHF 256 million, benefiting from gains on interest rate derivatives and efficiency improvements. Life & Pensions' second quarter net income of CHF 67 million mainly reflected lower investment gains compared to the second quarter of 2003. Non-Life reported net income of CHF 82 million for the second quarter of 2004, a decrease of CHF 9 million compared to the second quarter of 2003, mainly related to restructuring charges and to provisions related to discontinued businesses in the United Kingdom and France.

Credit Suisse First Boston reported net income of CHF 430 million in the second quarter of 2004, an increase of 113% compared to the second quarter of 2003. Strong gains on private equity investments in Wealth & Asset Management as well as continued solid investment banking performance were partially offset by significantly lower trading results. Compared to the first quarter of 2004, Credit Suisse First Boston's net income declined CHF 329 million, or 43%. The Institutional Securities segment reported net income of CHF 129 million, a decrease of 17% compared to the second quarter of 2003, mainly reflecting significantly lower trading revenues partially offset by a reduction in compensation and benefits as well as lower taxes. Total investment banking revenues increased by 3% compared to the second quarter of 2003 and 7% compared to the first quarter of 2004 due to higher advisory and other fees. Total trading revenues were down 29% compared to the second quarter of 2003 due to declines, primarily in the fixed income business. The Wealth & Asset Management segment reported net income of CHF 301 million, an increase of CHF 254 million from the second quarter of 2003, mainly due to increased investment gains as well as asset management and administration fees. In comparison to the first quarter of 2004, net income increased CHF 165 million, or 121%.

Basic earnings per share in the second quarter of 2004 were CHF 1.26, compared to CHF -0.48 in the second quarter

of 2003 and CHF 1.56 in the first quarter of 2004. The Group's return on equity was 16.6% in the second quarter of 2004 versus -6.5% in the second quarter of 2003 and 21.3% in the first quarter of 2004.

Revenues and expenses

Net revenues in the second quarter of 2004 rose 11% to CHF 13,510 million compared to the second quarter of 2003, reflecting increases at both Credit Suisse Financial Services and Credit Suisse First Boston. Credit Suisse Financial Services increased net revenues by 8% to CHF 9,039 million, primarily reflecting strong results in the Private Banking and Corporate & Retail Banking segments. Credit Suisse First Boston increased its net revenues by 17% compared to the second quarter of 2003, to CHF 4,633 million, which primarily reflected the impact of the consolidation of certain private equity and other funds. As discussed under "Consolidation of private equity funds", this consolidation had no impact on net income. Excluding this consolidation effect, net revenues increased by 4% compared to the second quarter of 2003, where improvements in Wealth & Asset Management and continued solid investment banking performance were partially offset by significantly lower trading results.

The Group's total operating expenses in the second quarter of 2004 amounted to CHF 6,260 million, down 17% compared to the second quarter of 2003. The decrease was mainly related to a goodwill impairment of CHF 1,510 million recorded in the second quarter of 2003.

Net new assets

The Group reported net new assets of CHF 9.1 billion in the second quarter of 2004, with Private Banking contributing net new assets of CHF 7.9 billion, representing an annualized growth rate of 5.8%. Corporate & Retail Banking reported a net asset outflow of CHF 0.3 billion in the second quarter of 2004. A net asset inflow of CHF 2.0 billion was recorded in Wealth & Asset Management, and Institutional Securities reported a net asset outflow of CHF 0.6 billion.

As of June 30, 2004, the Group's total assets under management were CHF 1,227.3 billion, a decrease of 1.1% compared to March 31, 2004, due to market valuations and foreign exchange impacts.

Consolidation of private equity funds

Effective January 1, 2004, the Group's results include the consolidation of certain private equity funds and other funds within Credit Suisse First Boston under Financial Accounting Standards Board Interpretation No. 46 Revised (FIN 46R). This consolidation did not impact net income as the increase to net revenues of CHF 515 million and CHF 108 million in the second and the first quarter of 2004, respectively, was offset by an equivalent increase in minority interests.

Provision for credit losses

Provision for credit losses in the second quarter of 2004 amounted to CHF 133 million, compared to CHF 114 million in the second quarter of 2003. This level reflects a favorable credit environment.

Equity capital

Credit Suisse Group's consolidated BIS tier 1 ratio was 11.6% as of June 30, 2004, up from 11.5% as of March 31, 2004. This increase was attributable to strong earnings generation, combined with a slight increase in risk-weighted assets of CHF 1.4 billion. The Group's shareholders' equity as of June 30, 2004, remained stable at CHF 35.3 billion compared to March 31, 2004.

Winterthur's shareholders' equity was CHF 7.5 billion as of June 30, 2004, and CHF 8.1 billion as of March 31, 2004. The decline in shareholders' equity resulted from the impact of higher interest rates on Winterthur's investment portfolio.

Credit Suisse Group management

In line with its more integrated structure, Credit Suisse Group also announced the appointment of Oswald J. Grübel as

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its sole Chief Executive Officer, effective July 13, 2004. Oswald J. Grübel was previously CEO of Credit Suisse Financial Services and Co-CEO of the Group together with John J. Mack, who left the company upon the expiration of his contract. John J. Mack has been succeeded by Brady Dougan as CEO of Credit Suisse First Boston. Walter Berchtold has been appointed CEO of Credit Suisse under the new structure. Additionally, Philip K. Ryan is stepping down as the Group's Chief Financial Officer, effective August 5, and will be succeeded by Renato Fassbind. Richard E. Thornburgh has been appointed Vice Chairman of the Executive Board of Credit Suisse First Boston and is succeeded by Tobias Guldemann as Chief Risk Officer of the Group. At Credit Suisse First Boston, Barbara A. Yastine has stepped down from her role as Chief Financial Officer and Stephen R. Volk has resigned as Chairman.

Outlook

With progress in a number of its core businesses and a solid pipeline of mandates and products, Credit Suisse Group is confident that it can achieve further improvements in its results. However, the Group's results are dependent on economic and market conditions and their impact on client activity as well as transaction volumes. Additionally, the Group is subject to continued cost pressure, particularly in its investment banking business. Going forward, Credit Suisse Group is committed to achieving continued progress in its performance relative to peers.

Credit Suisse Group structure as of July 13, 2004

On June 24, 2004, Credit Suisse Group announced the sharpening of its strategic focus and the realignment of its management structure. Effective July 13, 2004, Credit Suisse Group has been structured along the existing six reporting segments: Private Banking and Corporate & Retail Banking under the business unit Credit Suisse; Institutional Securities and Wealth & Asset Management under the business unit Credit Suisse First Boston; and Life & Pensions and Non-Life under the business unit Winterthur. The presentation of the Group's second quarter results reflects the business unit and segment structure in place as of June 30, 2004.

Overview of segment results

| 2Q2004, in CHF m | Private Banking | Corporate & Retail Banking | Life & Pensions | Non-Life | Institutional Securities | Wealth & Asset Management | Corporate Center | Credit Suisse Group |
|---|--------------------|-------------------------------------|--------------------|--------------|-----------------------------|---------------------------------|---------------------|---------------------------|
| Net revenues | 1,869 | 950 | 3,225 | 2,995 | 3,134 | 1,499 | (162) | 13,510 |
| Policyholder benefits, claims and dividends | – | – | 2,591 | 2,032 | – | – | – | – 4,623 |
| Provision for credit losses | (8) | 60 | 2 | (1) | 80 | 0 | 0 | 133 |
| Total benefits, claims and credit losses | (8) | 60 | 2,593 | 2,031 | 80 | 0 | 0 | 4,756 |
| Insurance underwriting, acquisition and administration expenses | – | – | 411 | 708 | – | – | (2) | 1,117 |
| Banking compensation and benefits | 564 | 300 | – | – | 1,916 | 276 | 31 | 3,087 |
| Other expenses | 519 | 253 | 67 | 24 | 942 | 360 | (169) | 1,996 |
| Restructuring charges | 0 | 0 | 3 | 57 | 0 | 0 | 0 | 60 |
| Total operating expenses | 1,083 | 553 | 481 | 789 | 2,858 | 636 | (140) | 6,260 |

| | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|-------------|--------------|
| Income from continuing operations before taxes and minority interests | 794 | 337 | 151 | 175 | 196 | 863 | (22) | 2,494 |
| Income tax expense | 124 | 80 | 71 | 34 | 14 | 100 | 19 | 442 |
| Minority interests, net of tax | 5 | 1 | 6 | 19 | 53 | 462 | 2 | 548 |
| Income from continuing operations | 665 | 256 | 74 | 122 | 129 | 301 | (43) | 1,504 |
| Income/(loss) from discontinued operations, net of tax | 0 | 0 | (7) | (40) | 0 | 0 | 0 | (47) |
| Net income | 665 | 256 | 67 | 82 | 129 | 301 | (43) | 1,457 |

BIS capital data

| in CHF m, except where indicated | Credit Suisse | | Credit Suisse First Boston | | Credit Suisse Group | |
|--|---------------|----------|----------------------------|----------|---------------------|----------|
| | 30.06.04 | 31.12.03 | 30.06.04 | 31.12.03 | 30.06.04 | 31.12.03 |
| Risk-weighted positions | 91,083 | 85,158 | 82,185 | 80,622 | 185,632 | 176,911 |
| Market risk equivalents | 5,279 | 4,675 | 10,716 | 8,185 | 16,957 | 13,850 |
| Risk-weighted assets | 96,362 | 89,833 | 92,901 | 88,807 | 202,589 | 190,761 |
| Tier 1 capital | 7,689 | 7,362 | 11,488 | 12,062 | 23,485 | 22,287 |
| of which non-cumulative perpetual preferred securities | 0 | 0 | 1,033 | 1,025 | 2,170 | 2,167 |
| Tier 1 ratio | 8.0% | 8.2% | 12.4% | 13.6% | 11.6% | 11.7% |
| Total capital | 10,895 | 10,630 | 20,331 | 20,968 | 32,738 | 33,207 |
| Total capital ratio | 11.3% | 11.8% | 21.9% | 23.6% | 16.2% | 17.4% |

As of January 1, 2004, Credit Suisse Group bases its capital adequacy calculations on US GAAP, which is in accordance with the Swiss Federal Banking Commission (SFBC) newsletter 32 (dated December 18, 2003). The SFBC has advised Credit Suisse Group that it may continue to include as Tier 1 capital CHF 2.2 billion of equity from special purpose entities, which are deconsolidated under FIN 46R, and that Credit Suisse First Boston may include CHF 6.3 billion of such equity as Tier 1 capital. All calculations through December 31, 2003, are on the basis of Swiss GAAP.

Assets under management/client assets

| in CHF bn | 30.06.04 | 31.03.04 | 31.12.03 | Change in % from 31.03.04 | Change in % from 31.12.03 |
|---|--------------|----------|----------|---------------------------|---------------------------|
| Private Banking ¹⁾ | | | | | |
| Assets under management | 537.2 | 540.6 | 511.3 | (0.6) | 5.1 |
| Client assets | 571.5 | 572.6 | 541.0 | (0.2) | 5.6 |
| Corporate & Retail Banking ¹⁾ | | | | | |
| Assets under management | 53.3 | 54.4 | 53.6 | (2.0) | (0.6) |

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| | | | | | |
|--|----------------|---------|---------|-------|-------|
| Client assets | 98.1 | 97.0 | 95.2 | 1.1 | 3.0 |
| Life & Pensions | | | | | |
| Assets under management | 117.4 | 118.6 | 113.8 | (1.0) | 3.2 |
| Client assets | 117.4 | 118.6 | 113.8 | (1.0) | 3.2 |
| Non-Life | | | | | |
| Assets under management | 25.3 | 25.8 | 25.4 | (1.9) | (0.4) |
| Client assets | 25.3 | 25.8 | 25.4 | (1.9) | (0.4) |
| Institutional Securities ²⁾ | | | | | |
| Assets under management | 16.3 | 17.6 | 12.9 | (7.4) | 26.4 |
| Client assets | 94.8 | 97.9 | 84.6 | (3.2) | 12.1 |
| Wealth & Asset Management ²⁾ | | | | | |
| Assets under management ³⁾ | 477.8 | 484.3 | 464.1 | (1.3) | 3.0 |
| Client assets | 496.1 | 502.2 | 482.1 | (1.2) | 2.9 |
| Credit Suisse Group | | | | | |
| Discretionary assets under management | 608.4 | 618.9 | 585.9 | (1.7) | 3.8 |
| Advisory assets under management | 618.9 | 622.4 | 595.2 | (0.6) | 4.0 |
| Total assets under management | 1,227.3 | 1,241.3 | 1,181.1 | (1.1) | 3.9 |
| Total client assets | 1,403.2 | 1,414.1 | 1,342.1 | (0.8) | 4.6 |

Net new assets

| in CHF bn | 2Q2004 | 1Q2004 | 2Q2003 | 6 months | |
|--|--------------|--------|--------|-------------|--------|
| | | | | 2004 | 2003 |
| Private Banking ¹⁾ | 7.9 | 10.8 | 3.7 | 18.7 | 5.2 |
| Corporate & Retail Banking ¹⁾ | (0.3) | 0.9 | 0.0 | 0.6 | 0.2 |
| Life & Pensions | 0.1 | 2.1 | 0.4 | 2.2 | 2.6 |
| Institutional Securities ²⁾ | (0.6) | 1.8 | 1.4 | 1.2 | 1.1 |
| Wealth & Asset Management ^{2) 3)} | 2.0 | 0.0 | (5.1) | 2.0 | (10.2) |
| Credit Suisse Group | 9.1 | 15.6 | 0.4 | 24.7 | (1.1) |

¹⁾ Effective January 1, 2004, corporate client assets in the Corporate & Retail Banking and Private Banking segments have been excluded from Assets under management and Net new assets. There is a minimal advisory role for such clients and the asset flows are often driven more by liquidity requirements than by pure investment reasons. Corporate client assets remain included in the broader metric Client assets. Prior period balances have been adjusted.

²⁾ Certain adjustments have been made to conform to the current presentation.

³⁾ Excluding assets managed on behalf of other entities within Credit Suisse Group.

RISK MANAGEMENT

Credit Suisse Group's overall position risk, measured on the basis of Economic Risk Capital (ERC), increased 3% in the second quarter of 2004 compared with the previous quarter. The increase was due to higher credit, emerging market and real estate risks at Credit Suisse First Boston, partially offset by lower foreign exchange and interest rate risks at Winterthur. The more narrowly defined average Value-at-Risk (VaR) in US dollar terms for the trading book of Credit Suisse First Boston remained unchanged during the second quarter of 2004. The Group's credit-related balance sheet exposure was essentially unchanged as of June 30, 2004, compared with March 31, 2004.

Economic Risk Capital trends

Credit Suisse Group assesses risk and economic capital adequacy using its Economic Risk Capital (ERC) model. ERC is designed to measure all quantifiable risks associated with the Group's activities on a consistent and comprehensive basis. Credit Suisse Group assigns ERC for position risk, operational risk and business risk. Position risk measures the potential annual economic loss associated with market, credit and insurance exposures that is exceeded with a given, small probability (1% for risk management purposes; 0.03% for capital management purposes). It is not a measure of the potential impact on reported earnings, since non-trading activities generally are not marked to market through earnings.

Over the course of the second quarter of 2004, Credit Suisse Group's 1-year, 99% position risk ERC increased by 3%. The increase was due to higher credit, emerging market and real estate risks at Credit Suisse First Boston, partially offset by lower foreign exchange and interest rate risks at Winterthur. The increase in Credit Suisse First Boston's credit risk reflects activity in the strong leveraged and bank finance markets.

At the end of the second quarter of 2004, 52% of the Group's position risk ERC was with Credit Suisse First Boston, 44% was with Credit Suisse Financial Services (of which 68% was with the insurance units and 32% was with the banking units) and 4% was with the Corporate Center.

Trading risks

Credit Suisse Group assumes trading risks through the trading activities of the Institutional Securities segment of Credit Suisse First Boston and – to a lesser extent – the trading activities of the banking segments of Credit Suisse Financial Services. Trading risks are measured using Value-at-Risk (VaR) as one of a range of risk measurement tools. VaR is the potential loss in fair value of trading positions due to adverse market movements over a defined time horizon and for a specified confidence level. In order to show the aggregate market risk in the Group's trading books, the table below shows the trading-related market risk for Credit Suisse First Boston, Credit Suisse Financial Services and Credit Suisse Group on a consolidated basis, as measured by a 10-day VaR scaled to a 1-day holding period and based on a 99% confidence level. This means that there is a one in 100 chance of incurring a daily trading loss that is at least as large as the reported VaR.

Credit Suisse First Boston's average 1-day, 99% VaR in the second quarter of 2004 was CHF 68 million, compared to CHF 66 million during the first quarter of 2004. In US dollar terms, Credit Suisse First Boston's average 1-day, 99% VaR was unchanged at USD 53 million during both the second and first quarters of 2004.

Credit Suisse Financial Services' average 1-day, 99% VaR in the second quarter of 2004 was CHF 12 million, compared to CHF 14 million during the first quarter of 2004. The 18% decrease was mainly due to lower inventory positions in structured investment products.

The segments with trading portfolios use backtesting to assess the accuracy of the VaR model. Daily backtesting profit and loss is compared to VaR with a one-day holding period. Backtesting profit and loss is a subset of actual

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trading revenue and includes only the profit and loss effects due to movements in financial market variables such as interest rates, equity prices and foreign exchange rates on the previous night's positions. It is appropriate to compare this measure with VaR for backtesting purposes, since VaR assesses only the potential change in position value due to overnight movements in financial market variables. On average, an accurate one-day, 99% VaR model should have no more than four backtesting exceptions per year. A backtesting exception occurs when the daily loss exceeds the daily VaR estimate.

Credit Suisse First Boston had one backtesting exception during the second quarter of 2004 (the only one over the last 12 months), as evidenced in the graph entitled "CSFB Backtesting". The histogram entitled "CSFB Trading Revenue Distribution" compares the distribution of daily backtesting profit and loss during the second quarter of 2004 with the distribution of actual trading revenues, which includes fees, commissions, provisions and the profit and loss effects associated with any trading subsequent to the previous night's positions.

Loan exposure

Credit Suisse Group's total gross loan exposure was essentially unchanged at June 30, 2004, compared with March 31, 2004. Loans at Credit Suisse Financial Services increased 1%, while loan exposure at Credit Suisse First Boston was 10% lower.

Compared to March 31, 2004, non-performing loans at Credit Suisse Group declined 7% and total impaired loans declined 11% as of the end of the second quarter of 2004. Reductions were reported in both business units, as was also the case in the first quarter of 2004.

Non-performing loans at Credit Suisse First Boston declined 9%, while total impaired loans were 22% lower. Non-performing loans declined 6% at Credit Suisse Financial Services, while total impaired loans declined 7%.

Provisions for credit losses charged to the income statement for the second quarter of 2004 were CHF 133 million, an increase from the very low CHF 34 million recorded for the first quarter of 2004 as well as the CHF 114 million recorded for the second quarter of 2003. Presented on page 11 are the additions, releases, and recoveries included in calculating the allowance for loan losses.

Coverage of non-performing loans by valuation allowances declined in the second quarter of 2004 at Credit Suisse Group and both business units. Coverage of total impaired loans by valuation allowances increased in the second quarter of 2004 at Credit Suisse Group and Credit Suisse First Boston, while declining at Credit Suisse Financial Services.

Key Position Risk Trends

| in CHF m | <u>Change in % from</u> | | | Change Analysis: Brief Summary |
|------------------------------------|-------------------------|----------|----------|---|
| | 30.06.04 | 31.03.04 | 30.06.03 | 30.06.04 vs 31.03.04 |
| Interest Rate, Credit Spread ERC & | | | | Decrease at Winterthur due to lower foreign exchange and interest rate risks, partially offset by higher interest rate exposures at Credit Suisse First Boston and Credit Suisse Financial Services banking segments. |
| Foreign Exchange ERC | 4,365 | (8%) | (9%) | Lower equity trading risks at Credit Suisse First Boston and Credit Suisse Financial Services banking segments, partially offset by higher private equity positions at Winterthur. |
| Equity Investment ERC | 3,114 | (14%) | 9% | |

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| | | | | |
|---|----------------|--------------|--------------|--|
| Swiss & Retail Lending ERC | 1,742 | (4%) | (11%) | Lower lending risks at Credit Suisse Financial Services banking segments due to a reduction of legacy impaired assets. |
| International Lending ERC & Counterparty ERC | 2,672 | 10% | (8%) | Activity in the strong leveraged and bank finance markets. Increases in emerging market risk at Credit Suisse First Boston due to increases in Brazil and Turkey, partially offset by lower emerging market positions at Winterthur. |
| Emerging Markets ERC Real Estate ERC & Structured Asset ERC ¹⁾ | 2,008 | 9% | 15% | Higher commercial and residential real estate exposures at Credit Suisse First Boston. |
| Insurance Underwriting ERC | 3,447 | 5% | (9%) | No material change. |
| Simple sum across risk categories | 669 | (1%) | (36%) | |
| Diversification benefit | 18,017 | (2%) | (6%) | |
| Total Position Risk ERC | (5,240) | (14%) | (20%) | |
| | 12,777 | 3% | 2% | |

1-year, 99% position risk ERC, excluding foreign exchange translation risk. For an assessment of the total risk profile, operational risk ERC and business risk ERC have to be considered. For a more detailed description of the Group's ERC model, please refer to Credit Suisse Group's Annual Report 2003, which is available on the website: www.credit-suisse.com/annualreport2003. Prior period balances have been restated for methodology changes in order to maintain consistency over time.

¹⁾ This category comprises the real estate investments of Winterthur, Credit Suisse First Boston's commercial real estate exposures, Credit Suisse First Boston's residential real estate exposures, Credit Suisse First Boston's asset-backed securities exposure as well as the real estate acquired at auction and real estate for own use in Switzerland.

Market risk in the Credit Suisse Group trading portfolios (99%, 1-day VaR) ¹⁾

| in CHF m | 2Q2004 | | | | 1Q2004 | | | 31.03.04 |
|---|---------|---------|---------|--------------|---------|---------|---------|----------|
| | Minimum | Maximum | Average | 30.06.04 | Minimum | Maximum | Average | |
| Credit Suisse Financial Services | | | | | | | | |
| Interest rate & credit spread | 2.7 | 4.2 | 3.3 | 2.8 | 3.0 | 5.4 | 3.8 | 3.5 |
| Foreign exchange rate | 1.9 | 3.9 | 2.7 | 3.1 | 1.7 | 6.9 | 2.9 | 4.6 |
| Equity | 5.8 | 15.3 | 9.9 | 8.9 | 7.8 | 30.4 | 12.2 | 12.4 |
| Commodity | 0.6 | 1.7 | 1.1 | 1.1 | 0.4 | 1.6 | 0.7 | 1.4 |
| Diversification benefit | z) | z) | (5.4) | (4.6) | z) | z) | (5.4) | (7.5) |
| Total | 7.2 | 17.2 | 11.6 | 11.3 | 9.6 | 32.8 | 14.2 | 14.4 |

Credit Suisse First Boston

| | | | | | | | | |
|-------------------------------|------|------|------|-------------|------|------|------|------|
| Interest rate & credit spread | 38.1 | 77.0 | 54.4 | 73.3 | 36.6 | 80.8 | 57.6 | 39.5 |
| Foreign exchange rate | 12.0 | 31.1 | 19.6 | 15.3 | 12.1 | 30.1 | 20.2 | 19.7 |

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| | | | | | | | | |
|-------------------------|-------------|--------------|-------------|---------------|-------------|-------------|-------------|-------------|
| Equity | 34.8 | 53.1 | 40.9 | 41.6 | 21.5 | 48.1 | 32.4 | 43.9 |
| Commodity | 0.2 | 0.8 | 0.4 | 0.2 | 0.0 | 1.0 | 0.6 | 0.5 |
| Diversification benefit | ≈) | ≈) | (47.6) | (63.8) | ≈) | ≈) | (44.5) | (39.9) |
| Total | 49.1 | 104.5 | 67.7 | 66.6 | 46.5 | 90.0 | 66.3 | 63.7 |

Credit Suisse Group³⁾

| | | | | | | | | |
|-------------------------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|
| Interest rate & credit spread | 41.0 | 73.2 | 56.5 | 73.2 | 39.8 | 73.9 | 59.0 | 39.8 |
| Foreign exchange rate | 13.5 | 15.9 | 14.7 | 19.7 | 12.7 | 20.6 | 17.6 | 19.7 |
| Equity | 39.8 | 44.7 | 43.0 | 47.7 | 31.1 | 47.7 | 40.8 | 47.7 |
| Commodity | 0.6 | 1.0 | 0.8 | 1.3 | 0.6 | 1.3 | 0.8 | 1.3 |
| Diversification benefit | ≈) | ≈) | (45.2) | (73.2) | ≈) | ≈) | (39.4) | (42.6) |
| Total | 66.3 | 74.4 | 69.8 | 68.7 | 65.9 | 91.1 | 78.8 | 65.9 |

¹⁾ Represents 10-day VaR scaled to a 1-day holding period.

²⁾ As the minimum and maximum occur on different days for different risk types, it is not meaningful to calculate a portfolio diversification benefit.

³⁾ The VaR estimates for Credit Suisse Group are performed on a monthly basis and the VaR statistics for Credit Suisse Group therefore refer to monthly numbers. The consolidated VaR estimates for Credit Suisse Group are net of diversification benefits between Credit Suisse First Boston and Credit Suisse Financial Services.

CSFB backtesting

CSFB trading revenue distribution, 2nd quarter of 2004

Loans outstanding

| in CHF m | Credit Suisse Financial Services | | | Credit Suisse First Boston | | | Credit Suisse Group | | |
|------------------------------------|-------------------------------------|----------|----------|-------------------------------|----------|----------|------------------------|----------|----------|
| | 30.06.04 | 31.03.04 | 31.12.03 | 30.06.04 | 31.03.04 | 31.12.03 | 30.06.04 | 31.03.04 | 31.12.03 |
| Consumer loans: | | | | | | | | | |
| Mortgages | 71,721 | 70,505 | 68,083 | 0 | 0 | 0 | 71,721 | 70,505 | 68,083 |
| Loans collateralized by securities | 14,991 | 13,563 | 14,379 | 0 | 0 | 0 | 14,991 | 13,563 | 14,379 |
| Other | 2,377 | 3,261 | 2,339 | 452 | 992 | 1,172 | 2,829 | 4,253 | 3,511 |
| Consumer loans | 89,089 | 87,329 | 84,801 | 452 | 992 | 1,172 | 89,541 | 88,321 | 85,973 |
| Corporate loans: | | | | | | | | | |
| Real estate | 30,033 | 30,480 | 30,174 | 452 | 318 | 188 | 30,485 | 30,798 | 30,362 |

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| | | | | | | | | | |
|--|----------------|---------|---------|----------------|---------|---------|----------------|---------|---------|
| Commercial & industrial loans | 35,212 | 35,579 | 34,097 | 14,199 | 14,105 | 13,859 | 49,411 | 49,684 | 47,956 |
| Loans to financial institutions | 9,637 | 9,272 | 8,374 | 3,467 | 4,562 | 4,473 | 13,104 | 13,834 | 12,847 |
| Governments and public institutions | 4,004 | 3,444 | 3,429 | 511 | 1,172 | 1,152 | 4,515 | 4,616 | 4,581 |
| Corporate loans | 78,886 | 78,775 | 76,074 | 18,629 | 20,157 | 19,672 | 97,515 | 98,932 | 95,746 |
| Loans, gross | 167,975 | 166,104 | 160,875 | 19,081 | 21,149 | 20,844 | 187,056 | 187,253 | 181,719 |
| (Unearned income)/deferred expenses, net | 130 | 129 | 131 | (41) | (38) | (25) | 89 | 91 | 106 |
| Allowance for loan losses | (2,733) | (2,990) | (3,263) | (1,057) | (1,199) | (1,383) | (3,790) | (4,189) | (4,646) |
| Total loans, net | 165,372 | 163,243 | 157,743 | 17,983 | 19,912 | 19,436 | 183,355 | 183,155 | 177,179 |

This disclosure presents the lending exposure of the Group from a risk management perspective. This presentation differs from other disclosures in this document.

Total loan portfolio exposure and allowance for loan losses

| in CHF m | Credit Suisse Financial Services | | | Credit Suisse First Boston | | | Credit Suisse Group | | |
|--|-------------------------------------|----------|----------|-------------------------------|----------|----------|------------------------|----------|----------|
| | 30.06.04 | 31.03.04 | 31.12.03 | 30.06.04 | 31.03.04 | 31.12.03 | 30.06.04 | 31.03.04 | 31.12.03 |
| Non-performing loans | 1,602 | 1,667 | 1,981 | 938 | 970 | 996 | 2,540 | 2,637 | 2,977 |
| Non-interest earning loans | 1,382 | 1,506 | 1,523 | 13 | 70 | 246 | 1,394 | 1,575 | 1,769 |
| Total non-performing loans | 2,984 | 3,173 | 3,504 | 951 | 1,040 | 1,242 | 3,934 | 4,212 | 4,746 |
| Restructured loans | 57 | 14 | 27 | 6 | 239 | 256 | 64 | 253 | 283 |
| Potential problem loans | 1,425 | 1,611 | 1,817 | 322 | 354 | 361 | 1,747 | 1,965 | 2,178 |
| Total other impaired loans | 1,482 | 1,625 | 1,844 | 328 | 593 | 617 | 1,811 | 2,218 | 2,461 |
| Total impaired loans | 4,466 | 4,798 | 5,348 | 1,279 | 1,633 | 1,859 | 5,745 | 6,430 | 7,207 |
| Loans, gross | 167,975 | 166,104 | 160,875 | 19,081 | 21,149 | 20,844 | 187,056 | 187,253 | 181,719 |
| (Unearned income)/deferred expenses, net | 130 | 129 | 131 | (41) | (38) | (25) | 89 | 91 | 106 |
| Allowance for loan losses | (2,733) | (2,990) | (3,263) | (1,057) | (1,199) | (1,383) | (3,790) | (4,189) | (4,646) |
| Total loans, net | 165,372 | 163,243 | 157,743 | 17,983 | 19,912 | 19,436 | 183,355 | 183,155 | 177,179 |
| Valuation allowances as % of | | | | | | | | | |
| Total non-performing loans | 91.6% | 94.2% | 93.1% | 111.1% | 115.3% | 111.4% | 96.3% | 99.5% | 97.9% |
| Total impaired loans | 61.2% | 62.3% | 61.0% | 82.6% | 73.4% | 74.4% | 66.0% | 65.1% | 64.5% |

Allowance for loan losses

| in CHF m | Credit Suisse Financial Services | | | Credit Suisse First Boston | | | Credit Suisse Group | | |
|------------------------------------|-------------------------------------|--------|--------|-------------------------------|--------|--------|------------------------|--------|--------|
| | 2Q2004 | 1Q2004 | 2Q2003 | 2Q2004 | 1Q2004 | 2Q2003 | 2Q2004 | 1Q2004 | 2Q2003 |
| Balance beginning of period | 2,990 | 3,263 | 3,892 | 1,199 | 1,383 | 2,983 | 4,189 | 4,646 | 6,875 |

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| | | | | | | | | | |
|--|--------------|-------|-------|--------------|-------|-------|--------------|-------|-------|
| New provisions | 146 | 127 | 134 | 174 | 38 | 127 | 319 | 165 | 261 |
| Releases of provisions | (93) | (64) | (82) | (89) | (67) | (64) | (181) | (131) | (147) |
| Net additions charged to income statement | 53 | 63 | 52 | 85 | (29) | 63 | 138 | 34 | 114 |
| Gross write-offs | (309) | (380) | (428) | (247) | (210) | (193) | (556) | (590) | (621) |
| Recoveries | 7 | 6 | 6 | 12 | 5 | 6 | 20 | 11 | 12 |
| Net write-offs | (302) | (374) | (422) | (235) | (205) | (187) | (536) | (579) | (609) |
| Allowances acquired | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Provisions for interest | 2 | 10 | 12 | 11 | 13 | 13 | 11 | 24 | 25 |
| Foreign currency translation impact and other adjustments, net | (10) | 28 | 26 | (3) | 37 | (2) | (12) | 64 | 25 |
| Balance end of period | 2,733 | 2,990 | 3,561 | 1,057 | 1,199 | 2,870 | 3,790 | 4,189 | 6,431 |

Provision for credit losses disclosed in the income statement also includes provisions for lending related exposure.

REVIEW OF BUSINESS UNITS | CREDIT SUISSE FINANCIAL SERVICES

Credit Suisse Financial Services recorded strong net income of CHF 1,070 million in the second quarter of 2004. The Private Banking segment reported continued good revenue generation and net new assets of CHF 7.9 billion. Corporate & Retail Banking posted a strong result, benefiting from gains on interest rate derivatives. Life & Pensions and Non-Life, the insurance segments, recorded a good operating performance as well as solid investment income.

Credit Suisse Financial Services reported net income of CHF 1,070 million in the second quarter of 2004. This result compares to a net loss of CHF 646 million in the second quarter of 2003, which included a goodwill impairment charge of CHF 1,510 million at Life & Pensions during that period. The improvement in the business unit's underlying operating result was attributable to strong growth in revenues and its continued focus on improving process efficiency. Net income in the second quarter of 2004 was slightly below the strong first quarter.

Private Banking recorded net income of CHF 665 million in the second quarter of 2004, driven by solid net revenues. Additionally, the segment achieved good annualized net new asset growth of 5.8%. Corporate & Retail Banking posted strong quarterly net income of CHF 256 million, based on a good operating performance and benefiting from gains on interest rate derivatives. Life & Pensions and Non-Life posted net income of CHF 67 million and CHF 82 million, respectively, in the second quarter of 2004. Both insurance segments recorded a good operating performance

as well as solid investment income. At Non-Life, second quarter net income was negatively impacted by restructuring charges, related primarily to the streamlining of its Spanish operations, and by provisions related to discontinued businesses in the United Kingdom and France.

Private Banking

In the second quarter of 2004, Private Banking reported net income of CHF 665 million, up CHF 264 million, or 66%, versus the second quarter of 2003 and practically unchanged compared to the first quarter of 2004. The segment continued to benefit from its powerful franchise and its expertise in the areas of product innovation and distribution. Private Banking recorded solid revenues and achieved sustained growth in net new assets over the quarter.

Net revenues totaled CHF 1,869 million in the second quarter of 2004, representing an increase of 26% versus the second quarter of 2003. This rise was due to higher commissions and fees – reflecting increased product issuing volumes – and a higher asset base, while brokerage revenues remained stable versus the second quarter of 2003. Net interest income benefited primarily from dividend income from the equity portfolio. This was partially offset by the lower ex-dividend value of the equity portfolio reported in trading revenues. Excluding this effect, trading revenues were strong. Additionally, trading revenues were positively impacted by a change in the fair value of interest rate derivatives in the amount of CHF 57 million, whereas the same effect led to a negative impact of CHF 55 million in the second quarter of 2003. Compared to the first quarter of 2004, net revenues decreased 4%, mainly driven by lower brokerage income.

Total operating expenses amounted to CHF 1,083 million in the second quarter of 2004, up 14% compared to the second quarter of 2003. Efficiency improvements were more than offset by higher incentive-related compensation accruals – reflecting the stronger results – as well as by higher commission expenses.

The cost/income ratio improved to 57.9% for the second quarter of 2004, compared to 64.1% in the second quarter of the previous year. Private Banking's gross margin remained high at 139.1 basis points in the second quarter of 2004, representing a decrease of 7.2 basis points versus the previous quarter but an increase of 14.5 basis points compared to the second quarter of 2003.

Private Banking continued to generate good net new asset inflows. The segment reported CHF 7.9 billion in net new assets in the second quarter of 2004 – representing an annualized growth rate of 5.8%, exceeding its mid-term target rate of 5% – with inflows from all major regions. Assets under management stood at CHF 537.2 billion at the end of the second quarter of 2004, down CHF 3.4 billion, or 0.6%, from the end of the first quarter. Net asset inflow was more than offset by market valuations and foreign exchange impacts. Compared to the end of the second quarter of 2003, assets under management were up CHF 44.0 billion, or 8.9%.

Corporate & Retail Banking

Corporate & Retail Banking recorded strong net income of CHF 256 million in the second quarter of 2004, up CHF 93 million, or 57%, versus the corresponding period of 2003, and up CHF 67 million, or 35%, from the previous quarter. This result reflects the positive change in the fair value of interest rate derivatives, as well as the segment's continuing efforts to further enhance profitability by strengthening its client focus and increasing the efficiency of operating processes.

Second quarter net revenues amounted to CHF 950 million, up 20% versus the second quarter of 2003. This improved performance was partly due to an increase in commissions and fees, which is in line with Corporate & Retail Banking's strategy of sharpening its focus on retail investment products and increasing commission-based revenues in lending and payment services. Trading revenues benefited from gains on interest rate derivatives used for risk management purposes but not qualifying for hedge accounting. This had a positive impact of CHF 136 million in the second quarter of 2004, whereas the same effect led to a positive impact of CHF 3 million in the second quarter of 2003 and a negative impact of CHF 31 million in the first quarter of 2004.

Provisions for credit losses remained moderate at CHF 60 million, due to the continued favorable risk profile of the lending portfolio. Total impaired loans declined CHF 326 million to CHF 4.1 billion as of June 30, 2004, compared to the end of the previous quarter.

In the second quarter of 2004, total operating expenses increased CHF 19 million, or 4%, versus the corresponding period of 2003. Efficiency improvements were more than offset by higher incentive-related compensation accruals, reflecting the better result.

The return on average allocated capital increased to 20.4% in the second quarter of 2004, compared to 12.9% in the second quarter of 2003. Corporate & Retail Banking further improved its cost/income ratio to 58.2%, down 9.5 percentage points compared to the second quarter of 2003.

Life & Pensions

In the first half of 2004, Life & Pensions reported net income of CHF 206 million, compared to a net loss of CHF 1,818 million in the corresponding period of the previous year. A goodwill impairment of CHF 1,510 million and the cumulative effect of a change in accounting for provisions for policyholder guarantees and annuities, both of which were recognized in the first half of 2003, were the primary drivers behind this year-on-year improvement. Additionally, a high level of investment income and lower administration expenses in the first half of 2004 contributed to the increase in Life & Pensions' net income.

Compared to the first quarter of 2004, net income decreased CHF 72 million to CHF 67 million in the second quarter of 2004, due primarily to lower realized investment gains.

The total business volume, which includes deposits from policyholders and gross premiums written on traditional business, increased 1% in the first half of 2004 compared to the first half of 2003. Deposit business, which includes investment-type products such as unit-linked policies, increased 20%, or CHF 477 million, in the first half of 2004 versus the corresponding period of the previous year, reflecting Life & Pensions' increased strategic focus on such products. In its traditional business lines, the segment reported gross premiums written of CHF 6,683 million in the first half of 2004, representing a decrease of 6%, or CHF 402 million, compared to the corresponding period of the previous year. Net new assets amounted to CHF 2.2 billion in the first half of 2004, compared to CHF 2.6 billion in the first half of 2003.

Net investment income increased CHF 266 million to CHF 2,403 million versus the first half of the previous year. This improvement reflects the lower losses and impairments on equity investments, as well as a high level of realized gains reported primarily in the first quarter of 2004. In the first half of 2004, the return on investments allocated to traditional life policies amounted to 5.1%, compared to 4.7% in the first half of 2003. Current income was 3.9%, essentially unchanged versus the first half of 2003, and net realized gains increased to 1.2%.

In the first half of 2004, insurance underwriting and acquisition expenses increased by 14%, driven mainly by increased amortization of the present value of future profits (PVFP) as a result of the high level of investment income during the same period. Administration expenses were down CHF 73 million compared to the first half of 2003, due mainly to further efficiency gains. The expense ratio improved by 0.5 percentage points to 8.5%. Return on average allocated capital amounted to 7.9% in the first half of 2004.

In May 2004, Life & Pensions announced the divestiture of Personal Pension Management Limited (PPML) – a wholly owned subsidiary of Winterthur Life UK – to the Capita Group Plc. This transaction was completed in July 2004. The sale of PPML will enable Winterthur Life UK to focus increasingly on its core business.

Non-Life

Net income for the first half of 2004 stood at CHF 185 million, compared to CHF 183 million for the corresponding period of the previous year. Non-Life reported improved underwriting results and higher investment income in the

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first half of 2004, partially offset by provisions relating to discontinued businesses in the United Kingdom and France, as well as restructuring charges related primarily to the streamlining of its Spanish operations.

Net income in the second quarter of 2004 decreased CHF 21 million to CHF 82 million compared to the previous quarter. This decrease reflects the above-mentioned provisions and restructuring charges as well as a lower investment result.

In the first half of 2004, net premiums earned increased CHF 449 million, or 9%, to CHF 5,484 million, compared to the corresponding period of the previous year, driven to a significant extent by tariff increases across all major markets.

In the first half of 2004, Non-Life reported a significant increase in net investment income of CHF 179 million, to CHF 599 million, compared to the first half of 2003. This strong result reflects a lower level of impairments and losses on equity investments and high net realized gains reported primarily in the first quarter of 2004. In the first half of 2004, the total investment return was 4.8%, compared to 3.9% in the first half of 2003. Current income stood at 3.5% and realized gains/losses were 1.3%.

The combined ratio improved by 1.6 percentage points to 99.0% in the first half of 2004 and stood at 97.5% in the second quarter of 2004. The claims ratio stood at 74.0%, essentially unchanged versus the first half of 2003. The expense ratio decreased 1.8 percentage points to 25.0% in the first half of the year, compared to the corresponding period of 2003, as the increase in expenses was contained to 1% compared to net premium growth of 9%.

Non-Life reported a net loss from discontinued operations of CHF 103 million in the first half of 2004, compared to net income of CHF 62 million in the first half of 2003. This result was due mainly to provisions related to the sale of Non-Life's French subsidiary Rhodia Assurances S.A., as well as charges that arose in the first half of 2004 in respect to risks retained on the business sold in the United Kingdom in 2003.

Credit Suisse Financial Services

| in CHF m, except where indicated | 2Q2004 | 1Q2004 | 2Q2003 | Change | Change | 6 months | | Change |
|--|---------------|--------|---------|-----------|-----------|---------------|--------|-----------|
| | | | | in % from | in % from | 2004 | 2003 | in % from |
| Net revenues | 9,039 | 11,880 | 8,370 | (24) | 8 | 20,919 | 19,342 | 8 |
| Total benefits, claims and credit losses | 4,676 | 7,647 | 4,692 | (39) | 0 | 12,323 | 12,117 | 2 |
| Total operating expenses | 2,906 | 2,751 | 4,189 | 6 | (31) | 5,657 | 6,902 | (18) |
| Net income/(loss) | 1,070 | 1,112 | (646) | (4) | - | 2,182 | (520) | - |
| Cost/income ratio banking segments | 58.0% | 57.5% | 65.4% | - | - | -57.8% | 65.3% | - |
| Return on average allocated capital | 27.0% | 28.4% | (13.8%) | - | - | -27.6% | (5.6%) | - |
| Average allocated capital | 16,316 | 15,804 | 18,477 | 3 | (12) | 16,144 | 18,444 | (12) |

Change
in % from

Change
in % from

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| | 30.06.04 | 31.03.04 | 31.12.03 | 31.03.04 | 31.12.03 |
|---|---------------|----------|----------|----------|----------|
| Assets under management in CHF bn | 733.2 | 739.4 | 704.1 | (1) | 4 |
| Number of employees (full-time equivalents) | 39,857 | 40,531 | 41,195 | (2) | (3) |

Private Banking income statement

| in CHF m | 2Q2004 | 1Q2004 | 2Q2003 | 1Q2004 | 2Q2003 | 6 months | | Change in % from 2003 |
|---|--------------|--------|--------|--------|--------|--------------|-------|-----------------------|
| | | | | | | 2004 | 2003 | |
| Net interest income | 648 | 411 | 399 | 58 | 62 | 1,059 | 744 | 42 |
| Commissions and fees | 1,178 | 1,292 | 1,069 | (9) | 10 | 2,470 | 2,065 | 20 |
| Trading revenues including realized gains/(losses) from investment securities, net | 9 | 181 | (1) | (95) | – | 190 | 126 | 51 |
| Other revenues | 34 | 56 | 11 | (39) | 209 | 90 | 30 | 200 |
| Total noninterest revenues | 1,221 | 1,529 | 1,079 | (20) | 13 | 2,750 | 2,221 | 24 |
| Net revenues | 1,869 | 1,940 | 1,478 | (4) | 26 | 3,809 | 2,965 | 28 |
| Provision for credit losses | (8) | 6 | 5 | – | – | (2) | 16 | – |
| Compensation and benefits | 564 | 582 | 509 | (3) | 11 | 1,146 | 1,004 | 14 |
| Other expenses | 519 | 493 | 438 | 5 | 18 | 1,012 | 897 | 13 |
| Restructuring charges | 0 | (2) | 1 | – | – | (2) | 1 | – |
| Total operating expenses | 1,083 | 1,073 | 948 | 1 | 14 | 2,156 | 1,902 | 13 |
| Income from continuing operations before taxes, minority interests and extraordinary items | 794 | 861 | 525 | (8) | 51 | 1,655 | 1,047 | 58 |
| Income tax expense | 124 | 175 | 121 | (29) | 2 | 299 | 247 | 21 |
| Minority interests, net of tax | 5 | 5 | 4 | 0 | 25 | 10 | 7 | 43 |
| Income from continuing operations before extraordinary items | 665 | 681 | 400 | (2) | 66 | 1,346 | 793 | 70 |
| Income/(loss) from discontinued operations, net of tax | 0 | 0 | 0 | – | – | 0 | (1) | – |
| Extraordinary items, net of tax | 0 | 0 | 1 | – | – | 0 | 5 | – |
| Net income | 665 | 681 | 401 | (2) | 66 | 1,346 | 797 | 69 |

Private Banking key information

6 months

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| | 2Q2004 | 1Q2004 | 2Q2003 | 2004 | 2003 |
|---|-----------------|----------|----------|-----------------|----------|
| Cost/income ratio | 57.9% | 55.3% | 64.1% | 56.6% | 64.1% |
| Gross margin | 139.1 bp | 146.3 bp | 124.6 bp | 142.7 bp | 126.9 bp |
| of which asset-driven ¹⁾ | 80.9 bp | 81.7 bp | 77.4 bp | 81.3 bp | 78.6 bp |
| of which transaction-driven ¹⁾ | 47.7 bp | 56.8 bp | 46.8 bp | 52.2 bp | 43.9 bp |
| of which other ¹⁾ | 10.5 bp | 7.8 bp | 0.4 bp | 9.2 bp | 4.4 bp |
| Net margin | 49.9 bp | 51.8 bp | 34.1 bp | 50.8 bp | 34.4 bp |
| Net new assets in CHF bn | 7.9 | 10.8 | 3.7 | 18.7 | 5.2 |
| Average allocated capital in CHF m | 3,414 | 3,228 | 2,955 | 3,317 | 2,850 |

¹⁾ Prior periods have been reclassified to conform to the current presentation.

| | 30.06.04 | 31.03.04 | 31.12.03 | Change in % from 31.03.04 | Change in % from 31.12.03 |
|--|---------------|----------|----------|---------------------------------|---------------------------------|
| Assets under management in CHF bn | 537.2 | 540.6 | 511.3 | (1) | 5 |
| Total assets in CHF bn | 194.2 | 197.8 | 174.9 | (2) | 11 |
| Number of employees (full-time equivalents) | 11,989 | 11,784 | 11,850 | 2 | 1 |

Corporate & Retail Banking income statement

| in CHF m | 2Q2004 | 1Q2004 | 2Q2003 | 1Q2004 | 2Q2003 | 6 months | | Change in % from |
|--|------------|--------|--------|--------|--------|--------------|-------|---------------------|
| | | | | | | 2004 | 2003 | 2003 |
| Net interest income | 523 | 536 | 585 | (2) | (11) | 1,059 | 1,135 | (7) |
| Commissions and fees | 208 | 208 | 170 | 0 | 22 | 416 | 343 | 21 |
| Trading revenues including realized gains/(losses) from investment securities, net | 197 | 23 | (1) | – | – | 220 | 26 | – |
| Other revenues | 22 | 20 | 35 | 10 | (37) | 42 | 59 | (29) |
| Total noninterest revenues | 427 | 251 | 204 | 70 | 109 | 678 | 428 | 58 |
| Net revenues | 950 | 787 | 789 | 21 | 20 | 1,737 | 1,563 | 11 |
| Provision for credit losses | 60 | 48 | 39 | 25 | 54 | 108 | 89 | 21 |
| Compensation and benefits | 300 | 275 | 281 | 9 | 7 | 575 | 562 | 2 |
| Other expenses | 253 | 219 | 253 | 16 | 0 | 472 | 492 | (4) |
| Total operating expenses | 553 | 494 | 534 | 12 | 4 | 1,047 | 1,054 | (1) |
| Income from continuing operations before taxes and minority interests | 337 | 245 | 216 | 38 | 56 | 582 | 420 | 39 |

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| | | | | | | | | |
|--------------------------------|------------|-----|-----|----|----|------------|-----|----|
| Income tax expense | 80 | 56 | 52 | 43 | 54 | 136 | 101 | 35 |
| Minority interests, net of tax | 1 | 0 | 1 | – | 0 | 1 | 1 | 0 |
| Net income | 256 | 189 | 163 | 35 | 57 | 445 | 318 | 40 |

Corporate & Retail Banking key information

| | 2Q2004 | 1Q2004 | 2Q2003 | 6 months | |
|-------------------------------------|--------------|--------|--------|--------------|-------|
| | | | | 2004 | 2003 |
| Cost/income ratio | 58.2% | 62.8% | 67.7% | 60.3% | 67.4% |
| Net new assets in CHF bn | (0.3) | 0.9 | 0.0 | 0.6 | 0.2 |
| Return on average allocated capital | 20.4% | 15.1% | 12.9% | 17.7% | 12.7% |
| Average allocated capital in CHF m | 5,050 | 5,001 | 5,084 | 5,035 | 5,043 |

| | 30.06.04 | 31.03.04 | 31.12.03 | Change | Change |
|---|--------------|----------|----------|-----------------------|-----------------------|
| | | | | in % from 31.03.04 | in % from 31.12.03 |
| Assets under management in CHF bn | 53.3 | 54.4 | 53.6 | (2) | (1) |
| Total assets in CHF bn | 101.9 | 101.5 | 98.5 | 0 | 3 |
| Mortgages in CHF bn | 61.5 | 60.8 | 59.8 | 1 | 3 |
| Other loans in CHF bn | 25.8 | 25.9 | 25.1 | 0 | 3 |
| Number of branches | 214 | 214 | 214 | – | – |
| Number of employees (full-time equivalents) | 8,160 | 8,265 | 8,479 | (1) | (4) |

Life & Pensions income statement

| in CHF m | 2Q2004 | 1Q2004 | 2Q2003 | Change | Change | 6 months | | Change |
|--|--------------|--------|--------|---------------------|---------------------|--------------|-------|-------------------|
| | | | | in % from 1Q2004 | in % from 2Q2003 | 2004 | 2003 | in % from 2003 |
| Gross premiums written | 2,042 | 4,641 | 2,103 | (56) | (3) | 6,683 | 7,085 | (6) |
| Net premiums earned | 2,030 | 4,612 | 2,091 | (56) | (3) | 6,642 | 7,041 | (6) |
| Net investment income | 1,092 | 1,311 | 1,136 | (17) | (4) | 2,403 | 2,137 | 12 |
| Other revenues including fees, net revenues from deposit business general and separate account ¹⁾ | 103 | 105 | 115 | (2) | (10) | 208 | 203 | 2 |
| Net revenues | 3,225 | 6,028 | 3,342 | (46) | (4) | 9,253 | 9,381 | (1) |
| Policyholder benefits incurred | 2,334 | 4,959 | 2,479 | (53) | (6) | 7,293 | 7,922 | (8) |

| | | | | | | | | |
|--|--------------|-------|---------|------|------|--------------|---------|------|
| Dividends to policyholders incurred | 257 | 421 | 229 | (39) | 12 | 678 | 252 | 169 |
| Provision for credit losses | 2 | (1) | 4 | – | (50) | 1 | 0 | – |
| Total benefits, dividends and credit losses | 2,593 | 5,379 | 2,712 | (52) | (4) | 7,972 | 8,174 | (2) |
| Insurance underwriting and acquisition expenses | 153 | 164 | 119 | (7) | 29 | 317 | 278 | 14 |
| Administration expenses | 258 | 237 | 266 | 9 | (3) | 495 | 568 | (13) |
| Other expenses ¹⁾ | 67 | 49 | 17 | 37 | 294 | 116 | 59 | 97 |
| Goodwill impairment | 0 | 0 | 1,510 | – | – | 0 | 1,510 | – |
| Restructuring charges | 3 | 2 | 10 | 50 | (70) | 5 | 23 | (78) |
| Total operating expenses | 481 | 452 | 1,922 | 6 | (75) | 933 | 2,438 | (62) |
| Income/(loss) from continuing operations before taxes, minority interests and cumulative effect of accounting changes | 151 | 197 | (1,292) | (23) | – | 348 | (1,231) | – |
| Income tax expense ¹⁾ | 71 | 51 | 19 | 39 | 274 | 122 | 107 | 14 |
| Minority interests, net of tax | 6 | 7 | 1 | (14) | 500 | 13 | (3) | – |
| Income/(loss) from continuing operations before cumulative effect of accounting changes | 74 | 139 | (1,312) | (47) | – | 213 | (1,335) | – |
| Income/(loss) from discontinued operations, net of tax ¹⁾ | (7) | (1) | 11 | – | – | (8) | 46 | – |
| Cumulative effect of accounting changes, net of tax | 0 | 1 | 0 | – | – | 1 | (529) | – |
| Net income/(loss) | 67 | 139 | (1,301) | (52) | – | 206 | (1,818) | – |

¹⁾ Prior periods have been adjusted for discontinued operations.

Life & Pensions key information

| in CHF m, except where indicated | 2Q2004 | 1Q2004 | 2Q2003 | 6 months | |
|-------------------------------------|--------|--------|---------|----------|---------|
| | | | | 2004 | 2003 |
| Total business volume ¹⁾ | 3,460 | 6,067 | 3,259 | 9,527 | 9,452 |
| Expense ratio ²⁾ | 11.9% | 6.6% | 11.8% | 8.5% | 9.0% |
| Return on average allocated capital | 5.2% | 10.9% | (72.8%) | 7.9% | (52.6%) |
| Average allocated capital in CHF m | 5,565 | 5,365 | 7,147 | 5,523 | 6,918 |

¹⁾ Includes gross premiums written and policyholder deposits.

²⁾ Insurance underwriting, acquisition and administration expenses as a percentage of total business volume.

Change Change

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| | 30.06.04 | 31.03.04 | 31.12.03 | in % from 31.03.04 | in % from 31.12.03 |
|--|--------------|----------|----------|-----------------------|-----------------------|
| Assets under management (discretionary) in CHF bn ¹⁾ | 117.4 | 118.6 | 113.8 | (1) | 3 |
| Technical provisions in CHF bn | 108.8 | 110.0 | 104.7 | (1) | 4 |
| Number of employees (full-time equivalents) | 6,478 | 7,038 | 7,193 | (8) | (10) |

¹⁾ Based on savings-related provisions for policyholders plus off-balance sheet assets.

Life & Pensions investment income

| in CHF m | 2Q2004 | 1Q2004 | 2Q2003 | Change | Change | 6 months | | Change |
|--|--------------|--------|--------|---------------------|---------------------|--------------|-------|-------------------|
| | | | | in % from 1Q2004 | in % from 2Q2003 | 2004 | 2003 | in % from 2003 |
| Net current investment income | 1,046 | 1,002 | 995 | 4 | 5 | 2,048 | 1,947 | 5 |
| of which backing traditional life policies | 984 | 934 | 935 | 5 | 5 | 1,918 | 1,850 | 4 |
| of which backing unit-linked liabilities general account | 62 | 68 | 60 | (9) | 3 | 130 | 97 | 34 |
| Realized gains/(losses), net | 287 | 579 | 838 | (50) | (66) | 866 | 807 | 7 |
| of which backing traditional life policies | 148 | 447 | 252 | (67) | (41) | 595 | 372 | 60 |
| of which backing unit-linked liabilities general account | 139 | 132 | 586 | 5 | (76) | 271 | 435 | (38) |
| Net investment income before credited investment income to deposit business general account | 1,333 | 1,581 | 1,833 | (16) | (27) | 2,914 | 2,754 | 6 |
| Credited investment income to deposit business general account | (241) | (270) | (697) | (11) | (65) | (511) | (617) | (17) |
| Net investment income | 1,092 | 1,311 | 1,136 | (17) | (4) | 2,403 | 2,137 | 12 |
| Investment income separate account | (56) | 9 | 232 | – | – | (47) | 161 | – |

Life & Pensions investment return

| in %, except where indicated | 2Q2004 | 1Q2004 | 2Q2003 | 6 months | |
|--|-------------|--------|--------|-------------|------|
| | | | | 2004 | 2003 |
| Net current investment return backing traditional life policies | 4.0% | 3.8% | 3.9% | 3.9% | 3.9% |
| Realized gains/(losses) backing traditional life policies | 0.6% | 1.8% | 1.1% | 1.2% | 0.8% |
| Net investment return backing | 4.6% | 5.6% | 5.0% | 5.1% | 4.7% |

traditional life policies

| | | | | | |
|--|-------------|------|------|-------------|------|
| Average assets backing traditional life policies in CHF bn | 98.0 | 98.7 | 95.2 | 97.8 | 93.9 |
|--|-------------|------|------|-------------|------|

Non-Life income statement

| in CHF m | 2Q2004 | 1Q2004 | 2Q2003 | Change in % from 1Q2004 | Change in % from 2Q2003 | 6 months | | Change in % from 2003 |
|---|--------------|---------|--------|-------------------------------|-------------------------------|----------------|---------|-----------------------------|
| | | | | | | 2004 | 2003 | |
| Gross premiums written | 2,099 | 5,471 | 2,095 | (62) | 0 | 7,570 | 7,062 | 7 |
| Reinsurance ceded | (17) | (251) | (56) | (93) | (70) | (268) | (340) | (21) |
| Change in provisions for unearned premiums | 597 | (2,415) | 489 | – | 22 | (1,818) | (1,687) | 8 |
| Net premiums earned | 2,679 | 2,805 | 2,528 | (4) | 6 | 5,484 | 5,035 | 9 |
| Net investment income | 281 | 318 | 228 | (12) | 23 | 599 | 420 | 43 |
| Other revenues including fees | 35 | 2 | 5 | – | – | 37 | (22) | – |
| Net revenues | 2,995 | 3,125 | 2,761 | (4) | 8 | 6,120 | 5,433 | 13 |
| Claims and annuities incurred | 1,904 | 2,155 | 1,863 | (12) | 2 | 4,059 | 3,717 | 9 |
| Dividends to policyholders incurred | 128 | 59 | 74 | 117 | 73 | 187 | 122 | 53 |
| Provision for credit losses | (1) | 0 | (1) | – | 0 | (1) | (1) | 0 |
| Total claims, dividends and credit losses | 2,031 | 2,214 | 1,936 | (8) | 5 | 4,245 | 3,838 | 11 |
| Insurance underwriting and acquisition expenses | 388 | 366 | 370 | 6 | 5 | 754 | 741 | 2 |
| Administration expenses | 320 | 295 | 294 | 8 | 9 | 615 | 609 | 1 |
| Other expenses | 24 | 67 | 96 | (64) | (75) | 91 | 122 | (25) |
| Restructuring charges | 57 | 4 | 25 | – | 128 | 61 | 36 | 69 |
| Total operating expenses | 789 | 732 | 785 | 8 | 1 | 1,521 | 1,508 | 1 |
| Income/(loss) from continuing operations before taxes and minority interests | 175 | 179 | 40 | (2) | 338 | 354 | 87 | 307 |
| Income tax expense/(benefit) | 34 | 14 | (3) | 143 | – | 48 | (36) | – |
| Minority interests, net of tax | 19 | (1) | 3 | – | – | 18 | 2 | – |
| Income from continuing operations | 122 | 166 | 40 | (27) | 205 | 288 | 121 | 138 |
| Income/(loss) from discontinued operations, net of tax | (40) | (63) | 51 | (37) | – | (103) | 62 | – |
| Net income | 82 | 103 | 91 | (20) | (10) | 185 | 183 | 1 |

Non-Life key information

| in %, except where indicated | 2Q2004 | 1Q2004 | 2Q2003 | 6 months | |
|-------------------------------------|--------------|--------|--------|--------------|--------|
| | | | | 2004 | 2003 |
| Combined ratio | 97.5% | 100.4% | 100.0% | 99.0% | 100.6% |
| Expense ratio ¹⁾ | 26.4% | 23.6% | 26.3% | 25.0% | 26.8% |
| Claims ratio ²⁾ | 71.1% | 76.8% | 73.7% | 74.0% | 73.8% |
| Return on average allocated capital | 17.7% | 18.5% | 9.8% | 17.9% | 9.3% |
| Average allocated capital in CHF m | 2,287 | 2,211 | 3,822 | 2,270 | 3,986 |

¹⁾ Insurance underwriting, acquisition and administration expenses as a percentage of net premiums earned.

²⁾ Claims and annuities incurred as a percentage of net premiums earned.

| | 30.06.04 | 31.03.04 | 31.12.03 | Change in % from 31.03.04 | Change in % from 31.12.03 |
|--|---------------|----------|----------|---------------------------------|---------------------------------|
| Assets under management (discretionary) in CHF bn | 25.3 | 25.8 | 25.4 | (2) | 0 |
| Technical provisions in CHF bn | 26.2 | 27.0 | 24.1 | (3) | 9 |
| Number of employees (full-time equivalents) | 13,230 | 13,444 | 13,673 | (2) | (3) |

Non-Life investment income

| in CHF m | 2Q2004 | 1Q2004 | 2Q2003 | 1Q2004 | 2Q2003 | 6 months | | Change in % from 2003 |
|-------------------------------|------------|--------|--------|--------|--------|------------|------|-----------------------------|
| | | | | | | 2004 | 2003 | |
| Net current investment income | 224 | 215 | 206 | 4 | 9 | 439 | 406 | 8 |
| Realized gains/(losses), net | 57 | 103 | 22 | (45) | 159 | 160 | 14 | - |
| Net investment income | 281 | 318 | 228 | (12) | 23 | 599 | 420 | 43 |

Non-Life investment return

| in %, except where indicated | 2Q2004 | 1Q2004 | 2Q2003 | 6 months | |
|------------------------------|--------|--------|--------|----------|------|
| | | | | 2004 | 2003 |