

CREDIT SUISSE GROUP
Form 6-K
November 02, 2006

FORM 6-K

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16 under the Securities Exchange Act of 1934

For the month of November 2nd, 2006

Commission File Number 001-15244

CREDIT SUISSE GROUP

(Translation of registrant's name into English)

Paradeplatz 8, P.O. Box 1, CH-8070 Zurich, Switzerland
(Address of principal executive office)

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

Form 20-F Form 40-F

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

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

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

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

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

Yes No

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

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Media Release

Credit Suisse Group reports net income of CHF 6.7 billion for the first nine months of 2006 and net income of CHF 1.9 billion for the third quarter

Credit Suisse Group today reported net income of CHF 1,892 million for the third quarter of 2006, compared to net income of CHF 1,918 million in the third quarter of 2005.

Basic earnings per share improved to CHF 1.74 for the quarter, compared to CHF 1.67 in the third quarter of 2005.

For the first nine months of 2006, the Group's net income was CHF 6,654 million, compared to net income of CHF 4,747 million in the corresponding period of 2005.

Net new assets totaled CHF 31.0 billion in the third quarter of 2006.

Financial highlights

in CHF million	3Q2006	Change in %	Change in %	9 mths 2006	Change in %
		vs 2Q2006	vs 3Q2005		vs 9 mths 2005
Net revenues	8,076	(8)	(1)	27,789	21
Total operating expenses	5,656	1	0	17,894	7
Net income	1,892	(12)	(1)	6,654	40
Return on equity - Group	18.9%	-	-	21.7%	-
Return on equity - Banking	19.0%	-	-	23.4%	-
Basic earnings per share (CHF)	1.74	-	-	6.00	-
BIS tier 1 ratio (at quarter end)	10.8%	-	-	-	-

Zurich, November 2, 2006 "We achieved a good overall performance in the first nine months of 2006, with a 40% increase in net income. However, in the third quarter our Wealth Management result was seasonally lower, while our Investment Banking business reported good results in fixed income but was impacted by lower equity trading revenues," stated Oswald J. Gruebel, CEO of Credit Suisse Group.

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He added: "We are continuing to make progress with our integrated banking model and are intensifying efforts to strengthen our operating results with the aim of delivering a sustained improvement in profitability."

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Credit Suisse segment results

in CHF million		3Q2006	Change in %	Change in %	9 mths 2006	Change in %
			vs 2Q2006	vs 3Q2005		vs 9 mths 2005
Investment Banking	Net revenues	4,191	(6)	(5)	14,384	22
	Total operating expenses	3,452	10	(1)	10,833	3
	Income from continuing operations before taxes	758	(41)	(19)	3,609	175
Private Banking	Net revenues	2,682	(8)	(1)	8,705	12
	Total operating expenses	1,679	(6)	0	5,284	8
	Income from continuing operations before taxes	1,022	(9)	(1)	3,453	17
Asset Management	Net revenues	692	3	7	2,123	4
	Total operating expenses	535	(18)	19	1,704	33
	Income from continuing operations before taxes	158	485	(21)	419	(45)

Investment Banking

The Investment Banking segment reported income from continuing operations before taxes of CHF 758 million in the third quarter of 2006, a decrease of 19% compared to the third quarter of 2005. Net revenues were down 5% to CHF 4,191 million compared to the third quarter of 2005, primarily reflecting lower equity trading revenues. Lower revenues in equity underwriting and advisory and other fees compared to the third quarter of 2005 were partly offset by an increase in debt underwriting and fixed income trading revenues. Total operating expenses decreased 1% compared to the third quarter of 2005 due primarily to lower compensation accruals in line with lower revenues, partially offset by higher commission expenses resulting from higher transaction volumes. The compensation/revenue ratio was 53.5% in the third quarter of 2006, an improvement of 2.0 percentage points compared to the full-year 2005 level. The pre-tax income margin declined to 18.1% in the third quarter of 2006 from 21.3% in the third quarter of 2005, and the pre-tax return on average economic risk capital decreased to 21.5% from 28.9% in the third quarter of 2005. For the first nine months of 2006, Investment Banking reported a pre-tax income margin of 25.1% and a pre-tax return on average economic risk capital of 32.8%.

Private Banking

The Private Banking segment, which comprises the Wealth Management and Corporate & Retail Banking businesses, reported income from continuing operations before taxes of CHF 1,022 million in the third quarter of 2006, almost unchanged compared to the same period of 2005. Net revenues decreased slightly to CHF 2,682 million in the third quarter of 2006, as strong asset-based revenues related to the increased level of assets under management were offset by lower transaction-based revenues, reflecting reduced client activity throughout much of the third quarter. Total operating expenses were flat compared to the third quarter of 2005, as higher personnel expenses related to ongoing growth initiatives in Wealth Management were offset by lower performance-related compensation accruals and continuing cost management. The pre-tax income margin of 38.1% was almost unchanged from the third quarter of 2005.

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The **Wealth Management** business reported income from continuing operations before taxes of CHF 684 million in the third quarter of 2006, a decrease of 5% compared to the third quarter of 2005, as marginally lower net revenues were accompanied by a slight increase in total operating expenses. The pre-tax income margin was 37.1% for the third quarter of 2006, down 1.6 percentage points compared to the same period of 2005. Net new assets amounted to CHF 10.9 billion, resulting in a rolling four quarter average growth rate of 7.2% in the third quarter of 2006.

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The **Corporate & Retail Banking** business reported income from continuing operations before taxes of CHF 338 million in the third quarter of 2006, up 7% compared to the third quarter of 2005, primarily reflecting a reduction in total operating expenses. The pre-tax income margin rose by 3.2 percentage points to 40.3% compared to the third quarter of 2005. The pre-tax return on average economic risk capital was 48.1% in the third quarter of 2006, an improvement of 8.1 percentage points compared to the same period of 2005.

Asset Management

The Asset Management segment reported income from continuing operations before taxes of CHF 158 million in the third quarter of 2006, a decrease of 21% compared to the third quarter of 2005. Net revenues grew by 7% to CHF 692 million compared to the third quarter of 2005. This increase was driven primarily by stronger asset management revenues as a result of the growth in assets under management over the previous 12 months. Private equity and other investment-related gains totaled CHF 89 million, a decrease of 36% compared to the strong third quarter of 2005. Total operating expenses rose 19% compared to the third quarter of 2005, mainly reflecting costs associated with the realignment of the Asset Management business, higher compensation and benefits and increased commission expenses. The pre-tax income margin for the third quarter of 2006 was 22.8%, a decrease of 8.1 percentage points compared to the third quarter of 2005. Asset Management reported CHF 21.2 billion of net new assets in the third quarter of 2006. As of September 30, 2006, assets under management totaled CHF 659.6 billion, of which CHF 135.3 billion were alternative investment assets.

Net new assets

The Wealth Management business recorded CHF 10.9 billion of net new assets in the third quarter of 2006, reflecting inflows from key markets in all regions. For the first nine months of 2006, Wealth Management reported net new assets of CHF 41.9 billion, representing an annualized growth rate of 8.1%. The Asset Management business reported CHF 21.2 billion of net new assets in the third quarter of 2006, including alternative investment assets of CHF 6.2 billion. Overall, Credit Suisse Group recorded CHF 31.0 billion of net new assets in the third quarter of 2006. The Group's total assets under management were CHF 1,454.3 billion as of September 30, 2006, an increase of 6% compared to June 30, 2006.

Winterthur

Prior to the second quarter of 2006, Winterthur was reported as a separate segment of Credit Suisse Group. Due to the agreement to sell Winterthur that was announced in June 2006, the Group's financial results now reflect this business as discontinued operations. Winterthur generated income from discontinued operations, net of tax, of CHF 424 million in the third quarter of 2006.

Outlook

Credit Suisse believes the economic outlook for 2007 is positive in view of the financial strength of corporations, the robustness of the financial services industry and the growth prospects for the emerging markets. As global energy and commodity prices remain subdued, it expects to see only very modest increases in global interest rates in the coming months. In addition, it sees further upside potential in equity market valuations, although periodic setbacks are possible. As it moves towards the end of the year, Credit Suisse's pipeline of business is strong.

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Information

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For additional information on Credit Suisse Group's third-quarter 2006 results, please refer to the Group's Quarterly Report 2006/Q3, as well as the Group's slide presentation for analysts and the press, which are available on the Internet at: www.credit-suisse.com/results

Credit Suisse Group

Credit Suisse Group is a leading global financial services company headquartered in Zurich. Credit Suisse, the banking business of Credit Suisse Group, provides its clients with investment banking, private banking and asset management services worldwide. Credit Suisse offers advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as retail clients in Switzerland. Credit Suisse Group also includes Winterthur, a Swiss general insurer with a focus on international business activities. Credit Suisse Group is active in over 50 countries and employs approximately 63,000 people. Credit Suisse Group's registered shares (CSGN) are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse Group and Credit Suisse can be found at www.credit-suisse.com. Further information about Winterthur can be found at www.winterthur.com.

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 implement procedures properly; (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 brand; (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 acquired businesses successfully, and divestitures, including the ability to sell non-core assets; (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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**Presentation of Credit Suisse Group's Third-Quarter 2006 Results
via Audio Webcast and Telephone Conference**

Date Thursday, November 2, 2006

Time 10:00 CET / 09:00 GMT / 04:00 EST

Speaker Renato Fassbind, Chief Financial Officer of Credit Suisse Group
The presentation will be held in English.

Audio Webcast www.credit-suisse.com/results

Telephone Europe: +41 91 610 5600
UK: +44 207 107 0611
US: +1 866 291 4166
Reference: 'Credit Suisse Group quarterly results'

Q&A session You will have the opportunity to ask questions during the telephone conference following the presentation.

Playbacks Audio playback available approximately 3 hours after the event at:
www.credit-suisse.com/results

Telephone replay available approximately 1 hour after the event on
Europe: +41 91 612 4330
UK: +44 207 108 6233
US: +1 866 416 2558
Conference ID: 180# (please note: this is a new number to replace 962# in the invitation).

Note We recommend that you dial in approximately 10 minutes before the start of the presentation for the audio webcast and telephone conference. Further instructions and technical test functions are available on our website.

Credit Suisse Group

Quarterly Report 2006/Q3

Cover: Charlene Yu, Private Banking, Hong Kong Photographer: John Wildgoose

Credit Suisse Group financial highlights

in CHF m, except where indicated	3Q 2006	2Q 2006	3Q 2005	Change in % from 2Q 2006	Change in % from 3Q 2005	9 months		Change in % from 2005
						2006	2005	
Consolidated statements of income								
Net revenues	8,076	8,788	8,123	(8)	(1)	27,789	22,923	21
Income from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes	2,460	3,178	2,538	(23)	(3)	9,986	6,342	57
Net income	1,892	2,158	1,918	(12)	(1)	6,654	4,747	40
Return on equity								
Return on equity – Group	18.9%	21.6%	20.1%	–	–	–21.7%	16.9%	–
Return on equity – Banking ¹⁾	19.0%	23.4%	22.7%	–	–	–23.4%	18.1%	–
Earnings per share								
Basic earnings per share, in CHF	1.74	1.94	1.67	–	–	6.00	4.16	–
Diluted earnings per share, in CHF	1.67	1.86	1.63	–	–	5.75	4.05	–
Cost/income ratio – reported	70.0%	63.7%	69.3%	–	–	–64.4%	72.8%	–
Cost/income ratio²⁾	75.9%	69.4%	74.0%	–	–	–71.1%	77.9%	–
Net new assets, in CHF bn	31.0	30.1	18.7	–	–	88.5	47.4	–

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in CHF m, except where indicated	30.09.06	30.06.06	31.12.05	Change in % from 30.06.06	Change in % from 31.12.05
Assets under management, in CHF bn	1,454.3	1,370.9	1,333.9	6.1	9.0
Consolidated balance sheets					
Total assets	1,473,113	1,404,562	1,339,052	5	10
Shareholders' equity	41,643	38,882	42,118	7	(1)
Consolidated BIS capital data					
Risk-weighted assets	252,139	244,931	232,891	3	8
Tier 1 ratio	10.8%	10.6%	11.3%	–	–
Total capital ratio	13.2%	13.4%	13.7%	–	–
Number of employees					
Switzerland – Banking	20,261	20,069	20,194	1	0
Outside Switzerland – Banking	24,456	24,027	24,370	2	0
Winterthur ³⁾	18,984	18,944	18,959	0	0
Number of employees (full-time equivalents)					
	63,701	63,040	63,523	1	0
Stock market data					
Share price per registered share, in CHF	72.35	68.40	67.00	6	8
High (closing price) year-to-date, in CHF	74.20	78.90	68.50	(6)	8
Low (closing price) year-to-date, in CHF	62.70	62.85	46.85	0	34
Share price per American Depositary Share, in USD	57.95	55.99	50.95	4	14