

CREDIT SUISSE GROUP
Form 6-K
March 31, 2004

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Dated March 31, 2004

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

For the month of March 31, 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- _____

ANNUAL REPORT 2003

Credit Suisse Group is a leading global financial services company headquartered in Zurich. The business unit Credit Suisse Financial Services provides private clients and small and medium-sized companies with private banking and financial advisory services, banking products, and pension and insurance solutions from Winterthur. The business unit Credit Suisse First Boston, an investment bank, 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 60,800 staff worldwide.

Financial calendar

Annual General Meeting	Friday, April 30, 2004
First quarter results 2004	Wednesday, May 5, 2004
Payment of par value reduction (in lieu of a dividend)	Monday, July 12, 2004
Second quarter results 2004	Wednesday, August 4, 2004
Third quarter results 2004	Thursday, November 4, 2004

LIST OF CONTENTS

ANNUAL REPORTLIST OF CONTENTSMESSAGE FROM THE CHAIRMANMESSAGE FROM THE CO-CHIEF EXECUTIVE OFFICERSCREDIT SUISSE GROUP KEY FIGURES 2003INFORMATION ON THE COMPANYINFORMATION ON THE COMPANY | CREDIT SUISSE GROUPOverviewCredit Suisse Financial ServicesCredit Suisse First BostonCorporate CenterOutsourcing of servicesStrategyBusiness unit strategiesCompany history and legal structureINFORMATION ON THE COMPANY | CREDIT SUISSE FINANCIAL SERVICESOverviewStrategyCredit Suisse Business School: A passion to learn and perform

Private Banking

Overview

Products and services

Corporate & Retail Banking

Overview

Products and services

Marketing and distribution

Life & Pensions

Overview

Acquisitions and divestitures

Products and services

Traditional products

Non-traditional products

Disability insurance

Group pensions

Marketing and distribution

Insurance

Overview

Acquisitions and divestitures

Products and services

Motor insurance

Non-motor insurance (excluding accident and health)

Accident and health insurance

Marketing and distribution

Operating environment and competition

Operating environment

Competition

INFORMATION ON THE COMPANY | CREDIT SUISSE FIRST BOSTON

Overview

Strategy

Institutional Securities

Overview

Products and services

Fixed Income division

Equity division

Investment Banking division

Global investment research

CSFB Financial Services

Overview

Products and services

Asset management and advisory services

Funds

Operating environment and competition

Operating environment

Competition

INFORMATION ON THE COMPANY | CREDIT SUISSE GROUP AND SOCIETY

Fulfillment of responsibilities

Commitment to sustainability

Employees

Fairness and equal opportunities

Continuous learning

The market creates a need for action

Clients

Adapting to economic and social changes

Central role – enhanced responsibility

Quality and satisfaction

Society

Following the rules

In dialog with society

Supporting non-commercial initiatives

Sponsorship

Environmental management

Management system

Improving environmental performance

Sustainability products and services

Management of environmental and social risks

Bridging the gap

Sustainability investments

OPERATING AND FINANCIAL REVIEW

OPERATING AND FINANCIAL REVIEW | CREDIT SUISSE GROUP

OPERATING AND FINANCIAL REVIEW | CREDIT SUISSE FINANCIAL SERVICES

Private Banking

Corporate & Retail Banking

Life & Pensions

Insurance

Investments for Life & Pensions and Insurance

OPERATING AND FINANCIAL REVIEW | CREDIT SUISSE FIRST BOSTON

Institutional Securities

CSFB Financial Services

OPERATING AND FINANCIAL REVIEW | SUPPLEMENTAL INFORMATION

OPERATING AND FINANCIAL REVIEW | CORPORATE CENTER

Reconciliation of operating RESULTS to SWISS GAAP

Introduction

Credit Suisse Financial Services business unit

Credit Suisse First Boston business unit

RISK MANAGEMENT

CREDIT SUISSE GROUP RISK MANAGEMENT

Overview

Risk management principles

Risk management oversight

Risk management oversight at the Board level

Risk management oversight at the Group management level

Risk management oversight at the business unit, segment and division management level

Risk categories

Risk limits

Economic Risk Capital

Introduction

Concept

Applications

Key position risk trends 2003

Market risk

Overview

Trading portfolios

Risk measurement and management

Development of trading portfolio risks

VaR results and distribution of trading revenues

Non-trading portfolios

Risk measurement and management

Development of non-trading portfolio risks

Credit risk for the banking businesses

Definition of credit risk

Credit risk management approach

Loans

Due from banks, due from customers and mortgages

Non-performing loans

Potential problem loans

Loan valuation allowances and provisions

Loan valuation allowances and provisions for inherent credit losses

Summary of loan valuation allowance experience

Year ended December 31, 2003 compared to year ended December 31, 2002

Country risk

Insurance risk

Introduction

Risk structure in the insurance business

Non-life

Life

Reinsurance

Business risk

Liquidity and funding risk

Operational risk

How Credit Suisse Group measures market risk

Introduction

Value-at-Risk

Assumptions

Limitations

Scenario analysis

Assumptions

Limitations

FINANCIAL INFORMATION

FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF THE GROUP AUDITORS

PARENT COMPANY FINANCIAL STATEMENTS

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

PROPOSALS TO THE ANNUAL GENERAL MEETING

REPORT OF THE STATUTORY AUDITORS

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Introduction

Company

Major shareholders

Capital structure

Board of Directors of Credit Suisse Group

Membership and qualifications

Independence

Meetings

Board responsibilities

Board Committees

Chairman's and Governance Committee

Audit Committee

Compensation Committee

Risk Committee

Members of the Board of Directors and the Committees

Proposed Members of the Board of Directors

Honorary Chairman of Credit Suisse Group

Secretaries of the Board of Directors

Changes in the Group Executive Board

Senior Management of Credit Suisse Group

Senior Management of the business units

Executive Board Credit Suisse Financial Services

Operating Committee Credit Suisse First Boston

Advisory Board of Credit Suisse Group

Management

Group Executive Board

Members of the Group Executive Board

Compensation

Core compensation principles

Performance based

Value oriented

Market driven

Shareholder aligned

Compensation elements

Fixed compensation

Variable compensation

Metrics

The Company

The business unit, division and/or department

The individual employee

Loans to Members of the Board of Directors and Group Executive Board

Shareholders

Voting rights, transfer of shares

Annual General Meeting

Changes of control and defense measures

Duty to make an offer

Clauses on changes of control

Auditors

Internal Auditors

External Auditors

Information policy

MAIN OFFICES

INFORMATION FOR INVESTORS

Enquiries

Copies of all Credit Suisse Group financial publications may be ordered from:

In this year's corporate reports, we have chosen the work of Swiss artist Daniel Grobet to represent Credit Suisse Group's 360° approach to finance. In his hand-crafted iron sculptures, Daniel achieves a harmonious balance by carefully combining static and dynamic elements.

This symbol is used to indicate topics on which further information is available on our website. Go to www.credit-suisse.com/annualreporting/bookmarks.html to find links to the relevant information. This additional information indicated is publicly accessible and does not form part of the Annual Report. Some areas of Credit Suisse Group's websites are only available in English.

MESSAGE FROM THE CHAIRMAN

Walter B. Kielholz

Chairman of the Board of Directors

Dear shareholders

Following a period of transition in 2002, when we defined the measures necessary to achieve a successful turnaround, 2003 was a year in which Credit Suisse Group had to demonstrate its strength. The Board of Directors and the Executive Board are pleased to see that our enormous efforts have proved successful and the Group has returned to profitability. Your company is now once again solidly positioned as one of the world's leading financial services providers.

Credit Suisse Group recorded a net profit of CHF 5.0 billion for 2003. The Board of Directors has decided to propose a reduction in par value of CHF 0.50 per share in lieu of a dividend for the financial year 2003 to the Annual General Meeting on April 30, 2004. This proposal reflects the significant improvement in performance compared to the previous year, in which we reported a net loss of CHF 3.3 billion and paid out a dividend of CHF 0.10 per share, as well as our continuing pursuit of a cautious policy on capitalization and our desire to create capacity for further growth.

At the end of 2002, the Board of Directors set clear strategic priorities to restore the Group to its former strength and lead it towards future success. We have achieved significant progress in all those areas:

First, we have strengthened our capital base to such an extent that we are now rated once again as one of the very well capitalized financial services providers.

Second, we have significantly reduced costs across the entire Group.

Third, at Credit Suisse First Boston, we further focused on promoting a corporate culture based on integrity and long-term business success. We also reduced the legacy business portfolio in our investment bank, thus limiting its impact on our results.

Fourth, at Winterthur, we carefully examined our international business portfolio to identify the markets in which our insurance business could expect to achieve a strong and promising position in the long term and subsequently divested parts of the company. We also adapted our insurance business strategy to the altered market conditions.

Fifth, we realigned our European private banking activities to focus clearly on high-net-worth individuals, in line with changes to the market environment. In addition to Asia, the onshore business in Europe remains a key aspect of our growth strategy in private banking.

I believe that we have come a long way in restoring Credit Suisse Group's credibility towards you, our shareholders, as well as our employees, clients and the general public. In view of our ability to master difficult situations rapidly and decisively, the confidence of our various stakeholder groups has returned. We thus have a good basis for Credit Suisse Group's continued growth.

Our 2003 results are good considering the Group's financial position just over one year ago. However, Credit Suisse Group is not yet where it should be. The objective for all of our businesses in 2004 is to improve revenues while maintaining a disciplined approach to costs; to grow our market share; and to make further progress towards our goal of sustained profitability. We believe that we have created a solid position upon which to achieve these goals.

Walter B. Kielholz

March 2004

MESSAGE FROM THE CO-CHIEF EXECUTIVE OFFICERS

Oswald J. Grübel

Co-CEO Credit Suisse Group

Chief Executive Officer

Credit Suisse Financial Services

John J. Mack

Co-CEO Credit Suisse Group

Chief Executive Officer

Credit Suisse First Boston

Dear shareholders

In 2003, Credit Suisse Group fulfilled its pledge to return to sound profitability, reporting a net profit of CHF 5.0 billion. The Group benefited in 2003 from the improving global markets and the results reflect increased activity levels and improved investor confidence.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

In addition to focusing on profitability, the Group has concentrated on efficiency, maintaining leading positions in key markets and building its client franchise. In 2003, the Group made certain divestitures, most significantly at Winterthur with the sale of Republic in the US, Churchill in the UK and Winterthur Italy. These divestitures have allowed us to focus on core businesses and strengthened the Group's capital position.

At the Credit Suisse Financial Services business unit, we achieved a strong performance in 2003, reporting a net profit of CHF 4.1 billion. Credit Suisse Financial Services benefited from a better global market environment and the implementation of efficiency measures. The leading market position of Private Banking and the expansion of the private mortgage business in Corporate & Retail Banking and Private Banking contributed to the year's sound performance. Winterthur's strong recovery in 2003 was mainly attributable to increased investment income, reflecting its goal of more dynamically managing its investment portfolio. Improvements in underwriting result and claims management and significant progress in reducing administration costs also contributed to Winterthur's turnaround last year.

At the Credit Suisse First Boston business unit, we realized a successful turnaround from the negative result in 2002 with a net profit in 2003 of CHF 1.2 billion. In 2003, Credit Suisse First Boston focused on profitability and cost discipline and received notable recognition in several areas including the number one market share in high yield debt. Significant progress was made during the year towards building an equity compensation culture by changing the incentive equity award strategy, while maintaining a strong risk culture. Credit Suisse First Boston also benefited during the year from lower credit provisions as a result of the continued improvement in the credit markets.

Given our return to sound profitability in 2003, Credit Suisse Group is well positioned to compete successfully in its primary markets. While our businesses remain tied to fluctuations and risks in the capital markets, we are optimistic about 2004, given the current levels of client activity and improving economic conditions. We are proud of what our employees have accomplished in 2003 and expect to continue to make progress towards achieving leading performance in our respective businesses.

Oswald J. Grübel John J. Mack

March 2004

CREDIT SUISSE GROUP KEY FIGURES 2003

Consolidated income statement

in CHF m	2003	2002	2001	Change in % 2003/2002	Change in % 2002/2001
Operating income	26,322	28,038	39,154	(6)	(28)
Gross operating profit	7,421	4,509	8,870	65	(49)
Net profit/(loss)	4,999	(3,309)	1,587	-	-

Return on equity

in %	2003	2002	2001	Change in % 2003/2002	Change in % 2002/2001
Return on equity	16.6	(10.0)	4.1	-	-

Consolidated balance sheet

in CHF m	31.12.03	31.12.02	Change in % from 31.12.02
Total assets	962,164	955,656	1

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Shareholders' equity	34,692	31,394	11
Minority interests in shareholders' equity	2,956	2,878	3

Capital data			
			Change
in CHF m	31.12.03	31.12.02	in % from 31.12.02
BIS risk-weighted assets	190,761	196,486	(3)
BIS tier 1 capital	22,287	17,613	27
of which non-cumulative perpetual preferred securities	2,169	2,162	0
BIS total capital	33,207	28,311	17

Capital ratios			
in %		31.12.03	31.12.02
BIS tier 1 ratio	Credit Suisse	8.2	7.4
	Credit Suisse First Boston ¹⁾	13.6	10.3
	Credit Suisse Group ²⁾	11.7	9.0
BIS total capital ratio	Credit Suisse Group	17.4	14.4

Assets under management/client assets			
			Change
in CHF bn	31.12.03	31.12.02	in % from 31.12.02
Advisory assets under management	609.6	577.9	5
Discretionary assets under management	589.8	582.1	1
Total assets under management	1,199.4	1,160.0	3
Client assets	1,343.3	1,757.9	(24)

Net new assets			
			Change
in CHF bn	2003	2002	in % from 2002
Net new assets	4.8	(1.4)	–

¹⁾ Ratio is based on a tier 1 capital of CHF 12.1 bn (31.12.02: CHF 10.6 bn), of which non-cumulative perpetual preferred securities is CHF 1.0 bn (31.12.02: CHF 1.0 bn).

²⁾ Ratio is based on a tier 1 capital of CHF 22.3 bn (31.12.02: CHF 17.6 bn), of which non-cumulative perpetual preferred securities is CHF 2.2 bn (31.12.02: CHF 2.2 bn).

Number of employees (full-time equivalents)

				Change
		31.12.03	31.12.02	in % from 31.12.02
Switzerland	banking	19,661	21,270	(8)
	insurance	6,426	7,063	(9)
Outside Switzerland	banking	20,310	25,057	(19)
	insurance	14,440	25,067	(42)
Total employees Credit Suisse Group		60,837	78,457	(22)

Share data

	31.12.03	31.12.02	Change in % from 31.12.02
Shares issued	1,195,005,914	1,189,891,720	0
To be issued upon conversion of MCS ¹⁾	40,413,838	40,413,838	0
Own shares, net ²⁾	(21,220,018)	–	–
Shares outstanding	1,214,199,734	1,230,305,558	(1)
Share price in CHF	45.25	30.00	51
Market capitalization in CHF m	54,943	36,909	49
Book value per share in CHF	26.14	23.18	13

¹⁾ Maximum number of shares related to Mandatory Convertible Securities (MCS) issued by Credit Suisse Group Finance (Guernsey) Ltd.

²⁾ Reflects applied mandatory changes in Swiss Federal Banking Commission guidelines.

Share price

in CHF	2003	2002	Change in % from 2002
High (closing price)	48.70	73.60	(34)
Low (closing price)	20.70	20.60	0

Earnings per share

	2003	2002	2001	Change in % 2003/2002	Change in % 2002/2001
Net profit/(loss) in CHF m	4,999	(3,309)	1,587	–	–
Diluted net profit/(loss) in CHF m	4,999	(3,309)	1,588	–	–
Weighted average shares outstanding	1,209,297,290¹⁾	1,190,206,207 ²⁾	1,194,090,788	2	0
Dilutive impact	31,562,945¹⁾	0 ³⁾	9,356,766	–	–
Weighted average shares, diluted	1,240,860,235¹⁾	1,190,206,207	1,203,447,554	4	(1)
Basic earnings per share in CHF	4.13	(2.78)	1.33	–	–
Diluted earnings per share in CHF	4.03	(2.78)	1.32	–	–

¹⁾ Reflects in 2003 applied mandatory changes in Swiss Federal Banking Commission guidelines.

²⁾ Adjusted for weighted average shares repurchased.

³⁾ The calculation of the diluted loss per share in the financial year 2002 excludes the effect of the potential exchange of convertible bonds and the potential exercise of options to purchase shares, as the effect would be anti-dilutive.

INFORMATION ON THE COMPANY

INFORMATION ON THE COMPANY | CREDIT SUISSE GROUP

Overview

Credit Suisse Group is a global financial services company domiciled in Switzerland. The activities of Credit Suisse Group are structured into two main business units described below.

Credit Suisse Financial Services

Credit Suisse Financial Services is a leading provider of comprehensive financial services in Europe and other selected markets. Under the main brands Credit Suisse and Winterthur, Credit Suisse Financial Services offers private banking and financial advisory services, investment products as well as insurance and pension solutions for private and corporate clients.

Credit Suisse Financial Services consists of four segments:

- Private Banking, providing wealth management services for high-net-worth clients around the world;
- Corporate & Retail Banking, serving corporate and retail banking clients in Switzerland;
- Life & Pensions, providing Winterthur's insurance and pension solutions to private and corporate clients in Europe and selected Asian markets; and
- Insurance*, providing Winterthur's non-life insurance to private and corporate customers predominantly in Europe and the United States. Effective January 1, 2004, the Insurance segment was renamed Non-Life.
-

Credit Suisse First Boston

Credit Suisse First Boston, in its role as financial intermediary, serves institutional, corporate, government and high-net-worth clients around the world, with a broad range of financial products and investment advisory services.

Credit Suisse First Boston consists of two segments:

- Institutional Securities, which provides securities underwriting, financial advisory services, capital raising services and sales and trading products worldwide, and conducts private equity investment activities; and

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

- CSFB Financial Services**, which provides asset management products and financial and advisory services to institutional and private clients.

Effective January 1, 2004, Credit Suisse First Boston reorganized its operations by transferring the private equity and private fund groups from the Institutional Securities segment to the CSFB Financial Services segment, which has been renamed Wealth & Asset Management.

Corporate Center

The Credit Suisse Group Corporate Center performs typical parent company functions for the benefit of the Group as a whole and includes parent company operations, certain centrally managed functions and consolidation adjustments.

The Corporate Center consists of the following functions reporting directly to the Group Co-Chief Executive Officers, with exception of Group internal audit, which reports to the Audit Committee:

- Group internal audit;
- Group communications;
- Group-level functions assigned to the Chief Financial Officer, including accounting and financial reporting, tax, investor relations, capital and liquidity management and corporate development;
- Group legal and compliance; and
- Group risk management.

Outsourcing of services

Where the outsourcing of services through agreements with external service providers is considered significant under the terms of Swiss Federal Banking Commission Circular 99/2 “Outsourcing”, those agreements comply with all regulatory requirements with respect to business and banking secrecy, data protection and customer information. For Credit Suisse Group, no significant outsourcing relationships exist with external service providers.

Strategy

Credit Suisse Group’s strategy is to strengthen its global position in asset gathering and investment banking by being a leader in private wealth management, global asset management, European insurance, retail banking in Switzerland and global investment banking. The Group’s overall objective is to achieve sustainable growth by focusing on customer satisfaction, product innovation, leveraging its franchises and being the employer of choice for talented individuals.

Within each of its businesses, Credit Suisse Group aims to grow by expanding its market presence while at the same time further developing its product offerings through innovation and quality service. Each business strives to enhance efficiency and productivity by leveraging financial resources, improved execution, strict cost management and process streamlining. Special priority will be placed on managing Credit Suisse Group’s reputation, through continued attention to financial controls and risk management.

The Group believes that key points of leverage include its brands, proprietary products, customer access and distribution networks, access to and presence in the capital markets, asset management expertise as well as technology and processing capabilities.

The Group also believes that changing demographics, anticipated pension reforms in key markets, inter-generational wealth transfer and globalization of financial markets, among other trends, will continue to be sources of demand for Credit Suisse Group's products and services in the future.

Business unit strategies

Within the framework of the overall Group strategy, each of the two business units also pursues its own more specific strategy designed to meet the needs of its customers, as well as its particular operating and competitive environment. These strategies are discussed in more detail in the respective descriptions of the business units.

Company history and legal structure

The history of Credit Suisse Group dates back to the formation of Schweizerische Kreditanstalt, founded in 1856. The first branch was opened in Basle in 1905 and the first branch outside of Switzerland was opened in New York in 1940. In 1978, the cooperation with First Boston, Inc. began and in 1990, a controlling stake was acquired. A controlling stake in Bank Leu was purchased in 1990, Schweizerische Volksbank was purchased in 1993, Neue Aargauer Bank was purchased in 1994, and the merger with Winterthur took place in 1997. Other key acquisitions included Warburg Pincus Asset Management in 1999, and Donaldson, Lufkin & Jenrette Inc., or DLJ, in 2000.

Credit Suisse Group's two business units, Credit Suisse Financial Services and Credit Suisse First Boston, are comprised of the segments as detailed above, which are grouped within three principal legal entities:

- Credit Suisse (Private Banking and Corporate & Retail Banking segments);
- Credit Suisse First Boston (Institutional Securities and CSFB Financial Services segments, the latter having been renamed Wealth & Asset Management);
- Winterthur (Life & Pensions and Insurance segments, the latter having been renamed Non-Life).

Credit Suisse Group is registered as a corporation in the commercial register of, and has registered offices in, Zurich, Switzerland. The address of the principal executive offices is Paradeplatz 8, P.O. Box 1, CH-8070, Zurich, Switzerland; the telephone number is +41 1 212 1616.

INFORMATION ON THE COMPANY | CREDIT SUISSE FINANCIAL SERVICES

Overview

The business unit Credit Suisse Financial Services is comprised of the segments Private Banking, Corporate & Retail Banking, Life & Pensions and Insurance. The four segments offer comprehensive financial services to private and corporate clients, predominantly under the Credit Suisse and Winterthur brands.

- Private Banking provides high-net-worth clients in Switzerland and in numerous other markets around the world with wealth management products and services. Private Banking is one of the largest private banking operations worldwide, with a leading client-centric service model and recognized innovation capabilities;

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

- Corporate & Retail Banking offers banking products and services to corporate and retail clients in Switzerland. Corporate & Retail Banking is the second-largest bank in Switzerland, with a nationwide branch network and leading multi-channel capabilities;
- Life & Pensions offers life insurance products through multiple distribution channels to private and corporate clients in Switzerland and other markets in Europe and Asia; and
- Insurance, renamed Non-Life effective January 1, 2004, offers non-life insurance products to private and corporate clients in Switzerland, North America and certain markets in Europe. Both insurance segments are market leaders in Switzerland and hold sound market positions in selected principal markets including Belgium, Spain and Germany.

As of December 31, 2003, Credit Suisse Financial Services' distribution network consisted of 214 branches serving Corporate & Retail and Private Banking clients in Switzerland, approximately 50 Private Banking locations abroad, approximately 500 insurance locations in Switzerland and insurance representation in 18 countries worldwide. Approximately 70 of the banking branches and insurance agencies in Switzerland are joint locations.

In 2003, Credit Suisse Financial Services successfully completed three structural realignments:

- First, Credit Suisse Financial Services integrated the Zurich-based securities and treasury execution platform formerly run by Credit Suisse First Boston, including the mid- and back-offices and IT functions. Client relationships were not affected in any relevant way by this reorganization;
- Second, Winterthur realigned its organizational structure, bringing the Insurance and Life & Pensions segments under joint management. This realignment includes joint head office functions and the pooling of the segments' distribution network in Switzerland, which is being implemented in phases throughout 2004; and
- Third, Winterthur divested its entire Portuguese and Italian operations (both life and non-life business), Churchill Insurance Group in the United Kingdom (non-life business) and Republic Financial Services in the United States (non-life business) to streamline its international business portfolio. These divestitures were in line with Winterthur Group's strategy to focus on selected core markets and served to significantly strengthen its capital position.

Strategy

Credit Suisse Financial Services aims to be recognized as the benchmark in the financial services industry in terms of client focus, quality and profitability in all of its four segments. In doing so, Credit Suisse Financial Services pursues the following priorities:

- Focus the organization on client needs, quality and innovation. This includes continued product and service innovations, focused marketing activities and superior service and advice;
- Invest in skills and know-how of staff, as demonstrated through the establishment of the Credit Suisse Business School;
- Improve productivity continuously through rigorous cost management and consequent streamlining of processes; and

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

- Manage capital base and reputation. Above all, this means striving to generate strong cash flows and to deliver on promises, to clients, employees and shareholders.

With respect to its four segments, Credit Suisse Financial Services pursues the following strategy:

- Private Banking intends to expand its leading franchise, primarily by strengthening its international offshore and European onshore business. In its Swiss operations, Private Banking is striving to gain further market share in the onshore and Western European offshore business;
- Corporate and Retail Banking intends to further develop its profitability and increase its market share in Switzerland. The retail business is expected to grow especially in terms of mortgages and retail investment products. The corporate business will seek to increase cross-selling of non-lending products and to optimize the risk-return profile of its lending activities; and
- Winterthur Group's life and non-life operations expect to maintain their focus on selected core markets offering the best opportunities to achieve scale and profitability. In addition, Winterthur Group aims to further develop its active approach to investment management, and to continue improvements in claims and cost management efficiency.

Credit Suisse Business School: A passion to learn and perform

Markets and client needs are changing at an ever increasing rate. As a consequence, Credit Suisse's staff and management are confronted with increasing demands on their skills and competencies. To meet this enormous challenge, the Credit Suisse Business School was founded in Switzerland in 2003.

With the slogan 'A passion to learn and perform', the Credit Suisse Business School offers its employees a platform for exchanging knowledge and for development that allows them to improve their performance on an ongoing basis. In particular, the Credit Suisse Business School pursues the following objectives:

- Enhancement of skills and competencies through specialist and sales training;
- Promotion of Credit Suisse's values and culture;
- Provision of a platform for communicating strategy and for improving leadership skills; and
- Targeted dissemination of strategic core Credit Suisse topics.

The education program is being developed in collaboration with external partner schools and universities. Credit Suisse top management is closely integrated as lecturers and participants in all programs. The establishment of the Credit Suisse Business School is a further step towards accelerating innovation as well as developing talent, with a view to enhancing the quality of services to the client.

Private Banking

Overview

Private Banking is one of the world's largest private banking organizations with branches in Switzerland and numerous international markets, providing comprehensive wealth management products and services to high-net-worth clients through a network of relationship managers and specialists. It also offers various services to clients directly over the Internet through its portal located at www.credit-suisse.com/privatebanking.

The approximately 600,000 Private Banking clients each have a designated relationship manager as a primary point of contact. As of December 31, 2003, Private Banking had approximately 12,000 employees worldwide, of which approximately 2,500 were relationship managers and financial advisors. As of December 31, 2003, Private Banking had CHF 511.7 billion of assets under management.

The Private Banking organization is based on three market areas, focusing on clear strategic market priorities:

- Market Area 1 consists of the Swiss domestic market, international private clients from Italy and France, and booking centers in Luxembourg, Guernsey, Monaco and Gibraltar;
- Market Area 2 consists of international private clients in Asia Pacific, the Middle East, the Americas, Northern Europe, Eastern Europe, Iberia, Germany and Austria. It includes the global private banking center in Singapore, as well as operations in Hong Kong and the Bahamas; and
- Market Area 3 consists of the onshore banking operations in the five largest European markets Germany, Italy, the United Kingdom, France and Spain.

As of January 1, 2003, a new “Service Model Private Clients” was introduced in Switzerland. This client-centric organization aligns client segments according to their needs, product usage and location. Private clients with investable assets below CHF 250,000 or mortgages of less than CHF 1 million are now served through Corporate & Retail Banking. This allows Private Banking to strengthen its focus on high-net-worth clients.

Market Area 2 focused its activities in 2003 on further expanding the Private Banking franchise in targeted growth markets. In September 2003, Private Banking applied for an operating license in the Dubai International Financial Centre. In January 2004, Private Banking launched Credit Suisse Consultoria de Investimentos Limitada in Brazil and Credit Suisse Wealth Management Limited in the Bahamas. These two new entities arose from the transfer of the CSFB Brazil (formerly Garantia) high-net-worth client business to Private Banking. Additionally, two new Credit Suisse representative offices were opened in 2003, one in Moscow in October and one in Beijing in the middle of the year.

In 2003, Market Area 3 focused on completing the restructuring and business realignment activities in each of its European countries. These initiatives included realigning CSFB Private Client Services in London with Credit Suisse’s UK operations, implementing a new legal structure for Credit Suisse Hottinguer in France, and optimizing the support services and location networks at Credit Suisse Italy, Spain and Germany.

Private Banking also operates a number of separately branded banking and portfolio management companies, including Bank Leu, Clariden Bank and Bank Hofmann, all headquartered in Zurich; BGP Banca di Gestione Patrimoniale in Lugano; JO Hambro Investment Management Limited in London; and Frye-Louis Capital Management, Inc. in Chicago. These banks cater principally to clients who demand highly personalized services.

In addition to these activities, Private Banking operates Credit Suisse Trust, which provides independent advice and the delivery of integrated wealth management solutions to ultra high-net-worth clients.

Products and services

Private Banking is an expert in creating customized solutions that span the full range of clients’ wealth management needs. This includes comprehensive financial advice for each phase of life, as well as addressing clients’ wealth management needs that relate to their non-liquid assets such as business and property interests.

In 2003, Private Banking rolled out its new “CSPB Advisory Process” in Switzerland, which systematically analyzes and harmonizes each client’s total assets and liabilities. Using a structured approach, the client’s personal finances are analyzed and an investment strategy prepared based on the client’s risk profile, service profile and level of “free assets” after dedicated assets are set aside to cover the client’s fixed and variable liabilities. Within the investment committee’s guidelines, Private Banking’s investment professionals develop their specific investment recommendations. The subsequent implementation and monitoring of the client’s portfolio are carried out by the relationship manager using a new financial tool called “INVESTnet”, which is closely linked to Private Banking’s award-winning customer relationship management platform, “FrontNet”.

The core services of Private Banking are the management of liquid assets through investment advice and discretionary asset management. Investment advice covers a wide range of topics from portfolio consulting to advice on single securities. For clients who are interested in more active management of their portfolios, Private Banking offers dedicated investment consultants who distill the latest market information into intelligent investment recommendations, enabling clients to take advantage of market opportunities across all asset categories. For clients with more complex requirements, Private Banking offers investment portfolio structuring and implementation of individual strategies, including a wide range of investments in structured products, structured investments, private equity and real estate.

Discretionary asset management is designed for clients who wish to delegate the responsibility for investment decisions to their relationship manager. Private Banking offers a number of standardized portfolio management mandates linked to the client’s risk preferences and base currency. These mandates are available in two forms: direct investments and investments in funds. In addition, the mandates can follow either predefined investment strategies, such as capital preservation and growth or current return, or customized solutions to meet clients’ identified investment goals.

Private Banking remains at the forefront of product innovation and open architecture. Structured investment products aim to provide market-neutral investments and access to its own and third-party international asset managers through a fund-of-funds approach. Market-neutral means that asset managers pursue investment strategies which offer returns in economic climates in which traditional assets perform poorly. Private Banking currently offers mutual fund products covering more than 2,300 funds from over 50 fund providers.

For financing needs, Private Banking offers two principal financing services, securities-backed financing and margin lending, that allow clients to borrow against their investment portfolios, and real estate financing of clients’ residential properties.

Private Banking’s advisory services comprise tax planning, pension planning, wealth and inheritance advice, including the establishment of Private Banking trusts and foundations, as well as advice on life insurance. Private Banking’s corporate advisory services are aimed at entrepreneurs seeking to sell their businesses or to raise additional capital. In either case, Private Banking provides valuation services and seeks to find potential investors in the public and private markets. Private Banking also offers “Family Office” services, a variety of tailor-made products and advice for individuals and families generally with minimum assets of USD 50 million.

Corporate & Retail Banking

Overview

Corporate & Retail Banking serves both corporate and retail clients through a multi-channel approach, with a focus on Switzerland.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

As of December 31, 2003, Corporate & Retail Banking had approximately 1.9 million retail clients and approximately 100,000 corporate clients. As of that date, the segment had total lendings of CHF 84.1 billion and held assets under management of CHF 70.0 billion.

Corporate & Retail Banking pursues specific strategies for each of its main client segments:

- Retail clients: providing leading service and advice, in addition to offering superior retail investment products to clients in Switzerland, while actively improving its position in the private residential mortgages business;
- Large domestic corporate clients: strengthening of existing client relationships and attracting new clients through cross-selling non-lending superior products and services to achieve adequate risk returns; and
- Small and medium-sized enterprises: offering cost-efficient services and products designed to ensure appropriate risk returns.

The results of operations of Corporate & Retail Banking include the activities of Neue Aargauer Bank, a separately branded retail bank in the canton of Aargau, Switzerland.

Effective January 1, 2003, as a consequence of the “Service Model Private Clients” initiative, clients are allocated to different segments according to their needs, product usage and location. As a general rule, clients with investable assets of CHF 250,000 or mortgages of CHF 1 million mark the boundary between the Corporate & Retail Banking and Private Banking segments. Therefore, approximately 300,000 retail clients were transferred from Private Banking to Corporate & Retail Banking. Corporate & Retail Banking continues to provide an online banking platform for retail and private banking customers in Switzerland through “Direct Net”. In December 2003, “new Direct Net” was introduced, broadening the service offering for private and corporate clients. In addition, Corporate & Retail Banking and Private Banking share a number of back-office and administrative functions.

Products and services

Corporate & Retail Banking offers corporate and retail clients a wide range of financing products and services, such as mortgages, secured and unsecured corporate loans, trade finance, consumer loans, leasing, and credit cards, as well as investment products and services, payment transactions, foreign exchange, life insurance and pension products. Corporate & Retail Banking also offers clients e-banking solutions. In some cases, such as investment and insurance products, Corporate & Retail Banking sells these products jointly with other segments, including Private Banking, Life & Pensions, Insurance and CSFB Financial Services.

In the credit card business, Corporate & Retail Banking operates the joint venture Swisscard AECS with American Express Travel Related Services Company for the purpose of issuing cards, processing transactions and acquiring merchants. As a market leader in credit cards in Switzerland in terms of turnover, Swisscard AECS offers Eurocard Mastercard, Visa and American Express cards. These credit cards are distributed through Corporate & Retail Banking’s sales channels, as well as through those of Swisscard AECS.

Corporate & Retail Banking offers sophisticated payment solutions tailored to the needs of all customer segments. The variety of payment products ranges from IT-based, fully automated transaction solutions for large corporate clients to cost-efficient and convenient schemes for private clients. In August 2003, Corporate & Retail Banking launched SecureMail for banking clients, a secure internet-based e-mail service for communication between the relationship manager and the client. A further rollout for other client segments is planned for 2004.

For its lending products, Corporate & Retail Banking often requires a pledge of collateral. The amount of collateral required is determined based on the type and amount of the loan, as well as the risk profile of the specific customer. As of December 31, 2003, over 78% of its loan portfolio was secured by collateral, including marketable securities, commercial and residential properties and bank and client guarantees.

For the third consecutive year, Credit Suisse Trade Finance was awarded the “Best Trade Finance Bank in Switzerland” by Global Finance Magazine, New York. “Direct Trade Finance”, launched in November 2002, is a new internet-based trade finance application for internationally active corporate clients. Credit Suisse was the first bank to offer this service in Switzerland.

Marketing and distribution

As of December 31, 2003, Corporate & Retail Banking served its clients through 214 banking branches, including 33 branches of Neue Aargauer Bank in Switzerland. In approximately 70 of these locations, Corporate & Retail Banking, Insurance and Life & Pensions share joint facilities to enable better cross-selling of banking and insurance products. Corporate & Retail Banking markets its products to clients under the Credit Suisse brand primarily through its branch network and direct channels, including the Internet and telephone banking.

Advisors for small and medium-sized corporate clients are based in 34 of its locations, as well as 9 branches of Neue Aargauer Bank. Corporate & Retail Banking serves its large domestic clients through two regional offices in Zurich and Lausanne, Switzerland.

Life & Pensions

Overview

Life & Pensions provides life and pension products for private and corporate clients through multiple distribution channels.

The principal markets of Life & Pensions are in Western Europe, where the focus is on Switzerland and Germany, and, to a lesser extent, the United Kingdom, Belgium, Spain and the Netherlands. In addition, it has operations in Central and Eastern Europe and in selected Asian markets. Under the new Winterthur Group structure, Life & Pensions’ operations in Switzerland are managed as an independent market unit. All other Life & Pensions operations are managed as part of the combined Life & Pensions and Insurance market units in the individual countries. In Switzerland, Life & Pensions particularly benefits from access to the branch distribution network of Credit Suisse Financial Services, which enables cross-selling opportunities. In terms of 2002 gross premiums written, Life & Pensions ranked as the tenth largest life insurer in Europe.

Within its home market of Switzerland, Life & Pensions was the leading provider of life insurance, based on 2002 gross premiums written. The majority of gross premiums written by the Switzerland market unit are derived from traditional group life business.

The Life & Pensions operations in Germany, which are part of DBV-Winterthur, sell principally traditional insurance products to individual clients. In the United Kingdom, Life & Pensions offers a wide range of unit-linked products and tailor-made personal pension schemes, predominantly to affluent private clients.

The Life & Pensions operations in Belgium ranked eighth, based on 2002 gross premiums written. The majority of gross premiums written in Belgium relate to traditional individual life business, and the market unit is continuing to take measures to increase its unit-linked business. In Spain and the Netherlands, traditional individual business is also the primary line of business. In its Central and Eastern European markets, where there have been significant developments in pension reform over the past several years, Life & Pensions administers pension funds and seeks to

offer supplementary personal pension schemes, as well as unit-linked life insurance policies. Life & Pensions also has operations in Japan, Hong Kong, Taiwan and Indonesia.

Acquisitions and divestitures

In November 2002, Winterthur Group announced the divestiture of its subsidiaries, Companhia Europeia de Seguros S.A. and Winterthur Pensiones S.A., in Portugal. The divestiture of the Portuguese operations was finalized in May 2003.

The divestiture of the Italian operations was finalized in September 2003. The divestitures of the Portuguese and Italian life and non-life operations reflect Winterthur Group's strategy of streamlining its international business portfolio, thereby focusing more strongly on principal markets and taking advantage of opportunities for growth and profitability.

Products and services

Life & Pensions' products consist of traditional and non-traditional life insurance, both of which are offered on an individual and group basis. The majority of Life & Pensions' products are participating products, which provide guaranteed benefits and dividends based on legal or contractual obligations, or at management's discretion. Life & Pensions also provides disability insurance, as well as a number of additional products, to group pension funds on a defined benefit or defined contribution basis. The segment is continuing to develop innovative solutions for its key markets and to take measures to increase sales of non-traditional products, which are primarily unit-linked.

Traditional products

Traditional products consist of endowments and annuities for which the investment risk is borne by the insurer and not by the policyholder. The insurer also bears mortality risk for the life of the product. These products include pure protection, or term insurance, designed to provide a lump sum at the end of a fixed term and death coverage during the term. Endowments and annuities can be regular or single premium products. For traditional with-profit products, policyholder premiums are invested by the insurer in a range of assets, including equities, real estate and fixed income securities. With-profit policyholders receive a share of the profits resulting from the insurance company's investments. In 2003, Life & Pensions' gross premiums from traditional products represented approximately 77% of its total gross premiums.

Non-traditional products

Non-traditional products are medium-term to long-term savings products with life insurance coverage for which the investment risk is borne in whole or in part by the policyholder depending upon whether there is a guaranteed minimum payment. These products include variable annuities and guaranteed investment contracts. Non-traditional products may be regular or single premium and either with-profit or unit-linked. With-profit policyholders receive a share of the profits resulting from the insurance company's investments. Unit-linked policyholders are entitled to a return based upon the performance of segregated accounts. In 2003, Life & Pensions had gross premiums from non-traditional products representing approximately 23% of its total gross premiums.

Disability insurance

The most important disability products that Life & Pensions offers are waiver of premium and disability pensions, on a stand-alone basis or as policy riders. In the application, the policyholder typically may choose the period following disability after which the payments begin.

Group pensions

Life & Pensions offers a variety of group pension solutions, either with-profit or unit-linked, on a defined benefit or defined contribution basis for small, medium-sized and large companies. These products include asset accumulation or investment vehicles, protection for death and disability and income or annuity components. Swiss group pension

plans, which are part of the “second pillar” of the Swiss retirement savings system, are subject to a minimum return which is set by the Swiss government on the basis of the Swiss federal law on occupational benefit plans (second pillar). This rate was initially reduced from 4% to 3.25% as of January 1, 2003, and again to 2.25% as of January 1, 2004. As of December 31, 2003, the employee benefit business subject to the minimum rate of return represented 20.3% of the life technical reserves.

Effective January 1, 2004, Life & Pensions introduced its new employee benefit business model for Swiss group pension plans, as announced in the first half of 2003. This new model is more closely aligned with the current economic environment and developments in terms of life expectancy.

Marketing and distribution

Sharing many distribution channels with the Insurance segment, Life & Pensions distributes its products principally through tied or exclusive agents, brokers and banks. In 2003, approximately 59% of Life & Pensions’ premium production, which includes gross premiums written and off-balance sheet sales, were derived from tied agents, including agents of the Insurance segment. Approximately 20% were derived from brokers and approximately 15% were derived from banks, including branches of Corporate & Retail Banking and Private Banking. In the United Kingdom, independent financial advisors market highly specialized, investment-only individual pension products and group defined contribution pension plans.

Life & Pensions sells group life products principally through tied agents to small and medium-sized companies, and through brokers and an organization of employee benefit consultants with insurance and banking skills for multinational corporate customers.

In 2003, Winterthur Group announced the restructuring of its Life & Pensions and Insurance sales organization in Switzerland, bringing management responsibility for the unified organization under the Insurance market unit. This reorganization, which is being implemented in stages throughout 2004, is more in line with current customer requirements by providing a single source for comprehensive insurance and pensions advice and is intended to reduce overall sales costs. The new structure will not affect the remaining functions of the Life & Pensions Switzerland market unit.

Insurance

Overview

Insurance, which was renamed Non-Life effective January 1, 2004, provides non-life insurance to private and small corporate clients through a range of distribution channels.

The principal market units of Insurance are Switzerland, Germany, Spain and Belgium. In addition, it has significant operations in North America. Under the new Winterthur Group structure, the Insurance operations in Switzerland continue to be managed as an independent market unit. All other Insurance operations are managed as part of the combined Life & Pensions and Insurance market units in the individual countries. Insurance is increasingly focusing its resources on markets where it has a strong position or opportunities for growth, while withdrawing from those markets where it cannot achieve sufficient scale and profitability.

In terms of 2002 gross premiums written, it ranked the ninth largest non-life insurer in Europe (after giving effect to the sale of Churchill Insurance Group and Winterthur Italy). Within its home market of Switzerland, based on 2002 gross premiums written, Insurance was the leading Swiss all-line carrier of non-life insurance and has an extensive service network. The main product lines in this market are motor and accident, and health.

In Germany, Insurance has a particular focus on health and general liability insurance. Based on 2002 gross premiums written, Winterthur Insurance was the fifth largest insurer in Belgium. The majority of this market unit's business is motor insurance. Following the divestiture of US-based Republic Financial Services in 2003, Insurance now operates its North American business through three regional insurance companies in the United States and two insurance companies in Canada. Winterthur's largest US insurer, General Casualty, headquartered in Wisconsin, serves the Northeast and Midwest United States.

Acquisitions and divestitures

In 2003, Winterthur Group sold Companhia Europeia de Seguros S.A. in Portugal, Republic Financial Services in the United States, Churchill Insurance Group in the United Kingdom and Winterthur Italy. These divestitures reflect its strategy of streamlining its international business portfolio, thereby focusing more strongly on principal markets, and taking advantage of opportunities for growth and profitability.

Products and services

Insurance offers motor insurance, non-motor insurance (including fire and property and general liability insurance) and accident and health insurance to individual and small and medium-sized corporate customers. It focuses on personal and commercial lines of insurance designed to provide a high level of customer service. For small and medium-sized corporate clients, it offers packaged products combining different lines of insurance.

Motor insurance

Motor insurance is the largest single product line of the Insurance segment and contributed approximately 41% to total gross premiums written in 2003. In Switzerland and most other European countries, every automobile owner is required to maintain third-party liability coverage.

Non-motor insurance (excluding accident and health)

Insurance's fire, property and general liability products include building insurance, covering damage from fire, flood and weather-related incidents, and insurance covering liability claims against individuals and businesses. It sells property insurance to individual customers, commercial property insurance and business interruption insurance. Insurance's general liability business provides a wide range of personal and commercial liability insurance products, covering the liability of private persons and small and medium-sized businesses arising from their activities and premises. Commercial product lines include insurance for operations, products, professional activities and environmental liability. In 2003, non-motor business contributed approximately 37% to total gross premiums written.

Accident and health insurance

Insurance offers individual health insurance, covering medical expenses, per diem hospital expenses and lost pay in the event of illness. It also provides individual accident insurance covering these expenses, as well as death and disability claims. In addition to personal product lines, Insurance also sells commercial group accident insurance covering medical and per diem hospital expenses as well as providing annuities in the event of death or disability caused by accidents at work or at home. It also offers collective accident insurance as well as collective health insurance, covering per diem hospital expenses for illness or birth of a child. In 2003, the accident and health business contributed approximately 22% to total gross premiums written.

Marketing and distribution

Insurance distributes its products through a range of different distribution channels, including tied agents, brokers, banks and direct channels and, to a lesser extent, call centers and the Internet. In 2003, approximately 40% of Insurance's total gross premiums written were derived from tied agents and approximately 37% were derived from brokers. The remainder was generated through call centers, banks and other distribution channels.

In 2003, Winterthur Group announced the restructuring of its Life & Pensions and Insurance sales organization in Switzerland, bringing management responsibility for the unified organization under the Insurance market unit. This reorganization, which is being implemented in stages throughout 2004, is more in line with current customer requirements and provides a single client source for comprehensive insurance and pensions advice. This new sales organization is intended to reduce overall sales costs.

Operating environment and competition

Operating environment

As a result of the prolonged downturn of the equity markets, low interest rates and uncertain geopolitical developments, the operating environment remains challenging for the financial services industry. In the view of Credit Suisse Financial Services, the current environment does not fundamentally affect the attractiveness of the banking and insurance business long-term, as certain overarching trends like demographic shifts, pension system reforms and developments in emerging markets – particularly in Asia – are expected to offer opportunities for growth.

In conjunction with difficult economic and geopolitical developments in recent years, the financial services industry experienced a change in clients' sentiment and requirements especially visible in wealth management. The aspects of absolute returns, wealth preservation and reassurance in financial matters through professional advice have become more important.

Credit Suisse Financial Services anticipated this development early by launching a broad range of innovative structured investment products with low correlation to traditional markets. In addition, customers are not only demanding products, but also expect comprehensive and impartial advice to satisfy their overall financial needs. Well-trained staff and systematic advisory processes, covering both client assets and liabilities, are prerequisites to meet these needs. Solutions offered include exclusive proprietary as well as third-party products. Advances in technology are making a further impact on client service. Sophisticated IT-tools improve the advisory process. In addition, IT allows customers to access the full range of products and services in the manner they wish.

Credit Suisse Financial Services expects reduced, but still significant growth rates in the private banking market in the foreseeable future. Growth is expected to be relatively higher in onshore markets as a result of greater political stability in many industrialized and newly industrialized countries, as well as deregulation of local markets coupled with tighter restrictions in traditional offshore locations. The principal positive trends affecting the private banking industry over the next several years will include growing demand for pension provisions, which can no longer be guaranteed through state systems. As a result, governments are increasingly encouraging the accumulation of private wealth. In addition, entrepreneurs are seeking the service of private banks to diversify their assets, while at the same time the next generation is inheriting an increasing volume of "baby boomer" wealth. For the retail and corporate banking market, growth in line with the development of the economy is expected.

The Swiss corporate and retail banking industry is, to a significant extent, dependent on overall economic development in Switzerland. Generally, Swiss retail banking clients have comparatively high savings rates and incomes, resulting in a high demand for personal investment management. Credit Suisse Financial Services aims to become the preferred bank for retail investors in Switzerland through best service, advice and investment products, all of which can be tailored to the specific needs of this client segment. In recent years, the Swiss private mortgage business has developed positively, and its growth is expected to continue. The home ownership rate in Switzerland is still low at 34%, thus offering further potential for mortgage business growth. Growth expectations in corporate banking, especially in the lending business, are closely linked to the overall development of the Swiss economy.

Credit Suisse Financial Services expects continued profitability in the insurance industry in the near term, as insurance companies are expected to continue to benefit from both non-life earnings acceleration and modest

improvement in life volume growth and profitability.

Changes in regulatory and legislative regimes, especially in the United States and the European Union, are also affecting the financial services industry and often require significant investments. These initiatives include efforts by governments and regulators to control money laundering and tax fraud, and to repatriate private wealth through tax amnesty programs.

Competition

The competitive pressure in the financial services industry remains high. The trend towards bank consolidations, both in the form of mergers and acquisitions and by way of alliances or cooperation agreements, in respective home markets as well as on an international level will intensify this pressure. The need to invest heavily into quality advice, product innovation and open architecture underlines this development. In the insurance sector companies are increasingly focusing on their core businesses and on core markets through the disposal of positions not achieving critical size. This leads to even higher industry concentration.

Credit Suisse Financial Services competes with major financial institutions providing banking and insurance products and services for private clients and small- and medium-sized companies.

The private banking market is highly fragmented, though consolidation, especially in Switzerland, is proceeding at a rapid pace. Competitors in the private banking business are major financial institutions with dedicated private banking activities like UBS, HSBC and Citigroup, and domestic banks within their respective markets. In the ultra high-net-worth individual business, major competitors include US investment banks, which are building upon their investment banking expertise and relationships. In the Swiss market the largest competitor is UBS followed by a number of independent private banks, as well as retail banks providing private banking services.

In the Swiss corporate and retail banking business, competition has increased considerably, especially for private mortgages. The largest competitor remains UBS. Other competitors include the Cantonal banks, many of which have state guarantees, as well as regional savings and loan institutions, the Raiffeisen and other cooperative banks.

Competition in the insurance market is intense and increasing as a result of continuing performance pressure. This pressure stems from declining financial returns from lower yielding reinvestments, the need to maintain adequate levels of capital, slowing growth in many markets and customer demand for greater transparency of products and pricing. The biggest competitors in Switzerland are Swiss Life for life insurance and Zurich Financial Services for non-life insurance business. In foreign markets, competitors include subsidiaries of global insurance companies such as AXA, Generali and Allianz, in addition to some domestic insurers.

INFORMATION ON THE COMPANY | CREDIT SUISSE FIRST BOSTON

Overview

The Credit Suisse First Boston business unit serves global institutional, corporate, government and high-net-worth individual clients in its role as financial intermediary and provides a broad range of products and services, which include:

- securities underwriting, sales and trading;
- financial advisory services;

- private equity investments;
- full service brokerage;
- derivatives and risk management products; and
- asset management.

Credit Suisse First Boston includes the Institutional Securities and CSFB Financial Services segments.

The **Institutional Securities** segment provides financial advisory and capital raising services and sales and trading for users and suppliers of capital around the world. The Institutional Securities segment is comprised of three divisions:

- Fixed Income, which underwrites, trades and distributes fixed income financial instruments and offers derivatives and risk management products;
- Equity, which underwrites, trades and distributes equity and equity-related products, including listed and over-the-counter derivatives and risk management products, and engages in securities lending and borrowing; and
- Investment Banking, which serves a broad range of users and suppliers of capital, provides financial advisory and securities underwriting and placement services and, through the private equity group, makes privately negotiated equity investments, and acts as an investment advisor for private equity funds.

The **CSFB Financial Services** segment provides international asset management services to institutional, mutual fund and private investors and financial advisory services to high-net-worth individuals and corporate investors. The CSFB Financial Services segment includes:

- The institutional asset management business, which operates under the brand Credit Suisse Asset Management, and offers a wide array of products, including fixed income, equity, balanced, money-market, indexed and alternative investment products; and
- Private Client Services, a financial advisory business which serves high-net-worth individuals and corporate investors with a wide range of Credit Suisse First Boston and third-party investment management products and services.

Effective January 1, 2004, Credit Suisse First Boston's operations were reorganized to transfer the private equity and private fund groups in Investment Banking to CSFB Financial Services, which was renamed Wealth & Asset Management.

In 2003, Credit Suisse First Boston continued to focus on core businesses and reduce costs. In May 2003, Credit Suisse First Boston sold its clearing and execution platform, Pershing, which was part of the CSFB Financial Services segment, to The Bank of New York Company, Inc. In June 2003, Credit Suisse First Boston acquired Volaris Advisors, a New York-based equity-options strategies firm that provides yield-enhancement and volatility management services, to enhance the services of the Private Client Services business. In September 2003, Credit Suisse First Boston completed the transfer of its Zurich-based securities and treasury execution platform to Credit

Suisse Financial Services. In November 2003, Credit Suisse First Boston sold its 50% interest in a Japanese online broker. Also in November 2003, Credit Suisse First Boston acquired a majority interest in a joint venture that originates and services commercial mortgage loans and holds licenses in the United States under Fannie Mae, Freddie Mac and Department of Housing and Urban Development programs. Credit Suisse First Boston completed the sales of its local brokerage business in Poland and a 90% stake in its South African local equity brokerage operations in 2003. Credit Suisse First Boston also continued to reduce significantly the portfolio of real estate and related loans and distressed assets that are part of non-continuing businesses.

Strategy

Credit Suisse First Boston continues to build upon its position as a top-tier global investment bank, while seeking to improve financial results and placing a high priority on controls, risk management and the firm's brand and reputation. Credit Suisse First Boston will continue to focus on providing its clients with the highest quality of service across all business areas. Strategic priorities include being a market leader in its core businesses, seeking revenue growth opportunities, focusing on key customers across geographic regions, applying its capital efficiently to maximize returns and minimize risks and focusing on markets and products that are profitable or that contribute to the profitability of Credit Suisse First Boston's franchise.

In Institutional Securities, Credit Suisse First Boston has focused on increasing productivity, growing geographic and product areas that present attractive opportunities, improving results and continuing to develop an ownership culture within the firm. Credit Suisse First Boston's focus on improved profitability, controls and risk management negatively affected the firm's market share and rankings in 2003, in part reflecting aggressive price competition in a lower business-volume market environment. Credit Suisse First Boston has taken significant steps to achieve a more flexible cost base, to reduce the portfolio of non-continuing legacy business and to bring more disciplined management to its lending business. Credit Suisse First Boston also made progress in capturing synergies through greater integration of businesses within Institutional Securities, including by further integrating the equity cash and derivatives businesses. In its fixed income trading business, Credit Suisse First Boston will continue to enhance its client focus and build the client franchise and customer and proprietary trading businesses. With respect to its equity trading business, focus will be on building the derivatives, prime banking and proprietary trading businesses, while leveraging technology and research strengths. In Investment Banking, focus will be on strengthening Credit Suisse First Boston's leading position among middle market clients while intensifying coverage of larger companies by being a trusted and preferred advisor to its clients.

In Wealth & Asset Management, Credit Suisse First Boston will seek to continue to build its asset management businesses – its private equity, institutional asset management and Private Client Services businesses – in key markets by expanding existing operations and making select acquisitions. The asset gathering business, as a whole, will seek to leverage the resources of Credit Suisse Financial Services and Institutional Securities in an effort to realize the synergies that exist within Credit Suisse Group. In 2003, Credit Suisse First Boston made organizational changes and targeted investment and financial goals and objectives to strengthen the global platform of its asset management business. Credit Suisse First Boston believes these changes will better enable it to continue to focus on increasing the proportion of high margin asset classes, including equity and alternative investments, and increasing the yields on assets, while protecting and building its top quality fixed income franchise. In Private Client Services, Credit Suisse First Boston will seek to become a leading provider of wealth management services among investment banks, with increased emphasis on fee-based business and enhanced productivity overall, while maximizing cross-selling opportunities across Credit Suisse Group. In private equity, Credit Suisse First Boston will seek to expand the business internationally, focus on third-party investment and maximize synergies across the entire Group.

Credit Suisse First Boston is committed to complying fully with the new laws and regulations that have been enacted following the high-profile bankruptcies and corporate and accounting scandals that have so adversely affected investor confidence. As a top-tier investment firm, Credit Suisse First Boston acknowledges its commitment to its

role as a gatekeeper in the financial markets. In furtherance of that commitment, Credit Suisse First Boston has taken steps to strengthen that role, including implementing a framework to protect the integrity and quality of its research in full compliance with regulations and evolving best practices for research, complying with restrictions on allocation of shares in initial public offerings to directors and officers of public companies and vigorously reviewing ways to enhance professionalism and integrity in the conduct of its businesses. Credit Suisse First Boston remains committed to adhering to the highest professional standards and providing top quality execution and investment performance, while developing and retaining outstanding investment professionals.

Institutional Securities

Overview

Institutional Securities provides financial advisory and capital raising services and sales and trading for users and suppliers of capital around the world.

Effective January 1, 2004, the segment was reorganized to transfer the private equity and private fund groups to CSFB Financial Services. The operations of Institutional Securities now include debt and equity underwriting and financial advisory services and the equity and fixed income trading businesses. The following description reflects the organization in place during 2003.

For the year ended December 31, 2003, Institutional Securities ranked:

- Seventh in global mergers and acquisitions advisory services in US dollar volume of announced transactions;
- Third in global mergers and acquisitions advisory services in number of transactions;
- Sixth in US dollar value of global debt underwriting;
- First in US dollar value of global high-yield debt underwriting;
- Eighth in US dollar value of global equity and equity-linked underwriting;
- Sixth in US dollar value of US debt and equity underwriting;
- Second in US dollar value of global asset-backed financing;
- First in Swiss franc-denominated international debt issuances; and
- Sixth in global equity research, with 15 ranked analysts, sixth in North American equity research, with 27 ranked analysts, fourth in European equity research, with 31 ranked analysts, and second in North American fixed income research, with 33 ranked analysts.

Products and services

Institutional Securities' clients demand high quality products and services for their funding, investing, risk management and financial advisory needs. In response to these needs, Institutional Securities has developed a global product-based structure delivered through regional teams. The following is a discussion of the key global products and services of Institutional Securities and the divisions through which they are delivered.

Fixed Income division

The Fixed Income division engages in underwriting, securitizing, trading and distributing a broad range of financial instruments in developed and emerging markets, including US Treasury and government agency securities, foreign sovereign government securities, US and foreign investment-grade and high-yield corporate bonds, money market instruments, foreign exchange and real estate-related assets. The Fixed Income division also provides a full range of derivatives products for the financing, risk management and investment needs of its customers. The Fixed Income division covers sovereign government, corporate and institutional customers.

Key fixed income products and services include:

- Interest-rate products, including instruments issued by sovereign government issuers and transactions in interest-rate derivatives. As part of this business, the Fixed Income division is a primary dealer in US Treasury and government agency securities and participates in US Treasury auctions and government agency new issues. It also offers a wide range of interest-rate derivatives products in all major currencies;
- Credit products, including investment-grade, high-yield and distressed debt securities and credit derivatives;
- Structured products, including mortgage-backed and asset-backed instruments;
- Senior bank debt in the form of syndicated loans and commitments to extend credit to investment-grade and non-investment-grade borrowers. The Fixed Income division is also engaged in secondary market trading of syndicated loans and other loans, and trading in defaulted and distressed loans;
- Real estate activities, such as financing real estate and real estate-related products and originating loans secured by commercial and multifamily properties. The Fixed Income division also securitizes and trades in a wide range of commercial and residential real estate and real estate-related whole loans;
- Emerging markets, where the Fixed Income division underwrites and trades in the fixed income securities and loans of a number of sovereign government and corporate issuers and obligors located in emerging market countries;
- Prime brokerage and futures execution services on all major futures and options exchanges worldwide;
- Credit Suisse First Boston's own money market funding through the issuance of a wide variety of products, including time deposits, certificates of deposit, bankers' acceptances, commercial paper, medium-term notes and long-term debt; and
- Foreign exchange transactions serving a broad range of clients worldwide, including multinational corporations, money managers, hedge funds, banks and high-net-worth individuals.

Equity division

The Equity division engages in a broad range of equity activities for investors around the world, including sales, trading, brokerage and market-making in US and international equity and equity-related securities, options and futures. Equity-related activities include:

- New issue distribution of all types of equity securities, including common stock, convertible securities and other equity and equity-related securities;
- Secondary trading as principal and agent on all major exchanges and over-the-counter;
- Primary and secondary market transactions, as principal and agent, in convertible bonds and listed and over-the-counter derivatives, and convertible, international and index arbitrage and other program-trading activities;
- Risk arbitrage, which involves investing for Credit Suisse First Boston's own account in the equity securities of companies involved in publicly announced corporate transactions; and
- Prime banking, which includes dealer-to-dealer financing and the coverage of proprietary and client short positions through securities borrowing and lending arrangements.

Investment Banking division

The Investment Banking division's activities include financial advisory services regarding mergers and acquisitions and other matters, origination and distribution of equity and fixed income securities and leveraged finance and private equity investments. Investment Banking provides comprehensive financial advisory services and, in conjunction with the Equity and Fixed Income divisions, capital raising services, and develops and offers innovative financing for a broad range of clients. The Investment Banking division also conducts worldwide private equity investment activities through the private equity group.

Investment Banking clients include US and international public and private corporations, sovereign governments, supranational and national agencies and public sector entities.

Investment Banking's principal services consist of:

- Mergers and acquisitions and other financial advisory services, including corporate sales and restructuring, divestitures and take-over defense strategy; and
- Capital raising, through equity and equity-linked offerings, leveraged finance, investment-grade debt underwritings, high-yield debt underwritings, bank debt and bridge financing, structured products, raising of private capital and project finance. Investment Banking's offerings include both domestic and cross-border transactions.

The private equity group invests primarily in unlisted or illiquid equity or equity-related securities in privately negotiated transactions, making investments across the entire capital structure, from venture capital equity to investments in the largest leveraged buyouts. In addition to debt and equity investments in companies, the private equity group manages private equity funds and invests in real estate and third-party-managed private equity funds. Investments are made directly or through a variety of investment vehicles.

Global investment research

Credit Suisse First Boston provides in-depth research on companies and industries, macroeconomics and debt strategy globally. The core strengths of Credit Suisse First Boston research include focused company and business model analysis and customized client service. Equity analysts perform differentiated information gathering and value-added information processing and provide high-quality investment recommendations. Credit Suisse First Boston's equity research also includes extensive data resources, analytical frameworks and methodologies that

leverage the firm's global platform and enable its analysts to customize their product for institutional customers. Credit Suisse First Boston's fixed income research provides clients with credit portfolio strategies and analysis, forecasts of swaps and generic spread movements and outstanding credit strategy research for both high-grade and high-yield products. Credit Suisse First Boston analysts' in-depth understanding of markets, companies, investment instruments and local, regional and global economies forms a strong foundation for the firm's innovative web-based analytical tools and technology.

CSFB Financial Services

Overview

CSFB Financial Services provides international asset management services, including mutual funds, to institutional and private investors and financial advisory services to high-net-worth individuals and corporate investors.

Credit Suisse Asset Management is a leading global asset manager focusing on institutional, investment fund and private client investors, providing investment products and portfolio advice in three regions, the Americas, Asia Pacific and Europe. With CHF 392.9 billion in assets under management at December 31, 2003, Credit Suisse Asset Management has investment capabilities in all major asset classes, including equities, fixed income, balanced products and alternative investments.

The Private Client Services business serves high-net-worth and corporate investors with significant financial resources and specialized investment needs. Private Client Services had 335 investment advisors and managed or advised clients on approximately CHF 61.2 billion in assets as of December 31, 2003.

In May 2003, Credit Suisse First Boston sold Pershing, a leading provider of financial services outsourcing solutions, to The Bank of New York Company, Inc.

Effective January 1, 2004, the segment was renamed Wealth & Asset Management and its operations were reorganized to include the private equity and private fund groups transferred from Institutional Securities. The following description reflects the organization in place during 2003.

Products and services

The following is a discussion of the key global products and services of CSFB Financial Services and the divisions through which they are delivered.

Asset management and advisory services

The asset management business offers its clients discretionary asset management services through segregated or pooled accounts. Clients may choose from a wide array of products, including:

- Fixed income and equity products in local and global markets;
- Balanced products, comprising a mixed portfolio of fixed income and equity investments according to a pre-defined risk parameter set by the customer or the investment guidelines of the fund and asset allocation products;
- Money market products in multiple currencies;
- Quantitative indexed products;

- Derivatives and commodities;
- Real estate portfolio management; and
- Alternative investment products, which include fund-of-funds products.

The investment policies of portfolio managers are generally focused on providing maximum return within the investor's criteria, while maintaining a controlled risk profile and adherence to high quality compliance and investment practices. The advisory services of the asset management business include advice on customized investment opportunities, new product and risk management strategies and global investment reporting. Global investment reporting involves the use of a global custodian, acting as a central depository for all of a client's securities. Once custody has been centralized, clients are offered a series of value-added services, including cash management, securities lending, performance measurement and compliance monitoring.

The Private Client Services business offers a range of services, including single stock brokerage, hedging and sales of restricted securities. Private Client Services also offers its clients a wide range of investment management products, including third-party-managed accounts and alternative investments.

Funds

The asset management business offers a wide range of open-end funds. These funds are marketed under the main brand name Credit Suisse. The largest complex of funds, which is domiciled in Luxembourg and marketed mainly in Europe, includes a full range of equity, balanced, fixed income and money market funds. In addition to these pan-European mutual funds, the asset management business offers domestic registered funds in the United States, Switzerland, the United Kingdom, Germany, Italy, France, Poland, Japan and Australia.

The asset management business acts primarily as a wholesale distributor of mutual funds, and the majority of the Credit Suisse brand funds are marketed through our other businesses and third-party distributors, including third-party banks and insurance companies and other financial intermediaries.

Operating environment and competition

Operating environment

Credit Suisse First Boston believes that the long-term outlook for leaders in the investment banking industry is generally positive, although the industry is volatile and subject to periodic market downturns worldwide or in particular geographic regions. Competition has resulted in significant pressure on margins, particularly in the cash equities businesses and equity and debt underwriting, and there has been a trend towards increased capital commitments to secure mandates. The global "bulge bracket", or top tier, investment banks are likely to be more successful than other firms, and there is continuing consolidation in the financial services industry. One of the principal macroeconomic trends affecting the investment banking industry is greater capital formation, which is produced by aging demographics, pension reforms and wealth creation. Consolidation and convergence, driven by a blurring of traditional product and geographic boundaries, deregulation and the importance of scale and efficiency, have also created benefits for global full-service providers such as Credit Suisse First Boston. Technology has led to productivity improvements and new distribution and business models, more demanding and better-informed customers and the need to balance productivity gains with investment requirements.

The financial services business, including asset management, is viewed as a growth sector. Despite a challenging market environment, the underlying fundamentals and demographics continue to support the sector. Credit Suisse First Boston believes that there will be positive net new asset or organic growth opportunities within this sector over the next several years. Despite this positive outlook for the business, increased competition, higher research costs,

required advancements in technology, growth in client needs and globalization are trends that place greater pressure on margins and increase the need for scale within full-service asset management organizations. This growth, together with major external changes such as technological innovation and increased volatility and complexity in world markets, is changing the way the industry delivers services, manages investments and measures risk.

Competition

Credit Suisse First Boston faces intense competition from various types of firms in all aspects of its business and throughout the world. The principal competitive factors influencing Credit Suisse First Boston's businesses are its reputation in the market place, its client relationships, its mix of market and product capabilities and the ability to attract and retain highly skilled employees.

In investment banking, Credit Suisse First Boston competes with brokers and dealers in securities and commodities, investment banking firms, commercial banks and other firms offering financial services. There is increased fragmentation in market share, partly due to lower volumes of business and increased competition. Credit Suisse First Boston is subject to continued and increasing competitive pressure to make loans or otherwise commit capital, such as through block trades, to clients. Credit Suisse First Boston has also experienced significant price competition in certain of its businesses, which has reduced profit margins on certain products and in certain markets. Competition from alternative trading systems is reducing fees and commissions.

In asset management, Credit Suisse First Boston's major competitors are the asset management subsidiaries of financial services firms, US mutual and institutional fund managers and European fund managers. Despite the trend towards globalization in the asset management industry, competition is most significant in individual geographic locations. For the private equity business, as private equity funds grow and proliferate, competition to raise private capital and to find and secure attractive investments is accelerating.

INFORMATION ON THE COMPANY | CREDIT SUISSE GROUP AND SOCIETY

The market value of a company is driven not only by its financial results but also by intangible values such as intellectual capital, corporate culture, client loyalty and reputation. Its business success depends to a large degree on the confidence of its various stakeholders. Consequently, one of the challenges that a company faces when striving to achieve sustainable business success is that of identifying the expectations of key stakeholder groups and of addressing them appropriately.

Fulfillment of responsibilities

Credit Suisse Group introduced a Group-wide Code of Conduct in 1999. The Code lays down the most important principles that Credit Suisse Group employees are expected to follow when conducting business and when interacting with colleagues, clients and other stakeholders. It defines the company's 12 core values:

Ethical values

Integrity

Responsibility

Fairness

Compliance

Transparency

Confidentiality

Performance values

Service

Excellence

Teamwork

Commitment

Risk culture

Profitability

The basic values set out in the Code of Conduct are translated into directives and guidelines tailored to the individual business units and prevailing operating conditions. On January 1, 2004, an updated version of the Code of Conduct came into effect, which further explains the existing principles and takes account of new requirements arising from the Sarbanes-Oxley Act and the New York Stock Exchange's revised Corporate Governance Rules.

Commitment to sustainability

For Credit Suisse Group, sustainability means achieving economic success by addressing environmental, social and commercial expectations vis-à-vis the company and by reaching decisions that achieve a fair balance between society's needs today and in the future.

The Group's commitment to sustainability is founded upon its Environmental Policy and Code of Conduct. It is also based on a series of international initiatives. In 1992, Credit Suisse Group signed the United Nations Environment Programme (UNEP) Declaration for Financial Services Providers and, in 2000, it signed up to the UN Global Compact, a UN initiative which commits companies to nine principles relating to human rights, working conditions and the environment.

Several independent rating agencies and index providers have repeatedly rated Credit Suisse Group as one of the leading companies in the field of sustainability; it has subsequently been included in sustainability indices such as the Dow Jones Sustainability Index and the FTSE4Good Index.

In its Sustainability Report 2003, Credit Suisse Group explains its relations with various stakeholder groups and provides information about its environmental performance and social commitments.

Employees

For a financial services provider such as Credit Suisse Group, dedicated and well-qualified employees are a vital success factor. An environment that encourages top performance and a responsible attitude – particularly in challenging economic periods – is essential if a company is to retain and attract the best talent.

Fairness and equal opportunities

Credit Suisse Group employs people from more than 100 different nations. Particular attention is thus given to the promotion of equal rights and the creation of a working environment that is free from discrimination. For instance, Credit Suisse First Boston offers its employees an opportunity to gain a greater awareness of their colleagues' varied ethnic and cultural backgrounds by staging events during specific "Heritage and History Months" (e.g., Black History Month or Hispanic Heritage Month). Its efforts to ensure equal opportunities for all employees were acknowledged in 2003 by awards from "Opportunity Now" and "Human Rights Campaign".

The Group's efforts to ensure equal opportunities between men and women are producing visible results. In Switzerland, for instance, the percentage of women in middle management positions has increased from 18% in 1998 to 21% in 2003, while the percentage of women in senior management increased from 6% to almost 10% over the same period.

Continuous learning

Credit Suisse Group's training and development programs range from apprenticeships (it currently offers more than 1,000 vocational apprenticeships in Switzerland) and graduate programs to specialist training and management courses. The establishment of the Credit Suisse First Boston Leadership Institute in 2002 provided Credit Suisse First Boston with a central platform for employee and management training.

With the launch of its business school in 2003, Credit Suisse Financial Services aims to bring its training programs even more closely into line with its business strategy and to support the systematic transfer of experience and best practice. The business school will build on the existing range of training programs on offer and add targeted measures such as the development of certified specialist curricula.

The market creates a need for action

In 2003, the challenging economic environment and financial market corrections made restructuring measures unavoidable. A total of 920 jobs were cut worldwide at Credit Suisse First Boston, and a further 2,500 at Credit Suisse Financial Services. Employees affected by these cuts received professional advice and support in their search for new internal or external positions. These measures – particularly those drawn up in conjunction with the Group's social partners in Switzerland – often exceeded the legal requirements in the relevant jurisdictions.

Clients

Innovation and adaptation are essential if Credit Suisse Group is to keep pace with developing client needs in a changing society. An awareness of individual responsibility and of good value in terms of price and service quality will enable the Group to maintain its clients' trust and satisfaction in the long term.

Adapting to economic and social changes

As investors have become more risk-aware in recent years, Credit Suisse Group has launched new products designed to focus on capital preservation and stable returns. In addition to inflation-proof bond funds, these products include "profit lock-in units" that offer capital protection up to the maturity date and lock in profits that accrue during the term of the instrument. Changes are also being made in the insurance business. In 2003, Winterthur introduced its new model for collective foundations, which takes better account of both the altered financial market environment and increased life expectancy. Winterthur was the first company to launch this model publicly and met with considerable criticism. However, it was eventually understood that this move was essential to secure the long-term future of the

employee benefit business.

Central role – enhanced responsibility

Financial intermediaries play a central role in national and global economies. Credit Suisse Group can only fulfill this role if it meets the highest standards of credibility and trust. It has to prevent its services from being abused while still respecting the privacy of its clients.

The Swiss financial services industry leads the way in the fight against money laundering. Its know-your-customer rules are among the strictest in the world. These rules also state that the banks must fulfill special due diligence requirements with regard to politically exposed persons. As a member of the Wolfsberg Group, Credit Suisse Group has committed itself to the financial industry's international fight against money laundering and terrorist funding.

Credit Suisse Group supported the Swiss government's firm position on the taxation of savings income in its negotiations with the European Union. In 2003, EU finance ministers approved Switzerland's offer of a system of withholding tax in favor of EU member states. Once implemented, this system will ensure that the clients' privacy with respect to their financial affairs remains intact.

Quality and satisfaction

Credit Suisse Group is implementing targeted measures to ensure that it maintains the highest standards of client focus and service quality. It regularly assesses client satisfaction in key areas. Surveys enable management to focus even more closely on client requirements. In 2003, the surveys showed a clear increase in client retention and in overall satisfaction amongst Credit Suisse's corporate and retail clients in Switzerland for the second year in succession. This trend can be attributed to improved information, increased reliability and the considerable efforts assigned to addressing clients' concerns and questions.

Society

Credit Suisse Group strives to meet the expectations of society. It engages in dialog with representatives from the public, business organizations, political circles and government authorities. Credit Suisse Group and its business units also support charitable humanitarian, social and cultural institutions.

Following the rules

Integrity and professionalism are the essential foundations on which client, shareholder and public confidence are built. Over the last two years, Credit Suisse Group has further strengthened its internal compliance structures and has been at the forefront of implementing reforms in response to industry-wide settlements.

The issue of business and human rights has become an important topic in the public debate surrounding the issues of internationalization and globalization. Credit Suisse Group is committed to fulfilling its responsibilities with regard to human rights, as asserted in the UN Global Compact. The Group firmly believes that business activity helps improve living standards for all people, as long as negative effects can be recognized, corrected or mitigated.

In dialog with society

In its relations with regulators and politicians, as well as with industry bodies, Credit Suisse Group aims to establish conditions that favor entrepreneurial activity and economic growth. The Group's Economic & Policy Consulting department analyzes key economic and political topics in its well-researched studies. With its studies on topics such as fiscal policy, economic growth and liberalization published in 2003, the Group actively contributed to public debate about these issues.

Supporting non-commercial initiatives

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Credit Suisse Group is aware that companies depend on the existence of a stable environment for both themselves and their employees, and that this is something to which they must contribute. Within the Group, various entities contribute to charitable projects through the personal efforts and know-how of their employees as well as via donations. Examples of the Group's support for non-commercial initiatives in 2003 include:

- Credit Suisse Group's Donations department contributed to cultural, social and charitable initiatives, as well as to educational projects with a particular focus on higher education in the area of finance;
- Credit Suisse Group's Jubilee Foundation supported cultural and charitable causes. Major priorities included projects that help people with disabilities – such as “Plusport Day”, an annual event for 1,500 disabled and able-bodied sports enthusiasts – as well as schemes to promote outstanding musical talent, such as the Credit Suisse Young Artist Award;
- Credit Suisse First Boston Foundation, New York, conducted a major employee volunteer program that contributed thousands of volunteer hours to programs in local communities, benefiting disadvantaged youths and senior citizens;
- Credit Suisse First Boston Asia Pacific Philanthropic Committee, Hong Kong, provided support for projects aimed at building, renovating and equipping educational facilities in rural areas of lesser-developed countries in the region;
- Winterthur focused on accident prevention, particularly working to help prevent traffic accidents involving children. Winterthur also established a foundation and meeting center to promote contact between the young and old.

Sponsorship

Credit Suisse Financial Services has long been a leading sponsor of Swiss cultural and sporting events. In the field of cultural sponsorship, Credit Suisse focuses on classical music, jazz and fine art. In the area of sports, it is committed to supporting Formula One motor racing, soccer, horse-riding and golf, and it always endeavors to support young talent.

Environmental management

Credit Suisse Group's environmental policy sets out the Group's pledge to act in an environmentally responsible manner. It also defines the key areas of action. In 1997, Credit Suisse Group became the first bank to have its environmental management system certified according to the ISO 14001 standard.

Management system

Credit Suisse Group is constantly adapting its environmental management system to align it with changing conditions. The second re-certification in 2003 confirmed the high standard of Credit Suisse Group's environmental management system – covering all of the Group's banking locations around the world, as well as its insurance operations in Switzerland – and testified of its continuous improvement. This is attributable not only to the expansion of the system to include locations such as New York, London and Singapore, but also to the increasing involvement of key external partners. Individual agreements ensure that firms working with the Group respect its standards and endeavor to improve their own environmental performance.

Improving environmental performance

Energy consumption is the largest direct impact that Credit Suisse Group has on the environment. The Group

therefore follows appropriate environmental criteria when building new premises or renovating and maintaining existing buildings. Its main activities in 2003 included a project to optimize energy consumption through the use of heat recycling plants, measures relating to climate control, ventilation and lighting, as well as the use of energy-efficient IT technology. All of these measures also provided financial benefits by decreasing related expenses.

Continuously improving environmental management is the duty of all employees at all levels of the company and across all business areas. This also applies in the case of efforts to reduce paper consumption. Various measures initiated since 1999 have resulted in a reduction of around one third in the amount of paper consumed at Credit Suisse Group's locations in Switzerland. Further potential savings are currently being evaluated.

Sustainability products and services

Dealing with sustainability involves identifying, assessing and appropriately managing risks, as well as creating attractive investment opportunities that generate added value in environmental or social terms.

Management of environmental and social risks

As risks have become more varied, the number and scale of non-traditional risks has also increased. Effective risk management must therefore identify environmental and social risks that might be associated with clients and projects at an early stage in an effort to avoid exposure to credit, reputational or liability risks.

The Group took a significant step forward in this respect with the adoption of the Equator Principles in June 2003. This voluntary commitment obliges the participating financial institutions – including Credit Suisse First Boston – to adopt a common approach based on World Bank guidelines when considering environmental and social risks in project finance. By the end of 2003, 20 banks around the world – that had collectively arranged funding for over 75% of the total market volume of project finance – had signed up to the Principles, making them an almost industry-wide standard.

Bridging the gap

Microfinance enables small and very small businesses in developing countries to help themselves by offering loans that are often as small as USD 50. In 2003, Credit Suisse Group, together with other representatives of the Swiss financial sector, established a platform to promote microfinance investments. The company created by these efforts, responsAbility AG, bridges the gap between the financial market and development cooperation and allows private and institutional investors to make investments that are of benefit in both economic and development terms.

Sustainability investments

Credit Suisse Group offers its clients various socially responsible investment opportunities such as the Credit Suisse EF (Lux) Global Sustainability Fund, which invests in the global sustainability leaders in each industry, or the Credit Suisse Fellowship Fund, which focuses on UK companies that take an environmentally friendly and socially responsible approach. The investment company Prime New Energy AG focuses on renewable energies, while the CSFB Global Water Basket concentrates on selected businesses active in the water supply and water treatment sector.

OPERATING AND FINANCIAL REVIEW

OPERATING AND FINANCIAL REVIEW | CREDIT SUISSE GROUP

In 2003, Credit Suisse Group posted operating income of CHF 26,322 million, and a net profit of CHF 4,999 million. The Group measures its business at the consolidated group level on the basis of growth in net new assets and return on equity. At December 31, 2003, assets under management totaled CHF 1,199.4 billion, and for the year 2003 net new asset inflow was CHF 4.8 billion. Return on equity was 16.6% in 2003.

Operating income decreased CHF 1,716 million in 2003 to CHF 26,322 million compared to 2002. This decrease was mainly due to a decrease in net commission and service fee income primarily within Credit Suisse First Boston as a result of lower levels of market activity and the sale of Credit Suisse First Boston's clearing and execution platform, Pershing. Credit Suisse First Boston's operating income decreased in 2003 as a result of significantly lower operating income from the Institutional Securities segment primarily reflecting lower levels of market activity, the negative impact of the decline in the US dollar and a decline in operating income of the CSFB Financial Services segment mainly as a result of the sale of Pershing. The decline in operating income at Credit Suisse First Boston in 2003 was partly offset by a significant increase in net income from the insurance business within Credit Suisse Financial Services. The significant increase in net income from the insurance business is primarily a result of higher investment income reflecting improvements in the global capital markets and a significant decrease in other than temporary impairments in the investment portfolio compared to 2002. Net interest income decreased CHF 612 million, or 7.6%, reflecting stable interest margins, and net trading income increased CHF 261 million, or 11.6%, reflecting increased trading activities of Credit Suisse First Boston. Other ordinary income/(expenses), net, improved from an expense of CHF 898 million in 2002 to an expense of CHF 178 million in 2003. This improvement was mainly the result of a significant decrease in unrealized losses on financial investments.

In 2003, the Group's accounts were affected by mandatory changes in Swiss Federal Banking Commission guidelines (Swiss GAAP). The significant changes for the Group related to the accounting for derivatives and own shares. In line with US GAAP, the changes in accounting related to derivatives imposed more prescriptive requirements with respect to hedge effectiveness for derivatives hedging transactions. The majority of the Group's derivative transactions are not affected by these changes as they are entered into for trading purposes. However, certain of these hedges no longer qualify for hedge accounting under Swiss GAAP and, accordingly, changes in the fair value of such hedges have been reflected in operating income. The change in accounting for derivatives resulted in a decrease of CHF 179 million in operating income, mainly attributable to Credit Suisse First Boston. Changes in accounting for own shares resulted in the recognition in shareholders' equity of realized gains and losses on trading in own shares, while in the past such gains and losses were recorded in the income statement. The impact from the change in accounting for own shares resulted in a decrease of CHF 94 million in net profit accounted for at the Corporate Center.

Operating expenses decreased CHF 4,628 million, or 19.7%, in 2003 mainly reflecting continued focus on efficiency improvements and the impact of foreign exchange movements. Personnel expenses decreased CHF 3,280 million, or 19.4%, primarily as a result of headcount reductions. Included in personnel expenses are charges related to severance payments and retention awards in connection with staff reductions. Amortization of retention payments was CHF 213 million in 2003 compared to CHF 644 million in 2002. In 2003, Credit Suisse Group adopted the fair value method of expensing stock option awards, changed the vesting of stock option awards across the Group and changed the vesting of share awards at Credit Suisse First Boston. As a result of the changes in share plans and vesting, Credit Suisse First Boston increased the amount of compensation deferred in the form of shares and replaced performance-based plans and share option awards with share awards. In 2003, Credit Suisse First Boston deferred USD 873 million of compensation in the form of shares to future periods, compared to USD 869 million of value awarded in 2002 that was deferred or otherwise not expensed (in the case of share options). Other operating expenses decreased CHF 1,348 million, or 20.4%, in 2003 primarily as a result of ongoing cost containment and the impact of foreign exchange

movements.

Depreciation of non-current assets decreased CHF 286 million, or 13.2%, in 2003 compared to 2002 primarily as a result of decreased depreciation of tangible fixed assets. Amortization of acquired intangible assets decreased CHF 100 million, or 14.4%, and amortization of goodwill decreased CHF 212 million, or 26.3%, in 2003, in line with the decreased balances of these items. Included in amortization of acquired intangible assets is an impairment of CHF 270 million in respect of the intangible assets related to Credit Suisse First Boston's high-net-worth asset management business.

Valuation adjustments, provisions and losses from the banking business decreased CHF 3,569 million, or 80.6%, in 2003 primarily as a result of lower credit valuation allowances and provisions reflecting an improved credit environment, loan repayments and loan sales, as well as lower litigation provisions. In addition, the changes in Swiss GAAP related to derivatives resulted in the discontinuation of hedge accounting treatment for certain credit default swaps. The impact of the changes in fair value of these swaps accounted for in operating income were offset by an increase in credit losses in the amount of CHF 197 million, reflected in valuation adjustments, provisions and losses from the banking business.

Extraordinary income/(expenses), net, increased CHF 1,129 million to income of CHF 1,472 million in 2003. This increase mainly resulted from an after-tax gain of CHF 1,325 million, net of related provisions, from divestitures of Winterthur's Republic Financial Services in the United States, Churchill Insurance in the United Kingdom and Winterthur Italy.

The impact of the Swiss GAAP changes, as discussed above, for periods prior to 2003 was recorded as cumulative effect of change in accounting principle in 2003 in the amount of CHF 319 million, or CHF 187 million net of tax. In 2002, the accounting policy was changed to recognize deferred tax assets on net operating loss carryforwards when it is considered more likely than not that future taxable profit will be available against which such losses can be utilized. The CHF 520 million recorded in 2002 as a cumulative effect of change in accounting principle related to net operating losses incurred prior to 2002.

Taxes decreased CHF 442 million, or 74.2%, in 2003 compared to 2002 to an expense of CHF 154 million. The decrease was mainly due to tax credits reported within the Life & Pensions and Insurance segments as a result of changes in German tax legislation in December 2003. The changes in tax law now allow life and health insurance companies to deduct impairments and realized losses on equity for German tax purposes. In addition, a retroactive deduction of 80% of all impairments and realized losses incurred from equity investments since 2001 was also allowed. The result of these changes was a tax benefit of CHF 782 million which, after the related increase in dividends to policyholders of CHF 711 million, had a net positive impact on net profit before minority interests of CHF 71 million in 2003.

A key driver of our operating income is growth in net new assets, which is a Key Performance Indicator for measuring the progress of the asset gathering strategy. In 2003, assets under management increased CHF 39.4 billion, or 3.4%, to CHF 1,199.4 billion, despite divestitures at Winterthur during the year. This increase was primarily due to stronger equity markets and CHF 4.8 billion of net new assets.

Condensed consolidated income statement

in CHF m	2003	2002
Net interest income	7,424	8,036
Net commission and service fee income	11,940	15,334

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Net trading income	2,515	2,254
Net income from the insurance business ¹⁾	4,621	3,312
Other ordinary income/(expenses), net ²⁾	(178)	(898)
Operating income	26,322	28,038
Personnel expenses	13,630	16,910
Other operating expenses	5,271	6,619
Operating expenses	18,901	23,529
Gross operating profit	7,421	4,509
Depreciation of non-current assets ³⁾	1,887	2,173
Amortization of acquired intangible assets	593	693
Amortization of goodwill	594	806
Valuation adjustments, provisions and losses from the banking business ²⁾	861	4,430
Depreciation, valuation adjustments and losses	3,935	8,102
Profit/(loss) before extraordinary items, cumulative effect of change in accounting principle and taxes	3,486	(3,593)
Extraordinary income/(expenses), net	1,472	343
Cumulative effect of change in accounting principle ⁴⁾	319	520
Taxes	(154)	(596)
Net profit/(loss) before minority interests	5,123	(3,326)
Minority interests	(124)	17
Net profit/(loss)	4,999	(3,309)

¹⁾ For the purpose of the consolidated financial statements, operating income for the insurance business is defined as net premiums earned, less claims incurred and change in technical provisions and expenses for processing claims, less commissions, plus net investment income from the insurance businesses.

²⁾ Effective 2003, declines in value of debt securities and loans available for sale due to deterioration in creditworthiness are reported in "Other ordinary income/(expenses), net". In previous years they were recorded in "Valuation adjustments, provisions and losses from the banking business".

³⁾ Includes amortization of Present Value of Future Profits (PVFP) from the insurance businesses.

⁴⁾ In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

Assets under management/client assets ¹⁾

in CHF bn	31.12.03	31.12.02
Credit Suisse Financial Services		
Private Banking ²⁾		
Assets under management	511.7	465.7

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

of which discretionary	133.0	121.5
Client assets	540.7	494.8
Corporate & Retail Banking ²⁾		
Assets under management	70.0	70.3
Client assets	95.2	86.9
Life & Pensions		
Assets under management (discretionary)	113.3	110.8
Client assets	113.3	110.8
Insurance		
Assets under management (discretionary)	25.8	30.7
Client assets	25.8	30.7
Credit Suisse Financial Services		
Assets under management	720.8	677.5
of which discretionary	273.3	264.2
Client assets	775.0	723.2
Credit Suisse First Boston		
Institutional Securities		
Assets under management	29.8	31.3
of which Private Equity on behalf of clients (discretionary)	19.5	20.9
Client assets	101.5	83.3
CSFB Financial Services ³⁾		
Assets under management	448.8	451.2
of which discretionary	290.4	289.6
Client assets	466.8	951.4
Credit Suisse First Boston		
Assets under management	478.6	482.5
of which discretionary	316.5	317.9
Client assets	568.3	1,034.7
Credit Suisse Group		
Assets under management	1,199.4	1,160.0
of which discretionary	589.8	582.1
Client assets	1,343.3	1,757.9

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking. In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

²⁾ Comparative figures have been restated to reflect the realignment of the private client business. This entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking as well as re-evaluating the balances of 2002 discretionary assets.

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

Net new assets ¹⁾

in CHF bn

2003

2002

Credit Suisse Financial Services

Private Banking ²⁾	17.9	19.1
Corporate & Retail Banking ²⁾	(1.4)	(3.6)
Life & Pensions	0.0	3.4
Credit Suisse Financial Services	16.5	18.9
Credit Suisse First Boston		
Institutional Securities	2.3	1.9
CSFB Financial Services ³⁾	(14.0)	(22.2)
Credit Suisse First Boston	(11.7)	(20.3)
Credit Suisse Group	4.8	(1.4)

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking. In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

²⁾ Comparative figures have been restated to reflect the realignment of the private client business. This entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking.

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

OPERATING AND FINANCIAL REVIEW | CREDIT SUISSE FINANCIAL SERVICES

Credit Suisse Financial Services is a leading provider of comprehensive financial services in Europe and other selected markets. Under the main brands Credit Suisse and Winterthur, it offers investment and lending products, financial advisory services, including insurance and life and pension solutions, for private and corporate clients. For the periods under discussion, Credit Suisse Financial Services is comprised of the Private Banking, Corporate & Retail Banking, Life & Pensions and Insurance segments. For information relating to services provided, please refer to “Information on the Company – Credit Suisse Financial Services.”

The business unit results reflect the results of the separate segments comprising the business unit. Certain acquisition-related costs, including acquisition interest, amortization of acquired intangible assets and goodwill, as well as exceptional items, minority interests and the cumulative effect of changes in accounting principles not allocated to the segments, are included in the business unit results. The results of Credit Suisse Financial Services and its segments are discussed on an operating basis. For a reconciliation of operating basis business unit results to Swiss GAAP and a discussion of the material reconciling items, the purpose of the operating basis results and the reasons why management believes they provide useful information for investors, please refer to “Reconciliation of operating results to Swiss GAAP.”

In 2003, Credit Suisse Financial Services recorded a net profit of CHF 4,100 million compared to a net loss of CHF 271 million in 2002. This positive result was primarily due to significant cost reductions of CHF 1,068 million in 2003, as well as improved investment income in both the Life & Pensions and Insurance segments. Additionally, 2003 net profit includes divestiture gains of CHF 1,325 million, net of related provisions, and certain provisions of CHF 383 million at Winterthur in the third quarter. In 2003, Credit Suisse Financial Services reported a net operating profit – which excludes amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of changes in accounting principles – of CHF 4,261 million compared to a net operating loss of CHF 151 million

in 2002.

Credit Suisse Financial Services measures performance based on operating return on average allocated capital. Operating return on average allocated capital increased from -2.4% in 2002 to 30.3% in 2003. Return on average allocated capital increased from -3.4% in 2002 to 29.2% in 2003.

On September 1, 2003, Credit Suisse First Boston transferred its securities and treasury execution platform in Switzerland to Credit Suisse Financial Services. It also transferred its Private Client Services UK business from CSFB Financial Services to Private Banking. The results for all periods presented have been restated to reflect these transfers.

In 2003, Credit Suisse Financial Services recorded operating income of CHF 13,892 million, up CHF 1,740 million, or 14.3% , compared to 2002. The 2003 result included a third quarter after-tax gain resulting from divestitures at Winterthur of CHF 1,325 million, net of related provisions. Operating expenses decreased CHF 1,068 million, or 11.2% , in 2003. Personnel expenses decreased CHF 510 million, or 8.6% , and other operating expenses decreased CHF 558 million, or 15.4% . These improvements were mainly due to headcount reductions and ongoing efficiency measures taken throughout 2003.

Assets under management were up 6.4% at year-end 2003 compared to year-end 2002, primarily due to stronger financial markets. This increase was partially offset by the effects of the weaker US dollar. The business unit recorded a net new asset inflow of CHF 16.5 billion for the full year 2003 compared to CHF 18.9 billion in 2002.

Private Banking

Private Banking reported a segment profit of CHF 1,914 million for 2003, up 12.9% compared to 2002. Operating income amounted to CHF 5,921 million, down 2.5% compared to 2002. This decrease in operating income was mainly attributable to lower commission and service fee income as a result of the lower average asset base in 2003, partially offset by higher trading income due to increased volumes.

Operating expenses amounted to CHF 3,323 million in 2003, down 7.5% compared to 2002. Personnel expenses decreased 3.0% to CHF 2,193 million, mainly due to decreased headcount. Other operating expenses declined CHF 202 million, or 15.2% , to CHF 1,130 million as a result of efficiency measures. Private Banking recorded a cost/income ratio of 59.8% , down 3.3 percentage points compared with 2002.

At the end of 2003, assets under management were CHF 511.7 billion, up CHF 46.0 billion, or 9.9% , compared to year-end 2002. Assets under management benefited mainly from strong equity markets, as well as inflows of net new assets, which totaled CHF 17.9 billion in 2003.

Private Banking measures overall performance based on growth in net new assets and gross margin on average assets under management. The growth in net new assets remained stable in 2003 compared to 2002, and gross margin on average assets under management remained virtually unchanged at 121.3 bp in 2003.

Corporate & Retail Banking

Corporate & Retail Banking reported a segment profit of CHF 565 million, an increase of CHF 151 million, or 36.5% , compared with 2002.

Operating income in 2003 was CHF 3,131 million, almost unchanged compared to 2002. An increase in net trading income was offset by a lower net commission and service fee income, primarily as a result of the lower average asset base and lower transaction volumes. Operating expenses declined to CHF 1,997 million in 2003, down 8.9%

compared with the previous year. Personnel expenses remained stable, whereas other operating expenses declined 19.9% compared to 2002, to CHF 755 million, as a result of the cost reductions.

Actual net credit-related valuation allowances and provisions amounted to CHF 398 million for 2003, CHF 119 million above the statistical credit-related valuation adjustments. This deviation was due to one major default in the corporate credit business in Switzerland, which was partly offset by the release of valuation allowances in the recovery portfolio no longer required.

Corporate & Retail Banking recorded a net asset outflow of CHF 1.4 billion in 2003 compared to a net asset outflow of CHF 3.6 billion in 2002. This net asset outflow was attributable to shifts from time deposit accounts of corporate clients to transaction accounts that do not qualify as assets under management. Assets under management amounted to CHF 70.0 billion as of year-end 2003, down CHF 0.3 billion compared to year-end 2002.

Corporate & Retail Banking measures overall performance based on return on average allocated capital, which increased from 8.2% in 2002 to 11.6% in 2003. The segment's second key performance indicator – its cost/income ratio – improved further to 67.2% for 2003, a decrease of 5.9 percentage points versus 2002.

Life & Pensions

Life & Pensions reported a segment profit of CHF 478 million in 2003, compared with a segment loss of CHF 1,400 million in 2002. The year-on-year recovery was primarily due to higher investment income, which resulted from better performing investment markets and significantly reduced administration costs. In addition, the segment profit for 2003 includes an after-tax gain of CHF 57 million from the divestiture of Winterthur Italy.

In 2003, Life & Pensions' gross premiums written declined CHF 1,746 million, or 9.2%, compared to the previous year. Adjusted for divestitures and exchange rate impacts, gross premiums written decreased CHF 496 million, or 2.9%. The decline in reported premium volumes was primarily due to profit-oriented underwriting reflecting market conditions.

In 2003, the technical result, comprised of the sum of net premiums earned, death and other benefits incurred and the change in provisions for future policyholder benefits-technical, decreased slightly by CHF 77 million compared to the previous year, mainly due to the downturn in disability claims development. This was primarily offset by the improved result in Switzerland, which was due to the reduction of the technical interest rate in group life insurance in Switzerland from 4.0% to 3.25%.

Dividends to policyholders incurred, net increased CHF 3,419 million in 2003 compared to 2002, primarily due to the allocation to policyholders of higher investment results and the impact of tax law changes in Germany announced in December 2003. The tax law changes resulted in the release of net deferred tax liabilities and the related increase in dividends to policyholders incurred.

Policy acquisition costs (including the change in deferred policy acquisition costs (DAC)/present value of future profits (PVFP)) increased mainly due to higher DAC amortization as a result of lower expectations for long-term investment returns.

Administration costs decreased CHF 344 million, or 23.5%, in 2003. This reduction was mainly due to ongoing efficiency measures and the impact of certain one-time expenses in 2002.

Investment income general account increased CHF 3,913 million in 2003 compared to 2002. This increase was primarily due to the significant decrease of other than temporary impairments.

Other income/(expenses), net, decreased CHF 216 million from income of CHF 74 million in 2002 to an expense of CHF 142 million in 2003. This was mainly due to restructuring expenses and the impact of foreign exchange movements.

Taxes decreased CHF 1,505 million from an expense of CHF 786 million in 2002 to a benefit of CHF 719 million in 2003. The 2003 benefit was mainly a result of the change in German tax laws, which resulted in the release of deferred tax liabilities.

In 2003, Winterthur Life in Switzerland announced the introduction of its new model for the regulated Swiss employee benefit scheme, which went into effect on January 1, 2004. This model, known in Switzerland as the "Winterthur Model", has been adopted with respect to the regulated employee benefit insurance system in Switzerland to reflect current economic realities, particularly low investment yields, as well as developments in terms of life expectancy, by changing the contractual relationships between the insurer and the insured. Although the Life & Pensions segment remains exposed to the volatility of the financial markets due to the nature of its business, the implementation of the new employee benefit model should partially mitigate the impact of market volatility by providing more flexibility in the way policyholder bonuses are set.

Insurance

Insurance reported a segment profit of CHF 1,290 million in 2003 compared with a segment loss of CHF 992 million in 2002. The recovery from 2002 was primarily due to a CHF 1,268 million after-tax gain from the divestitures of Republic Financial Services in the United States, Churchill Insurance Group in the United Kingdom, and Winterthur Italy in the third quarter of 2003, net of related provisions. In addition, certain provisions of CHF 383 million related to the current and former international business portfolio were recorded in the third quarter of 2003. Additionally, segment profit was impacted by a significant improvement in investment income, lower administration costs, as well as the positive development of the underwriting result, before dividends to policyholders incurred, mainly due to tariff increases.

In 2003, the Insurance segment's net premiums earned decreased by CHF 1,133 million, or 7.2%. Adjusted for the divestitures and exchange rate impacts, net premiums earned increased CHF 574 million, or 6.0%, primarily as a result of tariff increases across all major markets.

The Insurance segment measures underwriting performance based on the combined ratio, by comparing claims and annuities incurred, net, policy acquisition costs and administration costs as a percentage of net premiums earned. In 2003, the combined ratio improved by 2.4 percentage points to 101.0% compared to 2002. This improvement resulted mainly from the continued implementation of tariff increases across all major markets, a strict underwriting policy, reduced costs, as well as the continued streamlining of the business portfolio. In addition, a lower level of losses resulting from natural catastrophes was reported in 2003.

Net claims and annuities incurred decreased CHF 1,103 million, or 9.4%, in 2003, mainly due to continued selective underwriting and lower losses from natural catastrophes. Combined with tariff increases, this led to a claims ratio improvement of 1.7 percentage points to 73.1%. This development was mainly a result of the improved non-motor claims ratio, which decreased year-on-year by 8.0 percentage points to 62.5%.

The expense ratio (policy acquisition costs ratio plus administration costs ratio) improved to 27.9% in 2003, down 0.7 percentage points compared to 2002.

Policy acquisition costs (including the change in DAC/PVFP) decreased CHF 96 million, or 3.8%, in 2003, and administration costs decreased by CHF 326 million, or 16.6%, compared to 2002. Adjusted for divestitures, the

administration costs improved by CHF 211 million, or 14.6%, reflecting the progress of ongoing efficiency measures across all market units.

Dividends to policyholders incurred, net, increased by CHF 605 million from income of CHF 106 million in 2002 to an expense of CHF 499 million in 2003. This increase was primarily due to higher investment results, and the impact of German tax law changes.

Net investment income increased CHF 1,250 million in 2003. This increase was mainly attributable to the significant decrease in impairments and lower realized losses.

Other income/(expenses), net, improved CHF 1,158 million from an expense of CHF 349 million in 2002, to income of CHF 809 million in 2003. This increase was primarily due to the profit arising from divestitures, partially offset by certain provisions related to the current and former international business portfolio, as well as restructuring expenses, reflecting the reorganization effort across all market units.

Investments for Life & Pensions and Insurance

Investment portfolios are managed within a defined process and set of guidelines in order to meet diversification, credit quality, yield and liquidity requirements of policy liabilities. Investments include debt instruments, such as government bonds, loans and mortgages, as well as real estate, equities and alternative assets. The weighting of asset classes within the investment portfolios is determined by the Investment Committee, which meets regularly.

Total investments increased by CHF 1.0 billion in 2003 compared to 2002. Excluding the impact of divestitures of CHF 12.0 billion, total investments increased by CHF 12.9 billion in 2003. During the year, equity exposure was reduced and the proportion of investments in debt securities increased. The strategy to reduce the equity exposure to protect against further declines in equity markets began in 2002 and continued in 2003. The proportion of investments held in equities decreased to 4.9% as of December 31, 2003 from 7.9% as of December 31, 2002.

Excluding the impact related to divestitures of CHF 9.9 billion, debt securities (in the general account) increased CHF 12.8 billion, or 19.1%, in 2003. Equity securities decreased by CHF 3.1 billion in 2003 excluding the impact related to divestitures of CHF 0.4 billion.

Net investment income from the general account increased by CHF 5.2 billion in 2003. This increase in net investment income was primarily due to the significant increase by CHF 4.9 billion in net realized gains and losses to CHF 1.7 billion.

Credit Suisse Financial Services business unit income statement ¹⁾

in CHF m	2003	2002
Operating income ²⁾	13,892	12,152
Personnel expenses	5,434	5,944
Other operating expenses	3,067	3,625
Operating expenses	8,501	9,569
Gross operating profit	5,391	2,583
Depreciation of non-current assets	672	739
Amortization of Present Value of Future Profits (PVFP)	300	267
	374	390

Valuation adjustments, provisions and losses		
Net operating profit before extraordinary and exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	4,045	1,187
Extraordinary income/(expenses), net	127	48
Taxes ³⁾	75	(1,517)
Net operating profit/(loss) before exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and minority interests	4,247	(282)
Amortization of acquired intangible assets and goodwill	(102)	(139)
Exceptional items	0	(192)
Cumulative effect of change in accounting principle ⁴⁾	1	266
Tax impact	2	16
Business unit result before minority interests	4,148	(331)
Minority interests	14	151
Business unit result ⁵⁾	4,162	(180)
Increased/(decreased) credit-related valuation adjustments, net of tax ⁶⁾	62	91
Net profit/(loss)	4,100	(271)

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking. The operating basis business unit results reflect the results of the separate segments comprising the business unit. Certain acquisition-related costs, including amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results. Certain other items, including credit-related valuation adjustments resulting from the difference between the statistical and actual credit provisions and gains/losses from sales of investments within the insurance business, are presented in the operating basis business unit results based on the Group's segment reporting principles. For a reconciliation and a discussion of the material reconciling items, please refer to "Reconciliation of operating results to Swiss GAAP".

²⁾ For the purpose of the consolidated financial statements, operating income for the insurance business is defined as net premiums earned, less claims incurred and change in technical provisions and expenses for processing claims, less commissions, plus net investment income from the insurance business. Gains or losses related to sales of investments within the insurance business are recorded as operating income at the business unit level and reclassified to extraordinary income/(expenses) in the consolidated financial statements in accordance with Swiss GAAP.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

³⁾ Excluding tax impact on amortization of acquired intangible assets and goodwill as well as exceptional items.

⁴⁾ In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

⁵⁾ Represents net profit/(loss) excluding credit-related valuation adjustments resulting from the difference between the statistical and actual credit provisions, net of tax.

⁶⁾ Increased/(decreased) credit-related valuation adjustments before tax of CHF 82 m and CHF 120 m for 2003 and 2002, respectively.

Reconciliation to net operating profit/(loss)

in CHF m	2003	2002
Business unit result	4,162	(180)
Amortization of acquired intangible assets and goodwill, net of tax	100	116 ₁₎
Exceptional items, net of tax	0	179
Cumulative effect of change in accounting principle, net of tax	(1)	(266)
Net operating profit/(loss)	4,261	(151)

¹⁾ Excluding a CHF 20 m write-off relating to a participation.

Credit Suisse Financial Services business unit key information ¹⁾

	2003	2002
Cost/income ratio ²⁾	73.9%	87.2%
Cost/income ratio – operating ³⁾ ⁴⁾	66.0%	84.8%
Cost/income ratio – operating, banking ³⁾	62.4%	66.5%
Return on average allocated capital ²⁾	29.2%	(3.4%)
Return on average allocated capital – operating ³⁾	30.3%	(2.4%)
Average allocated capital in CHF m	13,999	12,519
Growth in assets under management	6.4%	(9.5%)
of which net new assets	2.4%	2.5%
of which market movement and structural effects	6.0%	(11.8%)
of which acquisitions/(divestitures)	(2.1%)	(0.2%)
of which discretionary	1.3%	(2.0%)

	31.12.03	31.12.02
Assets under management in CHF bn	720.8	677.5
Number of employees (full-time equivalents)	41,195	54,378

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking.

²⁾ Based on the business unit results on a Swiss GAAP basis.

³⁾ Based on the operating basis business unit results, which exclude certain acquisition-related costs, exceptional items and cumulative effect of change in accounting principle not allocated to the segments and reflect certain reclassifications discussed in the “Reconciliation of operating results to Swiss GAAP”.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

4) Excluding amortization of PVFP from the insurance business within Credit Suisse Financial Services. Private Banking income statement ¹⁾

in CHF m	2003	2002
Net interest income	1,351	1,374
Net commission and service fee income	3,847	4,121
Net trading income	670	515
Other ordinary income	53	61
Operating income	5,921	6,071
Personnel expenses	2,193	2,261
Other operating expenses	1,130	1,332
Operating expenses	3,323	3,593
Gross operating profit	2,598	2,478
Depreciation of non-current assets	218	240
Valuation adjustments, provisions and losses ²⁾	69	78
Net operating profit before extraordinary and exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	2,311	2,160
Extraordinary income/(expenses), net	125	44
Taxes	(522)	(508)
Net operating profit before exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and minority interests (segment result)	1,914	1,696
Other data:		
Increased/(decreased) credit-related valuation adjustments ²⁾	(37)	1

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking as well as the realignment of the private client business. The latter entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking. Certain acquisition-related costs, including amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results.

²⁾ Increased/(decreased) credit-related valuation adjustments taken at Group level resulting from the difference between the statistical and actual credit provisions.

Private Banking balance sheet information ¹⁾

in CHF m	31.12.03	31.12.02
Total assets	178,533	171,126

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Due from customers	32,779	36,164
Mortgages	26,318	22,935

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking as well as the realignment of the private client business. The latter entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking.

Private Banking key information ¹⁾

	2003	2002
Cost/income ratio ²⁾	59.8%	63.1%
Average allocated capital in CHF m	2,931	2,507
Pre-tax margin ²⁾	41.1%	36.3%
Fee income/operating income	65.0%	67.9%
Net new assets in CHF bn	17.9	19.1
Growth in assets under management	9.9%	(10.5%)
of which net new assets	3.8%	3.7%
of which market movement and structural effects	6.0%	(14.2%)
of which acquisitions/(divestitures)	–	0.1%
Gross margin ³⁾	121.3 bp	121.5 bp
of which asset-driven	78.7 bp	81.8 bp
of which transaction-driven	38.4 bp	35.0 bp
of which other	4.2 bp	4.7 bp
Net margin ⁴⁾	39.2 bp	34.0 bp

	31.12.03	31.12.02
Assets under management in CHF bn	511.7	465.7
Number of employees (full-time equivalents)	11,850	12,967

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking as well as the realignment of the private client business. The latter entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking.

²⁾ Based on the segment results, which exclude certain acquisition-related costs, exceptional items and cumulative effect of change in accounting principle not allocated to the segment.

³⁾ Operating income/average assets under management.

⁴⁾ Segment result/average assets under management.

Corporate & Retail Banking income statement ¹⁾

in CHF m	2003	2002
Net interest income	2,070	2,142
Net commission and service fee income	661	693
Net trading income	305	273

Other ordinary income	95	39
Operating income	3,131	3,147
Personnel expenses	1,242	1,250
Other operating expenses	755	943
Operating expenses	1,997	2,193
Gross operating profit	1,134	954
Depreciation of non-current assets	106	108
Valuation adjustments, provisions and losses ²⁾	305	312
Net operating profit before extraordinary items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	723	534
Extraordinary income/(expenses), net	2	4
Taxes	(160)	(124)
Net operating profit before acquisition-related costs, cumulative effect of change in accounting principle and minority interests (segment result)	565	414
Other data:		
Increased/(decreased) credit-related valuation adjustments ²⁾	119	119

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services as well as the realignment of the private client business. The latter entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking. Certain acquisition-related costs, including amortization of acquired intangible assets and goodwill, and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results.

²⁾ Increased/(decreased) credit-related valuation adjustments taken at Group level resulting from the difference between the statistical and actual credit provisions.
Corporate & Retail Banking balance sheet information ¹⁾

in CHF m	31.12.03	31.12.02
Total assets	96,252	94,757
Due from customers	24,396	28,048
Mortgages	59,688	57,165
Due to customers in savings and investment deposits	28,590	27,081
Due to customers, other	28,034	27,611

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services as well as the realignment of the private client business. The latter entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Corporate & Retail Banking key information ¹⁾

	2003	2002
Cost/income ratio ²⁾	67.2%	73.1%
Return on average allocated capital ²⁾	11.6%	8.2%
Average allocated capital in CHF m	4,880	5,036
Pre-tax margin ²⁾	23.2%	17.1%
Personnel expenses/operating income	39.7%	39.7%
Net interest margin	212 bp	215 bp
Loan growth	(1.3%)	(1.0%)
Net new assets in CHF bn	(1.4)	(3.6)

	31.12.03	31.12.02
Deposit/loan ratio	67.3%	64.2%
Assets under management in CHF bn	70.0	70.3
Number of employees (full-time equivalents)	8,479	9,281
Number of branches	214	223

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services as well as the realignment of the private client business. The latter entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking.

²⁾ Based on the segment results, which exclude certain acquisition-related costs and cumulative effect of change in accounting principle not allocated to the segment.

Life & Pensions income statement ¹⁾

in CHF m	2003	2002
Gross premiums written	17,273	19,019
Reinsurance ceded	(87)	(40)
Net premiums written	17,186	18,979
Change in provision for unearned premiums	(1)	(4)
Net premiums earned	17,185	18,975
Death and other benefits incurred	(16,243)	(14,692)
Change in provision for future policyholder benefits (technical)	(2,486)	(5,750)
Change in provision for future policyholder benefits (separate account) ²⁾	(1,718)	1,730
Dividends to policyholders incurred, net	(1,661)	1,758
Policy acquisition costs (including change in DAC/PVFP)	(854)	(716)

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Administration costs	(1,119)	(1,463)
Investment income general account	5,351	1,438
Investment income separate account ²⁾	1,718	(1,730)
Interest received and paid	(117)	(92)
Interest on bonuses credited to policyholders	(155)	(146)
Other income/(expenses), net	(142)	74
Net operating profit/(loss) before cumulative effect of change in accounting principle and taxes	(241)	(614)
Taxes	719	(786)
Net operating profit/(loss) before cumulative effect of change in accounting principle and minority interests (segment result)	478	(1,400)

¹⁾ The presentation of segment results differs from the presentation of the Group's consolidated results as it reflects the way the insurance business is managed, which is in line with peers in the insurance industry. Certain acquisition-related costs, including amortization of acquired intangible assets and goodwill, and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results.

²⁾ This represents the market impact for separate account (or unit-linked) business, where the investment risk is borne by the policyholder.

Life & Pensions key information

	2003	2002
Expense ratio ¹⁾	11.4%	11.5%
Growth in gross premiums written	(9.2%)	9.2%
Return on invested assets (excluding separate account business)		
Current income	4.1%	3.9%
Realized gains/losses and other income/expenses	1.1%	(2.5%)
Total return on invested assets ²⁾	5.2%	1.4%
Net new assets in CHF bn ³⁾	0.0	3.4
Total sales in CHF m ⁴⁾	20,454	22,790

	31.12.03	31.12.02
Assets under management in CHF bn ⁵⁾	113.3	110.8
Technical provisions in CHF m	107,929	105,939
Number of employees (full-time equivalents)	7,193	7,815

¹⁾ Operating expenses (i.e. policy acquisition costs and administration costs)/gross premiums written.

²⁾ Total return on invested assets includes depreciation on real estate and investment expenses as well as investment income and realized gains and losses.

3) Based on change in technical provisions for traditional business, adjusted for technical interests, net inflow of separate account business and change in off-balance sheet business such as funds.

4) Includes gross premiums written and off-balance sheet sales.

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

Breakdown of gross premiums written by market units

in CHF m	2003	2002 ¹⁾
Switzerland	8,482	9,719
Germany	2,677	2,861
United Kingdom	2,355	2,338
Rest of Europe and Overseas	3,759	4,101
Gross premiums written	17,273	19,019

¹⁾ Certain reclassifications have been made to conform to the current presentation.

Insurance income statement ¹⁾

in CHF m	2003	2002
Gross premiums written	16,212	18,391
Reinsurance ceded	(939)	(1,150)
Net premiums written	15,273	17,241
Change in provision for unearned premiums and in provision for future policy benefits (health)	(703)	(1,538)
Net premiums earned	14,570	15,703
Claims and annuities incurred, net	(10,646)	(11,749)
Dividends to policyholders incurred, net	(499)	106
Policy acquisition costs (including change in DAC/PVFP)	(2,433)	(2,529)
Administration costs	(1,633)	(1,959)
Underwriting result, net	(641)	(428)
Net investment income	1,240	(10)
Interest received and paid	(156)	(106)
Other income/(expenses), net	809	(349)
Net operating profit/(loss) before cumulative effect of change in accounting principle and taxes	1,252	(893)
Taxes	38	(99)
Net operating profit/(loss) before cumulative effect of change in accounting principle and minority interests (segment result)	1,290	(992)

¹⁾ The presentation of segment results differs from the presentation of the Group's consolidated results as it reflects the way the insurance business is managed, which is in line with peers in the insurance industry. Certain acquisition-related costs, including amortization of acquired intangible assets and goodwill, and

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results.

Insurance key information

	2003	2002
Combined ratio (excluding dividends to policyholders)	101.0%	103.4%
Claims ratio ¹⁾	73.1%	74.8%
Expense ratio ²⁾	27.9%	28.6%
Return on invested assets (excluding separate account business)		
Current income	3.9%	4.2%
Realized gains/losses and other income/expenses	(0.1%)	(4.3%)
Total return on invested assets ³⁾	3.8%	(0.1%)
	31.12.03	31.12.02
Assets under management in CHF bn	25.8	30.7
Technical provisions in CHF m	22,196	28,745
Number of employees (full-time equivalents)	13,673	24,315

¹⁾ Claims and annuities incurred, net/net premiums earned.

²⁾ Operating expenses (i.e. policy acquisition costs and administration costs)/net premiums earned.

³⁾ Total return on invested assets includes depreciation on real estate and investment expenses as well as investment income and realized gains and losses.

Breakdown of gross premiums written by market units

in CHF m	2003	2002 ¹⁾
Switzerland	3,197	2,925
Germany	2,657	2,523
United Kingdom	3,416	5,001
Rest of Europe and Overseas	6,942	7,942
Gross premiums written	16,212	18,391

¹⁾ Certain reclassifications have been made to conform to the current presentation.

Investment income in CHF m	2003	2002
Investment income	5,375	5,096
Realized gains and losses	1,730	(3,183)
Depreciation on real estate	(152)	(153)
Investment expenses	(362)	(332)
Net investment income, general account	6,591	1,428
Investment income, separate account ¹⁾	1,718	(1,730)
Net investment income	8,309	(302)
of which Life & Pensions	7,069	(292)

of which Insurance	1,240	(10)
Return on invested assets (excluding separate account business):		
Current income	4.1%	4.0%
Other than current income/(expenses), net	0.8%	(2.9%)
Total ²⁾	4.9%	1.1%

¹⁾ Includes investment income/(loss) and realized gains and losses on separate account business.

²⁾ Total investment return includes depreciation on real estate and investment expenses as well as investment income and realized gains and losses.

Investment portfolio in CHF bn	31.12.03	31.12.02
Debt securities	79.9	76.9
Equity securities	5.6	9.1
Mortgage loans	11.1	10.2
Loans	4.4	4.3
Real estate	7.2	7.4
Other investments	5.0	7.1
Investments, general account	113.2	115.0
Investments, separate account ¹⁾	14.4	11.6
Investments	127.6	126.6
of which Life & Pensions	104.8	99.0
of which Insurance	22.8	27.6

¹⁾ Amounts exclude separate account business of SLC Pooled Pensions Limited.

OPERATING AND FINANCIAL REVIEW | CREDIT SUISSE FIRST BOSTON

Credit Suisse First Boston serves global institutional, corporate, government and high-net-worth clients in its role as a financial intermediary. Credit Suisse First Boston's businesses include securities underwriting, sales and trading, financial advisory services, lending, investment research, private equity investments, brokerage services and asset management products and services. For the periods under discussion, Credit Suisse First Boston is comprised of the operations of the Institutional Securities segment and the CSFB Financial Services segment. For information relating to services provided by Credit Suisse First Boston and a reorganization of operations effective January 1, 2004, please refer to "Information on the Company – Credit Suisse First Boston."

The business unit results reflect the results of the separate segments comprising the business unit. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and amortization of acquired intangible assets and goodwill, as well as exceptional items and cumulative effect of changes in accounting principles, net of tax, not allocated to the segments, are included in the business unit results. The results of Credit Suisse First Boston and its segments are discussed on an operating basis. For a reconciliation of operating basis business unit results to Swiss GAAP and a discussion of the material reconciling items, the purpose of the operating basis results and the reasons why management believes they provide useful information for investors, please refer to "Reconciliation of operating results to Swiss GAAP". Although the amounts for Credit Suisse First Boston and its

segments are presented in Swiss francs, the US dollar is Credit Suisse First Boston's functional currency. The depreciation in 2003 of the US dollar against the Swiss franc had a negative effect on Credit Suisse First Boston's 2003 results when translated into Swiss francs.

On September 1, 2003, Credit Suisse First Boston transferred its securities and treasury execution platform in Switzerland to Credit Suisse Financial Services. In 2003, it also transferred its Private Client Services UK business from CSFB Financial Services to Private Banking. The results for all periods presented have been restated to reflect these transfers.

In 2003, Credit Suisse First Boston reported a net profit of CHF 1,174 million compared with a net loss of CHF 1,836 million in 2002, despite a 19.3% decline in operating income. Credit Suisse First Boston reported a net operating profit – which excludes the amortization of acquired intangible assets and goodwill and the cumulative effect of changes in accounting principles, and, for 2002, exceptional items, net of tax – of CHF 1,876 million compared with a net operating profit of CHF 245 million in 2002. The increase in net profit and net operating profit resulted from improved operating margins, significant cost reductions and a decline in valuation adjustments, provisions and losses, despite reduced volumes and activity in several core markets. Credit Suisse First Boston measures performance based on operating return on average allocated capital and operating pre-tax margin. Operating return on average allocated capital and operating pre-tax margin are based on the operating basis business unit results, which exclude certain acquisition-related costs, exceptional items and the cumulative effect of changes in accounting principles, net of tax, discussed in “Reconciliation of operating results to Swiss GAAP”. In 2003, operating return on average allocated capital was 15.9%, an increase of 14.2 percentage points from the prior year. In 2003, operating pre-tax margin was 16.0%, an increase of 17.1 percentage points from the prior year. In 2003, return on average allocated capital and pre-tax margin including certain acquisition-related costs, exceptional items and the cumulative effect of a change in accounting principles, net of tax, were 10.6%, an increase of 22.9 percentage points, and 12.0%, and an increase of 27.3 percentage points from the prior year, respectively.

During 2003, Credit Suisse First Boston applied mandatory changes in Swiss GAAP – most significantly for the accounting for derivatives. The Swiss GAAP changes resulted in the discontinuation of hedge accounting treatment for certain credit default and interest rate swaps. As a result, changes in the fair value of these swaps were reflected in operating income, including gains on credit default swaps, which offset credit losses reflected in valuation adjustments, provisions and losses. The implementation of these changes for 2003 impacted results as follows: net profit was reduced by CHF 85 million, net operating profit was reduced by CHF 271 million and operating income was reduced by CHF 199 million; valuation adjustments, provisions and losses increased by CHF 197 million; and taxes were reduced by CHF 7 million. These changes in accounting principles also resulted in a cumulative positive effect related to prior periods of CHF 318 million, or CHF 186 million net of tax.

On May 1, 2003, Credit Suisse First Boston sold its clearing and execution platform, Pershing, to The Bank of New York Company, Inc. For 2003, Pershing's net result of CHF 20 million was reported as operating income in the CSFB Financial Services segment. Pershing's 2002 operating income and operating expense were CHF 1,332 million and CHF 1,031 million, respectively.

Operating income decreased CHF 3,476 million, or 19.3%, in 2003 compared with 2002. This decrease was primarily due to a CHF 1,930 million, or 12.9%, decline in the Institutional Securities segment in which all divisions declined except Other. The results of the business unit, which manages its operations in US dollars, were negatively impacted by weak market conditions, lower levels of mergers and acquisitions and equity new issuances and foreign exchange movements between the US dollar and the Swiss franc. A decline of CHF 1,546 million, or 49.8%, in the CSFB Financial Services segment was primarily the result of the sale of Pershing and weaker Credit Suisse Asset Management and Private Client Services operating income.

While the operating income in all regions declined, the decreases were most significant in the Americas. The portion of 2003 operating income derived from the Americas was 56%, 4% less than in 2002, as a result of difficult equity markets, including reduced equity new issuances and reduced merger and acquisition activity in the United States. In the Americas, operating income of the Fixed Income division, the Equity division and the Investment Banking division decreased 19%, 22% and 22%, respectively. The European operations improved their share of total revenue 3% to 33% primarily within the Fixed Income division, and Asian operations improved their share of total revenue 1% to 11%, primarily within the Equity division.

Operating expenses decreased CHF 3,153 million, or 22.3%, in 2003 compared with 2002. Personnel expenses decreased CHF 1,962 million, or 20.7%, to CHF 7,534 million, primarily as a result of the sale of Pershing, decreased headcount, the change in vesting for future share awards described below and the impact of the devalued US dollar. Excluding Pershing, headcount decreased 2.7%, or 510, as management continued to align the size of the business to market conditions.

In 2003, Credit Suisse First Boston introduced a three-year vesting period for future share awards in line with its long-term service and retention strategy and industry practice. As a result of the change, Credit Suisse First Boston increased the amount of compensation deferred in the form of share awards and replaced performance-based plans and share option awards with share awards. In 2003, Credit Suisse First Boston deferred USD 873 million of compensation in the form of share awards into future periods, compared to USD 869 million awarded in 2002 that was deferred or otherwise not expensed (in the case of share option awards).

Other operating expenses decreased CHF 1,191 million, or 25.8%, to CHF 3,434 million in 2003 compared to 2002, primarily due to reduced discretionary expenses, including professional fees, technology and occupancy costs, and the sale of Pershing.

Depreciation of non-current assets decreased CHF 200 million, or 26.6%, in 2003, compared with 2002 due primarily to reduced capital expenditures and leasehold improvements and the sale of Pershing.

Valuation adjustments, provisions and losses in 2003 decreased CHF 2,220 million, or 84.8%, mainly reflecting a significant improvement in credit conditions, the release of valuation allowances and lower provisions related to impaired and non-impaired loans and the legacy real estate portfolio. Impaired loans at December 31, 2003, decreased CHF 3,623 million, or 66.1%, compared to December 31, 2002. Non-performing loans at December 31, 2003 decreased CHF 2,326 million, or 65.2%, compared with December 31, 2002. The decreases were due in part to higher write-offs in 2003 and to real estate loans held for sale, previously presented on the basis of lower of cost or market net of related credit provisions, and now no longer reported within impaired loans. Real estate loans of CHF 752 million were included in impaired loans as of December 31, 2002.

Extraordinary income, net, decreased to CHF 168 million in 2003 from CHF 408 million in 2002. In 2003, Credit Suisse First Boston reported extraordinary income of CHF 134 million, or CHF 96 million net of tax, from the sale of a 50% interest in a Japanese online broker and CHF 34 million, or CHF 24 million net of tax, from the disposal of other assets. In 2002, the Group released a portion of its reserve for general banking risks and allocated CHF 382 million to Credit Suisse First Boston to offset the after-tax impact of a provision for the risk of loss inherent in the portfolio of non-impaired loans and commitments.

Acquisition interest decreased CHF 237 million, or 47.0%, to CHF 267 million. The decrease was primarily attributable to lower interest rates and a decrease in the amount of interest expense resulting from the acquisition of DLJ, which corresponded with the decline in goodwill following the sale of Pershing. Amortization of retention payments decreased CHF 431 million, or 66.9%, year-on-year to CHF 213 million, due to the substantial completion in June 2003 of the DLJ retention awards. Amortization of acquired intangible assets and goodwill decreased CHF

213 million, or 16.3%, to CHF 1,090 million primarily due to the sale of Pershing in 2003, offset in part by a CHF 270 million pre-tax, or CHF 176 million after-tax, impairment of acquired intangible assets with respect to CSFB Financial Services' high-net-worth asset management business in 2003.

No exceptional items were recorded in 2003. In 2002, exceptional items of CHF 1,389 million (CHF 1,269 million, net of tax) consisted of a pre-tax loss of CHF 134 million, or CHF 390 million after tax, related to the sale of Pershing, a pre-tax charge of CHF 234 million, or CHF 193 million after tax, related to the provision for the agreement in principle with various US regulators involving research analyst independence and the allocation of IPO shares to corporate executive officers, a pre-tax provision of CHF 702 million, or CHF 456 million after tax, for private litigation involving research analyst independence, certain IPO allocation practices and Enron and other related litigation, and a pre-tax charge of CHF 319 million, or CHF 230 million after tax, related to a cost reduction program initiated in the fourth quarter of 2002. Expenses associated with the cost reduction initiative included CHF 257 million of severance-related costs, CHF 33 million of excess facilities costs and CHF 28 million of costs associated with the sale of a 90% participation in Credit Suisse First Boston's non-core South African equity brokerage business in the first half of 2003. Had the 2002 pre-tax exceptional items been recorded through the operating results, approximately CHF 242 million would have been reflected as personnel expenses, approximately CHF 984 million as valuation adjustments, provisions and losses and approximately CHF 163 million as extraordinary expenses.

A cumulative effect of changes in accounting principles of CHF 254 million was reported in 2002 with respect to previous periods, relating to the recognition of deferred tax assets on net operating losses. The change led to the recognition of tax benefits of CHF 868 million during 2002. In 2003, changes in accounting principles related to mandatory changes in Swiss GAAP and resulted in a cumulative positive effect related to prior periods of CHF 318 million.

Credit Suisse First Boston's 2003 effective tax rate on operating results was 25.0%, which was lower than the 2002 effective tax rate of 30.0%, due to the positive effect of the geographic mix of taxable profits.

Institutional Securities

The Institutional Securities segment of Credit Suisse First Boston provides securities underwriting, financial advisory, lending and capital raising services and sales and trading for users and suppliers of capital globally and is operated and managed through three divisions:

- Fixed Income, which underwrites, trades and distributes fixed income financial instruments and offers derivatives and risk management products;
- Equity, which underwrites, trades and distributes equity and equity-related products, including listed and over-the-counter derivatives and risk management products, and engages in securities lending and borrowing; and
- Investment Banking, which serves a broad range of users and suppliers of capital, provides financial advisory and securities underwriting and placement services and, through the private equity group, makes privately negotiated equity investments and acts as an investment advisor for private equity funds.

Operating income for the Institutional Securities segment consists primarily of realized and unrealized net trading gains, net interest income from trading and lending activities, fee-based earnings from capital market activities, commissions on customer transactions and gains and losses on private equity investments. The results of certain non-continuing legacy activities are recorded within Other.

For divisional reporting of operating income, equity capital market underwriting fees are shared between the Investment Banking and Equity divisions, and debt capital market underwriting fees are shared between the Investment Banking and Fixed Income divisions. Corporate derivatives income is shared among the Investment Banking, Fixed Income and Equity divisions based upon client relationships. Income from corporate lending is shared among the Investment Banking, Fixed Income and Equity divisions. Beginning in 2003, certain fund-linked product revenues are shared between the Fixed Income division of the Institutional Securities segment and the Credit Suisse Asset Management business of the CSFB Financial Services segment, and a portion of the Fixed Income division's fund-linked product revenue is attributed to the Equity division.

In 2003, certain legacy private equity investments, including investments in mature third-party leveraged buyout funds reported in the Investment Banking division, were transferred to Other. The operating income of the Investment Banking and Other divisions were reclassified for all periods presented. These assets were managed together with the pre-existing non-continuing portfolios held for disposition and reported in Other.

Institutional Securities reported a segment profit of CHF 1,917 million in 2003, compared with CHF 636 million in 2002, primarily due to lower operating expenses, principally personnel costs and a significant decline in credit provisions. Institutional Securities measures performance based on pre-tax margin. For 2003, pre-tax margin was 18.8%, an increase of 15.8 percentage points from 2002.

In 2003, operating income of Institutional Securities was CHF 12,997 million, a decrease of 12.9% from CHF 14,927 million in 2002. The decline was due primarily to weaker Equity and Investment Banking results, reflecting difficult market conditions, particularly during the early part of the year, continued low merger and acquisition volume, a CHF 981 million gain on the sale of a private equity investment in 2002, and the impact of a lower US dollar versus Swiss franc exchange rate on results managed in US dollars, partially offset by improved results in the legacy portfolio.

Operating income from Fixed Income decreased CHF 342 million, or 5.2%, in 2003, compared with 2002. The decrease was principally due to an unfavorable exchange rate impact offsetting a year-to-year increase in operating income based on US dollars as 2003 benefited from a low interest rate environment, which fueled demand for high yield and structured products. Additionally, in 2002, the division had particularly strong results in Brazil and a writedown of notes issued by National Century Financial Enterprises, Inc.

Operating income from Equity decreased CHF 863 million, or 19.7%, in 2003 compared with 2002. The decline was principally due to a decrease in the cash business, particularly in the United States, which was adversely impacted by declines in volume, general margin compression and a decrease in equity new issuance activity during the early part of 2003, partially offset by improvements in the convertibles business. The division, which manages its results in US dollars, was also negatively affected by foreign exchange movements. Operating income from Investment Banking decreased CHF 1,553 million, or 31.7%, in 2003 compared with 2002, primarily as a result of a CHF 981 million gain from the sale of the strategic investment in Swiss Re recorded in 2002 and decreased mergers and acquisition and equity new issuance fees in 2003, partially offset by an increase in lending results.

For divisional reporting of operating income, equity capital market underwriting fees were shared between the Investment Banking and Equity divisions and debt capital market underwriting fees were shared between the Investment Banking and Fixed Income divisions. The following table sets forth a breakdown of such fees for 2002 and 2003.

Other operating income increased CHF 828 million, from an operating loss of CHF 876 million in 2002 to an operating loss of CHF 48 million in 2003. Other operating income includes the results of investments and transactions that are not associated with any particular division in the Institutional Securities segment, including the legacy portfolio and unallocated interest income. The improvement was primarily due to a positive performance in

the legacy portfolio in 2003 versus losses resulting from writedowns in 2002. The net exposure, including unfunded commitments, of the non-continuing legacy portfolio was CHF 2,706 million as of December 31, 2003, a decrease of CHF 1,508 million from December 31, 2002.

Operating expenses decreased CHF 1,963 million, or 16.8%, in 2003, compared with 2002 principally due to the impact of foreign exchange movements. On a US dollar basis, operating expenses decreased 3.9% due mainly to decreased headcount and other cost containment efforts. Personnel expenses decreased CHF 1,272 million, or 15.9%, to CHF 6,715 million, and other operating expenses decreased CHF 691 million, or 18.7%, to CHF 2,999 million.

Depreciation of non-current assets decreased CHF 95 million, or 15.6%, compared with 2002, primarily due to reduced capital expenditures and leasehold improvements and the impact of a lower US dollar/Swiss franc exchange rate.

Valuation adjustments, provisions and losses decreased CHF 2,232 million to CHF 363 million in 2003 primarily reflecting a significantly better credit environment than 2002, the release of credit provisions, and fewer reserves related to impaired and non-impaired loans.

CSFB Financial Services

The CSFB Financial Services segment provides international asset management services to institutional, mutual fund and private investors through its asset management business, which operates under the main brand name Credit Suisse Asset Management, and financial advisory services to high-net-worth individuals and corporate investors through Private Client Services. Its main sources of operating income are asset-based fee income and transaction fees from its investment advisory business.

In 2002, Credit Suisse First Boston recorded a pre-tax loss of CHF 134 million, or CHF 390 million after tax, related to the sale of Pershing. The 2002 operating income and operating expenses of Pershing, which was sold in May 2003, were CHF 1,332 million and CHF 1,031 million, respectively. The 2003 net result of Pershing was CHF 20 million. In November 2003, Credit Suisse First Boston sold its 50% interest in a Japanese online broker. As a result of the acquisitions and divestitures noted above, the results between periods may not be fully comparable.

CSFB Financial Services measures business performance based on assets under management, discretionary assets under management and net new assets. Assets under management fell CHF 28.1 billion, or 5.8%, while discretionary assets under management decreased CHF 1.3 billion, or 0.4%, and a net asset outflow of CHF 15.7 billion resulted during 2003.

Operating income was CHF 1,560 million in 2003, a decrease of 49.8% compared to 2002. Excluding Pershing, 2003 operating income decreased 13.2% compared with 2002 mainly as a result of lower revenues due to reduced sales staff and client balances at Private Client Services and the impact of a lower US dollar/Swiss franc exchange rate at Credit Suisse Asset Management. Net commission and service fee income decreased CHF 1,257 million, or 48.8%, and net interest income decreased CHF 263 million, or 83.0%, from 2002 primarily due to the Pershing sale. Segment profit was CHF 271 million, a decrease of CHF 84 million, or 23.7%, in 2003 resulting primarily from the sale of Pershing, offset in part by the extraordinary gain in 2003 on the sale of a 50% interest in a Japanese online broker.

Operating expenses decreased CHF 1,190 million, or 48.7%, with personnel expenses declining CHF 690 million, or 45.7%, and other operating expenses declining CHF 500 million, or 53.5%, in 2003 primarily as a result of the sale of Pershing and cost reduction measures. Excluding the effect of the Pershing sale, there was an 8.2% reduction in headcount and a decrease in operating expenses of 11.3% compared with 2002.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

In 2003, Credit Suisse Asset Management's assets under management decreased CHF 19.9 billion, or 4.8%, to CHF 392.9 billion. Of the decline in assets under management, CHF 24.4 billion was attributable to changes in reporting, predominantly to conform to the Swiss Federal Banking Commission's new definitions. Excluding these changes, assets under management increased by CHF 4.5 billion, due to CHF 21.0 billion of market performance gains, mostly offset by CHF 14.8 billion net outflow of assets and CHF 1.7 billion of foreign exchange declines. In 2003, Credit Suisse Asset Management's discretionary assets under management decreased CHF 0.6 billion, or 0.2%, to CHF 278.1 million while discretionary mutual funds distributed increased CHF 3.5 billion, or 3.3%, to CHF 110.0 billion. Private Client Services' assets under management decreased CHF 6.3 billion, or 9.3%, to CHF 61.2 billion. Of the decline in assets under management, CHF 3.9 billion were attributable to a change in the definition of assets under management, CHF 7.8 billion to foreign exchange declines, and CHF 0.9 billion were due to a net outflow of assets, which was offset by CHF 5.3 billion of market performance gains and CHF 1.0 billion from the Volaris acquisition. Private Client Services' discretionary assets under management decreased by CHF 0.7 billion, or 3.8%, to CHF 17.6 billion.

Credit Suisse First Boston business unit income statement ¹⁾

in CHF m	2003	2002
Operating income	14,557	18,033
Personnel expenses	7,534	9,496
Other operating expenses	3,434	4,625
Operating expenses	10,968	14,121
Gross operating profit	3,589	3,912
Depreciation of non-current assets	551	751
Valuation adjustments, provisions and losses	398	2,618
Net operating profit/(loss) before extraordinary and exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	2,640	543
Extraordinary income/(expenses), net	168	408
Taxes ²⁾	(620)	40
Net operating profit/(loss) before exceptional items, acquisition-related costs and cumulative effect of change in accounting principle	2,188	991
Acquisition interest	(267)	(504)
Amortization of retention payments	(213)	(644)
Amortization of acquired intangible assets and goodwill	(1,090)	(1,303)
Exceptional items	0	(1,389)
Cumulative effect of change in accounting principle ³⁾	318	254
Tax impact	238	759
Net profit/(loss)	1,174	(1,836)

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking. The operating basis business unit results reflect the results of the separate segments comprising the business unit. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results. Certain other items, including brokerage, execution and clearing expenses, contractor and recruitment costs and expenses related to certain redeemable preferred securities classified as minority interests are presented in the operating basis business unit results based on the Group's segment reporting principles. For a reconciliation and a discussion of the material reconciling items, please refer to "Reconciliation of operating results to Swiss GAAP".

²⁾ Excluding tax impact on acquisition-related costs, exceptional items and cumulative effect of change in accounting principle.

³⁾ In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

Reconciliation to net operating profit

in CHF m	2003	2002
Net profit/(loss)	1,174	(1,836)
Amortization of acquired intangible assets and goodwill, net of tax	888	1,066
Exceptional items, net of tax	0	1,269
Cumulative effect of change in accounting principle, net of tax	(186)	(254)
Net operating profit	1,876	245

Credit Suisse First Boston business unit key information ¹⁾

	2003	2002
Cost/income ratio ²⁾	80.6%	88.9%
Cost/income ratio – operating ³⁾	79.1%	82.5%
Return on average allocated capital ²⁾	10.6%	(12.3%)
Return on average allocated capital – operating ³⁾	15.9%	1.7%
Average allocated capital in CHF m	11,829	14,299
Pre-tax margin ²⁾	12.0%	(15.3%)
Pre-tax margin – operating ³⁾	16.0%	(1.1%)
Personnel expenses/operating income ²⁾	58.5%	64.2%
Personnel expenses/operating income – operating ³⁾	51.8%	52.7%
	31.12.03	31.12.02
Number of employees (full-time equivalents)	18,341	22,801

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private

Banking.

2) Based on the business unit results on a Swiss GAAP basis.

3) Based on the operating basis business unit results, which exclude certain acquisition-related costs, exceptional items and cumulative effect of change in accounting principle not allocated to the segments and reflect certain other reclassifications discussed in the "Reconciliation of operating results to Swiss GAAP".

Distribution of operating income

based on CHF	31.12.03	31.12.02
Americas	56%	60%
Europe	33%	30%
Asia/Pacific	11%	10%
Total	100%	100%

Institutional Securities income statement ¹⁾

in CHF m	2003	2002
Fixed Income	6,183	6,525
Equity	3,516	4,379
Investment Banking	3,346	4,899
Other	(48)	(876)
Operating income	12,997	14,927
Personnel expenses	6,715	7,987
Other operating expenses	2,999	3,690
Operating expenses	9,714	11,677
Gross operating profit	3,283	3,250
Depreciation of non-current assets	514	609
Valuation adjustments, provisions and losses	363	2,595
Net operating profit before extraordinary and exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	2,406	46
Extraordinary income/(expenses), net	34	408
Taxes	(523)	182
Net operating profit before exceptional items, acquisition-related costs and cumulative effect of change in accounting principle (segment result)	1,917	636

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results. In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Institutional securities balance sheet information ¹⁾

in CHF m	31.12.03	31.12.02
Total assets	588,783	573,628
Total assets in USD m	476,477	412,623
Due from banks	194,817	193,944
of which securities lending and reverse repurchase agreements	143,196	152,221
Due from customers	113,823	114,191
of which securities lending and reverse repurchase agreements	62,252	56,851
Mortgages	12,234	14,825
Securities and precious metals trading portfolios	186,130	157,320
Due to banks	292,550	281,510
of which securities borrowing and repurchase agreements	104,855	112,733
Due to customers, other	111,844	109,980
of which securities borrowing and repurchase agreements	71,843	66,864

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services.

Institutional securities key information ¹⁾

based on CHF amounts	2003	2002
Cost/income ratio ²⁾	78.7%	82.3%
Average allocated capital in CHF m	11,410	13,706
Pre-tax margin ²⁾	18.8%	3.0%
Personnel expenses/operating income ²⁾	51.7%	53.5%

	31.12.03	31.12.02
Number of employees (full-time equivalents)	15,739	16,018

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services.

²⁾ Based on the segment results, which exclude certain acquisition-related costs, exceptional items and cumulative effect of change in accounting principle not allocated to the segment.

Active private equity investments	2003	2002
Net gains (realized and unrealized gains/losses) in CHF m	173	4
Management and performance fees in CHF m	228	333

	31.12.03	31.12.02
Book value in CHF bn	1.2	1.3

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Fair value in CHF bn	1.3	1.4
Capital market underwriting fees ¹⁾		
in CHF m	2003	2002
Equity capital markets	897	1,260
Debt capital markets	1,160	1,023

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services.
CSFB Financial Services income statement ¹⁾

in CHF m	2003	2002
Net interest income	54	317
Net commission and service fee income	1,318	2,575
Net trading income	140	166
Other ordinary income	48	48
Operating income	1,560	3,106
Personnel expenses	819	1,509
Other operating expenses	435	935
Operating expenses	1,254	2,444
Gross operating profit	306	662
Depreciation of non-current assets	37	142
Valuation adjustments, provisions and losses	35	23
Net operating profit before extraordinary and exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	234	497
Extraordinary income/(expenses), net	134	0
Taxes	(97)	(142)
Net operating profit before exceptional items, acquisition-related costs and cumulative effect of change in accounting principle (segment result)	271	355

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results. In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

CSFB Financial Services key information ¹⁾
based on CHF amounts

2003	2002
------	------

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Cost/income ratio ²⁾	82.8%	83.3%
Average allocated capital in CHF m	529	939
Pre-tax margin ²⁾	23.6%	16.0%
Personnel expenses/operating income ²⁾	52.5%	48.6%
Net new assets Credit Suisse Asset Management in CHF bn (discretionary) ³⁾	(14.8)	(31.3)
Net new assets Private Client Services in CHF bn	(0.9)	8.0
Growth in assets under management ³⁾	(5.8%)	(24.2%)
Growth in discretionary assets under management – Credit Suisse Asset Management ³⁾	(0.2%)	(23.5%)
of which net new assets ³⁾	(5.3%)	(8.6%)
of which market movement and structural effects	5.1%	(14.9%)
Growth in net new assets Private Client Services	(1.3%)	8.6%
	31.12.03	31.12.02
Assets under management in CHF bn ³⁾	454.1	482.2
of which Credit Suisse Asset Management ³⁾	392.9	412.8
of which Private Client Services	61.2	67.5
Discretionary assets under management in CHF bn ³⁾	295.7	297.0
of which Credit Suisse Asset Management ³⁾	278.1	278.7
of which mutual funds distributed	110.0	106.5
of which Private Client Services	17.6	18.3
Advisory assets under management in CHF bn ³⁾	158.4	185.2
Number of employees (full-time equivalents)	2,602	6,783

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking.

²⁾ Based on the segment results, which exclude certain acquisition-related costs, exceptional items and cumulative effect of change in accounting principle not allocated to the segment.

³⁾ Credit Suisse Asset Management figures for Assets under Management and Net New Assets include assets managed on behalf of other entities within Credit Suisse Group. This differs from the presentation in the overview of Credit Suisse Group, where such assets are eliminated.

OPERATING AND FINANCIAL REVIEW | SUPPLEMENTAL INFORMATION

The following tables provide the results of Credit Suisse First Boston and its segments on a US dollar basis. Credit Suisse First Boston business unit income statement ¹⁾

in USD m	2003	2002
Operating income	10,783	11,559
Personnel expenses	5,581	6,088
Other operating expenses	2,543	2,964
Operating expenses	8,124	9,052
Gross operating profit	2,659	2,507
Depreciation of non-current assets	408	481
Valuation adjustments, provisions and losses	295	1,679
Net operating profit/(loss) before extraordinary and exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	1,956	347
Extraordinary income/(expenses), net	124	262
Taxes ²⁾	(459)	25
Net operating profit/(loss) before exceptional items, acquisition-related costs and cumulative effect of change in accounting principle	1,621	634
Acquisition interest	(198)	(323)
Amortization of retention payments	(158)	(413)
Amortization of acquired intangible assets and goodwill	(807)	(835)
Exceptional items	0	(890)
Cumulative effect of change in accounting principle ³⁾	236	162
Tax impact	176	487
Net profit/(loss)	870	(1,178)

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking. The operating basis business unit results reflect the results of the separate segments comprising the business unit. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results. Certain other items, including brokerage, execution and clearing expenses, contractor and recruitment costs and expenses related to certain redeemable preferred securities classified as minority interests are presented in the operating basis business unit results based on the Group's segment reporting

principles. For a reconciliation and a discussion of the material reconciling items, please refer to "Reconciliation of operating results to Swiss GAAP".

2) Excluding tax impact on acquisition-related costs, exceptional items and cumulative effect of change in accounting principle.

3) In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

Reconciliation to net operating profit

in USD m	2003	2002
Net profit/(loss)	870	(1,178)
Amortization of acquired intangible assets and goodwill, net of tax	657	683
Exceptional items, net of tax	0	813
Cumulative effect of change in accounting principle, net of tax	(138)	(162)
Net operating profit	1,389	156

Institutional Securities income statement ¹⁾

in USD m	2003	2002
Fixed Income	4,580	4,183
Equity	2,605	2,807
Investment Banking	2,478	3,140
Other	(35)	(562)
Operating income	9,628	9,568
Personnel expenses	4,975	5,120
Other operating expenses	2,221	2,365
Operating expenses	7,196	7,485
Gross operating profit	2,432	2,083
Depreciation of non-current assets	381	390
Valuation adjustments, provisions and losses	269	1,664
Net operating profit before extraordinary and exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	1,782	29
Extraordinary income/(expenses), net	25	262
Taxes	(387)	116
Net operating profit before exceptional items, acquisition-related costs and cumulative effect of change in accounting principle (segment result)	1,420	407

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results. In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

CSFB Financial Services income statement ¹⁾

in USD m	2003	2002
Net interest income	39	203
Net commission and service fee income	976	1,650
Net trading income	104	107
Other ordinary income	36	31
Operating income	1,155	1,991
Personnel expenses	606	968
Other operating expenses	322	599
Operating expenses	928	1,567
Gross operating profit	227	424
Depreciation of non-current assets	27	91
Valuation adjustments, provisions and losses	26	15
Net operating profit before extraordinary and exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	174	318
Extraordinary income/(expenses), net	99	0
Taxes	(72)	(91)
Net operating profit before exceptional items, acquisition-related costs and cumulative effect of change in accounting principle (segment result)	201	227

¹⁾ Comparative figures have been restated to reflect the transfer of the securities and treasury execution platform of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results. In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

Corporate Center income statement in CHF m	2003	2002
Operating income	(88)	(966)
Personnel expenses	237	176
Other operating expenses	(246)	(423)
Operating expenses	(9)	(247)
Gross operating profit/(loss)	(79)	(719)
Depreciation of non-current assets	364	371
Amortization of acquired intangible assets and goodwill	(5)	(2)
Valuation adjustments, provisions and losses	7	318
Profit/(loss) before extraordinary items, cumulative effect of change in accounting principle and taxes	(445)	(1,406)
Extraordinary income/(expenses), net	100	182
Cumulative effect of change in accounting principle	0	0
Taxes	131	77
Net profit/(loss) before minority interests	(214)	(1,147)
Minority interests	(61)	(55)
Net profit/(loss)	(275)	(1,202)

Introduction

Credit Suisse Financial Services business unit

Credit Suisse First Boston business unit

The following table sets forth the reconciliation of operating to consolidated results for the year ended December 31, 2003:

in CHF m	Credit Suisse Financial Services		Credit Suisse First Boston			Corporate Center ¹⁾	Credit Suisse Group	
	Operating basis	Re- classifi- cations	Swiss GAAP basis	Operating basis	Re- classifi- cations			Swiss GAAP basis
Operating income	13,892	(1,077) ²⁾	12,815	14,557	(962) ^{3) 4)}	13,595	(88)	26,322
Personnel expenses	5,434		5,434	7,534	425 ^{3) 4)}	7,959	237	13,630

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Other operating expenses	3,067	3,067	3,434	(984) ⁴⁾	2,450	(246)	5,271	
Operating expenses	8,501	8,501	10,968		10,409	(9)	18,901	
Gross operating profit	5,391	4,314	3,589		3,186	(79)	7,421	
Depreciation of non-current assets	972	972	551		551	364	1,887	
Amortization of acquired intangible assets and goodwill	–	102	102	–	1,090 ³⁾	1,090	(5)	1,187
Valuation adjustments, provisions and losses	374	82 ⁶⁾	456	398		398	7	861
Profit before extraordinary items, cumulative effect of change in accounting principle and taxes	4,045	2,784	2,640		1,147	(445)	3,486	
Extraordinary income/(expenses), net	127	1,077 ²⁾	1,204	168		168	100	1,472
Cumulative effect of change in accounting principle	–	1	1	–	318	318	0	319
Taxes	75	22	97	(620)	238	(382)	131	(154)
Net profit before minority interests	4,247	4,086	2,188		1,251	(214)	5,123	
Minority interests	14	14	0	(77) ⁵⁾	(77)	(61)	(124)	
Net profit	4,261	4,100	2,188		1,174	(275)	4,999	
Reconciliation to business unit results								
Acquisition interest				(267)	267			
Amortization of retention payments				(213)	213			
Amortization of acquired intangible assets and goodwill	(102)	102		(1,090)	1,090			
Cumulative effect of change in accounting principle	1	(1)		318	(318)			
Tax impact	2	(2)		238	(238)			
Business unit result	4,162			1,174				

¹⁾ Corporate Center includes the parent company operations, including Group financing initiatives, centrally managed, own-use real estate, consisting mainly of bank premises within Switzerland and consolidation adjustments.

²⁾ Reflects net gains/(losses) from sales of investments and other reclassifications within the insurance business of CHF 1,077 m reclassified from operating income to extraordinary income/(expenses).

³⁾ Reflects acquisition interest of CHF 267 m allocated to operating income, amortization of retention payments of CHF 213 m allocated to personnel expenses and amortization of acquired intangible assets and goodwill of CHF 1,090 m.

⁴⁾ Reflects brokerage, execution and clearing expenses of CHF 772 m reclassified from other operating expenses to operating income and contractor costs of CHF 151 m and staff recruitment costs of CHF 61 m reclassified from other operating expenses to personnel expenses.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

⁵⁾ Reflects expenses of CHF 77 m related to certain redeemable preferred securities reclassified from operating income to minority interests.

⁶⁾ Reflects an increase/(decrease) in credit-related valuation adjustments resulting from the difference between statistical and actual credit provisions of CHF 82 m.

The following table sets forth the reconciliation of operating to consolidated results for the year ended December 31, 2002:

in CHF m	Credit Suisse Financial Services			Credit Suisse First Boston			Corporate Center ¹⁾	Credit Suisse Group
	Operating basis	Re-classifications	Swiss GAAP basis	Operating basis	Re-classifications	Swiss GAAP basis		
Operating income	12,152	132 ₂₎	12,284	18,033	(1,313) ₅₎ ^{3) 4)}	16,720	(966)	28,038
Personnel expenses	5,944	50 ₆₎	5,994	9,496	1,244 ₇₎ ^{3) 4)}	10,740	176	16,910
Other operating expenses	3,625	38 ₆₎	3,663	4,625	(1,246) ₄₎	3,379	(423)	6,619
Operating expenses	9,569		9,657	14,121		14,119	(247)	23,529
Gross operating profit	2,583		2,627	3,912		2,601	(719)	4,509
Depreciation of non-current assets	1,006	45 ₆₎	1,051	751		751	371	2,173
Amortization of acquired intangible assets and goodwill	–	198 ₆₎	198	–	1,303 ₃₎	1,303	(2)	1,499
Valuation adjustments, provisions and losses	390	120 ₈₎	510	2,618	984 ₇₎	3,602	318	4,430
Profit/(loss) before extraordinary items, cumulative effect of change in accounting principle and taxes	1,187		868	543		(3,055)	(1,406)	(3,593)
Extraordinary income/(expenses), net	48	(132) ₂₎	(84)	408	(163) ₇₎	245	182	343
Cumulative effect of change in accounting principle	–	266	266	–	254	254	0	520
Taxes	(1,517)	45	(1,472)	40	759	799	77	(596)
Net profit/(loss) before minority interests	(282)		(422)	991		(1,757)	(1,147)	(3,326)
Minority interests	151		151	0	(79) ₅₎	(79)	(55)	17
Net profit/(loss)	(131)		(271)	991		(1,836)	(1,202)	(3,309)
Reconciliation to business unit results								
Acquisition interest				(504)	504			
Amortization of retention payments				(644)	644			
Amortization of acquired intangible assets and goodwill	(139)	139		(1,303)	1,303			
Exceptional items	(192)	192		(1,389)	1,389			

Cumulative effect of change in accounting principle	266	(266)	254	(254)
Tax impact	16	(16)	759	(759)
Business unit result	(180)		(1,836)	

1) Corporate Center includes the parent company operations, including Group financing initiatives, centrally managed, own-use real estate, consisting mainly of bank premises within Switzerland and consolidation adjustments.

2) Reflects net gains/(losses) from sales of investments within the insurance business of CHF -132 m reclassified from operating income to extraordinary income/(expenses).

3) Reflects acquisition interest of CHF 504 m allocated to operating income, amortization of retention payments of CHF 644 m allocated to personnel expenses and amortization of acquired intangible assets and goodwill of CHF 1,303 m.

4) Reflects brokerage, execution and clearing expenses of CHF 888 m reclassified from other operating expenses to operating income and contractor costs of CHF 272 m and staff recruitment costs of CHF 86 m reclassified from other operating expenses to personnel expenses.

5) Reflects expenses of CHF 79 m related to certain redeemable preferred securities reclassified from operating income to minority interests.

6) Reflects exceptional items allocated to personnel expenses of CHF 50 m, to other operating expenses of CHF 38 m, to depreciation of non-current assets of CHF 45 m and to amortization of acquired intangible assets and goodwill of CHF 59 m.

7) Reflects exceptional items allocated to personnel expenses of CHF 242 m, to valuation adjustments, provisions and losses of CHF 984 m and to extraordinary expenses of CHF 163 m.

8) Reflects an increase/(decrease) in credit-related valuation adjustments resulting from the difference between statistical and actual credit provisions of CHF 120 m.

Overview

Risk management principles

- **Protection of financial strength:** Credit Suisse Group controls risk in order to limit the impact of potentially adverse events on the Group's capital and income streams. The Group's risk appetite is to be consistent with its financial resources.
- **Protection of reputation:** The value of the Credit Suisse Group franchise depends on the Group's reputation. Protecting a strong reputation is fundamental and must be an overriding concern for all staff members.
- **Risk transparency:** Risk transparency is essential so that risks are well understood by senior management and can be balanced against business goals.
- **Management accountability:** The various segments are organized into business units that own the comprehensive risks assumed through their operations. Business unit management is responsible for the active management of the respective risk exposures and the return for the risks taken.

- Independent oversight: Risk management is a structured process to identify, measure, monitor and report risk. The risk management, controlling and legal and compliance functions operate independently of the front office units to ensure the integrity of the risk and control processes.

Risk management oversight

Risk management oversight at the Board level

- Group Board of Directors: Responsible to shareholders for the strategic direction, supervision and control of the Group and for defining the Group's overall tolerance for risk.
- Board of Directors of other Group legal entities: Responsible for the strategic direction, supervision and control of the respective legal entity and for defining the legal entity's tolerance for risk.
- Risk Committees: Established in May 2003 and responsible for assisting the Board of Directors of the Group and other Group legal entities in fulfilling their oversight responsibilities by providing guidance regarding the risk governance and the development of the risk profile, including the regular review of major risk exposures and the approval of risk limits.
- Audit Committees: Responsible for assisting the Boards of Directors of the Group and other Group legal entities in fulfilling their oversight responsibilities by monitoring management's approach with respect to financial reporting, internal controls, accounting, risk management and legal and regulatory compliance. Additionally, the Audit Committees are responsible for monitoring the independence and the performance of the internal and external auditors.
- Internal and external auditors: Responsible for assisting the Boards of Directors, the Audit Committees and management in fulfilling their responsibilities by providing an objective and independent evaluation of the financial accounts and the effectiveness of control, risk management and governance processes.

Risk management oversight at the Group management level

- Group Executive Management (Group Co-CEOs and Group Executive Board): Responsible for implementing the Group's strategy, managing the Group's portfolio of businesses and managing the risk profile of the Group as a whole within the risk tolerance defined by the Group Board of Directors.
- Group Chief Risk Officer: Responsible for providing risk management oversight for the Group as a whole in order to ensure that the aggregate risk appetite is consistent with the Group's financial resources as well as the risk tolerance defined by the Group Board of Directors. Additionally, risk management identifies group-wide risk concentrations, reviews and ratifies high risk exposures and unusual or special transactions, ensures consistent and thorough risk management practices and processes throughout the Group and recommends corrective action if necessary.
- Group Risk Processes & Standards Committee (GRIPS): Responsible for establishing and approving standards regarding risk management and risk measurement.
- Credit Portfolio & Provisions Review Committee: Responsible for reviewing the quality of the credit portfolio, with a focus on the development of impaired assets and the assessment of related provisions and valuation allowances.

Risk management oversight at the business unit, segment and division management level

- Business unit Executive Management (Chief Executive Officers, CSFS Executive Board and CSFB Operating Committee): Responsible for implementing the business unit's strategy and actively managing its portfolio of businesses and its risk profile to ensure that risk and return are balanced and appropriate for current market conditions.
- Strategic Risk Management: At both business units, Strategic Risk Management is an independent function headed by the business unit Chief Risk Officer with responsibility for assessing the overall risk profile of the business unit on a consolidated basis and for recommending corrective action if necessary.
- Credit Risk Management: At both business units, Credit Risk Management is an independent function headed by the business unit Chief Credit Officer with responsibility for approving credit limits, monitoring and managing individual exposures and assessing and managing the quality of the credit portfolio of the business unit.
- CSFS Risk Management Committee: Responsible for supervising and directing the Credit Suisse Financial Services risk profile on a consolidated basis, for approving risk management policies, recommending risk limits to the Credit Suisse and Winterthur Boards of Directors and their Risk Committees and establishing and allocating risk limits within Credit Suisse Financial Services.
- CSFB Capital Allocation and Risk Management Committee: Responsible for supervising and directing the Credit Suisse First Boston risk profile on a consolidated basis, approving risk management policies, recommending risk limits to the Credit Suisse First Boston Board of Directors and its Risk Committee and for establishing and allocating risk limits within Credit Suisse First Boston.
- CSFB Operational Risk Review Committee: Responsible for reviewing and addressing operational risk issues at Credit Suisse First Boston.
- Winterthur Risk Management Committee: Responsible for supervising and directing the Winterthur risk profile on a consolidated basis and approving risk management policies.
- Winterthur Investment Committee: Responsible for defining the Winterthur investment strategy in light of Winterthur's overall risk profile.
- CSFS Asset and Liability Management Committee: Responsible for supervising the development of the Credit Suisse Financial Services banking segments' balance sheets.

Risk categories

- Market risk – the risk of loss arising from adverse changes in interest rates, foreign currency exchange rates, equity prices and other relevant market rates and prices, such as commodity prices and volatilities;
- Credit risk – the risk of loss arising from adverse changes in the creditworthiness of counterparties;
- Insurance risk – the risk that product pricing and reserves do not appropriately cover claims expectations;
- Business risk – the risk that the businesses are not able to cover their ongoing expenses with ongoing income subsequent to a severe crisis, excluding expense and income items already captured by the other risk

categories;

- Liquidity and funding risk – the risk that the Group or one of its businesses is unable to fund assets or meet obligations at a reasonable or, in case of extreme market disruptions, at any price;
- Operational risk – the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events;
- Strategy risk – the risk that the business activities are not responsive to changes in industry trends; and
- Reputation risk – the risk that the Group’s market or service image declines.

Risk limits

Economic Risk Capital

Introduction

Concept

- Position risk ERC the level of unexpected loss in economic value on the Group’s portfolio of positions over a one-year horizon that is exceeded with a given, small probability (1% for risk management purposes; 0.03% for capital management purposes).
- Operational risk ERC the level of loss resulting from inadequate or failed internal processes, people and systems or from external events over a one-year horizon that is exceeded with a small probability (0.03%);
- Business risk ERC the difference between expenses and revenues in a severe market event, exclusive of the elements captured by position risk ERC and operational risk ERC.

Applications

Key position risk trends 2003

- Interest rate, credit spread and foreign exchange ERC: +3%, due to higher credit spread risk at Credit Suisse First Boston and higher foreign exchange risk at the Winterthur entities;
- Equity investment ERC: –32%, due to a significant reduction in Winterthur’s equity risk as well as lower positions in Swiss franc terms at Credit Suisse First Boston due the impact of the lower US dollar rate used to translate Credit Suisse First Boston’s US dollar ERC into Swiss francs;

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

- Swiss and retail lending ERC: –13%, due to the reduction in impaired loans at Corporate & Retail Banking and lower mortgage exposures at the Winterthur entities;
- International lending ERC: –31%, due to substantial exposure reductions at Credit Suisse First Boston as well as due to the impact of the lower US dollar rate used to translate Credit Suisse First Boston’s US dollar ERC into Swiss francs, partially offset by an increase in the risk associated with Winterthur’s bond portfolio;
- Emerging markets ERC: –11%, mainly due to the impact of the lower US dollar rate used to translate Credit Suisse First Boston’s US dollar ERC into Swiss francs;
- Real estate & structured asset ERC: –20%, due to a reduction in Credit Suisse First Boston’s commercial real estate exposure as a result of securitizations and loan sales as well as lower real estate exposures at Winterthur, partially offset by an increase in Credit Suisse First Boston’s exposure to residential mortgages; and
- Insurance underwriting ERC: –31%, primarily due to divestitures of the Republic operations, Churchill and Winterthur Italy.

Market risk

Overview

- The Value-at-Risk (VaR) method estimates the potential economic loss arising from a given portfolio for a predetermined probability and holding period, using market movements determined from historical data. The VaR methodology is most useful for day-to-day risk monitoring in the context of “normal” markets.
- Scenario analysis estimates the potential economic loss after stressing market parameters. These changes are modeled on past extreme events and hypothetical scenarios. Scenario analysis is especially useful for assessing sensitivity to large price movements and for examining risk in cases where market conditions are disrupted.
- All market risk exposures are also reflected in the Group’s ERC calculations.

Trading portfolios

Risk measurement and management

Development of trading portfolio risks

VaR results and distribution of trading revenues

Non-trading portfolios

Risk measurement and management

Development of non-trading portfolio risks

 Key position risk trends ¹⁾

in CHF m	Credit Suisse Financial Services			Credit Suisse First Boston ²⁾			Credit Suisse Group ³⁾		
	31.12.03	31.12.02	31.12.01	31.12.03	31.12.02	31.12.01	31.12.03	31.12.02	31.12.01
Interest Rate, Credit Spread & FX ERC	2,768	2,829	4,218	1,262	1,156	2,384	3,222	3,125	4,082
Equity Investment ERC	1,223	1,640	6,265	1,938	2,132	3,301	2,631	3,882	10,998
Swiss & Retail Lending ERC	1,831	2,097	2,310	0	0	0	1,831	2,097	2,310
International Lending ERC	468	373	319	2,194	3,484	3,692	2,662	3,857	4,011
Emerging Markets ERC	214	229	254	1,485	1,672	2,341	1,699	1,900	2,595
Real Estate & Structured Asset ERC ⁴⁾	2,005	2,245	2,255	1,499	2,099	2,318	3,445	4,296	4,516
Insurance Underwriting ERC	650	944	753	0	0	0	650	944	753
Simple sum across risk categories	9,159	10,357	16,374	8,378	10,543	14,036	16,140	20,101	29,265
Diversification benefit	(3,942)	(4,757)	(7,883)	(2,083)	(2,492)	(3,632)	(5,405)	(7,086)	(11,519)
Total position risk ERC	5,217	5,600	8,491	6,295	8,051	10,404	10,735	13,015	17,746

¹⁾ 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 need to be considered as well. Note that prior periods data have been restated for methodology changes in order to maintain consistency over time.

²⁾ Note that CSFB is managed using the USD as its base currency. Reported numbers have been translated into CHF using the respective year-end currency translation rates. The 1-year, 99% position risk ERC numbers for CSFB expressed in USD are as follows: USD 5,957 m (31.12.01), USD 5,791 m (31.12.02), USD 5,094 m (31.12.03).

³⁾ Credit Suisse Group amounts include the Corporate Center, but are net of diversification benefits between CSFS, CSFB and the Corporate Center (numbers therefore do not add up).

⁴⁾ This category comprises the real estate investments of Winterthur, CSFB's commercial and residential real estate exposures, CSFB's asset-backed-securities exposures, CSFS' real estate acquired at auction and the CSFS, CSFB and Corporate Center real estate for own use in Switzerland.

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

in CHF m	2003			31.12.03	31.12.02
	Minimum	Maximum	Average		
Credit Suisse Financial Services					

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Interest rate	1.1	7.9	3.2	4.7	2.6
Foreign exchange rate	1.2	5.7	2.5	2.0	2.6
Equity	8.7	20.0	12.9	12.7	9.4
Commodity	0.1	1.5	0.3	0.5	0.1
Subtotal	11.1	35.1	18.9	19.9	14.7
Diversification benefit	≈)	≈)	(4.5)	(6.4)	(3.4)
Total	10.1	20.8	14.4	13.5	11.3
Credit Suisse First Boston ³⁾					
Interest rate	31.0	167.0	67.6	58.2	67.2
Foreign exchange rate	7.2	28.3	15.0	15.9	15.0
Equity	16.7	52.0	26.4	23.6	14.0
Commodity	0.3	3.5	0.9	0.9	1.4
Subtotal	55.2	250.8	109.9	98.6	97.6
Diversification benefit	≈)	≈)	(41.0)	(40.3)	(40.2)
Total	35.1	157.5	68.9	58.3	57.4
Credit Suisse Group ⁴⁾					
Interest rate	36.9	119.5	64.7	58.9	66.9
Foreign exchange rate	10.9	24.3	15.6	16.8	14.5
Equity	17.2	47.3	27.3	24.9	15.6
Commodity	0.6	1.7	1.0	0.8	1.4
Subtotal	65.6	192.8	108.6	101.4	98.4
Diversification benefit	≈)	≈)	(44.4)	(45.3)	(40.8)
Total	45.5	99.9	64.2	56.1	57.6

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 CSFB VaR is calculated using the USD as the base currency. For the purpose of this disclosure, the CSFB VaR estimates are translated into CHF using the respective currency translation rates. Specifically, the average, maximum and minimum daily VaR estimates in CHF are calculated using the respective month-end currency translation rate; the year-end VaR is calculated using the year-end currency translation rate. The underlying data for 2003 consists of month-end values (until March 31, 2003) and daily values (from April 1, 2003). This means that any fluctuations during the first three months of 2003, however material, will not be included in the figures above.

⁴⁾ Trading portfolios are managed at the business unit, segment and division level. The consolidated VaR estimates for Credit Suisse Group are performed on a monthly basis only 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 (numbers therefore do not add up).

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

in CHF m	2003		Average	31.12.03	31.12.02
	Minimum	Maximum			

Credit Suisse Financial Services					
Interest rate	123.8	223.0	167.4	123.8	188.2
Foreign exchange rate	85.8	189.3	123.9	100.5	59.5
Equity	121.5	218.0	170.0	121.5	218.6
Commodity	0.0	0.3	0.1	0.0	0.2
Subtotal	331.1	630.6	461.4	345.8	466.5
Diversification benefit	2)	2)	(156.1)	(81.2)	(212.1)
Total	264.6	405.1	305.3	264.6	254.4
Credit Suisse First Boston ³⁾					
Interest rate	22.4	54.7	30.2	24.3	25.0
Foreign exchange rate	3.5	7.0	5.3	5.6	4.5
Equity	74.9	117.8	100.9	74.9	126.5
Commodity	0.0	1.1	0.4	0.7	0.2
Subtotal	100.8	180.6	136.8	105.5	156.2
Diversification benefit	2)	2)	(32.3)	(31.4)	(33.0)
Total	74.1	118.0	104.5	74.1	123.2
Credit Suisse Group ⁴⁾					
Interest rate	124.7	218.2	173.9	124.7	187.6
Foreign exchange rate	92.7	206.8	138.0	109.3	72.8
Equity	210.1	341.0	287.4	210.1	369.6
Commodity	0.0	0.8	0.3	0.7	0.1
Subtotal	427.5	766.8	599.6	444.8	630.1
Diversification benefit	2)	2)	(179.0)	(111.6)	(222.4)
Total	333.2	560.8	420.6	333.2	407.7

1) Represents 10-day VaR scaled to a 1-day holding period. The VaR statistics refer to monthly numbers.

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 CSFB VaR is calculated using the USD as the base currency. For the purpose of this disclosure, the CSFB VaR estimates are translated into CHF using the respective currency translation rates. Specifically, the average, maximum and minimum VaR estimates in CHF are calculated using the respective month-end currency translation rate; the year-end VaR is calculated using the currency translation rate at year-end.

4) The consolidated VaR estimates for Credit Suisse Group are inclusive of the Corporate Center (not shown separately), but net of diversification benefits between Credit Suisse First Boston, Credit Suisse Financial Services and the Corporate Center (numbers therefore do not add up).

Credit risk for the banking businesses

Definition of credit risk

Credit risk management approach

- an individual counterparty and country rating system;
- a transaction rating system;

- a counterparty credit limit system;
- country and regional concentration limits;
- a risk-based pricing methodology;
- active credit portfolio management; and
- a credit risk provisioning methodology.
-

Loans

Due from banks, due from customers and mortgages

Non-performing loans

Potential problem loans

Loan valuation allowances and provisions

- The financial standing of a customer, including a realistic assessment – based on financial and business information – of the likelihood of repayment of the loan within an acceptable period of time considering the net present value of future cash flows;
- The extent of the Group's other commitments to the same customer;
- The realizable fair value of any collateral for the loans;
- The recovery rate; and
- The costs associated with obtaining repayment and realization of any such collateral.

Loan valuation allowances and provisions for inherent credit losses

Summary of loan valuation allowance experience

Year ended December 31, 2003 compared to year ended December 31, 2002

Country risk

Total credit risk exposure ¹⁾

in CHF m	Credit Suisse Financial Services		Credit Suisse First Boston		Credit Suisse Group	
	31.12.03	31.12.02	31.12.03	31.12.02	31.12.03	31.12.02
Due from banks ²⁾	39,287	33,306	53,588	43,462	47,185	39,469
Due from customers and mortgages ²⁾	139,425	132,353	50,171	82,395	188,259	213,206
Total due from banks and customers, gross ²⁾	178,712	165,659	103,759	125,857	235,444	252,675
Contingent liabilities	12,081	12,349	33,468	27,862	40,836	39,104
Irrevocable commitments ³⁾	3,900	2,263	68,552	81,884	72,759	85,333
Total banking products	194,693	180,271	205,779	235,603	349,039	377,112
Loans held for sale ⁴⁾	0	–	15,390	–	15,390	–
Derivative instruments ⁵⁾	4,571	5,018	52,140	51,600	55,826	54,757
Securities lending – bank ⁶⁾	1,652	0	58,154	0	58,390	0
Securities lending – customer ⁶⁾	5,772	0	25,105	64	30,878	64
Reverse repurchase agreements – banks ⁶⁾	3,336	6,283	85,041	154,531	87,269	156,397
Reverse repurchase agreements – customers ⁶⁾	1,596	14,528	37,147	56,987	38,676	71,384
Forward reverse repurchase agreements	0	0	12,537	7,617	12,537	7,617
Total traded products	16,927	25,829	270,124	270,799	283,576	290,219
Total credit risk exposure, gross	211,620	206,100	491,293	506,402	648,005	667,331
Loan valuation allowances and provisions	(3,159)	(4,092)	(1,494)	(3,817)	(4,655)	(7,911)
Total credit risk exposure, net	208,461	202,008	489,799	502,585	643,350	659,420

¹⁾ Credit Suisse Financial Services/Credit Suisse First Boston reflect business unit amounts. Total consolidated Credit Suisse Group amounts include adjustments and Corporate Center. Certain restatements have been made to conform to the current presentation.

²⁾ Excluding loans held for sale, securities lending and reverse repurchase transactions.

³⁾ Excluding forward reverse repurchase agreements.

⁴⁾ Effective 2003, loans held for sale are presented net of the related loan valuation allowances.

⁵⁾ Positive replacement values considering netting agreements.

⁶⁾ In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

Total loan portfolio exposure and allowances and provisions for credit risk ¹⁾

in CHF m	Credit Suisse Financial Services		Credit Suisse First Boston		Credit Suisse Group	
	31.12.03	31.12.02	31.12.03	31.12.02	31.12.03	31.12.02
Non-performing loans	1,917	3,004	996	3,351	2,913	6,355

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Non-interest earning loans	1,517	2,108	246	217	1,763	2,325
Total non-performing loans	3,434	5,112	1,242	3,568	4,676	8,680
Restructured loans	24	52	256	229	280	281
Potential problem loans	1,641	1,723	361	1,685	2,001	3,408
Total other impaired loans	1,665	1,775	617	1,914	2,281	3,689
Total impaired loans	5,099	6,887	1,859	5,482	6,957	12,369
Due from banks and customers, gross	178,712	165,659	103,759	125,857	235,444	252,675
Valuation allowances	3,123	4,053	1,391	3,647	4,516	7,703
of which on principal	2,556	3,201	1,184	3,416	3,742	6,617
of which on interest	567	852	207	231	774	1,086
Due from banks and customers, net	175,589	161,606	102,368	122,210	230,928	244,972
Provisions for contingent liabilities and irrevocable commitments	36	39	103	170	139	208
Total valuation allowances and provisions	3,159	4,092	1,494	3,817	4,655	7,911

Ratios

Valuation allowances as % of total non-performing loans	90.9%	79.3%	112.0%	102.2%	96.6%	88.7%
Valuation allowances as % of total impaired loans	61.2%	58.9%	74.8%	66.5%	64.9%	62.3%

¹⁾ Credit Suisse Financial Services/Credit Suisse First Boston reflect business unit amounts. Total consolidated Credit Suisse Group amounts include adjustments and Corporate Center.

Roll forward of loan valuation allowance ¹⁾

in CHF m	Credit Suisse Financial Services			Credit Suisse First Boston			Credit Suisse Group		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
At beginning of financial year	4,053	5,712	8,050	3,647	3,553	2,736	7,703	9,264	10,786
Additions	914	1,047	759	829	2,235	1,663	1,753	3,351	2,439
Releases	(500)	(406)	(472)	(656)	(329)	(355)	(1,161)	(735)	(826)
Net additions charged to income statement	414	641	287	173	1,906	1,308	592	2,616	1,613
Gross write-offs	(1,408)	(2,391)	(2,909)	(2,025)	(1,476)	(942)	(3,433)	(3,868)	(3,851)
Recoveries	31	30	22	19	35	23	51	65	46
Net write-offs	(1,377)	(2,361)	(2,887)	(2,006)	(1,441)	(919)	(3,382)	(3,803)	(3,805)
Reclassified to loans held-for-sale	0	–	–	(355)	–	–	(355)	–	–
Balances acquired/(sold)	2	0	1	(5)	0	(3)	(3)	0	(3)
Provisions for interest	32	108	205	126	79	196	158	187	400
Foreign currency translation impact and other	(1)	(47)	56	(189)	(450)	235	(197)	(561)	273
At end of financial year	3,123	4,053	5,712	1,391	3,647	3,553	4,516	7,703	9,264

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

¹⁾ Credit Suisse Financial Services/Credit Suisse First Boston reflect business unit amounts. Total consolidated Credit Suisse Group amounts include adjustments and Corporate Center.

Net credit-related valuation allowances and provisions ¹⁾

in CHF m	Credit Suisse Financial Services			Credit Suisse First Boston			Credit Suisse Group		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
Net additions to loan valuation allowance	414	641	287	173	1,906	1,308	592	2,616	1,613
Net additions to provisions for contingent liabilities and irrevocable commitments	(3)	46	4	(15)	429	100	(17)	471	104
Total net credit-related valuation allowances and provisions charged to income statement	411	687	291	158	2,335	1,408	575	3,087	1,717

¹⁾ Credit Suisse Financial Services/Credit Suisse First Boston reflect business unit amounts. Total consolidated Credit Suisse Group amounts include adjustments and Corporate Center.

Insurance risk

Introduction

- manage and limit insurance risk, e.g., by using reinsurance contracts;
- manage the financial market risks associated with the assets and liabilities (reserves); and
- manage and control the risks associated with their respective assets and reinsurance contracts.

Risk structure in the insurance business

Non-life

Life

Reinsurance

Business risk

Liquidity and funding risk

Operational risk

- Further enhancement of the governance structure for managing operational risk;
- Continued development of Key Risk Indicator (“KRI”) reporting at business unit level to serve as early-warning signals;
- Additional improvements to the business units’ self-assessment process and integration with the work underway to meet the requirements of the Sarbanes-Oxley Act. The self-assessment process seeks to ensure that each business unit understands the risks inherent in its departmental functions and processes, ensures that controls exist to address those risks, and is able to identify control gaps and prioritize corrective action;
- The ongoing collection of operational risk loss data and the continued development of the collection process; and
- Regular review of the state of operations and their inherent risks based on extensive audits and follow-up reviews, and the resulting use of information and analysis as early-warning indicators for potential issues.

How Credit Suisse Group measures market risk

Introduction

Value-at-Risk

Assumptions

Limitations

Scenario analysis

Assumptions

Limitations

Scenario	Risk	Brief Description
Flight to USD	Foreign Exchange	Strengthening of USD against all currencies coupled with a substantial increase in implied volatilities
Flight from USD	Foreign Exchange	Weakening of USD against all currencies coupled with a substantial increase in implied volatilities
Flight to CHF	Foreign Exchange	Strengthening of CHF against all currencies coupled with a substantial increase in implied volatilities
Global Interest Rate Tightening	Fixed Income	Substantial increase in global interest rates (severity based on 1994 bond market crisis), coupled with an increase in

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

		implied volatilities
Global Interest Rate Loosening	Fixed Income	50% reverse of the "Global Interest Rate Tightening" scenario
Equity Market Crash	Equity Markets	Blend of 1987 and 1998 emerging market equity market crisis, coupled with a sharp increase in implied volatilities
Equity Market Rally	Equity Markets	A significant price increase coupled with a decrease in implied volatilities
Credit Spread Widening	Traded Credit Risk	Credit spread widening similar to that observed during the 1998 Long Term Capital Management crisis
Spread Narrowing	Traded Credit Risk	75% reverse of the "Credit Spread Widening" scenario
Global Credit Downturn	Lending & Counterparty Exposures	Based on worst-case observed default rates and loss severity for the relevant market (e.g. the scenario loss for the Swiss corporate & retail portfolios are based on the recession and real estate crisis in the beginning of the 1990s)
Emerging Market Crisis	Emerging Markets	Based on Russia default of 1998 and 1980 Latin crisis with regional and global contagion
Real Estate Collapse	Real Estate	Based on worst-case observed market moves for the relevant markets

	Page
Consolidated financial statements	
Consolidated income statement	92
Consolidated balance sheet	93
Consolidated statement of cash flows	94
Consolidated off-balance sheet and fiduciary business	96
Notes to the consolidated financial statements	
1 Summary of significant accounting policies	99
2 Changes to accounting policies	105
3 Business developments	106
4 Segment reporting	107
5 Subsequent events	115
Income statement	
6 Income statement of the banking and insurance business	116
7 Income statement by origin	117

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

8	Net interest income	118
9	Net trading income	118
10	Depreciation and amortization	119
	Valuation adjustments, provisions and losses from the	
11	banking business	119
12	Extraordinary income	119
13	Extraordinary expenses	120
14	Taxes	120
15	Income statement of the insurance business	121
16	Insurance premiums, claims and related reinsurance	122
17	Net investment income from the insurance business	123
	Balance sheet: Assets	
18	Money market papers	124
19	Loans	124
20	Securities and precious metals trading portfolios	127
21	Financial investments from the banking business	127
22	Investments from the insurance business	128
23	Non-consolidated participations	129
24	Tangible fixed assets	130
25	Operating leases	130
26	Intangible assets	131
27	Other assets	131
	Assets pledged or assigned and assets subject to ownership	
	reservation excluding securities lending and borrowing and	
28	repurchase agreements	131
	Balance sheet: Liabilities and shareholders' equity	
29	Medium-term notes and bonds	132
30	Other liabilities	133
31	Valuation allowances and provisions	133
32	Technical provisions for the insurance business	134
33	Statement of shareholders' equity	135
	Other information	
34	Pension and other post-retirement benefits	137
35	Related parties / liabilities due to own pension funds	138
36	Maturity structure of current assets and borrowed funds	139
	Securities lending and borrowing and repurchase	
37	agreements	139
38	Balance sheet by origin	140
39	Balance sheet by currencies	141
40	Employee compensation	142
	Compensation to and equity holdings of members of the	
41	Board of Directors and the Group Executive Board	145
42	Capital adequacy	147
43	Foreign currency translation rates	147
44	Principal participations	148
45	Assets under management	153
	Report of the Group auditors	154

Parent company financial statements				
155				
Consolidated income statement in CHF m				
	Notes	2003	2002	2001
Interest and discount income	8	13,116	17,630	28,687
Interest and dividend income from trading portfolios	8	9,797	9,957	13,078
Interest and dividend income from financial investments	8	726	733	514
Interest expenses	8	(16,215)	(20,284)	(35,528)
Net interest income		7,424	8,036	6,751
Commission income from lending activities		911	872	780
Commission income from securities and investment transactions		10,898	13,658	16,879
Commission income from other services		1,004	1,649	1,421
Commission expenses		(873)	(845)	(965)
Net commission and service fee income		11,940	15,334	18,115
Net trading income	9	2,515	2,254	8,913
Premiums earned, net		31,891	34,811	32,195
Claims incurred and actuarial provisions		(33,411)	(28,791)	(29,731)
Commission expenses, net		(2,295)	(2,276)	(2,040)
Investment income from the insurance business		8,436	(432)	5,876
Net income from the insurance business		4,621	3,312	6,300
Income from the sale of financial investments		485	1,385	1,146
Income from investments in associates		64	65	166
Income from other non-consolidated participations		24	27	24
Real estate income		166	194	171
Sundry ordinary income		866	816	1,091
Sundry ordinary expenses ¹⁾		(1,783)	(3,385)	(3,523)
Other ordinary income/(expenses), net		(178)	(898)	(925)
Operating income		26,322	28,038	39,154
Personnel expenses		13,630	16,910	21,890
Other operating expenses		5,271	6,619	8,394
Operating expenses		18,901	23,529	30,284

Gross operating profit		7,421	4,509	8,870
Depreciation of non-current assets ²⁾	10	1,887	2,173	2,186
Amortization of acquired intangible assets	10	593	693	793
Amortization of goodwill	10	594	806	770
Valuation adjustments, provisions and losses from the banking business ¹⁾	11	861	4,430	2,592
Depreciation, valuation adjustments and losses		3,935	8,102	6,341
Profit/(loss) before extraordinary items, cumulative effect of change in accounting principle, taxes and minority interests		3,486	(3,593)	2,529
Extraordinary income	12	2,047	746	52
Extraordinary expenses	13	(575)	(403)	(281)
Cumulative effect of change in accounting principle ³⁾	2	319	520	0
Taxes	14	(154)	(596)	(486) ₃₎
Net profit/(loss) before minority interests		5,123	(3,326)	1,814
Minority interests		(124)	17	(227)
Net profit/(loss)		4,999	(3,309)	1,587

¹⁾ Effective 2003, declines in value of debt securities and loans available for sale due to deterioration in creditworthiness are reported in "Sundry ordinary expenses". In previous years they were recorded in "Valuation adjustments, provisions and losses from the banking business".

²⁾ Includes amortization of Present Value of Future Profits (PVFP) from the insurance business.

³⁾ In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted. In 2002, Credit Suisse Group adopted a change in accounting principle relating to the recognition of deferred tax assets on net operating losses. The retroactive application of this change in accounting principle would have resulted in taxes of CHF -250 m in 2001.

Consolidated balance sheet
in CHF m

	Notes	31.12.03	31.12.02
Assets			
Cash and other liquid assets	36	3,026	2,551
Money market papers	18, 36	16,355	25,125
Due from banks	19, 36	192,833	195,778
Receivables from the insurance business	36	9,725	12,290
Due from customers	19, 36	170,486	182,143
Mortgages	19, 36	98,214	94,896
Securities and precious metals trading portfolios	20, 36	200,057	173,133
Financial investments from the banking business	21, 36	42,141	33,394
Investments from the insurance business	22	129,395	128,450

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Non-consolidated participations	23	1,406	1,792
Tangible fixed assets	24	6,922	8,152
Intangible assets	26	13,467	18,359
Accrued income and prepaid expenses		12,582	13,882
Other assets	27	65,555	65,711
Total assets	38, 39	962,164	955,656
Subordinated assets		7,561	5,846 ¹⁾
Receivables due from non-consolidated participations		604	728
Liabilities and shareholders' equity			
Money market papers issued	36	27,700	22,178
Due to banks	36	296,487	287,884
Payables from the insurance business	36	10,939	10,218
Due to customers in savings and investment deposits	36	43,747	39,739
Due to customers, other	36	252,555	258,244
Medium-term notes (cash bonds)	29, 36	1,803	2,599
Bonds and mortgage-backed bonds	29, 36	79,080	81,839
Accrued expenses and deferred income		17,018	17,463
Other liabilities	30	59,058	56,070
Valuation adjustments and provisions	31	7,243	11,557
Technical provisions for the insurance business	32	131,842	136,471
Total liabilities		927,472	924,262
Reserve for general banking risks	33	1,739	1,739
Share capital	33	1,195	1,190
Capital reserve	33	20,824	20,710
Revaluation reserves for the insurance business	33	885	1,504
Reserve for own shares	33	–	1,950
Own shares, net	33	(498)	–
Retained earnings	33	2,592	4,732
Minority interests	33	2,956	2,878
Net profit/(loss)	33	4,999	(3,309)
Total shareholders' equity		34,692	31,394
Total liabilities and shareholders' equity	38, 39	962,164	955,656
Subordinated liabilities		19,018	21,070 ¹⁾
Liabilities due to non-consolidated participations		1,186	1,164

¹⁾ Adjusted.

Consolidated statement of cash flows

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

in CHF m	2003	2002	2001
Cash flows from operating activities			
Net profit/(loss)	4,999	(3,309)	1,587
Adjustments to reconcile net profit/(loss) to net cash from operating activities			
Depreciation and amortization	3,074	3,672	3,749
Provision for losses	771	2,799	2,014
Provision for deferred taxes	(1,039)	30	993
Other provisions	(317)	270	(398)
Change in reserve for general banking risks	0	(580)	0
Change in technical provisions for the insurance business	3,099	3,916	7,543
(Gain)/loss from investing activities, net	(1,618)	3,974	(880)
Equity in earnings of non-consolidated participations	(76)	(138)	(25)
(Gain)/loss from disposal of subsidiaries and non-consolidated participations, net	(2,066)	177	(2)
Change in minority interests	144	65	981
Receivables from the insurance business	263	(823)	(3,906)
Payables from the insurance business	1,233	446	2,902
Securities and precious metals trading positions	18,740	54,264	33,045
Deferred policy acquisition costs	(132)	(1,028)	(1,156)
(Increase)/decrease in accrued income and other assets	(2,584)	(9,438)	(8,196)
Increase/(decrease) in accrued expenses and other liabilities	6,771	3,451	(4,758)
Amortization of premiums/accretion of discounts, net	2,934	(255)	(77)
Total adjustments	29,197	60,802	31,829
Net cash provided by/(used in) operating activities	34,196	57,493	33,416
Cash flows from investing activities			
(Increase)/decrease in money market papers	5,225	2,532	(1,579)
(Increase)/decrease in due from banks	(20,195)	(30,198)	7,435
(Increase)/decrease in due from customers/mortgages	(72,141)	(76,291)	(56,780)
Investments in subsidiaries and participations	(285)	(963)	(1,546)
Disposal of subsidiaries and participations	8,021	526	1,548
Purchase of investments	(170,303)	(133,808)	(113,431)
Maturities of investments	13,360	6,990	10,099

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Disposal of investments	138,573	122,387	86,573
Capital expenditures on tangible and intangible assets	(884)	(1,676)	(2,631)
Disposal of tangible and intangible assets	301	242	790
Other, net	(118)	(23)	0
Net cash provided by/(used in) investing activities	(98,446)	(110,282)	(69,522)

Consolidated statement of cash flows (continued)

in CHF m	2003	2002	2001
Cash flows from financing activities			
Increase/(decrease) in money market papers issued	8,132	7,096	(4,123)
Increase/(decrease) in due to banks	32,050	2,906	(27,529)
Increase/(decrease) in due to customers	24,760	29,218	43,110
Issuance of medium-term notes and bonds	24,150	41,848	43,441
Repayments of medium-term notes and bonds	(23,958)	(26,803)	(16,714)
Deposits to policyowner account balances	1,995	2,857	2,790
Withdrawals from policyowner account balances	(1,744)	(3,056)	(1,739)
Increase/(decrease) from issuance/retirement of common shares	19	726	(394)
Dividends paid (including minority interests)	(276)	(2,548)	(2,568)
Other, net	(369)	96	(18)
Net cash provided by/(used in) financing activities	64,759	52,340	36,256
Effect of exchange rate changes on cash and other liquid assets	(34)	(92)	14
Net increase/(decrease) in cash and other liquid assets	475	(541)	164
Cash and other liquid assets at beginning of financial year	2,551	3,092	2,928
Cash and other liquid assets at end of the period	3,026	2,551	3,092
Supplemental disclosures of cash flow information			
Cash paid during the year for income taxes	1,176	1,409	1,603

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Cash paid during the year for interest	15,430	20,922	35,767
Non-cash investing and financing activities			
Transfer of loans to real estate held for sale	16	191	118
Assets acquired and liabilities assumed in business acquisitions			
Fair value of assets acquired	573	767	9,109
Liabilities assumed	(472)	(204)	(7,861)
Cash paid related to business acquisitions	101	563	1,248
Assets and liabilities sold in business divestitures			
Fair value of assets sold	(41,600)	(1,310)	(10,476)
Liabilities sold	34,164	1,137	9,248
Cash received related to business divestitures	(7,436)	(173)	(1,228)

Consolidated off-balance sheet and fiduciary business

in CHF m	Maturity less than 1 year 31.12.03	Maturity between 1 to 3 years 31.12.03	Maturity between 3 to 5 years 31.12.03	Maturity greater than 5 years 31.12.03	Total gross amount 31.12.03	Total gross amount 31.12.02	Book value ¹⁾ 31.12.03	Book value ¹⁾ 31.12.02
Credit guarantees in form of bills of exchange and other guarantees ²⁾	26,821	2,206	1,901	1,107	32,035	30,095	30,082	27,745
Bid bonds, delivery and performance bonds, letters of indemnity and other performance-related guarantees	3,240	1,043	1,063	194	5,540	5,164	4,841	4,680
Irrevocable commitments in respect of documentary credits	3,463	12	6	0	3,481	3,528	3,212	3,242
Other contingent liabilities	2,017	235	79	370	2,701	3,437	2,701	3,437
Contingent liabilities	35,541	3,496	3,049	1,671	43,757	42,224	40,836	39,104
Irrevocable commitments	52,406	18,810	7,895	6,185	85,296	92,950 ³⁾	85,296	92,950 ³⁾
Liabilities for calls on shares and other equity instruments	42	0	0	0	42	43	42	43
Confirmed credits	23	0	0	0	23	32	23	32
Total off-balance sheet	88,012	22,306	10,944	7,856	129,118	135,249	126,197	132,129
Fiduciary transactions								
Fiduciary placements with third-party institutions							25,788	30,726
Fiduciary loans and other fiduciary transactions							5,675	6,977
Securities lending transactions as commission agent ⁴⁾							14,656	–

At 31.12.03 the Group has recorded liabilities of CHF 139 m for off-balance sheet risks. At 31.12.03 market value guarantees reported as derivatives totaled CHF 216.7 bn (31.12.02: CHF 175.3 bn) (nominal value). The associated replacement value reported on-balance sheet totaled CHF 10.2 bn (31.12.02: CHF 11.5 bn).

¹⁾ Book value for off-balance sheet positions represents the amount at risk, meaning gross amount less any subparticipations.

²⁾ Including credit guarantees for securities lent as arranger: 31.12.03: CHF 21.9 bn (31.12.02: CHF 20.7 bn).

³⁾ Adjusted.

⁴⁾ In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

Off-balance sheet collateral

The following table sets forth the approximate liquidation values of any collateral related to the above off-balance sheet commitments:

in CHF m	Mortgage collateral	Other collateral	Without collateral	Total 31.12.03
Credit guarantees in form of bills of exchange and other guarantees	940	25,452	3,690	30,082
Bid bonds, delivery and performance bonds, letters of indemnity and other performance-related guarantees	165	1,991	2,685	4,841
Irrevocable commitments in respect of documentary credits	7	592	2,613	3,212
Other contingent liabilities	90	966	1,645	2,701
Contingent liabilities	1,202	29,001	10,633	40,836
Irrevocable commitments	605	49,971	34,720	85,296
Liabilities for calls on shares and other equity instruments	0	0	42	42
Confirmed credits	0	0	23	23
Total off-balance sheet	1,807	78,972	45,418	126,197
As of 31.12.02	516	66,717 ¹⁾	64,896	132,129

¹⁾ Adjusted.

Other information

in CHF m	31.12.03	31.12.02
Outstanding commitments		
to fund loans at fixed rates	13,773	9,176 ¹⁾
to fund loans at variable rates	54,704	62,383
Unused lines of credit granted to customers	14,816	17,295 ¹⁾
Exposure with respect to the debts of other guaranteed	15,222	17,391

¹⁾ Adjusted.

Derivative instruments	Trading (all non-hedging)			Hedging		
	Notional amount	Positive replacement value	Negative replacement value	Notional amount	Positive replacement value	Negative replacement value
As of 31.12.03, in CHF bn						
Forwards	599.9	0.4	0.8	0.6	0.0	0.0
Swaps	7,340.1	138.4	136.7	56.2	2.4	0.4
Options bought and sold (OTC)	1,964.3	17.0	18.2	0.0	0.0	0.0
Futures	629.9	0.0	0.0	1.1	0.0	0.0
Options bought and sold (traded)	743.8	0.0	0.0	0.0	0.0	0.0
Interest rate products	11,278.0	155.8	155.7	57.9	2.4	0.4
Forwards	700.4	16.1	16.9	20.8	0.6	0.1
Swaps	460.5	24.4	22.9	4.6	1.4	0.0
Options bought and sold (OTC)	326.6	5.1	5.7	0.3	0.0	0.0
Futures	11.6	0.0	0.0	0.0	0.0	0.0
Options bought and sold (traded)	1.6	0.0	0.0	0.0	0.0	0.0
Foreign exchange products	1,500.7	45.6	45.5	25.7	2.0	0.1
Forwards	10.1	0.9	1.1	0.0	0.0	0.0
Swaps	2.1	0.2	0.1	0.0	0.0	0.0
Options bought and sold (OTC)	1.4	0.1	2.3	0.0	0.0	0.0
Futures	0.0	0.0	0.0	0.0	0.0	0.0
Options bought and sold (traded)	0.0	0.0	0.0	0.0	0.0	0.0
Precious metals products	13.6	1.2	3.5	0.0	0.0	0.0
Forwards	33.7	1.4	2.4	0.0	0.0	0.0
Swaps	32.7	1.5	1.4	0.0	0.0	0.0
Options bought and sold (OTC)	185.8	8.8	10.3	0.1	0.0	0.0
Futures	31.5	0.0	0.1	0.1	0.0	0.0
Options bought and sold (traded)	133.6	3.5	3.4	0.0	0.0	0.0
Equity/index-related products	417.3	15.2	17.6	0.2	0.0	0.0
Forwards	0.0	0.0	0.0	0.0	0.0	0.0

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Swaps	272.0	4.1	5.8	0.5	0.0	0.0
Options bought and sold (OTC)	1.8	0.1	0.1	0.0	0.0	0.0
Futures	0.2	0.0	0.0	0.0	0.0	0.0
Options bought and sold (traded)	0.1	0.0	0.0	0.0	0.0	0.0
Other products	274.1	4.2	5.9	0.5	0.0	0.0
Total derivative instruments	13,483.7	222.0	228.2	84.3	4.4	0.5

in CHF bn	31.12.03		31.12.02	
	Positive replacement value	Negative replacement value	Positive replacement value	Negative replacement value
Replacement values (trading and hedging) before netting agreements	226.4	228.7	238.0	237.6
Replacement values (trading and hedging) after netting agreements ¹⁾	55.8	58.4	54.8	55.2

In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted. Notional amount for derivative instruments (trading and hedging) as of 31.12.03 was CHF 13,568.0 bn (31.12.02: CHF 12,570.6 bn).

¹⁾ Positive replacement values from the insurance business of CHF 0.5 bn (31.12.02: CHF 1.0 bn) and negative replacement value of CHF 0.3 bn (31.12.02: CHF 0.2 bn) deducted as included in the investments from the insurance business.

Segment reporting by operating segments (continued)

Segment income statement for the year ended December 31, 2003 ¹⁾

in CHF m	Credit Suisse Financial Services				Credit Suisse First Boston			
	Private Banking	Corporate & Retail Banking	Life & Pensions	Insurance	Total operating basis	Institutional Securities	CSFB Financial Services	Total operating basis
Operating income ²⁾	5,921	3,131	1,451	3,389	13,892	12,997	1,560	14,557
Personnel expenses	2,193	1,242	732	1,267	5,434	6,715	819	7,534

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Other operating expenses	1,130	755	490	692	3,067	2,999	435	3,434
Operating expenses	3,323	1,997	1,222	1,959	8,501	9,714	1,254	10,968
Gross operating profit	2,598	1,134	229	1,430	5,391	3,283	306	3,589
Depreciation of non-current assets ³⁾	218	106	470	178	972	514	37	551
Valuation adjustments, provisions and losses	69	305	–	–	374	363	35	398
Net operating profit before extraordinary items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	2,311	723	(241)	1,252	4,045	2,406	234	2,640
Extraordinary income/(expenses), net	125	2	0	0	127	34	134	168
Taxes ⁴⁾	(522)	(160)	719	38	75	(523)	(97)	(620)
Net operating profit before acquisition-related costs, cumulative effect of change in accounting principle and minority interests	1,914	565	478	1,290	4,247	1,917	271	2,188
Acquisition interest					–			(267)
Amortization of retention payments					–			(213)
Amortization of acquired intangible assets and goodwill					(102)			(1,090)
Cumulative effect of change in accounting principle					1			318
Tax impact					2			238
Business unit result before minority interests					4,148			1,174
Minority interests					14			0
Business unit result ⁵⁾					4,162			1,174
Increased/(decreased) credit-related valuation adjustments, net of tax ⁶⁾					62			
Net profit					4,100			1,174

¹⁾ The operating business unit results reflect the results of the separate segments comprising the business unit. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and amortization of acquired intangible assets and goodwill, and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results. For Credit Suisse Financial Services certain other items, including credit-related valuation adjustments resulting from the difference between the statistical and actual credit provisions and gains/(losses) from sales of investments and other reclassifications within the insurance business, are presented in the operating basis business unit results based on the Group's segment reporting principles. For Credit Suisse First Boston certain other items, including brokerage, execution and clearing expenses, contractor and recruitment costs and

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

expenses related to certain redeemable preferred securities are presented in the operating basis business unit results based on the Group's segment reporting principles.

²⁾ Operating income for the insurance business is defined as net premiums earned, less claims incurred and change in technical provisions and expenses for processing claims, less commissions, plus net investment income from the insurance business. Gains or losses related to sales of investments within the insurance business are recorded as operating income at the business unit level and reclassified to extraordinary income/(expenses) in the consolidated financial statements in accordance with Swiss GAAP.

³⁾ Including amortization of Present Value of Future Profits (PVFP) from the insurance business.

⁴⁾ Excluding tax impact on acquisition-related costs and cumulative effect of change in accounting principle.

⁵⁾ Represents for Credit Suisse Financial Services net profit excluding credit-related valuation adjustments resulting from the difference between the statistical and actual credit provisions, net of tax.

⁶⁾ Represents for Credit Suisse Financial Services increased/(decreased) credit-related valuation adjustments before tax of CHF 82 m.

Reconciliation of operating to consolidated results for the year ended December 31, 2003

in CHF m	Credit Suisse Financial Services		Credit Suisse First Boston			Corporate Center ¹⁾	Credit Suisse Group	
	Operating basis	Re-classifications	Swiss GAAP basis	Operating basis	Re-classifications			Swiss GAAP basis
Operating income	13,892	(1,077) ²⁾	12,815	14,557	(962) ^{3) 4)}	13,595	(88)	26,322
Personnel expenses	5,434		5,434	7,534	425 ^{3) 4)}	7,959	237	13,630
Other operating expenses	3,067		3,067	3,434	(984) ⁴⁾	2,450	(246)	5,271
Operating expenses	8,501		8,501	10,968		10,409	(9)	18,901
Gross operating profit	5,391		4,314	3,589		3,186	(79)	7,421
Depreciation of non-current assets	972		972	551		551	364	1,887
Amortization of acquired intangible assets and goodwill	–	102	102	–	1,090 ³⁾	1,090	(5)	1,187
Valuation adjustments, provisions and losses	374	82 ⁶⁾	456	398		398	7	861
Profit before extraordinary items, cumulative effect of change in accounting principle and taxes	4,045		2,784	2,640		1,147	(445)	3,486
Extraordinary income/(expenses), net	127	1,077 ²⁾	1,204	168		168	100	1,472
Cumulative effect of change in accounting principle	–	1	1	–	318	318	0	319
Taxes	75	22	97	(620)	238	(382)	131	(154)
Net profit before minority interests	4,247		4,086	2,188		1,251	(214)	5,123
Minority interests	14		14	0	(77) ⁵⁾	(77)	(61)	(124)
Net profit	4,261		4,100	2,188		1,174	(275)	4,999

Other data:

Total assets as of December 31, 2003 ⁷⁾	435,536	605,901	(79,273)	962,164
--	----------------	----------------	----------	----------------

¹⁾ Corporate Center includes the parent company operations, including Group financing initiatives, centrally managed, own-use real estate, consisting mainly of bank premises within Switzerland, and consolidation adjustments.

²⁾ Reflects net gains/(losses) from sales of investments and other reclassifications within the insurance business of CHF 1,077 m reclassified from operating income to extraordinary income/(expenses).

³⁾ Reflects acquisition interest of CHF 267 m allocated to operating income, amortization of retention payments of CHF 213 m allocated to personnel expenses and amortization of acquired intangible assets and goodwill of CHF 1,090 m.

⁴⁾ Reflects brokerage, execution and clearing expenses of CHF 772 m reclassified from other operating expenses to operating income and contractor costs of CHF 151 m and staff recruitment costs of CHF 61 m reclassified from other operating expenses to personnel expenses.

⁵⁾ Reflects expenses of CHF 77 m related to certain redeemable preferred securities reclassified from operating income to minority interests.

⁶⁾ Reflects an increase/(decrease) in credit-related valuation adjustments resulting from the difference between statistical and actual credit provisions of CHF 82 m.

⁷⁾ Intersegment consolidation items have been eliminated within "Corporate Center".

Segment reporting by operating segments (continued)

Segment income statement for the year ended December 31, 2002 ¹⁾

in CHF m	Credit Suisse Financial Services				Credit Suisse First Boston			
	Private Banking	Corporate & Retail Banking	Life & Pensions Insurance	Total operating basis	Institutional Securities	CSFB Financial Services	Total operating basis	
Operating income ²⁾	6,071	3,147	1,349	1,585	12,152	14,927	3,106	18,033
Personnel expenses	2,261	1,250	931	1,502	5,944	7,987	1,509	9,496
Other operating expenses	1,332	943	563	787	3,625	3,690	935	4,625
Operating expenses	3,593	2,193	1,494	2,289	9,569	11,677	2,444	14,121
Gross operating profit	2,478	954	(145)	(704)	2,583	3,250	662	3,912
Depreciation of non-current assets ³⁾	240	108	469	189	1,006	609	142	751
Valuation adjustments, provisions and losses	78	312	–	–	390	2,595	23	2,618
Net operating profit/(loss) before extraordinary and exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and taxes	2,160	534	(614)	(893)	1,187	46	497	543
Extraordinary income/(expenses), net	44	4	0	0	48	408	0	408
Taxes ⁴⁾	(508)	(124)	(786)	(99)	(1,517)	182	(142)	40
	1,696	414	(1,400)	(992)	(282)	636	355	991

Net operating profit/(loss) before exceptional items, acquisition-related costs, cumulative effect of change in accounting principle and minority interests		
Acquisition interest	–	(504)
Amortization of retention payments	–	(644)
Amortization of acquired intangible assets and goodwill	(139)	(1,303)
Exceptional items	(192)	(1,389)
Cumulative effect of change in accounting principle	266	254
Tax impact	16	759
Business unit result before minority interests	(331)	(1,836)
Minority interests	151	0
Business unit result ⁵⁾	(180)	(1,836)
Increased/(decreased) credit-related valuation adjustments, net of tax ⁶⁾	91	–
Net profit/(loss)	(271)	(1,836)

¹⁾ Restated to reflect the transfer in 2003 of the securities and treasury execution platform transactions of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking as well as the realignment of the private client business. The latter entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking. The operating business unit results reflect the results of the separate segments comprising the business unit. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and amortization of acquired intangible assets and goodwill, exceptional items and cumulative effect of change in accounting principle not allocated to the segments are included in the business unit results. For Credit Suisse Financial Services certain other items, including credit-related valuation adjustments resulting from the difference between the statistical and actual credit provisions and gains/(losses) from sales of investments within the insurance business, are presented in the operating basis business unit results based on the Group's segment reporting principles. For Credit Suisse First Boston certain other items, including brokerage, execution and clearing expenses, contractor and recruitment costs and expenses related to certain redeemable preferred securities are presented in the operating basis business unit results based on the Group's segment reporting principles.

²⁾ Operating income for the insurance business is defined as net premiums earned, less claims incurred and change in technical provisions and expenses for processing claims, less commissions, plus net investment income from the insurance business. Gains or losses related to sales of investments within the insurance business are recorded as operating income at the business unit level and reclassified to extraordinary income/(expenses) in the consolidated financial statements in accordance with Swiss GAAP.

³⁾ Including amortization of Present Value of Future Profits (PVFP) from the insurance business.

⁴⁾ Excluding tax impact on acquisition-related costs, exceptional items and cumulative effect of change in accounting principle.

⁵⁾ Represents for Credit Suisse Financial Services net profit/(loss) excluding credit-related valuation adjustments resulting from the difference between the statistical and actual credit provisions, net of tax.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

⁶⁾ Represents for Credit Suisse Financial Services increased/(decreased) credit-related valuation adjustments before tax of CHF 120 m.

Reconciliation of operating to consolidated results for the year ended December 31, 2002

in CHF m	Credit Suisse Financial Services			Credit Suisse First Boston			Credit Suisse Group	
	Operating basis	Re-classifications	Swiss GAAP basis	Operating basis	Re-classifications	Swiss GAAP basis		Corporate Center ¹⁾
Operating income	12,152	132 ₂₎	12,284	18,033	(1,313) ₅₎ ^{3) 4)}	16,720	(966)	28,038
Personnel expenses	5,944	50 ₆₎	5,994	9,496	1,244 ₇₎ ^{3) 4)}	10,740	176	16,910
Other operating expenses	3,625	38 ₆₎	3,663	4,625	(1,246) ₄₎	3,379	(423)	6,619
Operating expenses	9,569		9,657	14,121		14,119	(247)	23,529
Gross operating profit	2,583		2,627	3,912		2,601	(719)	4,509
Depreciation of non-current assets	1,006	45 ₆₎	1,051	751		751	371	2,173
Amortization of acquired intangible assets and goodwill	–	198 ₆₎	198	–	1,303 ₃₎	1,303	(2)	1,499
Valuation adjustments, provisions and losses	390	120 ₈₎	510	2,618	984 ₇₎	3,602	318	4,430
Profit/(loss) before extraordinary items, cumulative effect of change in accounting principle and taxes	1,187		868	543		(3,055)	(1,406)	(3,593)
Extraordinary income/(expenses), net	48	(132) ₂₎	(84)	408	(163) ₇₎	245	182	343
Cumulative effect of change in accounting principle	–	266	266	–	254	254	0	520
Taxes	(1,517)	45	(1,472)	40	759	799	77	(596)
Net profit/(loss) before minority interests	(282)		(422)	991		(1,757)	(1,147)	(3,326)
Minority interests	151		151	0	(79) ₅₎	(79)	(55)	17
Net profit/(loss)	(131)		(271)	991		(1,836)	(1,202)	(3,309)

Other data:

Total assets as of December 31, 2002 ⁹⁾			431,489			605,439	(81,272)	955,656
--	--	--	----------------	--	--	----------------	----------	----------------

¹⁾ Corporate Center includes the parent company operations, including Group financing initiatives, centrally managed, own-use real estate, consisting mainly of bank premises within Switzerland, and consolidation adjustments.

²⁾ Reflects net gains/(losses) from sales of investments within the insurance business of CHF -132 m reclassified from operating income to extraordinary income/(expenses).

³⁾ Reflects acquisition interest of CHF 504 m allocated to operating income, amortization of retention payments of CHF 644 m allocated to personnel expenses and amortization of acquired intangible assets and goodwill of CHF

1,303 m.

4) Reflects brokerage, execution and clearing expenses of CHF 888 m reclassified from other operating expenses to operating income and contractor costs of CHF 272 m and staff recruitment costs of CHF 86 m reclassified from other operating expenses to personnel expenses.

5) Reflects expenses of CHF 79 m related to certain redeemable preferred securities reclassified from operating income to minority interests.

6) Reflects exceptional items allocated to personnel expenses of CHF 50 m, to other operating expenses of CHF 38 m, to depreciation of non-current assets of CHF 45 m and to amortization of acquired intangible assets and goodwill of CHF 59 m.

7) Reflects exceptional items allocated to personnel expenses of CHF 242 m, to valuation adjustments, provisions and losses of CHF 984 m and to extraordinary expenses of CHF 163 m.

8) Reflects an increase/(decrease) in credit-related valuation adjustments resulting from the difference between statistical and actual credit provisions of CHF 120 m.

9) Intersegment consolidation items have been eliminated within "Corporate Center".

Segment reporting by operating segments (continued)

Segment income statement for the year ended December 31, 2001 ¹⁾

in CHF m	Credit Suisse Financial Services				Credit Suisse First Boston			
	Private Banking	Corporate & Retail Banking	Life & Pensions	Insurance	Total operating basis	Institutional Securities	CSFB Financial Services	Total operating basis
Operating income ²⁾	6,998	3,159	2,503	3,236	15,896	20,858	3,891	24,749
Personnel expenses	2,394	1,324	749	1,388	5,855	11,635	1,906	13,541
Other operating expenses	1,405	902	671	873	3,851	5,007	1,308	6,315
Operating expenses	3,799	2,226	1,420	2,261	9,706	16,642	3,214	19,856
Gross operating profit	3,199	933	1,083	975	6,190	4,216	677	4,893
Depreciation of non-current assets ³⁾	205	100	350	169	824	767	178	945
Valuation adjustments, provisions and losses	55	328	–	–	383	1,514	27	1,541
Net operating profit before extraordinary and exceptional items, acquisition-related costs and taxes	2,939	505	733	806	4,983	1,935	472	2,407
Extraordinary income/(expenses), net	12	13	0	0	25	(1)	(14)	(15)
Taxes ⁴⁾	(640)	(122)	(153)	(224)	(1,139)	(426)	(74)	(500)
Net operating profit before acquisition-related costs, exceptional items and minority interests	2,311	396	580	582	3,869	1,508	384	1,892
Acquisition interest					–			(828)

Amortization of retention payments	–	(811)
Amortization of acquired intangible assets and goodwill	(116)	(1,455)
Exceptional items	0	(1,428)
Tax impact	2	1,148
Business unit result before minority interests	3,755	(1,482)
Minority interests	(69)	(1)
Business unit result ⁵⁾	3,686	(1,483)
Increased/(decreased) credit-related valuation adjustments, net of tax ⁶⁾	17	140
Net profit/(loss)	3,669	(1,623)

¹⁾ Restated to reflect the transfer in 2003 of the securities and treasury execution platform transactions of Credit Suisse First Boston in Switzerland to Credit Suisse Financial Services and the transfer of Credit Suisse First Boston's Private Client Services UK business from CSFB Financial Services to Private Banking as well as the realignment of the private client business. The latter entailed moving certain client segments in Switzerland from Private Banking to Corporate & Retail Banking. The operating business unit results reflect the results of the separate segments comprising the business unit. Certain acquisition-related costs, including acquisition interest, amortization of retention payments and amortization of acquired intangible assets and goodwill, and exceptional items not allocated to the segments are included in the business unit results. For Credit Suisse Financial Services certain other items, including credit-related valuation adjustments resulting from the difference between the statistical and actual credit provisions and gains/(losses) from sales of investments within the insurance business, are presented in the operating basis business unit results based on the Group's segment reporting principles. For Credit Suisse First Boston certain other items, including brokerage, execution and clearing expenses, contractor and recruitment costs and expenses related to certain redeemable preferred securities are presented in the operating basis business unit results based on the Group's segment reporting principles.

²⁾ Operating income for the insurance business is defined as net premiums earned, less claims incurred and change in technical provisions and expenses for processing claims, less commissions, plus net investment income from the insurance business. Gains or losses related to sales of investments within the insurance business are recorded as operating income at the business unit level and reclassified to extraordinary income/(expenses) in the consolidated financial statements in accordance with Swiss GAAP.

³⁾ Including amortization of Present Value of Future Profits (PVFP) from the insurance business.

⁴⁾ Excluding tax impact on acquisition-related costs and exceptional items.

⁵⁾ Net profit/(loss) excluding credit-related valuation adjustments resulting from the difference between the statistical and actual credit provisions, net of tax.

⁶⁾ Represents increased/(decreased) credit-related valuation adjustments before tax of CHF 22 m for Credit Suisse Financial Services and CHF 194 m for Credit Suisse First Boston.

Reconciliation of operating to consolidated results for the year ended December 31, 2001

in CHF m	Credit Suisse Financial Services		Credit Suisse First Boston			Credit Suisse Group		
	Operating basis	Re-classifications	Swiss GAAP basis	Operating basis	Re-classifications		Swiss GAAP basis	
Operating income	15,896	231 ²⁾	16,127	24,749	(1,606) ³⁾ – ⁶⁾	23,143	(116)	39,154

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Personnel expenses	5,855	5,855	13,541	2,385 ^{3) 4)} ₆₎	15,926	109	21,890
Other operating expenses	3,851	3,851	6,315	(1,484) ₄₎	4,831	(288)	8,394
Operating expenses	9,706	9,706	19,856		20,757	(179)	30,284
Gross operating profit	6,190	6,421	4,893		2,386	63	8,870
Depreciation of non-current assets	824	824	945	12 ₆₎	957	405	2,186
Amortization of acquired intangible assets and goodwill	–	116	116	–	1,455 ₃₎	(8)	1,563
Valuation adjustments, provisions and losses	383	22 ₇₎	405	1,541	591 _{6) 7)}	55	2,592
Profit/(loss) before extraordinary items and taxes	4,983	5,076	2,407		(2,158)	(389)	2,529
Extraordinary income/(expenses), net	25	(231) ₂₎	(206)	(15)	(15)	(8)	(229)
Taxes	(1,139)	7	(1,132)	(500)	1,202	(56)	(486)
Net profit/(loss) before minority interests	3,869	3,738	1,892		(1,471)	(453)	1,814
Minority interests	(69)	(69)	(1)	(151) ₅₎	(152)	(6)	(227)
Net profit/(loss)	3,800	3,669	1,891		(1,623)	(459)	1,587

Other data:

Total assets as of December 31, 2001 ⁸⁾		443,391			664,617	(85,495)	1,022,513
--	--	----------------	--	--	----------------	----------	------------------

¹⁾ Corporate Center includes the parent company operations, including Group financing initiatives, centrally managed, own-use real estate, consisting mainly of bank premises within Switzerland, and consolidation adjustments.

²⁾ Reflects net gains/(losses) from sales of investments within the insurance business of CHF 231 m reclassified from operating income to extraordinary income/(expenses).

³⁾ Reflects acquisition interest of CHF 828 m allocated to operating income, amortization of retention payments of CHF 811 m allocated to personnel expenses and amortization of acquired intangible assets and goodwill of CHF 1,455 m.

⁴⁾ Reflects brokerage, execution and clearing expenses of CHF 895 m reclassified from other operating expenses to operating income and contractor costs of CHF 471 m and staff recruitment costs of CHF 118 m reclassified from other operating expenses to personnel expenses.

⁵⁾ Reflects expenses of CHF 151 m related to certain redeemable preferred securities reclassified from operating income to minority interests.

⁶⁾ Reflects exceptional items allocated as follows: CHF -34 m to operating income, CHF 985 m to personnel expenses, CHF 12 m to depreciation of non-current assets and CHF 397 m to valuation adjustments, provisions and losses.

⁷⁾ Reflects an increase/(decrease) in credit-related valuation adjustments resulting from the difference between statistical and actual credit provisions of CHF 22 m for Credit Suisse Financial Services and CHF 194 m for Credit Suisse First Boston.

⁸⁾ Intersegment consolidation items have been eliminated within “Corporate Center”.
Segment reporting by geographic segments

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

The geographic analysis of income and assets is provided in order to disclose information similar to other financial services companies that comply with internationally recognized standards and does not reflect the way the Group is managed. Management believes "Segment reporting by operating segments" is a more meaningful representation of the way in which the Group is managed.

Gross operating income 2003 ¹⁾

in CHF m	Switzerland	Other European countries	Americas	Asia/Pacific/Africa	Total
Interest income	5,209	6,756	10,583	1,091	23,639
Commission and service fee income	3,967	2,662	5,471	713	12,813
Net trading income	890	3,078	(1,775)	322	2,515
Insurance premiums earned, net	11,559	16,609	2,486	1,237	31,891
Investment income from the insurance business	3,305	4,468	461	202	8,436
Other ordinary income	(300)	1,137	464	304	1,605
Gross operating income	24,630	34,710	17,690	3,869	80,899
Expenses ²⁾	–	–	–	–	(54,577)
Operating income	–	–	–	–	26,322

Gross operating income 2002 ¹⁾

in CHF m	Switzerland	Other European countries	Americas	Asia/Pacific/Africa	Total
Interest income	5,981	8,295	12,935	1,109	28,320
Commission and service fee income	4,384	2,901	8,222	672	16,179
Net trading income	982	2,273	(1,288)	287	2,254
Insurance premiums earned, net	12,380	18,114	3,456	861	34,811
Investment income from the insurance business	1,375	(1,702)	(19)	(86)	(432)
Other ordinary income	2,140	(190)	82	455	2,487
Gross operating income	27,242	29,691	23,388	3,298	83,619
Expenses ²⁾	–	–	–	–	(55,581)
Operating income	–	–	–	–	28,038

Gross operating income 2001 ¹⁾

in CHF m	Switzerland	Other European countries	Americas	Asia/Pacific/Africa	Total
Interest income	7,188	10,999	22,324	1,768	42,279
Commission and service fee income	5,099	3,263	9,904	814	19,080
Net trading income	1,386	3,541	3,312	674	8,913
Insurance premiums earned, net	11,505	17,122	2,777	791	32,195

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Investment income from the insurance business	3,373	2,266	276	(39)	5,876
Other ordinary income	1,030	822	155	591	2,598
Gross operating income	29,581	38,013	38,748	4,599	110,941
Expenses ²⁾	–	–	–	–	(71,787)
Operating income	–	–	–	–	39,154

¹⁾ The geographic analysis is based on the location of the office recording the transactions.

²⁾ Includes interest expenses, commission expenses, claims incurred and technical provisions for the insurance business, commission expenses from the insurance business and sundry ordinary expenses.

Segment reporting by geographic segments (continued)

Assets by countries/regions ¹⁾

in CHF m	Tangible fixed assets			Total assets
	31.12.03	31.12.02	31.12.03	31.12.02
Switzerland	4,378	4,587	204,917	198,045
United Kingdom	995	1,323	153,162	143,627
Germany	462	508	70,956	62,681
Other European countries	272	392	105,517	99,539
North America	671	1,138	309,936	346,947
Central and South America	30	36	36,454	35,700
Asia/Pacific	113	167	74,019	62,384
Middle Eastern countries	–	–	4,428	3,905
Africa	1	1	2,775	2,828
Total	6,922	8,152	962,164	955,656

¹⁾ The geographic analysis of tangible fixed assets is based on the location of the reporting entities, whereas the analysis of total assets is driven by the customers' domicile.

6 Income statement of the banking and insurance business ¹⁾

in CHF m	Banking business			Insurance business ²⁾			Credit Suisse Group		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
Net interest income	7,420	7,984	6,680	–	–	–	7,424	8,036	6,751
Net commission and service fee income	11,914	15,350	18,136	–	–	–	11,940	15,334	18,115
Net trading income	2,566	1,946	8,913	–	–	–	2,515	2,254	8,913
Net income from the insurance business ³⁾	–	–	–	4,622	3,641	6,352	4,621	3,312	6,300
Other ordinary income/(expenses), net	661	(296)	(538)	(860)	(602)	(380)	(178)	(898)	(925)
Operating income	22,561	24,984	33,191	3,762	3,039	5,972	26,322	28,038	39,154
Salaries and other compensation	10,056	12,495	17,414	1,364	1,687	1,675	11,420	14,183	19,089
Employee benefits	1,212	1,335	1,452	427	486	358	1,638	1,820	1,810

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Other personnel expenses	467	797	886	104	110	105	572	907	991
Personnel expenses ³⁾	11,735	14,627	19,752	1,895	2,283	2,138	13,630	16,910	21,890
Premises and real estate expenses	853	1,062	1,155	205	248	238	1,058	1,310	1,394
Expenses for IT, machinery, furnishings, vehicles and other equipment	1,261	1,526	1,536	290	320	325	1,545	1,837	1,853
Sundry operating expenses	1,876	2,530	4,162	790	931	984	2,668	3,472	5,147
Other operating expenses ³⁾	3,990	5,118	6,853	1,285	1,499	1,547	5,271	6,619	8,394
Operating expenses	15,725	19,745	26,605	3,180	3,782	3,685	18,901	23,529	30,284
Gross operating profit/(loss)	6,836	5,239	6,586	582	(743)	2,287	7,421	4,509	8,870
Depreciation of non-current assets	1,237	1,515	1,667	652	657	519	1,887	2,173	2,186
Amortization of acquired intangible assets	593	693	793	0	0	0	593	693	793
Amortization of goodwill	532	740	697	62	66	73	594	806	770
Valuation adjustments, provisions and losses from the banking business	861	4,430	2,592	–	–	–	861	4,430	2,592
Depreciation, valuation adjustments and losses	3,223	7,378	5,749	714	723	592	3,935	8,102	6,341
Profit/(loss) before extraordinary items, cumulative effect of change in accounting principle, taxes and minority interests	3,613	(2,139)	837	(132)	(1,466)	1,695	3,486	(3,593)	2,529
Extraordinary income	441	681	52	1,606	65	0	2,047	746	52
Extraordinary expenses	(46)	(206)	(50)	(529)	(197)	(231)	(575)	(403)	(281)
Cumulative effect of change in accounting principle	319	320	0	0	200	0	319	520	0
Taxes	(910)	289	(108)	757	(885)	(378)	(154)	(596)	(486)
Net profit/(loss) before minority interests	3,417	(1,055)	731	1,702	(2,283)	1,086	5,123	(3,326)	1,814
Minority interests	(156)	(151)	(179)	32	168	(48)	(124)	17	(227)
Net profit/(loss)	3,261	(1,206)	552	1,734	(2,115)	1,038	4,999	(3,309)	1,587

¹⁾ Income statements for the banking and insurance business are presented on a stand-alone basis.

²⁾ Represents "Winterthur" Swiss insurance company, excluding capital contribution in 2002 of CHF 1.7 bn to Winterthur Life by Credit Suisse Group.

³⁾ Insurance business: expenses due to the handling of both claims and investments are allocated to the income from the insurance business, of which CHF 508 m (2002: CHF 615 m, 2001: CHF 599 m) are related to personnel expenses and CHF 444 m (2002: CHF 469 m, 2001: CHF 371 m) to other operating expenses.

7 Income statement by origin ¹⁾

in CHF m	Switzerland 2003	Foreign 2003	Switzerland 2002	Foreign 2002	Switzerland 2001	Foreign 2001
Net interest income	3,573	3,851	3,371	4,665	2,921	3,830
Net commission and service fee income	3,684	8,256	4,125	11,209	4,699	13,416

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Net trading income	890	1,625	982	1,272	1,386	7,527
Net income from the insurance business	1,673	2,948	26	3,286	2,426	3,874
Other ordinary income/(expenses), net	(396)	218	488	(1,386)	114	(1,039)
Operating income	9,424	16,898	8,992	19,046	11,546	27,608
Personnel expenses	3,936	9,694	4,503	12,407	4,370	17,520
Other operating expenses	1,821	3,450	1,903	4,716	2,325	6,069
Operating expenses	5,757	13,144	6,406	17,123	6,695	23,589
Gross operating profit	3,667	3,754	2,586	1,923	4,851	4,019
% of total	49%	51%	57%	43%	55%	45%
Depreciation of non-current assets	581	1,306	850	1,323	995	1,191
Amortization of acquired intangible assets	11	582	9	684	0	793
Amortization of goodwill	33	561	105	701	85	685
Valuation adjustments, provisions and losses from the banking business	446	415	1,043	3,387	616	1,976
Depreciation, valuation adjustments and losses	1,071	2,864	2,007	6,095	1,696	4,645
Profit/(loss) before extraordinary items, cumulative effect of change in accounting principle, taxes and minority interests	2,596	890	579	(4,172)	3,155	(626)
Extraordinary income/(expenses)	1,362	110	523	(180)	(225)	(4)
Cumulative effect of change in accounting principle	(56)	375	3	517	–	–
Taxes	(810)	656	(219)	(377)	(799)	313
% of total	526%	(426%)	37%	63%	164%	(64%)
Net profit/(loss) before minority interests	3,092	2,031	886	(4,212)	2,131	(317)
Minority interests	(41)	(83)	39	(22)	126	(353)
Net profit/(loss)	3,051	1,948	925	(4,234)	2,257	(670)
% of total	61%	39%	(28%)	128%	142%	(42%)

¹⁾ The analysis is based on the location of the office recording the transactions.

8 Net interest income

in CHF m	2003	2002	2001
Interest income on loans due from customers	8,176	9,832	13,438
Interest income on loans due from banks	4,440	6,849	13,179
Interest income from money market papers	353	536	1,590
	0	263	329

Credit commissions treated as interest earnings			
Interest income from leasing operations	147	150	151
Interest and discount income	13,116	17,630	28,687
Interest income	8,224	8,953	11,351
Dividend income	1,573	1,004	1,727
Interest and dividend income from trading portfolios	9,797	9,957	13,078
Interest income	657	617	352
Dividend income	69	116	162
Interest and dividend income from financial investments	726	733	514
Interest income	23,639	28,320	42,279
Interest expenses for liabilities due to customers	(6,912)	(10,031)	(15,786)
Interest expenses for liabilities due to banks	(9,303)	(10,253)	(19,742)
Interest expenses	(16,215)	(20,284)	(35,528)
of which interest expenses for subordinated liabilities	(902)	(1,006)	(916)
Total net interest income	7,424	8,036	6,751
9 Net trading income in CHF m	2003	2002	2001
Debt instruments	315	726	1,708
Equity instruments	954	334	4,851
Foreign exchange and banknote trading	1,116	1,228	1,648
Precious metals	26	21	3
Other	104	(55)	703
Total net trading income	2,515	2,254	8,913
10 Depreciation and amortization in CHF m	2003	2002	2001
Real estate	163	189	207
Other tangible fixed assets	876	1,107	1,269
Present value of future profits (PVFP) ¹⁾	300	267	237
Other intangible assets	437	526	387
Non-consolidated participations	111	84	86
Depreciation of non-current assets	1,887	2,173	2,186
Amortization of acquired intangible assets	593	693	793
Amortization of goodwill	594	806	770

Total depreciation and amortization	3,074	3,672	3,749
1) Interests accrued of CHF 75 m (2002: CHF 98 m, 2001: CHF 157 m) on the unamortized PVFP balance is presented net against amortization.			
11 Valuation adjustments, provisions and losses from the banking business			
in CHF m	2003	2002	2001
Valuation allowances	592	2,822	1,634
Balance sheet risks	4	63	4
Off-balance sheet risks	(20)	202	80
Other provisions	258	1,311	828
Losses on financial investments	27	32	46
Total valuation adjustments, provisions and losses from the banking business	861	4,430	2,592
Non-technical provisions for the insurance business 1)			
	142	15	136
1) Included in other expenses from the insurance business.			
12 Extraordinary income			
in CHF m	2003	2002	2001
Gains from the disposal of participations	1,881	120	4
Release of reserve for general banking risks	0	580	0
Other extraordinary income	166	46	48
Total extraordinary income	2,047	746	52
13 Extraordinary expenses			
in CHF m	2003	2002	2001
Losses from the disposal of participations	493	360	238
Restructuring charges	0	17	19
Other extraordinary expenses	82	26	24
Total extraordinary expenses	575	403	281
Restructuring charges 1)			
in CHF m	2003	2002	2001
Personnel	84	441	43
Premises 2)	6	27	7
Other 3)	13	66	13
Total restructuring charges	103	534	63
of which included in extraordinary expenses	0	17	19
of which included in ordinary expenses	103	517	44

1) See note 31 "Valuation allowances and provisions" for further details.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

2) Premises charges include lease termination costs, moving expenses and losses related to the closure and sale of property.

3) Other charges include technology write-offs, rebranding and advertising costs and consultancy fees.

14 Taxes in CHF m	2003	2002	2001
Switzerland	577	498	659
Foreign	1,297	(230)	755
Current taxes	1,874	268	1,414
Switzerland	233	(279)	140
Foreign	(1,953)	607	(1,068)
Deferred taxes	(1,720)	328	(928)
Total taxes	154	596	486

15 Income statement of the insurance business ¹⁾ in CHF m	2003	2002	2001
Non-life			
Net premiums written	15,273	17,241	16,840
Change in provision for unearned premiums and in provision for future policy benefits (health)	(703)	(1,538)	(1,833)
Net premiums earned	14,570	15,703	15,007
Claims and annuities paid	(9,265)	(10,164)	(10,311)
Change in provision for unpaid claims and annuities	(1,381)	(1,585)	(1,198)
Claims and annuities incurred	(10,646)	(11,749)	(11,509)
Dividends paid to policyholders	(187)	(241)	(290)
Change in provision for future dividends to policyholders	(312)	347	(21)
Dividends to policyholders incurred	(499)	106	(311)
Operating expenses	(4,064)	(4,486)	(4,336)
Underwriting result	(639)	(426)	(1,149)
Net investment income	1,240	(16)	2,217
Interest received on deposits and bank accounts	21	41	29
Interest paid	(108)	(93)	(97)
Other income/(expenses), including foreign currency translation impact	873	(350)	(165)
Profit/(loss) before taxes and minority interests	1,387	(844)	835

Life

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Net premiums written	17,186	18,979	17,203
Change in provision for unearned premiums	(1)	(4)	(15)
Net premiums earned	17,185	18,975	17,188
Death and other benefits paid	(15,804)	(13,961)	(11,922)
Change in provision for death and other benefits	(439)	(731)	(245)
Death and other benefits incurred	(16,243)	(14,692)	(12,167)
Change in provision for future policyholder benefits	(4,204)	(4,020)	(5,457)
Dividends paid to policyholders	(829)	(1,193)	(1,449)
Change in provision for future dividends to policyholders	(832)	2,951	1,162
Dividends to policyholders incurred	(1,661)	1,758	(287)
Operating expenses	(1,975)	(2,181)	(1,870)
Net investment income	7,069	(308)	3,651
Interest received on deposits and bank accounts	85	83	86
Interest on bonuses credited to policyholders	(155)	(146)	(135)
Interest paid	(133)	(122)	(193)
Other income/(expenses), including foreign currency translation impact	(131)	72	(53)
Profit/(loss) before taxes and minority interests	(163)	(581)	763
Combined			
Profit/(loss) before taxes and minority interests	1,224	(1,425)	1,598
Other non-operating expenses	(79)	–	–
Interest on debt	(138)	(107)	(61)
Amortization of goodwill	(62)	(66)	(73)
Cumulative effect of change in accounting principle	0	200	0
Taxes	757	(885)	(378)
Profit/(loss) before minority interests	1,702	(2,283)	1,086
Minority interests	32	168	(48)
Net profit/(loss)	1,734	(2,115)	1,038
1) Represents “Winterthur” Swiss Insurance Company, excluding capital contribution in 2002 of CHF 1.7 bn to Winterthur Life by Credit Suisse Group.			
16 Insurance premiums, claims and related reinsurance ¹⁾			
in CHF m	2003	2002 ₂₎	2001
Non-life			
Switzerland	3,197	2,925	3,138

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Germany	2,657	2,523	2,659
United Kingdom	3,416	5,001	4,009
Italy	1,403	1,892	1,840
Spain	1,523	1,361	1,242
Other countries in Europe	1,109	1,167	1,713
North America	2,893	3,467	3,598
Asia, Pacific	14	55	161
Other aeras	0	0	52
Total gross premiums written	16,212	18,391	18,412
of which direct written premiums	16,110	17,452	17,606
of which assumed	102	939	806
Ceded	(939)	(1,150)	(1,572)
Net premiums written	15,273	17,241	16,840
Direct	15,098	15,839	16,162
Assumed	428	1,008	524
Ceded	(956)	(1,144)	(1,679)
Net premiums earned	14,570	15,703	15,007
Direct	(11,045)	(11,939)	(12,489)
Assumed	(68)	(816)	(451)
Ceded	467	1,006	1,431
Claims and annuities incurred, net	(10,646)	(11,749)	(11,509)
Life			
Switzerland	8,482	9,719	8,340
Germany	2,677	2,861	2,815
United Kingdom	2,355	2,338	2,088
Italy	701	1,157	903
Spain	423	573	864
Other countries in Europe	1,403	1,331	1,696
Asia, Pacific	1,232	1,040	707
Total gross premiums written	17,273	19,019	17,413
of which direct written premiums	17,197	18,778	17,193
of which assumed	76	241	220
Ceded	(87)	(40)	(210)
Net premiums written	17,186	18,979	17,203
Direct	17,195	18,774	17,190
Assumed	77	242	208
Ceded	(87)	(41)	(210)
Net premiums earned	17,185	18,975	17,188
Direct	(16,257)	(14,697)	(12,189)
Assumed	(44)	(78)	(52)
Ceded	58	83	74
Death and other benefits incurred, net	(16,243)	(14,692)	(12,167)

Combined			
Direct written premiums	33,307	36,230	34,799
Assumed	178	1,180	1,026
Ceded	(1,026)	(1,190)	(1,782)
Net premiums written	32,459	36,220	34,043

¹⁾ Represents «Winterthur» Swiss Insurance Company.

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

17 Net investment income from the insurance business ¹⁾			
in CHF m	2003	2002	2001
Non-life			
Debt securities and loans	937	815	974
Equity securities	43	91	161
Real estate	84	100	127
Mortgages	51	54	60
Short-term investments	67	151	95
Non-consolidated participations	3	7	15
Investment income	1,185	1,218	1,432
Realized gains/(losses) on real estate	37	(4)	170
Realized gains/(losses) on other investments	173	(1,069)	750
(Depreciation)/appreciation on investments	(23)	(26)	(31)
Gains/(losses) on investments	187	(1,099)	889
Investment expenses	(132)	(135)	(104)
Net investment income	1,240	(16)	2,217

Life			
Debt securities and loans	3,051	2,568	2,798
Equity securities	187	355	462
Real estate	426	419	395
Mortgages	463	411	421
Short-term investments	63	114	85
Non-consolidated participations	0	11	14
Investment income	4,190	3,878	4,175
Realized gains/(losses) on real estate	268	65	31
Realized gains/(losses) on other investments	1,252	(2,197)	926
(Depreciation)/appreciation on investments	(129)	(127)	(123)
Gains/(losses) on investments	1,391	(2,259)	834
Investment income	384	319	224
Gains/(losses)	1,334	(2,049)	(1,338)
Net investment income where the investment risk is borne by	1,718	(1,730)	(1,114)

policyholders			
Investment expenses	(230)	(197)	(244)
Net investment income	7,069	(308)	3,651
Combined			
Debt securities and loans	3,988	3,383	3,772
Equity securities	230	446	623
Real estate	510	519	522
Mortgages	514	465	481
Short-term investments	130	265	180
Non-consolidated participations	3	18	29
Investment income	5,375	5,096	5,607
Gains/(losses) on investments	1,578	(3,358)	1,723
Net investment income where the investment risk is borne by policyholders	1,718	(1,730)	(1,114)
Investment expenses	(362)	(332)	(348)
Net investment income from the insurance business	8,309	(324)	5,868

¹⁾ Represents «Winterthur» Swiss Insurance Company.

18 Money market papers in CHF m	31.12.03	31.12.02 ¹⁾
Government treasury notes and bills	7,958	7,553
Money market placements	7,531	13,603
Other bills of exchange and money market papers	866	3,969
Total money market papers	16,355	25,125

¹⁾ Adjusted.

19 Loans	31.12.03	31.12.02
Due from banks in CHF m	31.12.03	31.12.02
Due from banks, gross	192,844	195,866
Valuation allowance	(11)	(88)
Total due from banks, net	192,833	195,778

Due from customers and mortgages in CHF m	31.12.03	31.12.02
Due from customers, gross ¹⁾	173,636	187,617
Valuation allowance	(3,150)	(5,474)
Due from customers, net	170,486	182,143
Mortgages, gross ¹⁾	99,569	97,037
Valuation allowance	(1,355)	(2,141)

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Mortgages, net	98,214	94,896
Total due from customers and mortgages, net	268,700	277,039

1) Effective 2003, loans held for sale are presented net of the related loan valuation allowances.

Due from customers and mortgages by sector
in CHF m

	31.12.03	31.12.02
Financial services	40,085	43,553 ¹⁾
Real estate companies	15,468	16,472
Other services including technology companies	12,451	15,316
Manufacturing	10,588	13,273
Wholesale and retail trade	9,514	11,165
Construction	3,699	4,314
Transportation	3,138	4,149
Telecommunications	1,391	2,333
Health and social services	1,874	2,340
Hotels and restaurants	2,178	2,390
Agriculture and mining	2,342	2,317
Non-profit and international organizations	203	191
Commercial	102,931	117,813
Consumers	92,841	87,145 ¹⁾
Public authorities	4,538	5,023
Lease financings	3,274	3,158
Professional securities transactions and securitized loans	69,621	71,515
Due from customers and mortgages, gross	273,205	284,654
Valuation allowance	(4,505)	(7,615)
Total due from customers and mortgages, net	268,700	277,039

1) Adjusted.

Collateral of due from customers and mortgages

in CHF m	Mortgage collateral	Other collateral	Without collateral	Total 31.12.03
Due from customers	5,399	135,102	29,985	170,486
Residential properties	72,241	–	–	72,241
Business and office properties	11,597	–	–	11,597
Commercial and industrial properties	11,571	–	–	11,571
Other properties	2,805	–	–	2,805
Mortgages	98,214	–	–	98,214
Total collateral	103,613	135,102	29,985	268,700
As of 31.12.02	100,002	143,044 ¹⁾	33,993 ¹⁾	277,039

1) Adjusted.

Loan valuation allowance
in CHF m

	31.12.03	31.12.02
Due from banks	11	88
Due from customers	3,150	5,474
Mortgages	1,355	2,141
Total loan valuation allowance ¹⁾	4,516	7,703
of which on principal	3,742	6,617
of which on interest	774	1,086

¹⁾ Effective 2003, valuation allowances related to loans held for sale are netted directly with such loans, and are not presented separately in the total loan valuation allowance.

Roll forward of loan valuation allowance
in CHF m

	2003	2002	2001
At beginning of financial year	7,703	9,264	10,786
Additions	1,753	3,351	2,439
Releases	(1,161)	(735)	(826)
Net additions charged to income statement	592	2,616	1,613
Gross write-offs	(3,433)	(3,868)	(3,851)
Recoveries	51	65	46
Net write-offs	(3,382)	(3,803)	(3,805)
Reclassified to loans held for sale	(355)	–	–
Balances acquired/(sold)	(3)	0	(3)
Provisions for interest	158	187	400
Foreign currency translation impact and other	(197)	(561)	273
At end of financial year	4,516	7,703	9,264

Impaired loans ¹⁾

	31.12.03	31.12.02
in CHF m		
With a specific allowance	6,210	11,714
Without a specific allowance	747	655
Total impaired loans, gross	6,957	12,369
Non-performing loans	2,913	6,355
Non-interest earning loans	1,763	2,325
Restructured loans	280	281
Potential problem loans ²⁾	2,001	3,408
Total impaired loans, gross	6,957	12,369
Estimated liquidation value of collateral	(2,484)	↗
Impaired loans, net	4,473	↗
Specific allowance for impaired loans	3,819	6,778

¹⁾ Effective 2003, loans classified as held for sale are excluded from impaired loans.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

2) Potential problem loans consist of loans where interest payments are being made but where, in the credit officer's assessment, some doubt exists as to the timing and/or certainty of the repayment of contractual principal.

3) In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

20 Securities and precious metals trading portfolios

in CHF m	31.12.03	31.12.02
Listed on stock exchange	65,230	58,661
Unlisted	73,740	76,083
Debt instruments	138,970	134,744
Listed on stock exchange	51,978	33,208
Unlisted	7,475	3,935
Equity instruments	59,453	37,143
Precious metals	1,634	1,246
Total securities and precious metals trading portfolios	200,057	173,133

21 Financial investments from the banking business

in CHF m	Fair value		Book value	
	31.12.03	31.12.02	31.12.03	31.12.02
Listed on stock exchange	–	–	27,436	16,588
Unlisted	–	–	3,184	3,493
Debt instruments	–	–	30,620	20,081
of which held-to-maturity	–	–	18,822	16,949
of which valued at lower of cost or market	11,902	3,244	11,798	3,132
Listed on stock exchange	581	598	417	596
Unlisted	–	–	10,602	11,947
Equity instruments	–	–	11,019	12,543
of which qualifying participations	–	–	1,772	2,114
Precious metals and others	6	10	6	10
Real estate	498	759	496	760
Total financial investments from the banking business	–	–	42,141	33,394
of which valued at lower of cost or market	12,987	4,611	12,717	4,498

22 Investments from the insurance business

As of 31.12.03, in CHF m	Book value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
	7,145	7,145	0	118	7,027

Debt securities issued by Swiss Federal Government, cantonal or local governmental entities					
Corporate debt securities	1,196	1,196	0	17	1,179
Other	1,844	1,844	0	29	1,815
Total debt securities – held to maturity	10,185	10,185	0	164	10,021
Debt securities issued by Swiss Federal Government, cantonal or local governmental entities	4,224	3,782	449	7	4,224
Debt securities issued by foreign governments	17,057	16,629	606	178	17,057
Corporate debt securities	41,486	40,744	1,398	656	41,486
Other	6,703	6,574	172	43	6,703
Debt securities	69,470	67,729	2,625	884	69,470
Equity securities	5,501	5,113	499	111	5,501
Total securities – available-for-sale	74,971	72,842	3,124	995	74,971
Debt securities	236	–	–	–	–
Equity securities	138	–	–	–	–
Total securities – trading	374	–	–	–	–
Mortgage loans	11,054	–	–	–	–
Other loans	4,389	–	–	–	–
Real estate	7,215	–	–	–	8,709
Short-term investments and other	5,062	–	–	–	–
Investments from the insurance business	113,250	–	–	–	–
Equity securities	11,818	–	–	–	–
Debt securities	2,395	–	–	–	–
Short-term investments	1,747	–	–	–	–
Real estate	185	–	–	–	–
Investments where the investment risk is borne by the policyholder	16,145	–	–	–	–
Investments from the insurance business	129,395	–	–	–	–

22 Investments from the insurance business (continued)

As of 31.12.02, in CHF m	Book value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Debt securities issued by Swiss Federal Government, cantonal or local governmental entities	10,814	9,951	863	0	10,814
Debt securities issued by foreign governments	27,110	26,337	871	98	27,110
Corporate debt securities	29,042	27,478	1,717	153	29,042
Other	9,685	9,157	552	24	9,685

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Debt securities ¹⁾	76,651	72,923	4,003	275	76,651
Equity securities	9,052	9,171	336	455	9,052
Total securities – available-for-sale	85,703	82,094	4,339	730	85,703
Debt securities	246	–	–	–	–
Equity securities	31	–	–	–	–
Total securities – trading	277	–	–	–	–
Own shares	44	–	–	–	–
Mortgage loans	10,175	–	–	–	–
Other loans	4,305	–	–	–	–
Real estate	7,431	–	–	–	10,057
Short-term investments and other	7,120	–	–	–	–
Investments from the insurance business	115,055	–	–	–	–
Equity securities	9,288	–	–	–	–
Debt securities	2,841	–	–	–	–
Short-term investments	1,069	–	–	–	–
Real estate	197	–	–	–	–
Investments where the investment risk is borne by the policyholder	13,395	–	–	–	–
Investments from the insurance business	128,450	–	–	–	–

¹⁾ Certain reclassifications have been made to conform to the current presentation.

23 Non-consolidated participations

in CHF m	Cost	Accumulated write-offs	Net book value 31.12.02	Additions	Disposals	Write-offs	Balances acquired/ (sold)	Foreign currency translation and transfers	Net book value 31.12.03
Investments in associates	1,566	(93)	1,473	113	(394)	(101)	121	(29)	1,183
Other non-consolidated participations	524	(205)	319	31	(88)	(10)	(15)	(14)	223
Total non-consolidated participations	2,090	(298)	1,792	144	(482)	(111)	106	(43)	1,406
Listed on stock exchange			231						262
Unlisted			1,561						1,144

24 Tangible fixed assets

in CHF m	Own use premises	Real estate investment	Leasehold improvements	Other physical assets	Total 2003
Historical cost					
At beginning of financial year	6,583	386	1,682	5,285	13,936
Additions	102	33	70	420	625
Disposals and write-offs	(25)	(24)	(111)	(580)	(740)
Balances acquired/(sold)	(233)	0	(158)	(673)	(1,064)

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Reclassifications ¹⁾	(45)	(13)	79	233	254
Foreign currency translation impact	(17)	(1)	(118)	(219)	(355)
At end of financial year	6,365	381	1,444	4,466	12,656
Accumulated depreciation					
At beginning of financial year	1,310	79	614	3,781	5,784
Depreciation	145	18	174	702	1,039
Disposals and write-offs	(13)	(7)	(26)	(460)	(506)
Balances acquired/(sold)	(50)	0	(63)	(440)	(553)
Reclassifications ¹⁾	(8)	0	72	143	207
Foreign currency translation impact	(8)	(1)	(47)	(181)	(237)
At end of financial year	1,376	89	724	3,545	5,734
Net book value at end of financial year					
	4,989	292	720	921	6,922
Net book value at beginning of financial year					
	5,273	307	1,068	1,504	8,152

¹⁾ Including CHF 63 m transfer from intangible assets.

Fire insurance values
in CHF m

31.12.03

31.12.02

Real estate (including investments
from the insurance business)

12,528

15,164¹⁾

Other tangible fixed assets

4,209

4,291¹⁾

¹⁾ Adjusted.

25 Operating leases

The following is a schedule of future minimum rental payments required under operating leases-lessee transactions that have initial or remaining non-cancellable lease terms in excess of one year, as of December 31, 2003.

in CHF m

31.12.03

2004	732
2005	672
2006	624
2007	548
2008	534
Thereafter	6,075
Future operating lease commitments	9,185
Minimum non-cancelable sublease rentals	(1,394)
Total net future minimum lease commitments	7,791

The following shows the composition of total rent expense for all operating leases except those with a term of one month or less that were not renewed for the years ended December 31:

Rental expenses
in CHF m

2003

2002

2001

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Minimum rentals	770	1,052	860
Sublease rental income	(57)	(34) ¹⁾	(43)
Total net rental expenses	713	1,018	817

¹⁾ Adjusted.

26 Intangible assets

in CHF m	Acquired intangible assets	Goodwill	Present value of future profits ¹⁾	Software	Other intangible assets	Total 2003
Historical cost						
At beginning of financial year	5,801	12,871	2,503	2,003	79	23,257
Additions	2	4	0	360	34	400
Disposals and write-offs	0	(76)	0	(142)	(7)	(225)
Unrealized gains/(losses)	–	–	(6)	–	–	(6)
Balances acquired/(sold)	(1,841)	(833)	(60)	(353)	(18)	(3,105)
Reclassifications ²⁾	13	(27)	2	6	(38)	(44)
Foreign currency translation impact	(449)	(873)	80	(49)	2	(1,289)
At end of financial year	3,526	11,066	2,519	1,825	52	18,988
Accumulated depreciation						
At beginning of financial year	1,436	1,836	537	1,032	57	4,898
Depreciation and amortization	593 ³⁾	594	300 ⁴⁾	434	3	1,924
Disposals and write-offs	0	(38)	(3)	(121)	(3)	(165)
Balances acquired/(sold)	(621)	(91)	(42)	(189)	0	(943)
Reclassifications ²⁾	9	6	0	59	(11)	63
Foreign currency translation impact	(123)	(131)	18	(22)	2	(256)
At end of financial year	1,294	2,176	810	1,193	48	5,521
Net book value at end of financial year	2,232	8,890	1,709	632	4	13,467
Net book value at beginning of financial year	4,365	11,035	1,966	971	22	18,359

¹⁾ PVFP: Present value of future profits embedded in each life and health insurance portfolio purchased, see Note 1 “Summary of significant accounting policies”.

²⁾ Including CHF 63 m transfer to tangible fixed assets.

³⁾ Includes CHF 270 m impairment of acquired intangible assets with respect to CSFB Financial Services' high-net-worth asset management business.

⁴⁾ Interest accrued of CHF 75 m on the unamortized PFVP balance is presented net against amortization.

27 Other assets

in CHF m	31.12.03	31.12.02
Trading derivative instruments	51,499	53,188
Other derivative instruments	4,326	1,569
Positive replacement value of derivative instruments	55,825	54,757
Deferred tax asset	7,539	7,975
Other	2,148	2,979
Total other assets	65,512	65,711

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

28 Assets pledged or assigned and assets subject to ownership reservation excluding securities lending and borrowing and repurchase agreements

in CHF m	31.12.03	31.12.02
Assets pledged and assigned as collateral	30,806	23,950
Actual commitments secured	24,673	21,015

None of the Group's assets were under reservation of ownership either in the current or in the previous year.

29 Medium-term notes and bonds in CHF m	31.12.03	31.12.02
Medium-term notes (cash bonds)	1,803	2,599
Bonds issued by Credit Suisse Group and subsidiaries	76,441	80,103
Mortgage bonds issued by the Swiss Mortgage Bond Bank	2,639	1,736
Bonds and mortgage-backed bonds	79,080	81,839
Total medium-term notes and bonds	80,883	84,438

Summary of bonds issued

Issuer		Weighted average interest rate	Maturities	Book value in CHF m
Credit Suisse Group	Senior notes	3.88%	2004-2009	3,400
Credit Suisse Group Finance (Guernsey) Ltd., St. Peter Port	Senior notes	4.12%	2004-2019	1,263
	Subordinated notes	5.57%	2013-2017	2,888 ₁₎
Credit Suisse Group Finance (Luxembourg) S.A., Luxembourg	Senior notes	3.20%	2005	348
Credit Suisse Group Finance (U.S.) Inc., Wilmington	Senior notes	5.75%	2005	1,949
	Subordinated notes	4.39%	2010-2020	2,725
Neue Aargauer Bank, Aarau	Subordinated notes	4.73%	2010-2012	230
Bank Leu AG, Zurich	Subordinated notes	5.00%	2006	100
Credit Suisse, Zurich	Senior notes	5.50%	2005	99
	Subordinated notes	4.52%	2005-2011	2,456
Credit Suisse Guernsey Branch, St. Peter Port	Subordinated notes	3.22%	2011-2013	1,113 ₂₎
JOHIM (Holdings) Ltd., London	Senior notes	6.50%	2004	110
Credit Suisse First Boston, Zurich	Senior notes	4.29%	2004-2032	13,086
	Subordinated notes	2.58%	2004-2032	7,952

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Credit Suisse First Boston (Cyprus) Ltd, Cyprus	Senior notes	10.00%	2005	84
Credit Suisse First Boston Finance B.V., Amsterdam	Senior notes	1.31%	Perpetual	185
Credit Suisse First Boston (Cayman) Ltd., George Town	Senior notes	9.64%	2004-2006	124
Banco de Investimentos Credit Suisse First Boston S.A., Sao Paulo	Subordinated notes	11.22%	2007	62
Credit Suisse First Boston Inc., New York	Senior notes	4.60%	2004-2032	29,167
	Subordinated notes	6.57%	2004-2018	1,094
Credit Suisse First Boston International, London	Senior notes	2.91%	2003-2049	8,958
	Subordinated notes	5.53%	2004-2049	2,510
Winterthur Capital Ltd., Hamilton	Senior notes	5.38%	2005	780
«Winterthur» Swiss Insurance Company, Winterthur	Senior notes	4.00%	2006	500
Total senior notes				60,053
Total subordinated notes				21,130
Total bonds issued				81,183

1) Of which CHF 1,101 m (GBP 500 m) are perpetual.

2) Of which CHF 195 m (EUR 125 m) are perpetual.

Maturity structure

Issuer	Within 1 year	Within 1 and 2 years	Within 2 and 3 years	Within 3 and 4 years	Within 4 and 5 years	More than 5 years	Total
Medium-term notes	893	399	271	128	57	55	1,803
Credit Suisse Group	600	0	800	1,000	500	500	3,400
Credit Suisse Group Finance (Guernsey) Ltd., St. Peter Port	640	0	0	0	0	3,511	4,151
Credit Suisse Group Finance (Luxembourg) S.A., Luxembourg	0	348	0	0	0	0	348
Credit Suisse Group Finance (U.S.) Inc., Wilmington	0	1,949	0	0	0	2,725	4,674
Neue Aargauer Bank, Aarau	0	0	0	0	0	230	230
Bank Leu AG, Zurich	0	0	100	0	0	0	100
Credit Suisse, Zurich	0	651	121	0	187	1,596	2,555
Credit Suisse Guernsey Branch, St. Peter Port	0	0	0	0	0	1,113	1,113
JOHIM (Holdings) Ltd., London	110	0	0	0	0	0	110
Credit Suisse First Boston, Zurich	1,732	1,330	1,638	2,877	2,848	10,613	21,038
Credit Suisse First Boston (Cyprus) Ltd, Cyprus	0	84	0	0	0	0	84
Credit Suisse First Boston Finance B.V., Amsterdam	0	0	0	0	0	185	185
	55	59	10	0	0	0	124

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Credit Suisse First Boston (Cayman) Ltd., George Town								
Banco de Investimentos Credit Suisse First Boston S.A., Sao Paulo	0	0	0	62	0	0	62	
Credit Suisse First Boston Inc., New York	3,347	4,127	4,283	3,088	4,186	11,230	30,261	
Credit Suisse First Boston International, London	1,135	1,278	1,232	1,384	2,995	3,444	11,468	
Winterthur Capital Ltd., Hamilton	0	780	0	0	0	0	780	
«Winterthur» Swiss Insurance Company, Winterthur	0	0	500	0	0	0	500	
Bonds issued	7,619	10,606	8,684	8,411	10,716	35,147	81,183	

30 Other liabilities
in CHF m

31.12.03 31.12.02

Trading derivative instruments	57,312	54,534
Other derivative instruments	1,114	630
Negative replacement value of derivative instruments	58,426	55,164
Compensation account	107	111
Other	525	795
Total other liabilities	59,058	56,070

31 Valuation allowances and provisions

in CHF m	Valuation allowances ¹⁾	Provision				Provision for deferred taxes	Total allowances 2003	Total excluding 2003
		Provision for credit risks ²⁾	Provision for other business risks	Provision for re- structuring	Other provisions			
At beginning of financial year	7,933	239	299	185	2,036	8,798	19,490	11,557
Transfers	(355)	–	–	–	132	(2,178)	(2,401)	(2,046)
Additions recorded through income statement	1,753	60	41	147	772 ³⁾	399	3,172	1,419
Releases recorded through income statement	(1,161)	(76)	(64)	(44)	(137) ³⁾	(1,313)	(2,795)	(1,634)
Net additions charged to equity	–	–	–	–	–	(471) ⁴⁾	(471)	(471)
Write-offs	(3,658)	(49)	(37)	(200)	(921)	0	(4,865)	(1,207)
Recoveries	51	0	5	0	29	0	85	34
Balances acquired/(sold)	(3)	0	0	(4)	(17)	(497)	(521)	(518)
Provisions for interest	160	3	0	0	0	0	163	3
Foreign currency translation impact	(204)	(11)	(9)	8	(148)	266	(98)	106
At end of financial year	4,516	166	235	92	1,746	5,004	11,759	7,243

¹⁾ Including valuation allowances for money market papers and debt instruments included in financial investments from the banking business. The related ending balances as of 31.12.03 were nil.

²⁾ Including off-balance sheet risks.

³⁾ Of which CHF 50 m set up under personnel and other operating expenses.

4) Change owing to deferred tax assets on unrealized gains/losses on investments from the insurance business.

Restructuring charges and merger-related costs

For information related to restructuring charges, please refer to note 13.

The following is an analysis of the change in the provision for restructuring of the Group for the year ended December 31, 2003:

in CHF m	Balance at 31.12.02	Net additions charged to income statement	Net write-offs	Transfers, foreign exchange	Balance at 31.12.03
Personnel	77	84	(97)	2	66
Premises and equipment	14	6	(14)	5	11
Other	94	13	(89)	(3)	15
Total	185	103	(200)	4	92

The following is an analysis of the change in accruals for restructuring of the Group included in other liabilities for the year ended December 31, 2003:

in CHF m	Balance at 31.12.02	Net additions charged to income statement	Net write-offs	Transfers, foreign exchange	Balance at 31.12.03
Personnel	214	0	(191)	(8)	15

32 Technical provisions for the insurance business

in CHF m	Gross 31.12.03	Net 31.12.03	Gross 31.12.02	Net 31.12.02
Non-life				
Provision for unearned premiums	2,667	2,596	6,834	6,451
Provision for future policyholder benefits (health)	4,571	4,571	3,800	3,800
Provision for unpaid claims and claim adjustment expenses	13,489	11,759	18,284	15,670
Actuarial provision for annuities	1,629	1,617	1,565	1,555
Provision for future dividends to policyholders	1,653	1,653	1,269	1,269
Technical provisions	24,009	22,196	31,752	28,745
Life				
Provision for unearned premiums	18	17	16	15
Provision for future policyholder benefits	82,811	82,569	84,993	84,640
Provision for death and other benefits	4,621	4,574	4,183	4,125
Provision for future dividends to policyholders	2,552	2,552	1,808	1,807
Bonuses held on deposit	3,677	3,677	3,618	3,618
Technical provisions	93,679	93,389	94,618	94,205
	16,257	16,257	13,521	13,521

Provisions for insurance policies,
where the investment risk is borne by
the policyholders

**Total technical provisions for the
insurance business**

133,945 131,842 139,891 136,471

33 Statement of shareholders' equity

in CHF m	Reserve for general banking risks	Share capital	Capital reserves	Revaluation reserves	Retained earnings including net profit	Own shares ¹⁾	Minority interests ²⁾	Total
As of 31.12.00	2,319	6,009	19,882	4,789	7,952	–	2,571	43,522
Dividends paid					(14)		(161)	(175)
Repayment out of share capital		(2,392)						(2,392)
Capital increases, par value and capital surplus		11	164				985	1,160
Cancellation of repurchased shares		(38)	(531)					(569)
Balances acquired/(sold)							(241)	(241)
Acquisition of minority interests							(12)	(12)
Change in revaluation reserves for the insurance business, net				(4,040)			(258)	(4,298)
Foreign currency translation impact					102		10	112
Net profit					1,587		227	1,814
As of 31.12.01	2,319	3,590	19,515	749	9,627	–	3,121	38,921
Dividends paid							(169)	(169)
Repayment out of share capital		(2,379)						(2,379)
Capital increases, par value and capital surplus		2	1,264				182	1,448
Cancellation of repurchased shares		(23)	(69)		(450)			(542)
Balances acquired/(sold)							(24)	(24)
Acquisition of minority interests							(143)	(143)
Change in revaluation reserves for the insurance business, net				755			59	814
Release of reserve for general banking risks	(580)							(580)
Foreign currency translation impact					(2,495)		(131)	(2,626)
Net profit/(loss)					(3,309)		(17)	(3,326)
As of 31.12.02	1,739	1,190	20,710	1,504	3,373	–	2,878	31,394
Reclassifications for own shares ³⁾						(1,019)		(1,019)
Dividends paid					(116)		(160)	(276)
Capital increases, par value and capital surplus		5	15					20

Change in scope of consolidation/ balances acquired/(sold)				79		34		113
Acquisition of minority interests						1		1
Purchase of own shares (cost) ³⁾				(7,009)				(7,009)
Sales of own shares (cost) ³⁾				6,521				6,521
Realized gains on own shares, net ³⁾		99						99
Accrual for earned share compensation ³⁾				1,009				1,009
Change in revaluation reserves for the insurance business, net			(619)			(5)		(624)
Foreign currency translation impact				(744)		84		(660)
Net profit				4,999		124		5,123
As of 31.12.03	1,739	1,195	20,824	885	7,591	(498)	2,956	34,692

¹⁾ In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

²⁾ For information relating to redeemable preferred securities, see next page.

³⁾ As of January 1, 2003, own shares are to be deducted from shareholders' equity.

Own shares

	Number of shares
At beginning of the year	29,348,158
Purchased	191,245,719
Sold	(182,622,865)
Allocated to accrual for earned share compensation	(16,750,994)
At end of the year	21,220,018

List of redeemable preferred securities issued as of December 31, 2003

Issue	Notional amount	Liquidation value	Related notes issued by CSG solely redeemable by issuer
-------	-----------------	-------------------	---

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Issuer	date	Currency	in m	in CHF m	Coupon rate	on and after
Credit Suisse First Boston Capital (Guernsey) I Ltd.	June 1999	USD	125	154	2.926% ¹⁾	29.06.04
Credit Suisse Group Capital (Guernsey) II Ltd.	June 2000	EUR	250	390	7.974%	21.06.10
Credit Suisse Group Capital (Guernsey) III Ltd.	June 2000	GBP	150	330	8.514%	15.06.15
Credit Suisse Group Capital (Guernsey) IV Ltd.	June 2000	CHF	150	150	6.500%	30.06.10
Credit Suisse Group Capital (Guernsey) V Ltd.	November 2001	EUR	400	624	6.905%	07.11.11
Credit Suisse Group Capital (Guernsey) VI Ltd.	December 2001	JPY	30,500	352	3.570%	18.12.06
Credit Suisse Group Capital (Guernsey) VII Ltd.	July 2002	JPY	17,000	196	3.500%	31.07.07
Total as of 31.12.03, gross				2,196		
Held by Credit Suisse Group and Group companies				(29)		
Total as of 31.12.03, net				2,167		

¹⁾ Based on six-month LIBOR as of December 29, 2003, plus 1.70%.

	Pension benefits 2003	Other post-retirement benefits 2003
Discount rate	4.62%	6.00%
Salary increases	2.88%	–
Expected long-term rate of return on assets	5.27%	–
Assumed health care cost increase	–	4.61%

in CHF m	Pension benefits 31.12.03	Other post-retirement benefits 31.12.03
Liabilities from defined benefit plans	7,295	64
	6,002 ¹⁾	–

Fair value of assets from defined benefit plans		
Unfunded status of the plan	(1,293)	(64)
Unrecognized actuarial items	1,027	(3)
Net amount recognized	(266)	(67)
Pension and other post-retirement costs		
Net periodic pension and other post-retirement costs	323	5
Expenses due to asset limitation	32	–
Curtailments	10	–
Special termination benefits	3	–
Total pension and other post-retirement costs	368	5

¹⁾ Including employer contribution reserves of CHF 240 m.

35 Related parties / liabilities due to own pension funds

Related parties

Loans to members of the Board of Directors of Credit Suisse Group ¹⁾			
in CHF m	2003	2002	2001
At beginning of financial year	30	21	24
Additions	6	9	0
Reductions	12	0	3
At end of financial year	24	30	21

¹⁾ None of the members of the Board of Directors has any executive function within the Group, which would require aggregated disclosure of outstanding loans with those of the members of the Group Executive Board. Number of individuals with outstanding loans at the beginning of the year and at the end of the year was 9.

Loans to members of the Group Executive Board ¹⁾			
in CHF m	2003	2002	2001
At beginning of financial year	22	33	64
Additions	6	3	2
Reductions	22	14	33
At end of financial year	6	22	33

¹⁾ Number of individuals with outstanding loans at the beginning of the year and at the end of the year was 5 and 7, respectively.

Loans outstanding made by us or any of our subsidiaries to principal participations for the years ended December 31:

in CHF m	2003	2002	2001
Loans at the beginning of the year	728	276	771
Additions/(repayments), net	(124)	452	(495)
Loans at end of the year	604	728	276

Liabilities due to own pension funds in CHF m		31.12.03		31.12.02				
Liabilities due to own pension funds		862		1,124				
36 Maturity structure of current assets and borrowed funds								
in CHF m	At sight	Re- deemable by notice	Due within 3 months	Due within 3 to 12 months	Due within 12 to 5 years	Due after 5 years	No maturity	Total 31.12.03
Current assets								
Cash and other liquid assets	3,026	–	–	–	–	–		3,026
Money market papers	4,731	20	9,678	1,755	155	16		16,355
Due from banks	26,472	55,878	90,222	12,173	7,223	865		192,833
Receivables from the insurance business	0	9,725	0	0	0	0		9,725
Due from customers	23,670	24,433	72,354	17,930	24,683	7,416		170,486
Mortgages	6,677	7,274	10,189	21,014	44,310	8,750		98,214
Securities and precious metals trading portfolios	200,057	0	0	0	0	0		200,057
Financial investments from the banking business	11,053	582	5,292	1,564	18,469	4,685	496	42,141
Total current assets	275,686	97,912	187,735	54,436	94,840	21,732	496	732,837
As of 31.12.02	253,764 ¹⁾	95,913	232,552 ¹⁾	53,489	69,153	13,679 ¹⁾	760	719,310
Borrowed funds								
Money market papers issued	359	0	17,708	7,050	2,576	7		27,700
Due to banks	119,654	31,194	131,097	11,773	1,182	1,587		296,487
Payables from the insurance business	6,033	53	838	2,071	1,759	185		10,939
Due to customers in savings and investment deposits	0	43,747	0	0	0	0		43,747
Due to customers, other	90,087	15,626	111,347	10,808	19,242	5,445		252,555
Medium-term notes (cash bonds)	0	0	178	715	855	55		1,803
Bonds and mortgage-backed bonds	0	0	3,501	5,257	40,134	30,188		79,080
Total borrowed funds	216,133	90,620	264,669	37,674	65,748	37,467		712,311
As of 31.12.02	205,167	84,748	279,996	35,669	61,160	35,961		702,701

¹⁾ Adjusted.

37 Securities lending and borrowing and repurchase agreements

in CHF m	31.12.03	31.12.02
Due from banks	145,659	156,397
Due from customers	69,554	71,384
	215,213	227,781

Cash collateral due from securities borrowed and reverse repurchase agreements		
Due to banks	108,824	123,546
Due to customers	84,819	80,077
Cash collateral due to securities lent and repurchase agreements	193,643	203,623
Carrying value of securities transferred under securities lending and borrowing repurchase agreements	90,922	78,341
of which transfers with the right to re-sell or re-pledge	84,512	78,237
Fair value of securities received under securities lending and borrowing and reverse repurchase agreements with the right to re-sell or re-pledge	409,597	±
of which re-sold or re-pledged	387,468	±

1) In 2003 Credit Suisse Group applied mandatory changes in Swiss Federal Banking Commission guidelines. Prior periods are not required to be adjusted.

38 Balance sheet by origin ¹⁾

in CHF m	Switzerland 31.12.03	Foreign 31.12.03	Switzerland 31.12.02	Foreign 31.12.02
Assets				
Cash and other liquid assets	2,699	327	2,301	250
Money market papers	1,999	14,356	2,455	22,670
Due from banks	3,906	188,927	4,860	190,918
Receivables from the insurance business	6,309	3,416	5,484	6,806
Due from customers	26,858	143,628	29,035	153,108
Mortgages	82,489	15,725	77,859	17,037
Securities and precious metals trading portfolios	6,594	193,463	8,314	164,819
Financial investments from the banking business	2,209	39,932	2,038	31,356
Investments from the insurance business	55,154	74,241	50,392	78,058
Non-consolidated participations	782	624	912	880
Tangible fixed assets	4,378	2,544	4,575	3,577
Intangible assets	1,416	12,051	853	17,506
Accrued income and prepaid expenses	4,014	8,568	3,871	10,011
Other assets	6,110	59,445	5,096	60,615
Total assets	204,917	757,247	198,045	757,611
Liabilities and shareholders' equity				
Money market papers issued	2,860	24,840	689	21,489
Due to banks	18,196	278,291	23,172	264,712

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Payables from the insurance business	7,902	3,037	5,561	4,657
Due to customers in savings and investment deposits	39,556	4,191	36,049	3,690
Due to customers, other	59,814	192,741	54,555	203,689
Medium-term notes (cash bonds)	1,803	0	2,599	0
Bonds and mortgage-backed bonds	7,693	71,387	8,754	73,085
Accrued expenses and deferred income	873	16,145	3,344	14,119
Other liabilities	5,304	53,754	6,215	49,855
Valuation adjustments and provisions	1,705	5,538	2,574	8,983
Technical provisions for the insurance business	60,072	71,770	58,953	77,518
Shareholders' equity (excluding minority interests)	17,045	14,691	11,788 ²⁾	16,728 ²⁾
Minority interests	124	2,832	106 ²⁾	2,772 ²⁾
Total liabilities and shareholders' equity	222,947	739,217	214,359	741,297

1) The analysis is based on customers' domicile.

2) Adjusted.

39 Balance sheet by currencies

in CHF m	Swiss francs	US dollars	Euro	Other currencies	Total 31.12.03
Assets					
Cash and other liquid assets	2,486	15	353	172	3,026
Money market papers	1,938	7,630	3,146	3,641	16,355
Due from banks	7,264	110,125	41,363	34,081	192,833
Receivables from the insurance business	6,311	624	2,401	389	9,725
Due from customers	27,421	113,105	15,817	14,143	170,486
Mortgages	84,145	11,858	1,833	378	98,214
Securities and precious metals trading portfolios	3,596	109,992	32,381	54,088	200,057
Financial investments from the banking business	5,390	20,262	14,632	1,857	42,141
Investments from the insurance business	56,248	4,270	47,111	21,766	129,395
Non-consolidated participations	945	271	52	138	1,406
Tangible fixed assets	4,448	1,085	673	716	6,922
Intangible assets	1,491	9,182	1,488	1,306	13,467
Accrued income and prepaid expenses	4,678	2,758	3,877	1,269	12,582
Other assets	18,948	19,805	7,825	18,977	65,555
Total balance sheet assets	225,309	410,982	172,952	152,921	962,164
Delivery receivables from foreign exchange spot, forward and options transactions	154,046	450,679	404,449	480,019	1,489,193

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Total assets	379,355	861,661	577,401	632,940	2,451,357
Liabilities and shareholders' equity					
Money market papers issued	2,728	21,732	298	2,942	27,700
Due to banks	10,412	170,636	52,895	62,544	296,487
Payables from the insurance business	7,906	139	2,653	241	10,939
Due to customers in savings and investment deposits	42,929	0	812	6	43,747
Due to customers, other	54,232	136,996	41,788	19,539	252,555
Medium-term notes (cash bonds)	1,803	0	0	0	1,803
Bonds and mortgage-backed bonds	12,155	42,308	19,961	4,656	79,080
Accrued expenses and deferred income	503	11,125	2,090	3,300	17,018
Other liabilities	15,426	17,274	5,734	20,624	59,058
Valuation adjustments and provisions	1,677	1,717	3,086	763	7,243
Technical provisions for the insurance business	60,292	2,901	47,183	21,466	131,842
Shareholders' equity (excluding minority interests)	16,672	9,451	2,575	3,038	31,736
Minority interests	2,172	230	541	13	2,956
Total balance sheet liabilities and shareholders' equity	228,907	414,509	179,616	139,132	962,164
Delivery payables from foreign exchange spot, forward and options transactions	115,376	624,074	338,205	411,619	1,489,274
Total liabilities and shareholders' equity	344,283	1,038,583	517,821	550,751	2,451,438
Net position per currency	35,072	(176,922)	59,580	82,189	(81)

	Number of options in m	Weighted-average exercise price in CHF	Weighted-average fair value in CHF	Total fair value CHF m
Exchanged options	(66.6)	56.40	14.40	(958.5)
New options	2.7	50.55	14.73	39.5
New shares	20.0	–	45.95	919.0

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

in CHF, except no. of options	Number of options 2003	Weighted-average exercise price 2003	Number of options 2002	Weighted-average exercise price 2002	Number of options 2001	Weighted-average exercise price 2001
Outstanding at beginning of financial year	139,242,643	54.85	87,576,423	66.81	54,988,916	62.03
Granted ¹⁾	134,995	41.11	54,392,144	36.07	39,890,090	68.21
Exercised	(1,838,561)	48.71	(892,209)	52.88	(5,752,475)	39.53
Forfeited	(2,487,166)	53.64	(1,833,715)	70.49	(1,550,108)	34.42
Exchanged, net	(63,895,780)	56.65	–	–	–	–
Expired	(1,634,000)	67.50	–	–	–	–
Outstanding at end of financial year	69,522,131	53.07	139,242,643	54.85	87,576,423	66.81
Exercisable at end of financial year	33,846,230	57.62	26,150,828	53.97	15,742,784	45.45

¹⁾ Includes options approved by the Compensation Committee subsequent to December 31 as part of the year-end-compensation process. 36,380 of these options granted in 2003 are attributable to future service periods.

Range of exercise price in CHF	Options outstanding			Options exercisable	
	Number of options outstanding	Weighted-average remaining life in years	Weighted-average exercise price in CHF	Number of options exercisable	Weighted-average exercise price in CHF
12.50 – 25.00	4,142,480	2.07	15.40	4,142,480	15.40
25.01 – 37.50	21,848,164	8.60	32.01	3,578,629	33.43
37.51 – 50.00	4,313,810	5.58	45.03	3,818,683	44.88
50.01 – 62.50	9,991,757	6.16	53.67	5,665,873	54.67
62.51 – 75.00	17,203,362	7.68	68.46	7,726,543	68.64
75.01 – 100.00	12,022,558	6.98	84.69	8,914,022	84.75
	69,522,131	7.16	53.07	33,846,230	57.62

in CHF	2003	2002	2001
Weighted-average fair values of options at the date of grant	13.78	12.35	19.61
Weighted-average exercise prices per option granted	41.11	36.07	68.21

¹⁾ Weighted-average calculation includes options granted subsequent to the financial year-end as part of the financial year compensation.

	2003	2002	2001
Expected dividend yield	1.99%	1.83%	2.75%
Expected life of share options, in years	5	5	5

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Expected volatility	44.05%	44.54%	37.70%
Expected CHF risk free interest rates	1.69%	1.83%	2.98%

¹⁾ Weighted-average calculation includes options granted subsequent to the financial year-end as part of the financial year compensation.

Number of shares	Compensation Awards ¹⁾	Retention Awards ²⁾	Total
Outstanding at December 31, 2000	32,202,648	48,087,488	80,290,136
Granted ³⁾	7,187,779	16,536,964	23,724,743
Settled	(14,363,376)	(15,499,395)	(29,862,771)
Forfeited	(276,052)	(3,002,763)	(3,278,815)
Outstanding at December 31, 2001	24,750,999	46,122,294	70,873,293
Granted ³⁾	7,388,257	9,399,011	16,787,268
Settled	(7,372,356)	(16,761,059)	(24,133,415)
Forfeited	(254,715)	(2,562,747)	(2,817,462)
Outstanding at December 31, 2002	24,512,185	36,197,499	60,709,684
Granted ^{3) 4)}	7,312,190	66,374,099	73,686,289
Settled	(10,262,710)	(12,210,961)	(22,473,671)
Forfeited	(297,063)	(2,802,825)	(3,099,888)
Outstanding at December 31, 2003	21,264,602	87,557,812	108,822,414

¹⁾ The weighted-average grant-date fair value per share of compensation awards granted during 2003, 2002 and 2001 were CHF 46.61, CHF 32.22 and CHF 70.75, respectively.

²⁾ The weighted-average grant-date fair value per share of retention awards granted during 2003, 2002 and 2001 were CHF 42.37, CHF 40.37 and CHF 69.22, respectively.

³⁾ Includes shares approved by the Compensation Committee subsequent to December 31 as part of the year-end-compensation process. 26,637,264, 5,709,943 and 5,538,269 of these shares, for 2003, 2002 and 2001, respectively, are attributable to future service periods.

⁴⁾ Includes 20,000,608 shares granted in the option reduction program and 19,187,860 special equity retention awards granted.

in CHF m, except the per share amounts	2003	2002	2001
Net profit/(loss) – as reported	4,999	(3,309)	1,587
Add: Employee share-based compensation expense included in reported net profit/(loss), net of related tax effects	757	1,082	1,573
Deduct: Employee share-based compensation expense determined under the fair value method for all awards, net of related tax effects	(778)	(1,572)	(2,134)
Net profit/(loss) – pro forma¹⁾	4,978	(3,799)	1,026
Basic earnings per share – as reported	4.13	(2.78)	1.33

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Basic earnings per share – pro forma ¹⁾	4.12	(3.19)	0.86
Diluted earnings per share – as reported	4.03	(2.78)	1.32
Diluted earnings per share – pro forma ¹⁾	4.01	(3.19)	0.85

¹⁾ The above pro forma amounts are not indicative of future reported net profit/(loss) amounts.

Year of grant	Number of options	Expiry date	Exchange ratio	Exercise price in CHF
1999	100,000	18.02.09	1-for-1	57.75
2000	100,000	01.03.10	1-for-1	74.00
2001	97,792	25.01.11	1-for-1	84.75
2002	75,000	12.12.12	1-for-1	34.10

All option awards relate to prior year compensation cycle.

Year of grant	Number of options	Expiry date	Exchange ratio	Exercise price in CHF
1999	148,000	18.02.09	1-for-1	57.75
2000	396,000	01.03.10	1-for-1	74.00
2001	756,720	25.01.11	1-for-1	84.75
2001 ¹⁾	2,624,132	12.07.11	1-for-1	72.38
2001 ¹⁾	138,896	01.08.11	1-for-1	73.50
2002	355,306	31.01.12	1-for-1	65.75
2002 ¹⁾	487,732	08.04.12	1-for-1	61.85
2002	21,594	03.12.12	1-for-1	34.10
2003	1,029,224	22.01.13	1-for-1	30.60
2003 ²⁾	3,413	09.09.10	1-for-1	50.55

All other option awards relate to

prior year compensation cycle.

1) New hire incentive options.

2) Options issued under Option Reduction Program.

42 Capital adequacy

The following tables set forth the various components of Credit Suisse Group's consolidated capital, the reconciliation to the regulatory capital and the BIS capital ratios. Calculations are in accordance with the BIS Basel capital accord as well as with the Swiss Federal Banking Commission decree for the capital treatment of the Group's investments in Winterthur, as defined in 2003. The prior year has been restated accordingly.

in CHF m	31.12.03	31.12.02
Shareholders' equity		
Reserve for general banking risks	1,739	1,739
Share capital	1,195	1,190
Capital reserve	20,824	20,710
Revaluation reserves for the insurance business	885	1,504
Reserve for own shares	–	1,950
Own shares, net	(498)	–
Retained earnings	7,591	1,423
Minority interests	2,956	2,878
Total shareholders' equity	34,692	31,394
Less: Goodwill, net long position in own shares held by group entities in the banking book, accrued dividend, minority interests in Winterthur, adjustments for participation in Winterthur	(12,405)	(13,781)
Total Tier 1 capital	22,287	17,613
Tier 2 capital		
Upper Tier 2	3,497	3,566
Lower Tier 2	10,622	9,772
Total Tier 2 capital	14,119	13,338
Total Tier 3 capital	0	0
Less: Deductions	(3,199)	(2,641)
Total capital	33,207	28,310
	31.12.03	31.12.02

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Risk-weighted assets (BIS)	190,761	196,486
Tier 1 capital (in CHF m) ¹⁾	22,287	17,613
Total capital (in CHF m)	33,207	28,311
BIS Tier 1 ratio ^{1) 2)}	11.7%	9.0%
BIS total capital ratio ³⁾	17.4%	14.4%

¹⁾ Tier 1 capital includes non-cumulative perpetual preferred securities of CHF 2.2 bn and CHF 2.2 bn in 2003 and 2002, respectively.

²⁾ Ratio is based on Tier 1 capital divided by BIS risk-weighted assets.

³⁾ Ratio is based on Total capital divided by BIS risk-weighted assets.

In 2003, the Group did not issue any non-cumulative perpetual preferred securities. For a list of redeemable preferred securities issued as of 31.12.03, see note 33.

43 Foreign currency translation rates

in CHF			Year-end rate used				
			in the balance sheet		Average rate used in the income statement		
			31.12.03	31.12.02	2003	2002	2001
1	US dollar	(USD)	1.2357	1.3902	1.3500	1.5600	1.6900
1	Euro	(EUR)	1.5590	1.4550	1.5200	1.4700	1.5100
1	British pound sterling	(GBP)	2.2023	2.2357	2.2000	2.3300	2.4300
1	Canadian dollar	(CAD)	0.9569	0.8820	0.9600	1.0000	1.0900
1	Singapore dollar	(SGD)	0.7267	0.8012	0.7700	0.8700	0.9400
1	Hong Kong dollar	(HKD)	0.1592	0.1783	0.1728	0.1995	0.2165
100	Japanese yen	(JPY)	1.1556	1.1722	1.1600	1.2400	1.3900

44 Principal participations

Principal fully consolidated participations as of 31.12.03

% of equity capital held	Company name	Domicile	Currency	Capital in m
Credit Suisse Group		Zurich, Switzerland		
100	Credit Suisse	Zurich, Switzerland	CHF	3,114.7
100	Credit Suisse First Boston	Zurich, Switzerland	CHF	4,399.7
100	"Winterthur" Swiss Insurance Company	Winterthur, Switzerland	CHF	260.0
99	Neue Aargauer Bank	Aarau, Switzerland	CHF	136.9
100	Bank Leu AG	Zurich, Switzerland	CHF	200.0
100 ¹⁾	Bank Hofmann AG	Zurich, Switzerland	CHF	30.0
88	Clariden Holding AG	Zurich, Switzerland	CHF	8.1
100	BGP Banca di Gestione Patrimoniale S.A.	Lugano, Switzerland	CHF	50.0
100	Credit Suisse Fides	Zurich, Switzerland	CHF	5.0
100	Credit Suisse Trust AG	Zurich, Switzerland	CHF	5.0
100	Credit Suisse Trust Holdings Ltd.	St. Peter Port, Guernsey	GBP	2.0
50	Swisscard AECS AG	Zurich, Switzerland	CHF	0.1
100	Credit Suisse IT Assets AG	Zurich, Switzerland	CHF	2.4
100	Fides Information Services	Zurich, Switzerland	CHF	1.0
100		St. Peter Port, Guernsey	CHF	0.0

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

	Credit Suisse Group Finance (Guernsey) Ltd.			
100	Credit Suisse Group Capital (Guernsey) II Ltd.	St. Peter Port, Guernsey	EUR	0.0
100	Credit Suisse Group Capital (Guernsey) III Ltd.	St. Peter Port, Guernsey	GBP	0.0
100	Credit Suisse Group Capital (Guernsey) IV Ltd.	St. Peter Port, Guernsey	CHF	0.0
100	Credit Suisse Group Capital (Guernsey) V Ltd.	St. Peter Port, Guernsey	EUR	0.0
100	Credit Suisse Group Capital (Guernsey) VI Ltd.	St. Peter Port, Guernsey	JPY	0.0
100	Credit Suisse Group Capital (Guernsey) VII Ltd.	St. Peter Port, Guernsey	JPY	0.0
100	Credit Suisse Group Finance (U.S.) Inc.	Wilmington, United States	USD	600.0
100	Credit Suisse Group Finance (Luxembourg) S.A.	Luxembourg, Luxembourg	EUR	0.1
100	CSFB LP Holding	Zug, Switzerland	CHF	0.1
100	CSFB IGP	Zug, Switzerland	CHF	0.1
100	Credit Suisse Group PE Holding AG	Zug, Switzerland	CHF	12.0
100 ²⁾	Credit Suisse First Boston International	London, United Kingdom	USD	682.3
100 ³⁾	Credit Suisse (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	43.0
88	Hotel Savoy Baur en Ville	Zurich, Switzerland	CHF	7.5
100	Wincasa	Winterthur, Switzerland	CHF	1.5

1) 33.33% held by Credit Suisse.

2) 80.00% held directly and indirectly by Credit Suisse First Boston.

3) 58.19% held by Credit Suisse.

Credit Suisse		Zurich, Switzerland		
95 ¹⁾	City Bank	Zurich, Switzerland	CHF	7.5
100	Credit Suisse Fleetmanagement	Zurich, Switzerland	CHF	7.0
96	Innoventure Capital AG	Zurich, Switzerland	CHF	10.0
100	WECO Inkasso AG	Zurich, Switzerland	CHF	0.5
100	Credit Suisse Private Advisors	Zurich, Switzerland	CHF	15.0
100	ABZ Finanz- und Beteiligungsgesellschaft AG	Zug, Switzerland	CHF	4.0
100	Credit Suisse (UK) Ltd.	London, United Kingdom	GBP	36.5
100	Credit Suisse (Guernsey) Ltd.	St. Peter Port, Guernsey	GBP	4.0
100	Credit Suisse (Gibraltar) Ltd.	Marina Bay, Gibraltar	GBP	5.0
100	Credit Suisse (Bahamas) Ltd.	Nassau, Bahamas	USD	12.0
99	Credit Suisse Hottinguer S.A.	Paris, France	EUR	52.9
100	Credit Suisse (Deutschland) Aktiengesellschaft	Frankfurt, Germany	EUR	60.0
99	Credit Suisse (Italy) S.p.A.	Milan, Italy	EUR	69.7
100	Credit Suisse Gestion S.G.I.I.C., S.A.	Madrid, Spain	EUR	5.9
100	Credit Suisse Asesoramiento y Servicios, S.A.	Madrid, Spain	EUR	0.1

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

100	Credit Suisse Investment Consulting (Taiwan) Ltd.	Taipei, Taiwan	TWD	30.0
-----	---	----------------	-----	------

1) 97 % voting rights.

44 Principal participations (continued)

100	Credit Suisse (Monaco) S.A.M.	Monte Carlo, Monaco	EUR	12.0
100	Credit Suisse Securities Ltd.	London, United Kingdom	GBP	10.0
100	Swiss American Corporation	New York, United States	USD	38.9
100	JOHIM (Holdings) Ltd.	London, United Kingdom	GBP	0.0
100	General de Valores y Cambios, S.V.B., S.A. (GVC)	Barcelona, Spain	EUR	5.4
100	Titval Product, S.L.	Barcelona, Spain	EUR	12.4
100	Frye-Louis Capital Management Holding Co., Inc.	Wilmington, United States	USD	12.1
60 ¹⁾	Swiss Egyptian Portfolio Management	Cairo, Egypt	EGP	6.0
100	Credit Suisse International Services Ltd.	St. Peter Port, Guernsey	USD	0.0
100	CSPB Non-Traditional Investments Ltd.	Nassau, Bahamas	USD	0.1
100	Pearl Investment Management Ltd.	Nassau, Bahamas	CHF	0.1
99	Credit Suisse Consultoría de Invetimentos Ltda	Sao Paulo, Brazil	BRA	8.7
100	Credit Suisse (France) Holding SA	Paris, France	EUR	8.6

1) 75 % voting rights.

Credit Suisse First Boston		Zurich, Switzerland		
100	AJP Cayman Ltd.	George Town, Cayman Islands	USD	0.0
100	Banco de Investimentos Credit Suisse First Boston SA	Sao Paulo, Brazil	BRL	164.8
99	ZAO Bank Credit Suisse First Boston	Moscow, Russia	USD	37.8
100	Credit Suisse First Boston Australia Equities Ltd.	Sydney, Australia	AUD	13.0
100	Credit Suisse First Boston (Bahamas) Ltd.	Nassau, Bahamas	USD	16.9
100	Credit Suisse First Boston (Cayman) Ltd.	George Town, Cayman Islands	USD	0.0
100	Credit Suisse First Boston (Cyprus) Ltd.	Limassol, Cyprus	USD	95.0
100	Credit Suisse First Boston (Europe) Ltd.	London, United Kingdom	USD	27.3
100	Credit Suisse First Boston (Hong Kong) Ltd.	Hong Kong, China	HKD	381.1
75	Credit Suisse First Boston (India) Securities Private Ltd.	Mumbai, India	INR	979.8
100	Credit Suisse First Boston (Singapore) Ltd.	Singapore, Singapore	SGD	163.7
100	Credit Suisse First Boston (USA), Inc.	New York, United States	USD	0.0
100	Credit Suisse First Boston Australia Ltd.	Sydney, Australia	AUD	34.1
100		Sydney, Australia	AUD	38.4

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

	Credit Suisse First Boston Australia Securities Ltd.			
100	Credit Suisse First Boston Canada Inc.	Toronto, Canada	CAD	157.3
100	Credit Suisse First Boston Capital LLC	New York, United States	USD	177.6
100	Credit Suisse First Boston Capital (Guernsey) I Ltd.	St. Peter Port, Guernsey	USD	0.0
100	Credit Suisse First Boston Capital (Guernsey) II Ltd.	St. Peter Port, Guernsey	EUR	0.0
100	Credit Suisse First Boston Capital (Guernsey) III Ltd.	St. Peter Port, Guernsey	GBP	0.0
100	Credit Suisse First Boston Capital (Guernsey) IV Ltd.	St. Peter Port, Guernsey	CHF	0.0
100	Credit Suisse First Boston LLC	New York, United States	USD	4,616.5
100	Credit Suisse First Boston Equities Ltd.	London, United Kingdom	GBP	15.0
100	Credit Suisse First Boston Investments (Guernsey) Ltd.	St. Peter Port, Guernsey	USD	300.0
100	Credit Suisse First Boston Management LLC	New York, United States	USD	897.0
100	Credit Suisse First Boston Securities (Japan) Ltd.	Hong Kong, China	USD	645.0
100	Credit Suisse Asset Management (Australia) Limited	Sydney, Australia	AUD	0.3
100	Credit Suisse Asset Management (Deutschland) GmbH	Frankfurt, Germany	EUR	2.6
100	Credit Suisse Asset Management (France) SA	Paris, France	EUR	60.2
100	Credit Suisse Asset Management (UK) Holding Limited	London, United Kingdom	GBP	16.0
100	Credit Suisse Asset Management Holding Corp.	New York, United States	USD	0.0
100	Credit Suisse Asset Management, LLC	New York, United States	USD	538.2
100	Credit Suisse Asset Management Ltd.	London, United Kingdom	GBP	0.0
100	Credit Suisse Asset Management SIM S.p.A.	Milan, Italy	EUR	7.0
100	Credit Suisse Trust and Banking Co., Ltd	Tokyo, Japan	JPY	9,000.0
100	Credit Suisse Asset Management International Holding	Zurich, Switzerland	CHF	20.0
100	Credit Suisse First Boston (International) Holding AG	Zug, Switzerland	CHF	37.5
44 Principal participations (continued)				
100	Credit Suisse First Boston (Latam Holdings) LLC	George Town, Cayman Islands	USD	23.8
100	Credit Suisse First Boston Australia (Finance) Ltd.	Sydney, Australia	AUD	10.0
100	Credit Suisse First Boston Australia (Holdings) Ltd.	Sydney, Australia	AUD	42.0
100	Credit Suisse First Boston Finance (Guernsey) Ltd.	St. Peter Port, Guernsey	USD	0.2
100			USD	0.0

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

	Credit Suisse First Boston Finance (US) LLC	Wilmington, United States		
		Amsterdam, The Netherlands		
100	Credit Suisse First Boston Finance BV	Netherlands	EUR	0.0
100	Credit Suisse First Boston International (Guernsey) Ltd.	St. Peter Port, Guernsey	USD	0.2
100 ¹⁾	Credit Suisse First Boston, Inc.	New York, United States	USD	187.1
100	Credit Suisse Asset Management Funds	Zurich, Switzerland	CHF	7.0
100	Credit Suisse Bond Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Equity Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Money Market Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Portfolio Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Column Financial, Inc.	New York, United States	USD	0.0
100	Column Guaranteed LLC	New York, United States	USD	34.8
100	Credit Suisse First Boston Mortgage Capital LLC	New York, United States	USD	357.0
100	DLJ Mortgage Capital, Inc.	New York, United States	USD	0.0
100	GTN Global Properties Holding Ltd.	Limassol, Cyprus	USD	0.0

¹⁾ 43% of voting rights held by Credit Suisse Group.

"Winterthur" Swiss Insurance Company		Winterthur, Switzerland		
100	Wincare Zusatzversicherungen	Winterthur, Switzerland	CHF	8.0
100	Winterthur Life	Winterthur, Switzerland	CHF	175.0
67	Winterthur-ARAG Legal Assistance	Winterthur, Switzerland	CHF	9.0
100	Credit Suisse Life & Pensions AG	Vaduz, Liechtenstein	CHF	15.0
100	Winterthur Beteiligungsgesellschaft m.b.H.	Wiesbaden, Germany	EUR	0.3
100	WinCom Versicherungs-Holding AG	Wiesbaden, Germany	EUR	52.5
71	DBV-Winterthur Holding	Wiesbaden, Germany	EUR	87.2
100	Credit Suisse Leasing Deutschland GmbH	Wiesbaden, Germany	EUR	0.0
100	Medvantis Holding	Wiesbaden, Germany	EUR	6.2
100	Winterthur Insurance Health & Accident	Wiesbaden, Germany	EUR	0.1
100	Hispanowin S.A.	Barcelona, Spain	EUR	97.8
100	Winterthur Inmuebles 2	Barcelona, Spain	EUR	55.9
100	Winterthur Seguros Generales	Barcelona, Spain	EUR	48.7
100	Winterthur Inmuebles	Barcelona, Spain	EUR	56.8
100	Winterthur Ibérica	Barcelona, Spain	EUR	26.6
100	Winterthur Vida Sociedad Anónima de Seguros y Reaseguros	Barcelona, Spain	EUR	53.0
100	WINVALOR Agencia de Valores	Barcelona, Spain	EUR	0.9
100	Winterthur Salud de Seguros	Barcelona, Spain	EUR	6.9
100	Winterthur Pensiones	Barcelona, Spain	EUR	9.0
100	Webinsurance S.L.	Barcelona, Spain	EUR	0.1
96	Winterthur-Europe Assurances	Brussels, Belgium	EUR	200.0

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

100	Les Assureur Réunis	Brussels, Begium	EUR	4.2
100	Touring Assurances	Brussels, Begium	EUR	9.2
100	I.S.C.C. International Service Call Centre	Brussels, Begium	EUR	3.6
60	Jean Verheyen	Brussels, Begium	EUR	0.1
100	Credit Suisse Life & Pensions	Luxembourg, Luxembourg	EUR	12.8
100	Winterthur-Europe Vie	Luxembourg	EUR	8.7
100	Winterthur (UK) Holdings	London, United Kingdom	GBP	200.0
100	Winterthur UK Financial Services Group Ltd.	Basingstoke, United Kingdom	GBP	0.0
100	Capital.e. Ltd.	St. Peter Port, Guernsey	CHF	4.4
100	Vitur PCC Ltd	St. Peter Port, Guernsey	CHF	115.0
94	Win Alternative Investment Fund	St. Peter Port, Guernsey	USD	31.6
100	Credit Suisse Life & Pensions Management GmbH	Vienna, Austria	EUR	0.0
100	Rhodia Assurances	Lyon, France	EUR	13.0

44 Principal participations (continued)

65	Credit Suisse Life & Pensions Pojistovna A.S.	Prague, Czech Republic	CZK	374.0
80	Credit Suisse Life & Pensions Penzijní fond a.s.	Prague, Czech Republic	CZK	142.2
100	Credit Suisse Life & Pensions Poistovna, a.s.	Bratislava, Slovak Republic	SKK	135.0
51	Credit Suisse Life & Pensions Slovensko, a.s.	Bratislava, Slovak Republic	SKK	473.0
65	Credit Suisse Life & Pensions Péntárszolgálat Rt.	Budapest, Hungary	HUF	701.0
65	Credit Suisse Life & Pensions, Biztosító Rt.	Budapest, Hungary	HUF	3,604.0
100	Winterthur Towarzystwo Ubezpieczeniowe S.A.	Warsaw, Poland	PLN	40.0
65	CS Life & Pensions Zycie Towarzystwo Ubezpieczeniowe S.A.	Warsaw, Poland	PLN	135.0
70	CS Life & Pensions Powszechnie Towarzystwo Emerytalne S.A.	Warsaw, Poland	PLN	105.0
100	Winterthur U.S. Holdings	Wilmington, United States	USD	0.0
100	General Casualty	Sun Prairie, United States	USD	3.0
100	Southern Guaranty	Montgomery, United States	USD	2.0
100	Unigard Incorporated	Bellevue, United States	USD	22.1
100	Winterthur Canada Financial	Toronto, Canada	CAD	0.0
100	The Citadel General	Toronto, Canada	CAD	36.4
100	L'Unique	Québec City, Canada	CAD	7.0
100	Winterthur Holdings Australia	Sydney, Australia	AUD	23.2
52	Winterthur Insurance (Asia)	Hong Kong, China	HKD	176.6
100	Winterthur Insurance Services Asia Ltd.	Hong Kong, China	HKD	38.8
60	Credit Suisse Life & Pensions Indonesia	Jakarta, Indonesia	IDR	44,500.0

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

100	Credit Suisse Life Insurance Co. Ltd.	Tokyo, Japan	JPY	18,860.0
100	Credit Suisse Life & Pensions (Bermuda) Ltd.	Hamilton, Bermuda	USD	0.3
100	Harrington International Insurance Ltd.	Hamilton, Bermuda	USD	70.0
100	Winterthur Atlantic Ltd.	Hamilton, Bermuda	GBP	0.1
100	Winterthur Capital Ltd.	Hamilton, Bermuda	EUR	0.0
100	Winterthur Integra, Ltd	Hamilton, Bermuda	USD	0.1
100	Winterthur Swiss Insurance Ltd. (Macau)	Macau, Macau	HKD	20.0
82	Winterthur Alternative Investment Strategies Limited	George Town, Cayman Islands	USD	160.0
100	SRS Holdings Ltd.	George Town, Cayman Islands	USD	54.7

44 Principal participations (continued)

Principal participations as of 31.12.03, valued according to the equity method

Company name	Domicile	Currency	Capital in m	Equity interest in %
Inreska Ltd.	St. Peter Port, Guernsey	GBP	3.0	100.0
Capital Union	Dubai, United Arab Emirates	USD	50.0	26.0
SECB Swiss Euro Clearing Bank GmbH	Frankfurt, Germany	EUR	9.2	25.0
Sauber Holding AG	Vaduz, Liechtenstein	CHF	2.0	63.2 ¹⁾
SIS Swiss Financial Services Group AG	Zurich, Switzerland	CHF	26.0	22.3
Telekurs Holding AG	Zurich, Switzerland	CHF	45.0	21.1
Expertisa AG	Winterthur, Switzerland	CHF	0.2	100.0
P & S Immobiliengesellschaft AG	Winterthur, Switzerland	CHF	13.0	46.2
Swiss Prime Site AG	Oltén, Switzerland	CHF	773.1	23.4
Technopark Immobilien AG	Zurich, Switzerland	CHF	40.0	33.3
Wincare Versicherungen	Winterthur, Switzerland	CHF	0.1	100.0
Winterthur Financial Services AG	Winterthur, Switzerland	CHF	0.5	100.0
Zentrum Regensdorf AG	Regensdorf, Switzerland	CHF	4.5	50.0
Zürcher Freilager AG	Zurich, Switzerland	CHF	4.0	36.2
Allgemeine Hypothekenbank Rheinboden AG	Frankfurt, Germany	EUR	100.3	10.4
Winterthur Fund Management Co.	Luxembourg, Luxembourg	EUR	0.1	100.0
Bahosa	Barcelona, Spain	EUR	15.2	10.0
Credit Suisse Privilege Limited	Hong Kong, China	HKD	0.1	100.0

¹⁾ Voting rights 33.18%.

Principal participations as of 31.12.03, valued at cost

Company name	Domicile	Currency	Capital in m	Equity interest in %
Pfandbriefbank Schweizerischer Hypothekarinstitute	Zurich, Switzerland	CHF	300.0	19.2
TORNOS Holding SA	Moutier, Switzerland	CHF	115.0	25.2
Euro-Clear Clearance System Ltd.	London, United Kingdom	EUR	3.0	4.0

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Madison Square Company LLC	New York, United States	USD	137.1	39.2
Credit Suisse First Boston Praedium IV Fund, L.P.	New York, United States	USD	32.3	28.7

45 Assets under management ¹⁾

in CHF bn	31.12.03
Assets in own-managed funds	225.6
Assets with discretionary mandate	364.2
Other assets under management	609.6
Total assets under management (including double counting)	1,199.4
of which double counting ²⁾	129.4

Additional information

Assets under management from the insurance business included in assets in own-managed funds and assets with discretionary mandate	139.1
---	--------------

in CHF bn	2003
Net new assets ³⁾	4.8

¹⁾ Assets under management are stated according to the guidelines of the accounting regulations of the Swiss Federal Banking Commission (SFBC Newsletter No. 29 on the disclosure of assets under management).

²⁾ Double counting consists of own-managed funds included in assets with discretionary mandate or in other assets under management.

³⁾ Credit Suisse Asset Management only includes net new assets on assets in own-managed funds and assets with discretionary mandate.

Financial statements

Income statement	156
Balance sheet before appropriation of retained earnings	157

Notes to the parent company financial statements

1	Contingent liabilities	158
2	Balance sheet assets with retention of title to secure own obligations	158
3	Off-balance sheet obligations relating to leasing contracts	158
4	Fire insurance value of tangible fixed assets	158
5	Liabilities relating to pension plans and other retirement benefit obligations	158
6	Bonds issued	158
7	Principal participations	158
8	Release of undisclosed reserves	159
9	Revaluation of long-term assets to higher than cost	159
10	Own shares held by the company and by Group companies	159
11	Share capital, conditional and authorized capital of Credit Suisse Group	160
	Report of the Capital Increase Auditors to the Board of Directors of Credit Suisse Group on conditional capital increase	161
12	Significant shareholders	162
13	Legal reserves	162
14	Provisions	162

Proposals to the Annual General Meeting	163
---	-----

Report of the Statutory Auditors	164
----------------------------------	-----

Income statement

in CHF 1,000	2003	2002	Change	Change in %
Income				
Interest income and income from securities	257,677	1,623,833	(1,366,156)	(84)
Income from investments in Group companies	1,589,525	1,820,165	(230,640)	(13)
Other income	313,067	335,058	(21,991)	(7)
Total income	2,160,269	3,779,056	(1,618,787)	(43)

Expenses

Interest expenses	470,589	471,088	(499)	(0)
Personnel expenses and directors'	58,688	105,579	(46,891)	(44)

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

emoluments				
Other expenses	227,878	133,920	93,958	70
Depreciation, write-offs and provisions	102,197	851,120	(748,923)	(88)
Taxes	19,783	(2,423)	22,206	-
Total expenses	879,135	1,559,284	(680,149)	(44)
Net profit	1,281,134	2,219,772	(938,638)	(42)

Balance sheet before appropriation of retained earnings

in CHF 1,000	Notes	31.12.03	31.12.02	Change	Change in %
Assets					
Investments in Group companies	7	34,108,216	34,297,025	(188,809)	(1)
Long-term loans to Group companies		5,344,224	4,327,318	1,016,906	23
Securities		791,822	655,359	136,463	21
Long-term assets		40,244,262	39,279,702	964,560	2
Liquid assets held at third parties		60	19	41	216
Liquid assets held at Group companies		2,231,048	2,638,722	(407,674)	(15)
Securities		390,589	604,590	(214,001)	(35)
Other receivables from third parties		6,282	4,148	2,134	51
Other receivables from Group companies		-	3,239	(3,239)	(100)
Accrued income and prepaid expenses		493,692	976,427	(482,735)	(49)
Current assets		3,121,671	4,227,145	(1,105,474)	(26)
Total assets		43,365,933	43,506,847	(140,914)	(0)

Shareholders' equity and liabilities

Share capital	11	1,195,006	1,189,892	5,114	0
Legal reserve	13	13,101,439	13,081,244	20,195	0
Reserve for own shares	10	1,950,228	1,950,228	0	0
Free reserves		14,540,000	14,540,000	0	0
Retained earnings:					
retained earnings brought forward		2,105,515	4,732	2,100,783	-
net profit		1,281,134	2,219,772	(938,638)	(42)
Shareholders' equity		34,173,322	32,985,868	1,187,454	4
Bonds	6	2,800,000	3,400,000	(600,000)	(18)
Long-term loans from Group companies		3,726,924	4,398,712	(671,788)	(15)
Provisions	14	344,548	579,017	(234,469)	(40)
Long-term liabilities		6,871,472	8,377,729	(1,506,257)	(18)
Payables to third parties		606,401	257,338	349,063	136
Payables to Group companies		1,343,306	1,055,282	288,024	27

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Accrued expenses and deferred income	371,432	830,630	(459,198)	(55)
Current liabilities	2,321,139	2,143,250	177,889	8
Total liabilities	9,192,611	10,520,979	(1,328,368)	(13)
Total shareholders' equity and liabilities	43,365,933	43,506,847	(140,914)	(0)

1 Contingent liabilities
in CHF 1,000

31.12.03

31.12.02

Aggregate indemnity liabilities, guarantees and other contingent liabilities (net of exposures recorded as liabilities)

12,082,625

13,472,902

of which have been entered into on behalf of subsidiaries

12,060,043

13,302,902

The company belongs to the Swiss value-added tax (VAT) group of Credit Suisse Group, and thus carries joint liability to the Swiss federal tax authority for value-added tax debts of the entire Group.

2 Balance sheet assets with retention of title to secure own obligations

There are no such assets.

3 Off-balance sheet obligations relating to leasing contracts

There are no such obligations.

4 Fire insurance value of tangible fixed assets

There are no such assets.

5 Liabilities relating to pension plans and other retirement benefit obligations

There are no such liabilities.

6 Bonds issued

in CHF m	Interest rate	Year of issue / maturity		31.12.03	31.12.02
			date		
Bonds (subordinated)	6.000%	1994 –	15.12.03	-	250
Bonds	4.000%	1997 –	31.10.06	800	800
Bonds	4.000%	1997 –	23.05.07	1,000	1,000
Bonds	3.500%	1998 –	15.09.08	500	500
Bonds	3.500%	1999 –	02.07.09	500	500
Bonds	4.125%	2000 –	04.10.04	600	600

Bonds with a maturity of less than one year are recorded as payables to third parties.

7 Principal participations

The company's principal participations are shown in the notes to the consolidated financial statements.

8 Release of undisclosed reserves

No significant undisclosed reserves were released.

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

9 Revaluation of long-term assets to higher than cost

There was no such revaluation.

10 Own shares held by the company and by Group companies

	2003		2002	
	Share equivalents	in CHF 1,000	Share equivalents	in CHF 1,000
<u>At beginning of financial year</u>				
Physical holdings ¹⁾	73,833,716	2,215,014	75,886,576	5,367,211
Holdings, net of pending obligations	1,642,786	49,286	10,955,662	770,103
<u>At end of financial year</u>				
Physical holdings ¹⁾	64,642,966	2,902,339	73,833,716	2,215,014
Holdings, net of pending obligations	1,553,403	70,291	1,642,786	49,286

¹⁾ Representing 5.4%, 6.2% and 6.3% of issued shares as of 31.12.03, 31.12.02 and 31.12.01, respectively.

11 Share capital, conditional and authorized capital of Credit Suisse Group

	No. of registered shares	Par value in CHF	No. of registered shares	Par value in CHF
Share capital as of December 31, 2002			1,189,891,720	1,189,891,720

Conditional capital

Warrants and convertible bonds				
AGM of May 31, 2002	50,000,000	50,000,000		
Securities converted December 23 – December 31, 2002	–	–		
Securities converted January 1 – December 31, 2003	–	–	–	–
Remaining capital ¹⁾	50,000,000	50,000,000		
Warrants and convertible bonds				
AGM of April 25, 2003	50,000,000	50,000,000		
Remaining capital	50,000,000	50,000,000		
Staff shares				
AGM of May 31, 2002	117,200,000	117,200,000		
Subscriptions exercised January 1 – December 31, 2002	–	–		
Subscriptions exercised January 1 – December 31, 2003	(4,739,574)	(4,739,574)	4,739,574	4,739,574
Remaining capital ²⁾	112,460,426	112,460,426		
Staff shares (Donaldson, Lufkin & Jenrette option programs)				
AGM of May 31, 2002	19,076,749	19,076,749		
Subscriptions exercised January 1 – December 31, 2002	(361,209)	(361,209)		
Subscriptions exercised January 1 – December 31, 2003	(374,620)	(374,620)	374,620	374,620
Remaining capital	18,340,920	18,340,920		

Authorized capital		
Acquisitions of companies/participations		
AGM of May 31, 2002	45,480,000	45,480,000
AGM of April 25, 2003 (lapsed)	(45,480,000)	(45,480,000)
AGM of April 25, 2003	45,480,000	45,480,000
Remaining capital	45,480,000	45,480,000
Share capital as of December 31, 2003		1,195,005,914 1,195,005,914

¹⁾ 40,413,838 shares are reserved for the Mandatory Convertible Securities issued by Credit Suisse Group Finance (Guernsey) Ltd. on 23.12.02.

²⁾ As of 10.02.04 65,935,013 shares are reserved for rights issued to the management and staff.

12 Significant shareholders

As of December 31, 2003 Credit Suisse Group has no shareholders and groups of shareholders, whose participation exceed 5% of all voting rights. With respect to own shares refer to note 10 to the financial statements.

13 Legal reserves

The change in legal reserves compared to December 31, 2002 equals the capital surplus of CHF 20.4 m received for newly issued shares, less issuing costs of CHF 0.2 m.

14 Provisions

This item includes general provisions of CHF 311 m.

Proposed appropriation of retained earnings in CHF

Retained earnings brought forward	2,105,515,092
Net profit	1,281,134,090
Retained earnings available for appropriation	3,386,649,182
To be carried forward	3,386,649,182
Total	3,386,649,182

Proposed par value reduction

Instead of distributing a dividend, the Board of Directors proposes a par value reduction of CHF 0.50 per registered share, reducing the nominal value from CHF 1.00 to CHF 0.50. Shareholders holding Credit Suisse Group shares as of July 9, 2004 are eligible to receive the par value reduction. The cash payment will be made on July 12, 2004.

On behalf of the Board of Directors:
The Chairman: Walter B. Kielholz

The Executive Board:

Oswald J. Grübel, John J. Mack, Walter Berchtold, Brady W. Dougan, Brian D. Finn, Leonhard H. Fischer, David P. Frick,
Ulrich Körner, Philip K. Ryan, Richard E. Thornburgh, Stephen R. Volk, Alex W. Widmer,
Barbara A. Yastine

Zurich, February 10, 2004

Share data	31.12.03	31.12.02	31.12.01	31.12.00	31.12.99
Shares issued	1,195,005,914	1,189,891,720	1,196,609,811	1,201,751,960	1,088,825,952
To be issued upon conversion of MCS ¹⁾	40,413,838	40,413,838	–	–	–
Shares repurchased ²⁾	–	–	(7,730,000)	–	–
Own shares, net ³⁾	(21,220,018)	–	–	–	–
Shares outstanding	1,214,199,734	1,230,305,558	1,188,879,811	1,201,751,960	1,088,825,952
Weighted-average shares outstanding ⁴⁾	1,209,297,290	1,190,206,207	1,194,090,788	1,111,100,088	1,085,243,040

¹⁾ Maximum number of shares in connection with Mandatory Convertible Securities issued by Credit Suisse Group Finance (Guernsey) Ltd.

²⁾ Shares cancelled on 09.08.02, as previously approved by the Annual General Meeting.

³⁾ Reflects applied mandatory changes in Swiss Federal Banking Commission guidelines.

⁴⁾ Adjusted for weighted average shares repurchased.

Market capitalization

	2003	2002	2001	2000	1999
Year-end, in CHF m	54,943	36,909	84,173	92,535	86,153
Change in %	48.9	(56.2)	(9.0)	7.4	48.9

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

As a % of SMI (at year-end)	7.3	6.2	9.3	8.7	9.9	
Share price						
in CHF	2003	2002	2001	2000	1999	
At year-end	45.25	30.00	70.80	77.00	79.13	
High (closing price)	48.70	73.60	87.00	97.13	79.13	
Low (closing price)	20.70	20.60	44.80	73.25	53.00	
Per share information						
in CHF	2003	2002	2001	2000	1999	
Book value	26.1	23.2	29.9	34.1	27.1	
Gross operating profit	6.1	3.8	7.4	10.9	7.2	
Dividend / repayment of capital	0.5₁₎	0.1	2.0	2.0	1.8	
Basic earnings per share	4.13	(2.78)	1.33	5.21	3.92	
Diluted earnings per share	4.03	(2.78)	1.32	5.19	3.89	
Price/earnings ratio	11.0	(10.8)	53.2	14.8	20.2	
Price/book value ratio	1.7	1.3	2.4	2.3	2.9	
1) Proposal of the Board of Directors to the Annual General Meeting on 30.04.04.						
Trading volume on Swiss Exchange (SWX)						
		2003	2002	2001	2000	1999
in CHF m	Total per year	76,702	95,455	115,487	108,361	88,107
	Daily average	306.0	377.3	461.9	431.7	346.9
in 1,000 units	Total per year	2,094,168	2,222,370	1,603,663	1,335,344	1,301,988
	Daily average	8,376.1	8,784.1	6,414.7	5,320.0	5,126.0
Consolidated income statement						
in CHF m	2003	2002	2001	2000	1999	
Net interest income	7,424	8,036	6,751	5,313	5,338	
Net commission and service fee income	11,940	15,334	18,115	16,596	10,856	
Net trading income	2,515	2,254	8,913	8,791	6,578	
Net income from the insurance business	4,621	3,312	6,300	6,166	4,166	
Other ordinary income/(expenses), net	(178)	(898)	(925)	365	(294)	
Operating income	26,322	28,038	39,154	37,231	26,644	
Personnel expenses	13,630	16,910	21,890	18,503	13,554	
Other operating expenses	5,271	6,619	8,394	6,645	5,227	
Operating expenses	18,901	23,529	30,284	25,148	18,781	
Gross operating profit	7,421	4,509	8,870	12,083	7,863	
Depreciation, valuation adjustments and losses	3,935	8,102	6,341	3,021	2,631	
Profit/(loss) before extraordinary items, cumulative effect of change in accounting principle and taxes	3,486	(3,593)	2,529	9,062	5,232	

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Extraordinary income	2,047	746	52	105	93
Extraordinary expenses	(575)	(403)	(281)	(1,796)	(152)
Cumulative effect of change in accounting principle	319	520	–	–	–
Taxes	(154)	(596)	(486)	(1,349)	(855)
Net profit/(loss) before minority interests	5,123	(3,326)	1,814	6,022	4,318
Minority interests	(124)	17	(227)	(237)	(68)
Net profit/(loss)	4,999	(3,309)	1,587	5,785	4,250

Return on equity in %	2003	2002	2001	2000	1999
Return on equity	16.6	(10.0)	4.1	17.7	15.6

Consolidated balance sheet in CHF m	31.12.03	31.12.02	31.12.01	31.12.00	31.12.99
Total assets	962,164	955,656	1,022,513	987,433	729,022
Shareholders' equity	34,692	31,394	38,921	43,522	30,683
Minority interests in shareholders' equity	2,956	2,878	3,121	2,571	1,154

Capital data/ratios	31.12.03	31.12.02	31.12.01 ¹⁾	31.12.00 ¹⁾	31.12.99 ¹⁾
BIS risk-weighted assets in CHF m	190,761	196,486	222,874	239,465	209,870
BIS Tier 1 ratio in %	11.7	9.0	9.5	11.3	11.8
BIS total capital ratio in %	17.4	14.4	15.7	18.2	17.8

¹⁾ In cooperation with the Swiss Federal Banking Commission, the capital treatment of the Group's investment in Winterthur has been revised for 2003 and 2002. Previously published comparative figures have not been restated.

Assets under management in CHF bn	31.12.03	31.12.02	31.12.01	31.12.00	31.12.99
Total assets under management	1,199.4	1,160.0	1,430.6	1,392.0	1,132.7

Number of employees (full-time equivalents)		31.12.03	31.12.02	31.12.01	31.12.00	31.12.99
Switzerland	banking	19,661	21,270	21,794	21,454	20,885
	insurance	6,426	7,063	6,849	6,781	6,569
Outside Switzerland	banking	20,310	25,057	28,415	30,666	17,249
	insurance	14,440	25,067	23,103	21,637	19,260
Total employees Credit Suisse Group		60,837	78,457	80,161	80,538	63,963

Introduction

- Credit Suisse Group's Articles of Association, which define the business purpose and basic organizational framework;
- Credit Suisse Group's Internal Regulations Governing the Conduct of Business, which define the responsibilities and authorities of the various bodies within Credit Suisse Group as well as the reporting procedures;
- Credit Suisse Group's Board of Directors Committee Charters, which define the duties and responsibilities of each committee; and
- Credit Suisse Group's Code of Conduct, which lists 12 core ethical and performance values. The Code of Conduct is a form of voluntary self-regulation, with which all Credit Suisse Group companies and their employees must comply. It was first established in 1999 as an effort to ensure that all employees worldwide share a common set of values across the organization and to guide the Group's efforts to inspire and maintain the trust and confidence of all its stakeholders. The Code has been recently updated to provide greater clarity and to further define its existing principles and make it compliant with the new requirements of the Sarbanes-Oxley Act and the NYSE corporate governance rules. In particular, the Code of Conduct was expanded to include provisions on ethics for the Group's Co-Chief Executive Officers and senior financial officers as required by the Sarbanes-Oxley Act. The Group will disclose information relating to any amendments of such provisions or waivers granted to such persons under the Code of Conduct on its website.

Company

Major shareholders

Capital structure

Board of Directors of Credit Suisse Group

Membership and qualifications

Independence

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

- The volume and the size of any transactions concluded in relation to the financial status and credit rating of the board member concerned or the organization in which he or she is a partner, significant shareholder or executive officer.
- The terms and conditions applied to such transaction in comparison to those applied to transactions with counterparties of similar credit standing.
- Whether the transactions are subject to the same internal approval processes and procedures as transactions that are concluded with parties that are not related to a Board member.
- Whether the transactions are performed in the ordinary course of business.
- Whether the transactions are structured in such a way and on such terms and conditions that the transaction could be concluded with a third-party provider on comparable terms and conditions.

Meetings

Board responsibilities

Board Committees

Chairman's and Governance Committee

Audit Committee

Compensation Committee

Risk Committee

Members of the Board of Directors and the Committees **Walter B. Kielholz**

Chairman ¹⁾

Peter Brabeck-Letmathe

Vice-Chairman ^{1) 2)}

Hans-Ulrich Doerig

Vice-Chairman ^{1) 4)}

Thomas W. Bechtler ^{2) 4)}

Thomas D. Bell ³⁾

Robert H. Benmosche ²⁾

Marc-Henri Chaudet ³⁾

Aziz R. D. Syriani ^{1) 3)}

Ernst Tanner ⁴⁾

Walter B. Kielholz

Born 1951, Swiss Citizen
Credit Suisse Group
Paradeplatz 8
P.O. Box 1
8070 Zurich, Switzerland

Peter Brabeck-Letmathe

Born 1944, Austrian Citizen
Nestlé SA
Avenue Nestlé 55
1800 Vevey, Switzerland

Hans-Ulrich Doerig

Born 1940, Swiss Citizen
Credit Suisse Group
Paradeplatz 8
P.O. Box 1
8070 Zurich, Switzerland

Thomas W. Bechtler

Born 1949, Swiss Citizen
Seestrasse 21
8700 Küsnacht, Switzerland

Thomas D. Bell

Born 1949, US Citizen
Cousins Properties Inc.
2500 Windy Ridge Parkway
Suite 1600
Atlanta, GA 30339, USA

Robert H. Benmosche

Born 1944, US Citizen
Metropolitan Life Insurance Company
One Madison Avenue
New York, NY 10010, USA

Marc-Henri Chaudet

Born 1936, Swiss Citizen
Av. Paul-Cérésole 3
P.O. Box 316
1800 Vevey, Switzerland

Aziz R. D. Syriani

Born 1942, Canadian Citizen
The Olayan Group
111 Poseidonos Avenue
P.O. Box 70228
Glyfada, Athens 16610, Greece

Ernst Tanner

Born 1946, Swiss Citizen
Chocoladenfabriken Lindt & Sprüngli AG
Seestrasse 204
8802 Kilchberg, Switzerland

Proposed Members of the Board of Directors

Noreen Doyle

Born 1949, U.S. and Irish Citizen
European Bank for Reconstruction
and Development
One Exchange Square
London EC2A 2JN, UK

David W. Syz

Born 1944, Swiss Citizen
Chapfstrasse 110
8126 Zumikon, Switzerland

Peter F. Weibel

Born 1942, Swiss Citizen
Credit Suisse Group
Paradeplatz 8
P.O. Box 1
8070 Zurich, Switzerland

Honorary Chairman of Credit Suisse Group **Rainer E. Gut**

Born 1932, Swiss Citizen
Credit Suisse Group
Paradeplatz 8
P.O. Box 1
8070 Zurich, Switzerland

Secretaries of the Board of Directors **Pierre Schreiber**
Béatrice Fischer

Changes in the Group Executive Board

Oswald J. Grübel

Born 1943, German Citizen
Credit Suisse Financial Services
Paradeplatz 8
P.O. Box 2
8070 Zurich, Switzerland

John J. Mack

Born 1944, US Citizen
Credit Suisse First Boston
11 Madison Avenue
New York, NY 10010, USA

Walter Berchtold

Born 1962, Swiss Citizen
Credit Suisse Financial Services
Paradeplatz 8
P.O. Box 300
8070 Zurich, Switzerland

Brady W. Dougan

Born 1959, US Citizen
Credit Suisse First Boston
11 Madison Avenue
New York, NY 10010, USA

Brian D. Finn

Born 1960, US Citizen
Credit Suisse First Boston
11 Madison Avenue
New York, NY 10010, USA

Leonhard H. Fischer

Born 1963, German Citizen
Winterthur Group
General Guisan-Strasse 40
8401 Winterthur, Switzerland

David P. Frick

Born 1965, Swiss Citizen
Credit Suisse Group
Paradeplatz 8
P.O. Box 1
8070 Zurich, Switzerland

Ulrich Körner

Born 1962, German Citizen
Credit Suisse Financial Services
Paradeplatz 8
P.O. Box 2
8070 Zurich, Switzerland

Philip K. Ryan

Born 1956, US Citizen
Credit Suisse Group
Paradeplatz 8
P.O. Box 1
8070 Zurich, Switzerland

Richard E. Thornburgh

Born 1952, US Citizen
Credit Suisse Group
Paradeplatz 8
P.O. Box 1
8070 Zurich, Switzerland

Stephen R. Volk

Born 1936, US Citizen
Credit Suisse First Boston
11 Madison Avenue
New York, NY 10010, USA

Alex W. Widmer

Born 1956, Swiss Citizen
Credit Suisse Financial Services
Paradeplatz 8
P.O. Box 2
8070 Zurich, Switzerland

Barbara A. Yastine

Born 1959, US Citizen
Credit Suisse First Boston
11 Madison Avenue
New York, NY 10010, USA

Senior Management of Credit Suisse Group **Peter W. Bachmann**
Group Chief Financial Reporting Officer

Gerhard Beindorff

Head of Investor Relations

Rudolf A. Bless

Group Chief Accounting Officer

Kim Fox-Moertl

Head of Group Treasury

Timothy S. Gardner

Head of Human Resources

Stefan M. Goetz

Head of Group Corporate Development

Tobias Guldemann

Head of Group Risk Management

Philip Hess

Chief of Staff

Christopher Lawrence

Chief Strategic Officer

Heinz Leibundgut

Group Chief Auditor

Ann F. Lopez

Head of Credit Risk Management

Fritz Müller

Head of Tax

Karin Rhomberg Hug

Group Chief Communications Officer

Peter R. Schmid

Executive Relations

Yuji Suzuki

Chairman Japan

Martin Taufer

Deputy General Counsel

Thomas Widmer Sichler

Deputy Group Chief Financial Reporting Officer

Senior Management of the business units

Executive Board Credit Suisse Financial Services **Oswald J. Grübel**

Chief Executive Officer (since 2002)

Thomas Amstutz

Investment Management (since 2002)

Walter Berchtold

Trading and Sales (since 2003)

Bruno Bonati

Technology & Operations (since 2002)

Leonhard H. Fischer

Winterthur Group (since 2003)

Moez Jamal

Treasury/Asset and Liability Management (since 2002)

Ulrich Körner

Chief Financial Officer (since 2000)

Josef Meier

Corporate & Retail Banking Switzerland (since 2002)

Alex W. Widmer

Private Banking (since 2002)

Urs Hofmann ¹⁾

Credit Suisse Business School (since 2000)

Claudia Kraaz ¹⁾

Public Relations (since 2002)

Marco Taborelli ¹⁾

Marketing (since 2003)

Denise Stüdi ¹⁾

Human Resources (since 2003)

Operating Committee Credit Suisse First Boston **John J. Mack**

Chief Executive Officer (since 2001)

Paul Calello

Chairman and Chief Executive Officer of the Asia Pacific Region (since 2002)

Christopher Carter

Chairman of the European Region (since 2000)

Brady W. Dougan

Co-President, Institutional Securities (since 1996)

John A. Ehinger

Co-Head of the Equity Division (since 2003)

Brian D. Finn

Co-President, Institutional Securities (since 2002)

James P. Healy

Co-Head of the Fixed Income Division (since 2003)

Michael E. Kenneally

Global Chief Executive Officer Credit Suisse Asset Management (since 2003)

James E. Kreitman

Co-Head of the Equity Division (since 2003)

Gary G. Lynch

Global General Counsel and Vice Chairman to oversee Research and Legal and Compliance Departments (since 2001)

Eileen K. Murray

Head of Global Technology and Operations and Product Control (since 2002)

Thomas R. Nides

Chief Administrative Officer (since 2001)

Adebayo O. Ogunlesi

Global Head of Investment Banking (since 2002)

Joanne Pace

Global Head of Human Resources (since 2004)

Hector W. Sants

Vice Chairman and Chief Executive Officer European, Middle East and African Regions (since 2002)

Richard E. Thornburgh ¹⁾

Member of the Executive Board and Chief Risk Officer of Credit Suisse Group (since 1999)

Stephen R. Volk

Chairman (since 2001)

Jerome C. Wood

Co-Head of the Fixed Income Division (since 2003)

Barbara A. Yastine

Chief Financial Officer (since 2002)

Advisory Board of Credit Suisse Group

Flavio Cotti, Chairman

Former Federal Councilor, Brione sopra Minusio, Switzerland

Herbert Henzler, Vice-Chairman

Honorary Professor for Strategy and Organization at the Ludwig-Maximilians-University, Munich, Germany

Andreas N. Koopmann, Vice-Chairman

Chief Executive Officer of Bobst SA, Lausanne, Switzerland

Franz Albers

Partner Albers & Co., Zurich, Switzerland

Susy Brüscheweiler

Chief Executive Officer of SV Group, Zurich, Switzerland

Martin Candrian

Chairman of the Board of Candrian Catering AG, Zurich, Switzerland

Brigitta M. Gadiant

Lawyer and Member of the Swiss National Council, Chur, Switzerland

Riccardo Gullotti

Attorney-at-Law and Owner Gullotti and Partner Management and Consulting Services, Bern, Switzerland

Felix Gutzwiller

Professor and Director of the Institute for Social and Preventive Medicine of the University of Zurich and member of the Swiss National Council, Zurich, Switzerland

Urs Hammer

Dully, Switzerland

Michael Hilti

Chairman of the Board of Hilti Corporation, Schaan, Liechtenstein

Andreas W. Keller

Chairman of the Board of Diethelm Keller Holding AG, Zurich, Switzerland

André Kudelski

Chairman of the Board and Chief Executive Officer of Kudelski SA, Cheseaux-sur-Lausanne, Switzerland

Andreas Schmid

Chairman of the Board of Barry Callebaut AG, Zurich, Switzerland

Manfred Schneider

Chairman of the Board of Bayer Aktiengesellschaft, Leverkusen, Germany

Hans-Peter Zehnder

Chairman of the Board and the Group Executive Committee of Zehnder Group AG, Gränichen, Switzerland

Management

Group Executive Board

Members of the Group Executive Board **Oswald J. Grübel**

Co-Chief Executive Officer

John J. Mack

Co-Chief Executive Officer

Walter Berchtold ¹⁾

Brady W. Dougan ²⁾

Brian D. Finn ²⁾

Leonhard H. Fischer ¹⁾

David P. Frick ²⁾

Ulrich Körner ²⁾

Philip K. Ryan

Richard E. Thornburgh

Stephen R. Volk ²⁾

Alex W. Widmer ²⁾

Barbara A. Yastine ¹⁾

Oswald J. Grübel

born 1943

Co-CEO of Credit Suisse Group and CEO of Credit Suisse Financial Services

John J. Mack

born 1944
Co-CEO of Credit Suisse Group and CEO of Credit Suisse
First Boston

Philip K. Ryan

born 1956
Chief Financial Officer
of Credit Suisse Group

Richard E. Thornburgh

born 1952
Chief Risk Officer
of Credit Suisse Group

David P. Frick

born 1965
General Counsel of
Credit Suisse Group

Stephen R. Volk

born 1936
Chairman of
Credit Suisse First Boston

Ulrich Körner

born 1962
Chief Financial Officer of
Credit Suisse Financial Services

Alex W. Widmer

born 1956
Head Private Banking of
Credit Suisse Financial Services

Brady W. Dougan

born 1959
Co-President, Institutional Securities Credit Suisse
First Boston

Brian D. Finn

born 1960
Co-President, Institutional Securities Credit Suisse
First Boston

Barbara A. Yastine

born 1959

Chief Financial Officer of Credit Suisse First Boston

Walter Berchtold

born 1962

Head of Trading & Sales of Credit Suisse Financial Services

Leonhard H. Fischer born 1963 Chief Executive Officer of Winterthur Group

Compensation

- support a merit-based, performance-oriented culture that allows high performers to achieve superior recognition;
- attract a suitably qualified, diverse work force through market-competitive compensation practices throughout the respective business units, divisions and business lines; and
- motivate employees to create sustainable value.

Core compensation principles

Performance based

Value oriented

Market driven

Shareholder aligned

Compensation elements

- Fixed compensation (base salary and local allowances); and
- Variable compensation (cash bonus, deferred bonus and long-term incentives).

Fixed compensation

Variable compensation

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

- The cash bonus element is intended to reward and drive performance above and beyond the core requirements of the job function, providing greater earning potential for exceeding predetermined goals. In addition, the Group may pay commissions to employees operating in specific areas of the business where such compensation practices are warranted. The value of commissions paid is determined by formulae which are regularly reviewed to ensure they remain competitive to market benchmarks.
- The deferred bonus element is designed to promote employee retention and align employee and shareholder interests. In certain jurisdictions, this may have tax benefits. The principal vehicle for delivery of the deferred bonus is the Credit Suisse Group Master Share Plan. Under the Master Share Plan, a portion of the bonus may be delivered in the form of registered shares, phantom shares, options or other equity-based instruments. The mandatory deferral percentage is based upon the employee's position and compensation level in accordance with the terms of the applicable business unit regulations. All equity awards are subject to restrictive covenants such as vesting or blocking according to local regulations. In addition to mandatory deferrals, voluntary deferrals are offered in certain jurisdictions and may include such elements as the additional purchase of registered shares, contributions to pension/retirement plans and deferred cash compensation plans.
-
- The Group also employs a variety of other long-term incentive plans or programs to assist in hiring at competitive levels, to enhance the link between the employees and the shareholders, and to further encourage retention. These usually consist of special equity grants with terms and conditions designed to meet the plan's objectives.

Metrics

The Company

- Overall Credit Suisse Group financial results are examined, analyzing quantitative performance goals including: net income, net operating profit, pre-tax margin/return on equity and ratio of compensation expense to net revenue. Performance targets for the ensuing year are set during the annual strategic planning process.

The business unit, division and/or department

- The actual versus budget and prior year contribution is measured, as well as strategic initiatives, market share and the control environment.

The individual employee

- The individual employee's performance is assessed against objectives and accomplishments through a number of methods such as employee reviews, 360° evaluation process, and "management-by-objectives" and by looking at qualitative measures such as the employee's participation in activities which promote Credit Suisse Group's vision and strategy.

Loans to Members of the Board of Directors and Group Executive Board

Shareholders

Voting rights, transfer of shares

Annual General Meeting

Changes of control and defense measures

Duty to make an offer

Clauses on changes of control

Auditors

Internal Auditors

External Auditors

•

Type of Service (in CHF m) **2003** 2002

Audit services **51.1** 60.7

Audit related services **3.7** 18.7
1)

Tax services ²⁾ **8.1** 5.4

All other services ³⁾ **3.5** 8.3 ⁴⁾

Information policy

Credit Suisse Group
Paradeplatz 8
P.O. Box 1
8070 Zurich
Switzerland
Tel. +41 1 212 1616
Fax. +41 1 333 2587

Credit Suisse Financial Services
Paradeplatz 8
P.O. Box 2
8070 Zurich
Switzerland
Tel. +41 1 334 4020
Fax. +41 1 334 9010

Private Banking
Paradeplatz 8
P.O. Box 500
8070 Zurich Switzerland
Tel. +41 1 333 4444
Fax. +41 1 334 9010

Corporate & Retail Banking
Paradeplatz 8
P.O. Box 100
8070 Zurich
Switzerland
Tel. +41 1 333 1111
Fax. +41 1 332 5555

Winterthur Group
General Guisan-Strasse 40
P.O. Box 357
8400 Winterthur
Switzerland
Tel. +41 52 261 1111
Fax. +41 52 213 6620

Credit Suisse First Boston
Uetlibergstrasse 231
P.O. Box 900
8070 Zurich

Switzerland

Tel. +41 1 333 5555

Fax. +41 1 333 5599

Credit Suisse First Boston
Eleven Madison Avenue
New York, NY 10010-3629
USA

Tel. +1 212 325 2000

Fax. +1 212 325 6665

Credit Suisse First Boston
One Cabot Square
London E14 4QJ

United Kingdom

Tel. +44 20 7888 8888

Fax +44 20 7888 1600

Credit Suisse Asset Management
Giesshübelstrasse 30
P.O. Box 800
8070 Zurich
Switzerland

Tel. +41 1 335 1111

Fax. +41 1 333 2225

Credit Suisse Asset Management
466 Lexington Ave.
New York, NY 10017
USA

Tel. +1 212 875 3500

Fax +1 646 658 0728

Credit Suisse Asset Management
Beaufort House
15 St. Botolph Street
London EC3A 7JJ
United Kingdom

Tel. +44 20 7426 2626

Fax. +44 20 7426 2828

Credit Suisse Group shares
Ticker symbols

Stock exchange listings	Bloomberg	Reuters	Telekurs
SWX Swiss Exchange/virt-x	CSGN VX	CSGN.VX	CSGN,380
New York (ADS) ¹⁾	CSR US	CSR.N	CSR,065

¹⁾ 1 ADS represents 1 registered share.

CSG share

ADS

Edgar Filing: CREDIT SUISSE GROUP - Form 6-K

Swiss security number	1213853	570660
ISIN number	CH0012138530	US2254011081
CUSIP number		225 401 108

Ratings	Moody's	Standard & Poor's	Fitch Ratings
Credit Suisse Group			
Short term	–	A-1	F1+
Long term	Aa3	A	AA-
Outlook	Stable	Stable	Negative
Credit Suisse			
Short term	P-1	A-1	F1+
Long term	Aa3	A+	AA-
Outlook	Stable	Stable	Negative
Credit Suisse First Boston			
Short term	P-1	A-1	F1+
Long term	Aa3	A+	AA-
Outlook	Stable	Stable	Negative
Winterthur			
Insurer Financial Strength	A1	A	AA
Outlook	Stable	Negative	Negative

Enquiries Credit Suisse Group
Investor Relations
Gerhard Beindorff, Marc Buchheister
Tel. +41 1 333 4570/+41 1 333 3169
Fax +41 1 333 2587
Credit Suisse Group
Media Relations
Karin Rhomberg Hug, Claudia Kraaz
Tel. +41 1 333 8844
Fax +41 1 333 8877

Copies of all Credit Suisse Group financial publications may be ordered from: Credit Suisse
KIDM 23
Uetlibergstrasse 231
8070 Zurich
Switzerland
Fax +41 1 332 7294
www.credit-suisse.com/results/order.html
Designed by Pauffley, London
Cover photography by Mike Ellis, London
Board photography by Jürg Isler, Basle
Produced by Management Digital Data AG, Zurich
Printed by NZZ Fretz AG, Zurich
Credit Suisse Group's Annual Report 2003 is printed on a totally
chlorine-free (TCF) paper and is fully recyclable.

Credit Suisse Group
Paradeplatz 8 P.O. Box 1
8070 Zurich Switzerland
Tel. +41 1 212 1616
Fax +41 1 333 2587
www.credit-suisse.com

SIGNATURES

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

CREDIT SUISSE GROUP
(Registrant)

Date March 31, 2004

By: /s/ David Frick
(Signature)*

*Print the name and title of the signing officer
under his signature

Member of the Executive Board
/s/ Karin Rhomberg Hug
Managing Director
