

CREDIT SUISSE GROUP
Form 6-K
November 15, 2002

FORM 6 K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Dated November 14, 2002

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

For the month of November 14, 2002

Commission File Number 001 15244

CREDIT SUISSE GROUP

(Translation of registrant's name into English)

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

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

Form 20-F Form 40-F

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

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

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

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

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

Yes No

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

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**Credit Suisse Group Reports Net Operating Loss of CHF 1.8 Billion
and Net Loss of CHF 2.1 Billion for the Third Quarter**

**Significant Insurance Losses Impact Results by CHF 1.4 Billion □
Insurance Results Expected to Recover in Fourth Quarter 2002**

**Legacy Costs and Credit Provisions at CSFB, Exceptional Items in
Private Banking and Lower Revenues due to Current Market Conditions
Partially Offset by Further Cost Reductions**

**Board of Directors Appoints Leonhard Fischer □ Former Member of the
Boards of Management of
Allianz AG and Dresdner Bank AG □
New Chief Executive Officer of Winterthur Group**

Zurich, November 14, 2002 □ In the third quarter of 2002, Credit Suisse Group recorded a net operating loss, which excludes the amortization of acquired intangible assets and goodwill as well as exceptional items, of CHF 1.8 billion. This compared with a net operating loss of CHF 285 million in the second quarter of 2002 and a net operating profit of CHF 21 million in the third quarter of 2001. The Group's net loss for the third quarter of 2002 amounted to CHF 2.1 billion, versus a net loss of CHF 579 million in the second quarter of 2002 and a net loss of CHF 299 million in the third quarter of 2001.

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Credit Suisse Group's third quarter 2002 result is largely attributable to further significant net operating losses in the insurance units due to low investment income, which negatively impacted the Group's performance by CHF 1.4 billion. Other factors contributing to the Group's result included a net operating loss of CHF 426 million at Credit Suisse First Boston due to legacy costs, higher credit provisions and reduced revenues due to poor market conditions. Private Banking posted a lower net operating profit before exceptional items and minority interests of CHF 303 million, and Swiss Corporate & Retail Banking continued to perform well with a net operating profit before minority interests of CHF 102 million. The Group recorded an additional write-down of CHF 206 million on its investment in Swiss Life. Credit Suisse Group's net loss includes exceptional items of CHF 119 million recognized in connection with the realignment of the European Private Banking offering.

For the first nine months of 2002, the Group recorded a net operating loss, which excludes the amortization of acquired intangible assets and goodwill as well as exceptional items, of CHF 1.4 billion and a net loss of CHF 2.4 billion, versus a net operating profit of CHF 3.4 billion and a net profit of CHF 2.4 billion for the first nine months of 2001.

In September 2002, Oswald J. Grübel, Chief Executive Officer of Credit Suisse Financial Services, and John J. Mack, Chief Executive Officer of Credit Suisse First Boston, were appointed Co-CEOs of the Group, in addition to their current roles leading their respective business units. They are moving ahead with an accelerated agenda of

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measures in an effort to restore the Group's earnings strength in the coming quarters.

Oswald J. Grübel stated, "I am very pleased that the Board of Directors has appointed Leonhard Fischer the new Chief Executive Officer of Winterthur Group. Leonhard Fischer is a former Member of the Boards of Management of Allianz AG and of Dresdner Bank AG, where he was Head of the Corporate Client business and Investment Banking. Under his leadership, we will continue realigning Winterthur's strategy, premium structure, cost base and investment policy so that it will again be profitable in an environment where investment income will remain at a much lower level than in previous years."

He added, "To further strengthen our Private Banking franchise, we have begun realigning our European offering to substantially reduce costs, and we will continue to concentrate on enhancing client solutions and innovation."

John J. Mack said, "Credit Suisse First Boston's revenues declined across all businesses due to challenging conditions in the third quarter, but our core businesses remain strong, as demonstrated by our ability to maintain or improve market share and rankings in key areas. We will continue aggressively adapting our cost structure to the current environment and have launched an initiative to save another USD 500 million, in addition to the USD 2.4 billion achieved already."

He continued, "Additional measures to improve our financial performance include the disposal of legacy asset portfolios associated with non-continuing businesses, as well as the contractual run-off of remaining incentive compensation guarantees and retention awards related to the acquisition"

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of DLJ. The implementation of these measures should enable Credit Suisse First Boston to achieve a return to profitability in 2003.□

John J. Mack and Oswald J. Grübel concluded, "Credit Suisse Group's third quarter results were clearly unsatisfactory. While the Group's core businesses remain strong, our financial performance must improve. We are working together closely to enhance our bottom line, restore profitability in 2003 and build long-term value for the Group's shareholders, clients and employees.□

Capital Base Remains Adequate

As of September 30, 2002, the Group's consolidated BIS tier 1 ratio stood at 9.0%, versus 9.2% at the end of the second quarter. The capital ratios for the Group's individual businesses are well within the target ranges set by the Group and in line with industry peers: the BIS tier 1 ratio for the Group's banking business stood at 9.4%, up from 9.3% at the end of the second quarter. The BIS tier 1 ratios for the operating entities Credit Suisse and Credit Suisse First Boston remained strong at 7.0% and 11.9%, respectively, compared with 7.4% and 12.6%, respectively, in the second quarter of 2002. Winterthur's solvency margin, calculated in line with the EU directive, stood at 155%, up from 123% at the end of the second quarter.

As the Group expects to report a loss for the full-year 2002, it is lowering dividend estimates to CHF 0.10 per share. The Board of Directors will submit the dividend proposal to the Annual General Meeting of Shareholders on April 25, 2003, based on the 2002 consolidated results.

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Throughout the year, Credit Suisse Group has demonstrated its ability to maintain adequate capital resources to support its businesses. Going forward, additional measures to strengthen the Group's capital base, if appropriate opportunities arise, could include a capital-qualifying financing, including equity-linked debt instruments, balance sheet securitizations and potential divestitures of non-core businesses. The likelihood as well as the amount and timing of such measures will depend on the market environment.

Net New Assets Affected by Weak Market Conditions

Credit Suisse Financial Services reported net new assets of CHF 1.5 billion in the third quarter of 2002, which included net new assets of CHF 3.4 billion in Private Banking and CHF 0.4 billion in Life & Pensions. These were largely offset, however, by CHF 2.3 billion in net outflows from Corporate & Retail Banking, due primarily to seasonality in the account balances of corporate clients. Credit Suisse First Boston reported net asset outflows of CHF 15.2 billion, of which CHF 12.2 billion was attributable to its Institutional Asset Management business and was caused by foreign exchange impacts and performance issues, primarily from a single fixed income product. A CHF 3.0 billion outflow from the Investment Banking segment due to the divestiture of the global opportunities fund also contributed to Credit Suisse First Boston's results. For Credit Suisse Group, an overall net asset outflow of CHF 13.7 billion resulted in the third quarter, versus an inflow of CHF 4.2 billion in net new assets in the second quarter. For the first nine months of 2002, the Group reported net new assets of CHF 4.0 billion, compared with CHF 49.0 billion for the first nine months of 2001. The Group's total assets under management stood at CHF 1,221.8

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billion as of September 30, 2002, corresponding to a decline of 5.5% versus June 30, 2002.

Business Unit Results

The **Credit Suisse Financial Services** business unit reported a net operating loss, which excludes the amortization of acquired intangible assets and goodwill as well as exceptional items, of CHF 1.0 billion in the third quarter of 2002. This compared with a net operating loss of CHF 271 million in the second quarter of 2002 and a net operating profit of CHF 738 million in the third quarter of 2001. The decline of CHF 1.8 billion versus the third quarter of 2001 is primarily attributable to much lower investment income from the insurance units as a result of the income statement recognition of lower equity valuations and the realization of losses when reducing the equity exposure of the investment portfolio. The business unit's net loss of CHF 1.2 billion in the third quarter of 2002 includes exceptional items of CHF 119 million recognized in connection with the realignment of the European Private Banking offering.

The Private Banking segment reported a net operating profit before exceptional items and minority interests of CHF 303 million in the third quarter of 2002, down 38% versus the second quarter of 2002. Operating income fell 16% versus the second quarter due to seasonal weakness, investor passivity and significantly lower revenues from the sale of structured products. Operating expenses fell 8% quarter-on-quarter due to reduced bonus accruals reflecting the lower results, as well as the implementation of cost reduction measures and the realization of synergies. Going forward, Private Banking expects good growth, particularly from Asia, the Middle East and Latin America.

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The Corporate & Retail Banking segment posted a net operating profit before minority interests of CHF 102 million in the third quarter of 2002, up 7% on the second quarter of 2002 and up 29% on the third quarter of 2001. The growth in net operating profit versus the second quarter of 2002 is primarily attributable to a 7% decrease in operating expenses. Operating income declined 2% quarter-on-quarter. The operating cost/income ratio stood at 67.6% in the third quarter of 2002, compared with 69.8% in the second quarter of 2002. The return on average allocated capital increased to 10.5%, from 9.5% in the second quarter of 2002. Credit Suisse will, in the future, focus its online banking services in Switzerland on "Direct Net", and will further expand this platform. The online brokerage "youtrade" will be discontinued as of January 31, 2003, due to the significant decline in trading volumes and revenues.

The Life & Pensions segment reported a net operating loss before minority interests of CHF 1.5 billion in the first nine months of the year, versus a net operating profit before minority interests of CHF 500 million in the first nine months of 2001. This result reflects a CHF 3.0 billion decline in investment income compared with the first nine months of 2001. Life & Pensions recorded an increase in gross premiums written of 18% in the first nine months of 2002 versus the first nine months of 2001. Adjusted for acquisitions and divestitures, premiums rose 17% on a local currency basis. The expense ratio for the first nine months of 2002 stood at 9.3%, excluding write-downs of deferred acquisition costs of CHF 235 million, which were recognized as a result of lower long-term investment return expectations. After taking account of these write-downs, the expense ratio stood at 10.9% in the first nine months of 2002 and was thus still below the expense ratio of 11.5%

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in the first nine months of 2001, reflecting cost management efforts.

Due to lower investment income, the Insurance segment reported a net operating loss before minority interests of CHF 998 million in the first nine months of 2002, compared with a net operating profit before minority interests of CHF 500 million in the first nine months of 2001. Net premiums earned increased by 4% in the first nine months of 2002, compared with the first nine months of 2001, to CHF 11.7 billion. Adjusted for acquisitions and divestitures, the segment reported growth of approximately 8% on a local currency basis. The combined ratio improved by 2.9 percentage points against the first nine months of 2001, to 103.5% in the first nine months of 2002.

Both insurance units further reduced the equity exposure of their investment portfolios in the third quarter of 2002, in an effort to mitigate the impact of equity market volatility on their capital.

The **Credit Suisse First Boston** business unit reported a net operating loss, which excludes the amortization of acquired intangible assets and goodwill, of USD 255 million (CHF 426 million) in the third quarter of 2002, compared with a net operating profit of USD 229 million (CHF 371 million) in the second quarter of 2002 and a net operating loss of USD 103 million (CHF 170 million) in the third quarter of 2001. A net loss of USD 425 million (CHF 679 million) was recorded in the third quarter of 2002, compared with a net profit of USD 61 million (CHF 101 million) in the preceding quarter and a net loss of USD 281 million (CHF 472 million) in the third quarter of 2001. The decline in results versus the second quarter of 2002 was mainly attributable to lower operating income, which was down 24% on the second quarter

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to USD 2.6 billion (CHF 3.9 billion), and to higher provisions and charges associated with commercial lending and legacy items, including losses for non-continuing real estate, distressed assets and private equity. The third quarter of 2002 also included a USD 65 million (CHF 104 million) provision related to excess office facilities. As a result of cost reduction measures, third quarter 2002 operating expenses fell 18% versus the second quarter of 2002 and 29% versus the third quarter of 2001 to USD 2.2 billion (CHF 3.2 billion). In the first nine months of 2002, Credit Suisse First Boston has reduced expenses by USD 2.4 billion or 25% (CHF 4.8 billion or 29%) versus the first nine months of 2001, and it has launched an initiative in October 2002 with a view to achieving an additional USD 500 million (approximately CHF 770 million) in savings.

The Investment Banking segment reported third quarter 2002 operating income of USD 2.1 billion (CHF 3.1 billion), down 27% compared with the second quarter of 2002, reflecting declines in all divisions, and down 27% on the third quarter of 2001. As a result of cost reduction measures, third quarter 2002 operating expenses were USD 1.8 billion (CHF 2.6 billion), down 21% compared with the second quarter of 2002 and down 33% compared with the third quarter of 2001.

The CSFB Financial Services segment reported operating income of USD 501 million (CHF 742 million) for the third quarter of 2002, reflecting a decline of 9% compared with the second quarter of 2002 and of 7% compared with the third quarter of 2001. Operating expenses were down 11% compared with the third quarter of 2001 due to cost reduction measures and the sale of CSFB *directand* Autranet reported earlier this year.

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Accounting Policy

The Group is considering changing its accounting policy to allow for capitalization of deferred tax assets on net operating losses, as well as changing its estimation methodology with respect to inherent credit losses. The related impacts would be reflected in the fourth quarter 2002 results.

Outlook □ Restored Profitability in 2003

Credit Suisse Group remains cautious in its outlook for its fourth quarter 2002 results given the continued challenging market environment. However, the Group anticipates that the fourth quarter should see a recovery in results at Winterthur, as the impact of lower equity valuations on the investment portfolio is expected to be significantly reduced. The Group expects that the measures being implemented will restore sound profitability in 2003.

Enquiries

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Additional information on Credit Suisse Group's third quarter results (Q3 Report; slide presentation) can be found on the Internet at www.credit-suisse.com.

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Credit Suisse Group

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 Frankfurt, and in the form of American Depositary Shares (CSR) in New York. The Group employs around 80,000 staff worldwide. As of September 30, 2002, it reported assets under management of CHF 1,221.8 billion.

Cautionary statement regarding forward-looking information

This press release contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to our plans, objectives or goals; our future economic performance or prospects; the potential effect on our future performance of certain contingencies; and assumptions underlying any such statements.

Words such as "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable laws. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include (i) market and interest rate fluctuations; (ii) the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations in particular; (iii) the ability of counterparties to meet their obligations to us; (iv) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (v) political and social developments, including war, civil unrest or terrorist activity; (vi) the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations; (vii) the ability to maintain sufficient liquidity and access capital markets; (viii) operational factors such as systems failure, human error, or the failure to properly implement procedures; (ix) actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations; (x) the effects of changes in laws, regulations or accounting policies or practices; (xi) competition in geographic and business areas in which we conduct our operations; (xii) the ability to retain and recruit qualified personnel; (xiii) the ability to maintain our reputation and promote our brands; (xiv) the ability to increase market share and control expenses; (xv) technological changes; (xvi) the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users; (xvii) acquisitions, including the ability to integrate successfully acquired

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businesses; and (xviii) our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive; when evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, as well as the risks identified in our most recent Form 20-F and reports on Form 6-K furnished to the US Securities and Exchange Commission.

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Today's Presentation of the Results

Speakers

- Oswald J. Grübel, Chief Executive Officer of Credit Suisse Financial Services and Co-Chief Executive Officer of Credit Suisse Group as of 2003
- John J. Mack, Chief Executive Officer of Credit Suisse First Boston and Co-Chief Executive Officer of Credit Suisse Group as of 2003
- Philip K. Ryan, Chief Financial Officer of Credit Suisse Group
- Richard E. Thornburgh, Chief Financial Officer of Credit Suisse First Boston

Analysts' presentation, Zurich (English)

- November 14, 2002, 8.00 am CET / 7.00 am GMT / 2.00 am EST at the Credit Suisse Forum St.
- Peter, Zurich
- Internet:
 - Live broadcast at www.credit-suisse.com/results
 - Video playback available approximately 3 hours after the event
- Telephone:
 - Live audio dial-in on +41 91 610 4111 (Europe), +44 207 866 4111 (UK), or +1 412 858 4600 (USA), ask for "Credit Suisse Group quarterly results"; please dial in 10 minutes before the start of the presentation
 - Telephone replay available approximately 1 hour after the event on
 - +41 91 612 4330 (Europe), +44 207 866 4300 (UK) or +1 412 858 1440 (USA), conference ID 600#

Media conference, Zurich (English/German)

- November 14, 2002, 10.00 am CET / 9.00 am GMT / 4.00 am EST at the Credit Suisse Forum St.
 - Peter, Zurich
 - Internet:
 - Simultaneous interpreting: German ↔ English, English ↔ German
 - Live broadcast at www.credit-suisse.com/results
 - Video playback available approximately 3 hours after the event
 - Telephone:
 - Live audio dial-in on +41 91 610 4111 (Europe), +44 207 866 4111 (UK), or +1 412 858 4600 (USA), ask for "Credit Suisse Group quarterly results"; please dial in 10 minutes before the start of the presentation
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- Telephone replay available approximately 1 hour after the event on +41 91 612 4330 (Europe), +44 207 866 43 00 (UK) or +1 412 858 1440 (USA), conference ID 846# (English) or 951# (German)
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Curriculum vitae

Leonhard H. Fischer

Born 1963

As of January 1, 2003

Member of the Executive Board of Credit Suisse Financial Services and Chief Executive Officer of Winterthur Group

Professional experience

- | | |
|-------------|---|
| 2001 □ 2002 | Allianz AG, Member of the Management Board of Allianz Holding, Head of Corporates and Markets |
| 1999 | Dresdner Bank AG, Frankfurt, Member of the Executive Board, Head of Investment Banking |
| 1998 | Dresdner Bank AG, Deputy Member of the Executive Board, Head of Global Markets and Asia |
| 1995 □ 1997 | Dresdner Bank AG, Frankfurt, Head of Treasury and Proprietary Trading |
| From 1992 | JP Morgan, Frankfurt, Member of the Executive Board |
| 1991 □ 1994 | JP Morgan, Frankfurt, Head of Annuity and Interest Rate Trading Frankfurt / Head of Annuity Options Trading, Europe |
| 1987 □ 1995 | JP Morgan, Frankfurt |

Education

- | | |
|------------|---|
| 1987 | MA in Finance, University of Georgia |
| Until 1987 | Business Management degree, University of Bielefeld |
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Cautionary statement regarding forward-looking information

This Quarterly Report contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to our plans, objectives or goals; our future economic performance or prospects; the potential effect on our future performance of certain contingencies; and assumptions underlying any such statements. Words such as "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable laws. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include (i) market and interest rate fluctuations; (ii) the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations in particular; (iii) the ability of counterparties to meet their obligations to us; (iv) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (v) political and social developments, including war, civil unrest or terrorist activity; (vi) the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations; (vii) the ability to maintain sufficient liquidity and access capital markets; (viii) operational factors such as systems failure, human error, or the failure to properly implement procedures; (ix) actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations; (x) the effects of changes in laws, regulations or accounting policies or practices; (xi) competition in geographic and business areas in which we conduct our operations; (xii) the ability to retain and recruit qualified personnel; (xiii) the ability to maintain our reputation and promote our brands; (xiv) the ability to increase market share and control expenses; (xv) technological changes; (xvi) the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users; (xvii) acquisitions, including the ability to integrate successfully acquired businesses; and (xviii) our success at managing the risks involved in the foregoing. We caution you that the foregoing list of important factors is not exclusive; when evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, as well as the risks identified in our most recently filed Form 20-F and reports on Form 6-K

furnished to the US Securities and Exchange Commission.

EDITORIAL

Dear shareholders, clients and colleagues

Credit Suisse Group's performance in the third quarter of 2002 was clearly unsatisfactory. While the Group maintained its market position in its core businesses, results were impacted by low investment income from the insurance business, weak revenues due to current market conditions, and the legacy costs at Credit Suisse First Boston incurred in connection with non-continuing businesses. Although these factors were partially offset by cost reductions, the Group reported a net operating loss of CHF 1.8 billion and a net loss of CHF 2.1 billion for the third quarter.

We are pursuing a number of measures to restore the full earnings strength of the Group and are confident that we will return to sound profitability in 2003. At the same time, we have implemented measures to maintain an adequate capital position. As of September 30, 2002, the BIS tier 1 ratio for the Group's banking business stood at 9.4%, and Winterthur's solvency margin was 155%. These capital ratios are well within the target ranges set by the Group and are in line with industry peers.

As we expect to report a loss for the full-year 2002, we have lowered dividend estimates to CHF 0.10 per share. The Board of Directors will submit the dividend proposal to the Annual General Meeting of Shareholders on April 25, 2003, based on the 2002 consolidated results.

At Winterthur, realized losses in the equity portfolio and growth in premium volumes in the third quarter of 2002 gave rise to increased capital requirements. The Group responded with a CHF 2.0 billion capital contribution to strengthen the capital base of the insurance units. This transaction was financed with excess liquidity from the Group and did not impact the banking capital ratios. Winterthur also reduced its equity exposure in the third quarter to the targeted level going forward. Winterthur is now focusing on further adapting its premium structure, cost base and investment strategy to achieve profitability in an environment in which investment income is expected to be significantly lower than in previous years.

While Corporate & Retail Banking continued to record strong results, in Private Banking seasonal weakness, investor passivity and lower revenues from the sale of structured products negatively impacted operating income in the third quarter. In order to further reduce costs, we began refocusing the distribution network and infrastructure of our European offering in the third quarter. Going forward, Credit Suisse Financial Services will also concentrate on strengthening its private banking franchise in terms of client solutions, innovation and profitability.

Credit Suisse First Boston succeeded in maintaining its market shares and rankings in the third quarter, although market conditions – particularly for equity and investment banking-related businesses – continued to decline. The business unit moved actively to address legacy items, including negotiating agreements for sale covering certain non-continuing real estate, distressed assets and private equity investments. The cost reduction program initiated in 2001 continued to generate significant decreases in operating expenses of a total of USD 2.4 billion in the first nine months of 2002, corresponding to a decline of 25% compared with the same period in 2001. We have initiated further cost reductions to bring the cost structure in line with the current market opportunities. The assets and market position of Credit Suisse Group's core businesses remain strong. However, our financial performance must improve and, as the designated CEOs of Credit Suisse Group, we are both strongly focused on the bottom line.

We look forward to working closely with our new Chairman Walter Kielholz to deliver value to our shareholders, clients and employees.

John J. MackChief Executive Officer Credit Suisse First Boston
November 2002**Oswald J. Grübel**

Chief Executive Officer Credit Suisse Financial Services

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CREDIT SUISSE GROUP FINANCIAL HIGHLIGHTS Q3/2002

Consolidated income statement

in CHF m	3Q2002	2Q2002	3Q2001	Change		Change		Change in % from 2001
				in % from 2Q2002	in % from 3Q2001	9 months 2002	9 months 2001	
Operating income	5'666	7'647	8'720	(26)	(35)	21'643	30'993	(30)
Gross operating profit	314	1'079	1'490	(71)	(79)	3'225	7'606	(58)
Net operating profit ¹⁾	(1'752)	(285)	21	-	-	-(1'351)	3'358	-
Net profit	(2'148)	(579)	(299)	271	-	-(2'359)	2'417	-

Return on equity (ROE)

in %	3Q2002	2Q2002	3Q2001	Change		Change		Change in % from 2001
				in % from 2Q2002	in % from 3Q2001	9 months 2002	9 months 2001	
Reported ROE	(26.9)	(6.6)	(3.0)	308	-	-(9.2)	8.0	-
Operating ROE ¹⁾	(22.8)	(3.2)	0.2	-	-	-(5.6)	10.9	-

Consolidated balance sheet

in CHF m	30.09.02	30.06.02	31.12.01	Change	
				in % from 30.06.02	in % from 31.12.01
Total assets	999'158	987'585	1'022'513	1	(2)
Shareholders' equity	32'461	36'458	38'921	(11)	(17)
Minority interests in shareholders' equity	3'071	2'892	3'121	6	(2)

Capital data

in CHF m	30.09.02	30.06.02	31.12.01	Change	
				in % from 30.06.02	in % from 31.12.01
BIS risk-weighted assets	218'700	220'467	222'874	(1)	(2)
BIS tier 1 capital	19'669	20'187	21'155	(3)	(7)
of which non-cumulative perpetual preferred securities	2'218	2'015	2'076	10	7
BIS total capital	33'647	34'174	34'888	(2)	(4)
Solvency capital Winterthur	10'127	7'907	8'555	28	18

Capital ratios

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in %		30.09.02	30.06.02	31.12.01
BIS tier 1 ratio	Credit Suisse	7.0	7.4	6.9
	Credit Suisse First Boston 2)	11.9	12.6	12.9
	Credit Suisse Group 3)	9.0	9.2	9.5
	Credit Suisse Group (banking) 4)	9.4	9.3	8.8
BIS total capital ratio	Credit Suisse Group	15.4	15.5	15.7
EU solvency margin	Winterthur	155.1	122.9	128.6

Assets under management/client assets ⁵⁾

in CHF bn	30.09.02	30.06.02	31.12.01	Change	Change
				in % from 30.06.02	in % from 31.12.01
Advisory assets under management	606.3	638.6	723.5	(5)	(16)
Discretionary assets under management	615.5	654.6	707.1	(6)	(13)
Total assets under management	1'221.8	1'293.2	1'430.6	(6)	(15)
Client assets	1'821.0	1'936.9	2'138.2	(6)	(15)

Net new assets ⁵⁾