

CREDIT SUISSE GROUP AG
Form 6-K
October 21, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

October 21, 2015
Commission File Number 001-15244
CREDIT SUISSE GROUP AG
(Translation of registrant's name into English)
Paradeplatz 8, CH 8001 Zurich, Switzerland
(Address of principal executive office)

Commission File Number 001-33434
CREDIT SUISSE AG
(Translation of registrant's name into English)
Paradeplatz 8, CH 8001 Zurich, Switzerland
(Address of principal executive office)

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

Form 20-F Form 40-F

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

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

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

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

This report includes the slides for the presentation to investors and the media release in connection with the 3Q15 results.

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Media Release

Credit Suisse announces 3Q15 results

- Reported Core pre-tax income of CHF 861 million
- Reported net income of CHF 779 million
- Both Private Banking & Wealth Management and Investment Banking results were impacted by low levels of client activity and adverse market conditions
- Continued strong net new assets of CHF 16.4 billion
- Substantial leverage reduction in Investment Banking: Year-end target achieved ahead of schedule

October 21, 2015 **In 3Q15, we saw a continuation of both the positive trends seen in 2Q15 – strength in Asia and in equities and strong net new assets – and the negative trends with results impacted adversely by challenging market conditions and low levels of client activity, mainly in the fixed income sales and trading businesses.**

Tidjane Thiam, Chief Executive Officer, said: “In the third quarter, difficult market conditions led to low client activity in both our Investment Banking and Private Banking & Wealth Management divisions. This translated into lower profits and was particularly visible in our fixed income sales and trading performance. The reduction of the capital allocation to the Investment Bank continued, with USD 615.4 billion of leverage exposure at the end of 3Q, thus achieving the year-end 2015 target that was announced in February 2015. We made good progress in our Private Banking & Wealth Management division with strong net new asset inflows across all regions. This is encouraging in an environment in which private clients tend to be cautious about their portfolios. Mandates penetration continued to increase. The quarter-on-quarter increase in our share of wallet in our Investment Banking advisory business as well as the revenue growth we achieved in our Corporate & Institutional Clients business are a testament to Credit Suisse’s strong relationships with corporate clients and entrepreneurs.”

On the outlook, he said: “The adverse impact of difficult market conditions in the third quarter on client issuance and trading activity has continued so far in October, offsetting a resilient performance by our Asian business and sustained higher net interest income. In the coming months, we will focus on the implementation of our strategy, announced today. Our third-quarter results reinforce the need for a restructuring of the bank aimed at reducing the volatility of our earnings and better aligning the activities of our Investment Bank behind the needs of the clients of our Private Banking & Wealth Management division. Our aim remains to generate long-term, profitable and capital generative growth through the implementation of the strategy and organizational structure announced today.”

Selected Core Results highlights

	in / end of		% change		in / end of		% change	
	3Q15	2Q15	3Q14	QoQ	YoY	9M15	9M14	YoY
Reported results (CHF million, except where indicated)								
Net revenues	5,982	6,941	6,537	(14)	(8)	19,596	19,439	1
Income from continuing operations before taxes	861	1,646	1,301	(48)	(34)	4,045	2,331	74
Net income attributable to shareholders	779	1,051	1,025	(26)	(24)	2,884	1,184	144
Return on equity (%)	7.1	10.0	9.7	–	–	9.0	3.7	–
Strategic results (CHF million, except where indicated)								
Net revenues	5,623	6,758	6,287	(17)	(11)	18,971	19,126	(1)
Income from continuing operations before taxes	826	1,812	1,622	(54)	(49)	4,460	5,341	(16)
Net income attributable to shareholders	699	1,418	1,115	(51)	(37)	3,352	3,807	(12)
Return on equity (%)	6.6	13.9	11.0	–	–	10.8	12.7	–
Non-strategic results (CHF million)								
Net income/(loss) attributable to shareholders	80	(367)	(90)	–	–	(468)	(2,623)	(82)

Core Results do not include noncontrolling interests without significant economic interests.

Reported Core results

- Net income attributable to shareholders of CHF 779 million

In the third quarter, Credit Suisse reported Core pre-tax income of CHF 861 million, primarily reflecting lower results in Investment Banking due to unfavorable market conditions. Net income attributable to shareholders was CHF 779 million, down 24% compared to the same period of last year. Return on equity attributable to shareholders was 7%, a decrease of 3 percentage points compared to the previous quarter.

Reported Core net revenues decreased 8% year on year, as lower net revenues in Investment Banking and Private Banking & Wealth Management were partially offset by higher net revenues in the Corporate Center. Reported total operating expenses decreased 3% compared to 3Q14, with reductions in Investment Banking partially offset by an increase in expenses in the Corporate Center and in Private Banking & Wealth Management.

In the non-strategic businesses, pre-tax income improved to CHF 35 million compared to a loss of CHF 321 million in 3Q14.

Strategic Core Results – selected highlights

	in / end of		% change		in / end of		% change	
	3Q15	2Q15	3Q14	QoQ	YoY	9M15	9M14	YoY
Strategic results (CHF million)								
Income/(loss) from continuing operations before taxes	826	1,812	1,622	(54)	(49)	4,460	5,341	(16)

of which Private Banking & Wealth Management	753	1,001	872	(25)	(14)	2,692	2,719	(1)
of which Investment Banking	282	910	995	(69)	(72)	2,307	3,165	(27)
of which Corporate Center	(209)	(99)	(245)	111	(15)	(539)	(543)	(1)

Strategic Core results

- Strategic results in Private Banking & Wealth Management impacted by weaker client activity and adverse market conditions

- These conditions also led to weaker strategic Investment Banking results

For the third quarter of 2015, strategic pre-tax income was CHF 826 million, a decline of 49% compared to the same period a year ago. Strategic net income attributable to shareholders was CHF 699 million, down 37% compared to CHF 1,115 million in 3Q14. Strategic return on equity for 3Q15 was 7%.

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Private Banking & Wealth Management
Private Banking & Wealth Management

		in / end of		% change		in / end of		% change
	3Q15	2Q15	3Q14	QoQ	YoY	9M15	9M14	YoY
Reported results (CHF million)								
Net revenues	2,935	3,152	3,125	(7)	(6)	9,059	9,411	(4)
Provision for credit losses	80	44	25	82	220	153	81	89
Compensation and benefits	1,214	1,248	1,194	(3)	2	3,691	3,719	(1)
Total other operating expenses	994	923	963	8	3	2,797	4,405	(37)
Total operating expenses	2,208	2,171	2,157	2	2	6,488	8,124	(20)
Income before taxes	647	937	943	(31)	(31)	2,418	1,206	100
Metrics (%)								
Return on regulatory capital	16.5	23.5	27.3	–	–	20.4	12.0	–
Cost/income ratio	75.2	68.9	69.0	–	–	71.6	86.3	–
Assets under management (CHF billion)								
Assets under management	1,293.9	1,355.7	1,366.1	(4.6)	(5.3)	1,293.9	1,366.1	(5.3)
Net new assets	16.4	14.2	7.4	15.5	121.6	47.6	31.2	52.6