

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

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OPERATING AND FINANCIAL REVIEW | CREDIT SUISSE GROUP

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CREDIT SUISSE GROUP RISK MANAGEMENT

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FINANCIAL INFORMATION

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CORPORATE GOVERNANCE

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MAIN OFFICES

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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.

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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

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

Capital data			
in CHF m	31.12.03	31.12.02	Change 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			
in CHF bn	31.12.03	31.12.02	Change 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			
in CHF bn	2003	2002	Change 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)

		31.12.03	31.12.02	Change 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