CREDIT SUISSE GROUP AG
Form 6-K
July 22, 2014

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

July 22, 2014

Commission File Number 001-15244

CREDIT SUISSE GROUP AG

(Translation of registrant's name into English)

Paradeplatz 8, 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, 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, the slides for the presentation to media, and the results summary for media professionals, in connection with the 2Q14 results.

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Second Quarter 2014 Results Summary

2Q14 results demonstrate resilience of business model: continued strong momentum with clients and significant progress in winding down non-strategic portfolio in addition to resolving legacy litigation matter

Key Points

Reported results:
- 2Q14 net loss attributable to shareholders of CHF (700) million, reflecting the previously announced CHF 1,598 million after-tax charge relating to the final settlement of all outstanding US cross-border matters
- 6M14 net income of CHF 159 million

Strategic results:
- 2Q14 net income of CHF 1,282 million and return on equity of 13%
- 6M14 net income of CHF 2,680 million and return on equity of 13%

Private Banking & Wealth Management: Resilient performance in strategic businesses with strong net new assets of CHF 11.8 billion and further increased cost efficiency; substantial progress on regularization of asset base

Investment Banking: Results reflect strong performance from Fixed Income yield franchises and underwriting businesses; Macro restructuring expected to further enhance capital and operating efficiencies

Efficiency: On track to achieve end-2015 cost reduction target of over CHF 4.5 billion; delivered CHF 3.4 billion of adjusted annualized savings for 6M14 compared to 6M11 run-rate

Non-strategic units and litigation: Wind-down of non-strategic units ahead of schedule with leverage exposure reduction of USD 3 billion and risk-weighted asset reduction of USD 6 billion in Investment Banking non-strategic unit; progress in resolving legacy litigation issues in 6M14

Capital:
- Look-through BIS CET1 ratio of 9.5%; progress in executing capital measures expected to mitigate impact of litigation settlement and on track to exceed10% CET1 ratio by year-end, including continued accrual of cash dividend for 2014
- Phase-in Swiss leverage ratio of 4.8%, Look-through Swiss leverage ratio of 3.7%, within reach of 2019 requirement of 4.0%

Second quarter 2014 results materials

Video interview with CEO Brady Dougan highlighting the key takeaways

Webcast of the media presentation with CEO Brady Dougan and CFO David Mathers at 11:00 CEST and presentation slides

Full earnings release including quantitative disclosures and time series data

Letter to shareholders from Chairman Urs Rohner and CEO Brady Dougan

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Quotes

Brady W. Dougan, Chief Executive Officer, said: “Our reported results for the second quarter and the first half of 2014 were impacted by the resolution of our most significant legacy litigation issue. During the quarter, we continued to see good momentum with clients, while at the same time making further progress in winding-down our non-strategic units. Our strategic results were solid, demonstrating the resilience of our business model, notwithstanding subdued client trading activity in certain areas which impacted both Private Banking & Wealth Management and Investment Banking.”

He continued: “With the final settlement of all outstanding US cross-border matters as announced in May, we brought to a close the most significant and longstanding litigation issue for Credit Suisse. I want to reiterate that we deeply regret the past misconduct that led to this settlement and that we take full responsibility for it. The continued trust and support of our clients helped us mitigate the impact of the settlement on our business. We are executing our capital measures and are on track to improve our Look-through CET 1 ratio to above 10% by the end of the year. This includes the continued accrual for a cash dividend for 2014. Once we reach 10%, and as we continue to accrete capital towards our 11% long-term target, we intend to return approximately half our earnings to shareholders through our annual distributions.

Commenting on Private Banking & Wealth Management, he said: “We generated strong net new assets of CHF 11.8 billion in the second quarter from our strategic businesses, driven by growth in Asia Pacific and Switzerland – two of our key markets. This strong growth more than offset outflows from our Western European cross border business, where we are taking proactive steps to regularize our asset base. This is part of the secular transformation of the cross border wealth management business. During the quarter, we further improved the efficiency of our strategic businesses with lower operating expenses, which helped us mitigate the impact of the subdued transaction activity and the continued low interest rate environment on our results.”

Commenting on Investment Banking, he said: “Investment Banking delivered solid results for the second quarter of 2014, reflecting strong origination activity, continued momentum in our yield franchises and improved capital efficiency compared to the first quarter. The restructuring of our macro business, including the exit from commodities trading, is expected to drive further capital, leverage and expense reductions. Our strategic businesses reported a return on capital of 18% for the second quarter and 20% for the first half of 2014, demonstrating the stability of our diversified strategic franchise.”

This Results Summary contains excerpts from our full 2Q14 Earnings Release that we believe are of special interest to media professionals. A copy of the complete 2Q14 Earnings Release, which has been distributed simultaneously and contains additional important information about our results and operations, is available at www.credit-suisse.com/results.

Investors and others should note that we announce material information (including quarterly earnings releases and financial reports) to the investing public using press releases, SEC and Swiss ad hoc filings, our investor relations website and public conference calls and webcasts. We intend to also use our investor relations Twitter account

@creditsuisse (https://twitter.com/creditsuisse) to excerpt key messages from our public disclosures, including earnings releases. We may retweet such messages through certain of our regional Twitter accounts, including @csschweiz (https://twitter.com/csschweiz) and @csapac (https://twitter.com/csapac). Investors and others should take care to consider such abbreviated messages in the context of the disclosures from which they are excerpted. The information we post on these Twitter accounts will not be a part of any quarterly earnings releases, financial reports or any other documents that we excerpt in such postings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

CREDIT SUISSE GROUP AG and CREDIT SUISSE AG
(Registrant)

By: /s/ Brady W. Dougan
Brady W. Dougan
Chief Executive Officer
Credit Suisse Group AG and Credit Suisse AG

/s/ David R. Mathers
David R. Mathers
Chief Financial Officer
Date: July 22, 2014 Credit Suisse Group AG and Credit Suisse AG