

CREDIT SUISSE GROUP AG
Form 6-K
April 24, 2019
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**

April 24, 2019
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.

Explanatory note

On April 24, 2019, the Credit Suisse Earnings Release 1Q19 was published. A copy of the Earnings Release is attached as an exhibit to this report on Form 6-K. This report on Form 6-K (including the exhibit hereto) is hereby (i) incorporated by reference into the Registration Statement on Form F-3 (file no. 333-218604) and the Registration Statements on Form S-8 (file nos. 333-101259, 333-208152 and 333-217856), and (ii) shall be deemed to be “filed” for purposes of the Securities Exchange Act of 1934, as amended, except, in the case of both (i) and (ii), the information under “Group and Bank differences” and “Selected financial data – Bank” shall not be incorporated by reference into, or be deemed “filed”, with respect to the Registration Statements on Form S-8 (file nos. 333-101259, 333-208152 and 333-217856).

The 1Q19 Credit Suisse Financial Report as of and for the three months ended March 31, 2019 will be published on or about May 3, 2019.

Credit Suisse Group AG and Credit Suisse AG file an annual report on Form 20-F and file quarterly reports, including unaudited interim financial information, and furnish or file other reports on Form 6-K with the US Securities and Exchange Commission (SEC) pursuant to the requirements of the Securities Exchange Act of 1934, as amended. The SEC reports of Credit Suisse Group AG and Credit Suisse AG are available to the public over the internet at the SEC’s website at www.sec.gov. The SEC reports of Credit Suisse Group AG and Credit Suisse AG are also available under “Investor Relations” on Credit Suisse Group AG’s website at www.credit-suisse.com and at the offices of the New York Stock Exchange, 20 Broad Street, New York, NY 10005.

Unless the context otherwise requires, references herein to “Credit Suisse Group,” “Credit Suisse,” “the Group,” “we,” “us” and “our” mean Credit Suisse Group AG and its consolidated subsidiaries and the term “the Bank” means Credit Suisse AG, the direct bank subsidiary of the Group, and its consolidated subsidiaries.

SEC regulations require certain information to be included in registration statements relating to securities offerings. Such additional information for the Group and the Bank is included in this report on Form 6-K, which should be read together with the Group’s and the Bank’s annual report on Form 20-F for the year ended December 31, 2018 (Credit Suisse 2018 20-F) filed with the SEC on March 22, 2019 and the Group’s earnings release for the first quarter of 2019 (Credit Suisse Earnings Release 1Q19), filed with the SEC as Exhibit 99.1 hereto.

This report filed on Form 6-K also contains certain information about the Bank relating to its results as of and for the three months ended March 31, 2019. Credit Suisse AG, a Swiss bank and joint stock corporation established under Swiss law, is a wholly-owned subsidiary of the Group. Credit Suisse AG’s registered head office is in Zurich, and it has additional executive offices and principal branches in London, New York, Hong Kong, Singapore and Tokyo. References herein to “CHF” are to Swiss francs.

Forward-looking statements

This Form 6-K and the information incorporated by reference in this Form 6-K include statements that constitute forward-looking statements. In addition, in the future the Group, the Bank and others on their behalf may make statements that constitute forward-looking statements.

When evaluating forward-looking statements, you should carefully consider the cautionary statement regarding forward-looking information, the risk factors and other information set forth in the Credit Suisse 2018 20-F, subsequent annual reports on Form 20-F filed by the Group and the Bank with the SEC, the Group’s and the Bank’s reports on Form 6-K furnished to or filed with the SEC and other uncertainties and events.

Group and Bank differences

The business of the Bank is substantially the same as the business of the Group, and substantially all of the Bank's operations are conducted through the Swiss Universal Bank, International Wealth Management, Asia Pacific, Global Markets, Investment Banking & Capital Markets and, until December 31, 2018, the Strategic Resolution Unit segments. Certain Corporate Center activities of the Group, such as hedging activities relating to share-based compensation awards, are not applicable to the Bank. Certain other assets, liabilities and results of operations, primarily relating to Credit Suisse Services AG (our Swiss service company) and its subsidiary, are managed as part of the activities of the Group's segments. However, they are legally owned by the Group and are not part of the Bank's consolidated financial statements.

Comparison of consolidated statements of operations

| in | 1Q19 | Bank 1Q18 | 1Q19 | Group 1Q18 |
|---|-------|--------------|-------|---------------|
| Statements of operations (CHF million) | | | | |
| Net revenues | 5,435 | 5,585 | 5,387 | 5,636 |
| Total operating expenses | 4,363 | 4,627 | 4,244 | 4,534 |
| Income before taxes | 991 | 910 | 1,062 | 1,054 |
| Net income | 629 | 611 | 749 | 692 |
| Net income attributable to shareholders | 626 | 611 | 749 | 694 |

Comparison of consolidated balance sheets

| end of | 1Q19 | Bank 4Q18 | 1Q19 | Group 4Q18 |
|--|---------|--------------|---------|---------------|
| Balance sheet statistics (CHF million) | | | | |
| Total assets | 796,388 | 772,069 | 793,636 | 768,916 |
| Total liabilities | 750,101 | 726,075 | 749,705 | 724,897 |

Capitalization and indebtedness

| end of | 1Q19 | Bank 4Q18 | 1Q19 | Group 4Q18 |
|---|----------------|----------------|----------------|----------------|
| Capitalization and indebtedness (CHF million) | | | | |
| Due to banks | 18,800 | 15,220 | 18,780 | 15,220 |
| Customer deposits | 368,494 | 365,263 | 367,147 | 363,925 |
| Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions | 20,618 | 24,623 | 20,617 | 24,623 |
| Long-term debt | 159,322 | 153,433 | 160,261 | 154,308 |
| Other liabilities | 182,867 | 167,536 | 182,900 | 166,821 |
| Total liabilities | 750,101 | 726,075 | 749,705 | 724,897 |
| Total equity | 46,287 | 45,994 | 43,931 | 44,019 |
| Total capitalization and indebtedness | 796,388 | 772,069 | 793,636 | 768,916 |

BIS capital metrics

| end of | 1Q19 | Bank 4Q18 | 1Q19 | Group 4Q18 |
|--|---------|--------------|---------|---------------|
| Capital and risk-weighted assets (CHF million) | | | | |
| CET1 capital | 40,211 | 38,915 | 36,556 | 35,824 |
| Tier 1 capital | 49,756 | 48,231 | 47,032 | 46,040 |
| Total eligible capital | 53,663 | 52,431 | 50,939 | 50,239 |
| Risk-weighted assets | 291,199 | 286,081 | 290,098 | 284,582 |
| Capital ratios (%) | | | | |
| CET1 ratio | 13.8 | 13.6 | 12.6 | 12.6 |
| Tier 1 ratio | 17.1 | 16.9 | 16.2 | 16.2 |
| Total capital ratio | 18.4 | 18.3 | 17.6 | 17.7 |

Selected financial data – Bank

Condensed consolidated statements of operations

| in | 1Q19 | 1Q18 | % change |
|---|--------------|--------------|----------|
| Condensed consolidated statements of operations (CHF million) | | | |
| Interest and dividend income | 4,821 | 4,452 | 8 |
| Interest expense | (3,273) | (2,836) | 15 |
| Net interest income | 1,548 | 1,616 | (4) |
| Commissions and fees | 2,579 | 3,006 | (14) |
| Trading revenues | 856 | 514 | 67 |
| Other revenues | 452 | 449 | 1 |
| Net revenues | 5,435 | 5,585 | (3) |
| Provision for credit losses | 81 | 48 | 69 |
| Compensation and benefits | 2,304 | 2,348 | (2) |
| General and administrative expenses | 1,745 | 1,823 | (4) |
| Commission expenses | 314 | 344 | (9) |
| Restructuring expenses | – | 112 | – |
| Total other operating expenses | 2,059 | 2,279 | (10) |
| Total operating expenses | 4,363 | 4,627 | (6) |
| Income before taxes | 991 | 910 | 9 |
| Income tax expense | 362 | 299 | 21 |
| Net income | 629 | 611 | 3 |
| Net income/(loss) attributable to noncontrolling interests | 3 | 0 | – |
| Net income attributable to shareholders | 626 | 611 | 2 |

Selected financial data – Bank (continued)

Condensed consolidated balance sheets

| end of | 1Q19 | 4Q18 | % change |
|---|----------------|----------------|----------|
| Assets (CHF million) | | | |
| Cash and due from banks | 93,984 | 99,314 | (5) |
| Interest-bearing deposits with banks | 894 | 1,074 | (17) |
| Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions | 116,151 | 117,095 | (1) |
| Securities received as collateral | 49,472 | 41,696 | 19 |
| Trading assets | 145,070 | 133,859 | 8 |
| Investment securities | 1,714 | 1,477 | 16 |
| Other investments | 4,797 | 4,824 | (1) |
| Net loans | 298,841 | 292,875 | 2 |
| Goodwill | 4,093 | 4,056 | 1 |
| Other intangible assets | 224 | 219 | 2 |
| Brokerage receivables | 42,309 | 38,907 | 9 |
| Other assets | 38,839 | 36,673 | 6 |
| Total assets | 796,388 | 772,069 | 3 |
| Liabilities and equity (CHF million) | | | |
| Due to banks | 18,800 | 15,220 | 24 |
| Customer deposits | 368,494 | 365,263 | 1 |
| Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions | 20,618 | 24,623 | (16) |
| Obligation to return securities received as collateral | 49,472 | 41,696 | 19 |
| Trading liabilities | 39,544 | 42,171 | (6) |
| Short-term borrowings | 27,055 | 22,419 | 21 |
| Long-term debt | 159,322 | 153,433 | 4 |
| Brokerage payables | 37,942 | 30,923 | 23 |
| Other liabilities | 28,854 | 30,327 | (5) |
| Total liabilities | 750,101 | 726,075 | 3 |
| Total shareholder's equity | 45,570 | 45,296 | 1 |
| Noncontrolling interests | 717 | 698 | 3 |
| Total equity | 46,287 | 45,994 | 1 |
| Total liabilities and equity | 796,388 | 772,069 | 3 |
| BIS statistics (Basel III) | | | |
| end of | 1Q19 | 4Q18 | % change |
| Eligible capital (CHF million) | | | |
| Common equity tier 1 (CET1) capital | 40,211 | 38,915 | 3 |
| Tier 1 capital | 49,756 | 48,231 | 3 |
| Total eligible capital | 53,663 | 52,431 | 2 |
| Capital ratios (%) | | | |
| CET1 ratio | 13.8 | 13.6 | – |
| Tier 1 ratio | 17.1 | 16.9 | – |
| Total capital ratio | 18.4 | 18.3 | – |

Exhibit

No. Description

99.1 Credit Suisse Earnings Release 1Q19

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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

(Registrants)

Date: April 24, 2019

By:

/s/ Tidjane Thiam

Tidjane Thiam

Chief Executive Officer

/s/ David R. Mathers

David R. Mathers

Chief Financial Officer

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