CREDIT SUISSE GROUP
Form 6-K
November 02, 2006

FORM 6-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934**

For the month of November 2nd, 2006

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 office)

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 the registrant by furnishing the information contained in this Form 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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Media Release

Credit Suisse Group reports net income of CHF 6.7 billion for the first nine months of 2006 and net income of CHF 1.9 billion for the third quarter

Credit Suisse Group today reported net income of CHF 1,892 million for the third quarter of 2006, compared to net income of CHF 1,918 million in the third quarter of 2005.

Basic earnings per share improved to CHF 1.74 for the quarter, compared to CHF 1.67 in the third quarter of 2005.

For the first nine months of 2006, the Group's net income was CHF 6,654 million, compared to net income of CHF 4,747 million in the corresponding period of 2005.

Net new assets totaled CHF 31.0 billion in the third quarter of 2006.

Financial highlights

in CHF million	**3Q2006**	Change in % vs 2Q2006	Change in % vs 3Q2005	**9 mths 2006**	Change in % vs 9 mths 2005
Net revenues	**8,076**	(8)	(1)	**27,789**	21
Total operating expenses	**5,656**	1	0	**17,894**	7
Net income	**1,892**	(12)	(1)	**6,654**	40
Return on equity - Group	**18.9%**	-	-	**21.7%**	-
Return on equity - Banking	**19.0%**	-	-	**23.4%**	-
Basic earnings per share (CHF)	**1.74**	-	-	**6.00**	-
BIS tier 1 ratio (at quarter end)	**10.8%**	-	-	-	-

Zurich, November 2, 2006 "We achieved a good overall performance in the first nine months of 2006, with a 40% increase in net income. However, in the third quarter our Wealth Management result was seasonally lower, while our Investment Banking business reported good results in fixed income but was impacted by lower equity trading revenues," stated Oswald J. Gruebel, CEO of Credit Suisse Group.

He added: "We are continuing to make progress with our integrated banking model and are intensifying efforts to strengthen our operating results with the aim of delivering a sustained improvement in profitability."

Credit Suisse segment results

in CHF million		**3Q2006**	Change in % vs 2Q2006	Change in % vs 3Q2005	**9 mths 2006**	Change in % vs 9 mths 2005
Investment Banking	Net revenues	**4,191**	(6)	(5)	**14,384**	22
	Total operating expenses	**3,452**	10	(1)	**10,833**	3
	Income from continuing operations before taxes	**758**	(41)	(19)	**3,609**	175
Private Banking	Net revenues	**2,682**	(8)	(1)	**8,705**	12
	Total operating expenses	**1,679**	(6)	0	**5,284**	8
	Income from continuing operations before taxes	**1,022**	(9)	(1)	**3,453**	17
Asset Management	Net revenues	**692**	3	7	**2,123**	4
	Total operating expenses	**535**	(18)	19	**1,704**	33
	Income from continuing operations before taxes	**158**	485	(21)	**419**	(45)

Investment Banking

The Investment Banking segment reported income from continuing operations before taxes of CHF 758 million in the third quarter of 2006, a decrease of 19% compared to the third quarter of 2005. Net revenues were down 5% to CHF 4,191 million compared to the third quarter of 2005, primarily reflecting lower equity trading revenues. Lower revenues in equity underwriting and advisory and other fees compared to the third quarter of 2005 were partly offset by an increase in debt underwriting and fixed income trading revenues. Total operating expenses decreased 1% compared to the third quarter of 2005 due primarily to lower compensation accruals in line with lower revenues, partially offset by higher commission expenses resulting from higher transaction volumes. The compensation/revenue ratio was 53.5% in the third quarter of 2006, an improvement of 2.0 percentage points compared to the full-year 2005 level. The pre-tax income margin declined to 18.1% in the third quarter of 2006 from 21.3% in the third quarter of 2005, and the pre-tax return on average economic risk capital decreased to 21.5% from 28.9% in the third quarter of 2005. For the first nine months of 2006, Investment Banking reported a pre-tax income margin of 25.1% and a pre-tax return on average economic risk capital of 32.8%.

Private Banking

The Private Banking segment, which comprises the Wealth Management and Corporate & Retail Banking businesses, reported income from continuing operations before taxes of CHF 1,022 million in the third quarter of 2006, almost unchanged compared to the same period of 2005. Net revenues decreased slightly to CHF 2,682 million in the third quarter of 2006, as strong asset-based revenues related to the increased level of assets under management were offset by lower transaction-based revenues, reflecting reduced client activity throughout much of the third quarter. Total operating expenses were flat compared to the third quarter of 2005, as higher personnel expenses related to ongoing growth initiatives in Wealth Management were offset by lower performance-related compensation accruals and continuing cost management. The pre-tax income margin of 38.1% was almost unchanged from the third quarter of 2005.

The ***Wealth Management*** business reported income from continuing operations before taxes of CHF 684 million in the third quarter of 2006, a decrease of 5% compared to the third quarter of 2005, as marginally lower net revenues were accompanied by a slight increase in total operating expenses. The pre-tax income margin was 37.1% for the third quarter of 2006, down 1.6 percentage points compared to the same period of 2005. Net new assets amounted to CHF 10.9 billion, resulting in a rolling four quarter average growth rate of 7.2% in the third quarter of 2006.

The ***Corporate & Retail Banking*** business reported income from continuing operations before taxes of CHF 338 million in the third quarter of 2006, up 7% compared to the third quarter of 2005, primarily reflecting a reduction in total operating expenses. The pre-tax income margin rose by 3.2 percentage points to 40.3% compared to the third quarter of 2005. The pre-tax return on average economic risk capital was 48.1% in the third quarter of 2006, an improvement of 8.1 percentage points compared to the same period of 2005.

Asset Management

The Asset Management segment reported income from continuing operations before taxes of CHF 158 million in the third quarter of 2006, a decrease of 21% compared to the third quarter of 2005. Net revenues grew by 7% to CHF 692 million compared to the third quarter of 2005. This increase was driven primarily by stronger asset management revenues as a result of the growth in assets under management over the previous 12 months. Private equity and other investment-related gains totaled CHF 89 million, a decrease of 36% compared to the strong third quarter of 2005. Total operating expenses rose 19% compared to the third quarter of 2005, mainly reflecting costs associated with the realignment of the Asset Management business, higher compensation and benefits and increased commission expenses. The pre-tax income margin for the third quarter of 2006 was 22.8%, a decrease of 8.1 percentage points compared to the third quarter of 2005. Asset Management reported CHF 21.2 billion of net new assets in the third quarter of 2006. As of September 30, 2006, assets under management totaled CHF 659.6 billion, of which CHF 135.3 billion were alternative investment assets.

Net new assets

The Wealth Management business recorded CHF 10.9 billion of net new assets in the third quarter of 2006, reflecting inflows from key markets in all regions. For the first nine months of 2006, Wealth Management reported net new assets of CHF 41.9 billion, representing an annualized growth rate of 8.1%. The Asset Management business reported CHF 21.2 billion of net new assets in the third quarter of 2006, including alternative investment assets of CHF 6.2 billion. Overall, Credit Suisse Group recorded CHF 31.0 billion of net new assets in the third quarter of 2006. The Group’s total assets under management were CHF 1,454.3 billion as of September 30, 2006, an increase of 6% compared to June 30, 2006.

Winterthur

Prior to the second quarter of 2006, Winterthur was reported as a separate segment of Credit Suisse Group. Due to the agreement to sell Winterthur that was announced in June 2006, the Group's financial results now reflect this business as discontinued operations. Winterthur generated income from discontinued operations, net of tax, of CHF 424 million in the third quarter of 2006.

Outlook

Credit Suisse believes the economic outlook for 2007 is positive in view of the financial strength of corporations, the robustness of the financial services industry and the growth prospects for the emerging markets. As global energy and commodity prices remain subdued, it expects to see only very modest increases in global interest rates in the coming months. In addition, it sees further upside potential in equity market valuations, although periodic setbacks are possible. As it moves towards the end of the year, Credit Suisse's pipeline of business is strong.

Information

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For additional information on Credit Suisse Group's third-quarter 2006 results, please refer to the Group's Quarterly Report 2006/Q3, as well as the Group's slide presentation for analysts and the press, which are available on the Internet at: www.credit-suisse.com/results

Credit Suisse Group

Credit Suisse Group is a leading global financial services company headquartered in Zurich. Credit Suisse, the banking business of Credit Suisse Group, provides its clients with investment banking, private banking and asset management services worldwide. Credit Suisse offers advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as retail clients in Switzerland. Credit Suisse Group also includes Winterthur, a Swiss general insurer with a focus on international business activities. Credit Suisse Group is active in over 50 countries and employs approximately 63,000 people. Credit Suisse Group's registered shares (CSGN) are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse Group and Credit Suisse can be found at www.credit-suisse.com. Further information about Winterthur can be found at www.winterthur.com.

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 implement procedures properly; (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 brand; (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 acquired businesses successfully, and divestitures, including the ability to sell non-core assets; (xviii) the adverse resolution of litigation and other contingencies; and (xix) 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.

Presentation of Credit Suisse Group's Third-Quarter 2006 Results via Audio Webcast and Telephone Conference

Date	Thursday, November 2, 2006	
Time	10:00 CET / 09:00 GMT / 04:00 EST	
Speaker	Renato Fassbind, Chief Financial Officer of Credit Suisse Group The presentation will be held in English.	
Audio Webcast	www.credit-suisse.com/results	
Telephone	Europe:	+41 91 610 5600
	UK:	+44 207 107 0611
	US:	+1 866 291 4166
	Reference: 'Credit Suisse Group quarterly results'	
Q&A session	You will have the opportunity to ask questions during the telephone conference following the presentation.	
Playbacks	Audio playback available approximately 3 hours after the event at: www.credit-suisse.com/results	
	Telephone replay available approximately 1 hour after the event on	
	Europe:	+41 91 612 4330
	UK:	+44 207 108 6233
	US:	+1 866 416 2558
	Conference ID: 180# (please note: this is a new number to replace 962# in the invitation).	
Note	We recommend that you dial in approximately 10 minutes before the start of the presentation for the audio webcast and telephone conference. Further instructions and technical test functions are available on our website.	

Credit Suisse Group

Quarterly Report 2006/Q3

Cover: Charlene Yu, Private Banking, Hong Kong Photographer: John Wildgoose

Credit Suisse Group financial highlights

in CHF m, except where indicated	3Q 2006	2Q 2006	3Q 2005	Change in % from 2Q 2006	Change in % from 3Q 2005	9 months 2006	9 months 2005	Change in % from 2005
Consolidated statements of income								
Net revenues	**8,076**	8,788	8,123	(8)	(1)	**27,789**	22,923	21
Income from continuing operations before taxes,minority interests, extraordinary items andcumulative effect of accounting changes	**2,460**	3,178	2,538	(23)	(3)	**9,986**	6,342	57
Net income	**1,892**	2,158	1,918	(12)	(1)	**6,654**	4,747	40
Return on equity								
Return on equity – Group	**18.9%**	21.6%	20.1%	–	–	**21.7%**	16.9%	–
Return on equity – Banking [1]	**19.0%**	23.4%	22.7%	–	–	**23.4%**	18.1%	–
Earnings per share								
Basic earnings per share, in CHF	**1.74**	1.94	1.67	–	–	**6.00**	4.16	–
Diluted earnings per share, in CHF	**1.67**	1.86	1.63	–	–	**5.75**	4.05	–
Cost/income ratio – reported	**70.0%**	63.7%	69.3%	–	–	**64.4%**	72.8%	–
Cost/income ratio [2]	**75.9%**	69.4%	74.0%	–	–	**71.1%**	77.9%	–
Net new assets, in CHF bn	**31.0**	30.1	18.7	–	–	**88.5**	47.4	–

in CHF m, except where indicated	30.09.06	30.06.06	31.12.05	Change in % from 30.06.06	Change in % from 31.12.05
Assets under management, in CHF bn	**1,454.3**	1,370.9	1,333.9	6.1	9.0
Consolidated balance sheets					
Total assets	**1,473,113**	1,404,562	1,339,052	5	10
Shareholders' equity	**41,643**	38,882	42,118	7	(1)
Consolidated BIS capital data					
Risk-weighted assets	**252,139**	244,931	232,891	3	8
Tier 1 ratio	**10.8%**	10.6%	11.3%	–	–
Total capital ratio	**13.2%**	13.4%	13.7%	–	–
Number of employees					
Switzerland – Banking	**20,261**	20,069	20,194	1	0
Outside Switzerland – Banking	**24,456**	24,027	24,370	2	0
Winterthur 3)	**18,984**	18,944	18,959	0	0
Number of employees (full-time equivalents)	**63,701**	63,040	63,523	1	0
Stock market data					
Share price per registered share, in CHF	**72.35**	68.40	67.00	6	8
High (closing price) year-to-date, in CHF	**74.20**	78.90	68.50	(6)	8
Low (closing price) year-to-date, in CHF	**62.70**	62.85	46.85	0	34
Share price per American Depositary Share, in USD	**57.95**	55.99	50.95	4	14
Market capitalization, in CHF m	**77,946**	74,393	75,399	5	3
Market capitalization, in USD m	**62,432**	60,896	57,337	3	9
Book value per share, in CHF	**38.65**	35.75	37.43	8	3
Share information					
Shares issued	**1,214,054,870**	1,247,893,498	1,247,752,166	(3)	(3)
Treasury shares	**(136,710,156)**	(160,272,952)	(122,391,983)	(15)	12
Shares outstanding	**1,077,344,714**	1,087,620,546	1,125,360,183	(1)	(4)

1) Excludes the shareholder's equity and net income of Winterthur, including intercompany transactions between Winterthur and the Group. 2) Excludes minority interest revenues of CHF 640 million, CHF 741 million, CHF 523 million, CHF 2,665 million and CHF 1,520 million and minority interest expenses of CHF 10 million, CHF 13 million, CHF 5 million, CHF 32 million and CHF 17 million in 3Q 2006, 2Q 2006, 3Q 2005, nine months 2006 and nine months 2005, respectively, from the consolidation of certain private equity funds and other entities in which the Group does not have a significant economic interest in such revenues and expenses. 3) In June 2006, the Group announced a definitive agreement for the sale of Winterthur.

Financial calendar

Fourth quarter / full year results 2006	Thursday, February 15, 2007

Annual General Meeting	Friday, May 4, 2007
First quarter results 2007	Wednesday, May 2, 2007

Contents

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Oswald J. Grübel
Chief Executive Officer

Message from the Chief Executive Officer

Dear shareholders, clients and colleagues
We achieved a good overall performance in the first nine months of 2006, with a 40% increase in net income. Our thirdquarter result reflects seasonally lower client activity in Private Banking in July and August, while our Investment Banking business reported good results in fixed income but was impacted by lower equity trading revenues. Net income for the third quarter totaled CHF 1.9 billion and was almost unchanged compared to the corresponding period of 2005. Basic earnings per share improved to CHF 1.74 from CHF 1.67 in the third quarter of 2005. Net new assets totaled CHF 31.0 billion in the third quarter of 2006. Our return on equity was 18.9%, with a return on equity of 19.0% in the banking business.

Credit Suisse Group's consolidated BIS tier 1 ratio was 10.8% as of September 30, 2006, up from 10.6% as of June 30, 2006. In the third quarter of 2006, the Group continued the share buyback program that was approved by shareholders at the Annual General Meeting in 2005 and repurchased 11.3 million common shares in the amount of CHF 0.8 billion and extinguished 34 million common shares in the amount of CHF 1.9 billion. Since the program was initiated, 62.7 million common shares in the amount of CHF 3.9 billion have been repurchased.

Investment Banking
Investment Banking reported a solid third-quarter performance in key areas such as fixed income trading and debt underwriting, which was offset by lower equity trading revenues. As a result, net revenues declined 5% compared to the third quarter of 2005. Income from continuing operations before taxes decreased 19% versus the same period of

2005. Third-quarter highlights in Investment Banking included improved market share in announced mergers and acquisitions following our participation in two of the top three transactions announced in the quarter, reflecting our market leadership in leveraged buyout transactions. Credit Suisse advised clients in six of the top ten leveraged buyouts announced globally this year for a total transaction value of USD 92 billion.

Private Banking

The increased level of assets under management generated strong asset-based revenue streams in Private Banking, while revenues from brokerage and product issuance were impacted by lower client activity in July and August. Overall, net revenues came in slightly lower in the third quarter of 2006 compared to the same period of 2005, while total operating expenses were flat. We are continuing to invest in the global expansion of our Wealth Management business, growing our onshore presence and rolling out advisory services in key international markets. In the third quarter, we launched operations in Moscow, becoming one of the first international banks to offer onshore wealth management services to meet the needs of clients in Russia who are increasingly seeking local access to global execution capabilities and integrated solutions. Net new assets totaled CHF 10.9 billion in Wealth Management, with inflows from key markets in all regions. In the third quarter, our Swissbased Corporate & Retail Banking business received Global Finance Magazine 's "Best Trade Finance Bank in Switzerland" award for the sixth consecutive year and the "Best Sub-Custodian in Switzerland" award for the third consecutive year.

Asset Management

In August 2006, we announced our plans to realign our Asset Management business as part of our efforts to better leverage our asset management capabilities in the integrated bank. During the third quarter, we implemented a series of initiatives that were launched as part of this realignment, including the repositioning of businesses with low profitability, the assessment and streamlining of our product portfolio, the launch of new sales processes and initiatives, the enhancement of our investment processes and capabilities, and measures to lower the overall cost base. While systematically implementing these efforts to create a sustainable platform for growth, Asset Management generated a 7% increase in net revenues compared to the third quarter of 2005 and strong net new asset inflows of CHF 21.2 billion, including alternative investment assets of CHF 6.2 billion. The alternative investment business is a key element of our strategy in Asset Management. The success of this business is underscored by the fact that we had alternative investment assets of CHF 135.3 billion under management at the end of the third quarter, making us one of the leading managers of alternative investment assets globally.

Priorities and initiatives going forward

Following the implementation of our integrated banking model, we now have the necessary organizational framework in place to efficiently expand our international presence and to exploit synergies throughout Credit Suisse. While we are making steady progress with integrating the bank, we will maintain our earnings momentum and grow the business.

We are also looking at how we can best leverage our capabilities and resources on a global scale. This includes measures such as the establishment of Centers of Excellence that supply high-quality services to our businesses at competitive costs. At the beginning of November, we announced a plan to open a further Center of Excellence in Pune, India, in January 2007. This new facility will complement our two existing Centers of Excellence in Singapore and Raleigh, North Carolina.

Moving towards a truly global organization

Credit Suisse has long recognized the importance of maintaining a close proximity to clients and the markets in which they operate in order to compete successfully in the increasingly globalized financial services industry. We remain committed to the targeted international expansion of our business. In the third quarter, Credit Suisse continued to seize growth opportunities in developed markets and to strengthen operations in expanding markets. In addition to the establishment of our onshore wealth management services in Russia, we also continued to build on our long-standing commitment to the Middle East and announced a new investment partnership with the Abu Dhabi Future Energy Company (ADFEC) in August. Under the terms of this alliance, Credit Suisse, ADFEC and other partners will commit capital to projects and funds focused on alternative energy investments. In addition, we strengthened our distribution capabilities in Australia by entering into a strategic alliance with the Melbourne-based stockbroker Baillieu. This will provide us with access to new retail distribution channels and will enable us to grow our capital markets business in the Australian market going forward. In October 2006, Global Infrastructure Partners (GIP), a Credit Suisse joint venture with General Electric Infrastructure, signed a definitive agreement to acquire London City Airport together with AIG Financial Products Corporation, each owning 50%.

The global economy is creating attractive new opportunities for financial services providers as the generation of wealth in rapidly growing economies fuels demand for innovative and holistic financial products and advice. As an integrated global bank, we have the infrastructure and capabilities to provide clients in both mature and developing markets worldwide with direct local access to our entire range of offerings, thus systematically broadening our revenue base and advancing towards our ultimate goal of sustained and profitable growth.

Outlook

We believe the economic outlook for 2007 is positive in view of the financial strength of corporations, the robustness of the financial services industry and the growth prospects for the emerging markets. As global energy and commodity prices remain subdued, we expect to see only very modest increases in global interest rates in the coming months. In addition, we see further upside potential in equity market valuations, although periodic setbacks are possible. As we move towards the end of the year, our pipeline of business is strong.

Yours sincerely

Oswald J. Grübel
November 2006

Credit Suisse Group

Credit Suisse Group reported net income of CHF 1,892 million in the third quarter of 2006, a decrease of CHF 26 million or 1% compared to the third quarter of 2005. Private Banking's income from continuing operations before taxes was almost unchanged compared to the third quarter of 2005, as higher asset-based revenues related to assets under management growth were offset by lower transaction-based revenues. Investment Banking reported lower income from continuing operations before taxes, primarily reflecting lower equity trading revenues. Asset Management reported lower income from continuing operations before taxes, primarily reflecting higher operating expenses and a decline in private equity and other investment-related gains compared to the strong third quarter of 2005.

Summary of segment results

Investment Banking

Investment Banking reported income from continuing operations before taxes of CHF 758 million in the third quarter of 2006, a decrease of CHF 181 million, or 19%, compared to the third quarter of 2005. Net revenues were CHF 4,191 million, a decrease of CHF 210 million, or 5%, compared to the third quarter of 2005, primarily as a result of lower equity trading revenues.

Total operating expenses decreased CHF 50 million, or 1%, compared to the third quarter of 2005. The expense reduction was primarily the result of lower compensation accruals in line with lower revenues, offset in part by higher commission expenses related to increased transaction volumes. The compensation/revenue ratio was 53.5% in the third quarter of 2006, a decline from the full-year 2005 level of 55.5%.

Pre-tax income margin was 18.1% compared to 21.3% in the third quarter of 2005.

Private Banking

Private Banking reported income from continuing operations before taxes of CHF 1,022 million in the third quarter of 2006, almost unchanged compared to the third quarter of 2005. Net revenues were slightly lower at CHF 2,682 million, as strong asset-based revenues related to the growth in assets under management were offset by lower transaction-based revenues. Net interest income increased CHF 63 million, or 7%, largely as a result of an increase in the liability margin. Trading revenues declined CHF 98 million, or 44%, compared to the third quarter of 2005, reflecting lower client activity and a negative impact from changes in the fair value of interest rate derivatives.

Total operating expenses were CHF 1,679 million, flat compared to the third quarter of 2005. Slightly lower compensation and benefits reflected higher expenses associated with ongoing strategic growth initiatives in Wealth Management that were more than offset by lower performance-related compensation accruals. Other expenses were flat reflecting higher marketing activity and growth-related costs offset by lower commission expenses and infrastructure-related costs. Pre-tax income margin was 38.1% for the third quarter of 2006, almost unchanged compared to the third quarter of 2005.

Healthy net new assets of CHF 11.1 billion were reported in the third quarter of 2006, with inflows from all regions.

Asset Management

Asset Management reported income from continuing operations before taxes of CHF 158 million in the third quarter of 2006, a decrease of CHF 42 million, or 21%, compared to the third quarter of 2005. A 7% increase in net revenues was more than offset by a 19% increase in total operating expenses, primarily relating to additional business realignment costs of CHF 40 million and higher commission expenses in line with higher assets under management.

Net revenues increased CHF 44 million to CHF 692 million compared to the third quarter of 2005, as net revenues before private equity and other investment-related gains increased CHF 94 million, or 18%, largely driven by higher management fees. Private equity and other investment-related gains were CHF 89 million, CHF 50 million, or 36%, lower than the strong third quarter of 2005.

Total operating expenses were CHF 535 million, CHF 87 million higher than the third quarter of 2005. Compensation and benefits increased CHF 33 million, or 13%, to CHF 286 million due to costs associated with the business realignment and the ongoing efforts to hire new investment talent. Other expenses increased CHF 54 million, or 28%, primarily as a result of higher commission expenses, in line with higher assets under management, higher professional fees and costs associated with the realignment.

Assets under management increased to CHF 659.6 billion as of September 30, 2006 from CHF 615.2 billion as of June 30, 2006, reflecting CHF 21.2 billion of net new assets and positive market and foreign exchange-related movements.

Sale of Winterthur

In June 2006, the Group announced a definitive agreement for the sale of Winterthur to AXA for cash consideration of CHF 12.3 billion. The gain on the sale will be recognized at the time of closing, which is expected to occur by the end of 2006, subject to regulatory approvals and closing conditions. As of September 30, 2006, Winterthur's shareholder's equity was CHF 9.9 billion.

For further details regarding the sale of Winterthur, see "Discontinued operations" below and "Notes to the condensed consolidated financial statements unaudited Discontinued operations."

The following tables set forth an overview of segment results:

3Q 2006, in CHF m	Investment Banking	Private Banking	Asset Management	Corporate Center 1)	Credit Suisse Group
Net revenues	**4,191**	**2,682**	**692**	**511**	**8,076**
Provision for credit losses	**(19)**	**(19)**	**(1)**	**(1)**	**(40)**
Compensation and benefits	2,241	910	286	(10)	**3,427**
Other expenses	1,211	769	249	0	**2,229**
Total operating expenses	**3,452**	**1,679**	**535**	**(10)**	**5,656**
Income from continuing operations before taxes and minority interests	**758**	**1,022**	**158**	**522** 2)	**2,460**

3Q 2005, in CHF m	Investment Banking	Private Banking	Asset Management	Corporate Center 1)	Credit Suisse Group
Net revenues	**4,401**	**2,716**	**648**	**358**	**8,123**
Provision for credit losses	**(40)**	**(6)**	**0**	**0**	**(46)**
Compensation and benefits	2,373	918	253	51	**3,595**
Other expenses	1,129	767	195	(55)	**2,036**
Total operating expenses	**3,502**	**1,685**	**448**	**(4)**	**5,631**
Income from continuing operations before taxes and minority interests	**939**	**1,037**	**200**	**362** 3)	**2,538**

1) Includes consolidation eliminations, revenues and expenses from certain parent company investments and certain other revenues and expenses not allocated to the segments. 2) Includes minority interest income of CHF 630 million from the consolidation of certain private equity funds and other entities in which the Group does not have a significant economic interest in such income. 3) Includes minority interest income of CHF 518 million from the consolidation of certain private equity funds and other entities in which the Group does not have a significant economic interest in such income.

The following table presents the Group's condensed consolidated statement of income:

	Credit Suisse Group		
in CHF m	3Q 2006	3Q 2005	Change in % from 3Q 2005
Net revenues	**8,076**	8,123	(1)
Provision for credit losses	**(40)**	(46)	(13)
Compensation and benefits	**3,427**	3,595	(5)
Other expenses	**2,229**	2,036	9
Total operating expenses	**5,656**	5,631	0
Income from continuing operations before taxes and minority interests	**2,460**	2,538	(3)
Income tax expense/(benefit)	**367**	512	(28)
Minority interests	**625**	490	28
Income from continuing operations	**1,468**	1,536	(4)
Income from discontinued operations, net of tax	**424**	382	11
Net income	**1,892**	1,918	(1)

The results of operations of Winterthur, which were reported as a separate segment of the Group prior to the second quarter of 2006, are now reflected in "Income from discontinued operations, net of tax" for all periods presented. For further details regarding the sale of Winterthur, see "Notes to the condensed consolidated financial statements - unaudited - Discontinued operations."

Credit Suisse Group consolidated results

The Group recorded net income of CHF 1,892 million in the third quarter of 2006, a decrease of CHF 26 million, or 1%, compared to the third quarter of 2005. Basic earnings per share increased to CHF 1.74, compared with CHF 1.67 in the third quarter of 2005. The return on equity in the third quarter 2006 was 18.9% compared to 20.1% in the third quarter of 2005.

Net revenues

The Group reported net revenues of CHF 8,076 million, a decrease of CHF 47 million, compared to the third quarter of 2005 and a decrease of CHF 712 million, or 8%, compared to the second quarter of 2006.

Net interest income was CHF 1,607 million in the third quarter of 2006, slightly lower compared to the third quarter of 2005 primarily reflecting higher interest rates on increased short-term borrowings and long-term debt. Compared to the second quarter of 2006, net interest income declined CHF 259 million, or 14%, due mainly to higher dividend income received during the second quarter.

Commissions and fees increased CHF 226 million, or 6%, to CHF 3,919 million compared to the third quarter of 2005, primarily as a result of higher asset management fees in Asset Management. Compared to the second quarter of 2006, commissions and fees decreased CHF 506 million, or 11%, primarily in Investment Banking, reflecting lower debt and equity underwriting revenues in a less favorable market environment.

Trading revenues were CHF 1,693 million, a decrease of CHF 330 million, or 16%, compared to the third quarter of 2005, reflecting weaker equity trading revenues in Investment Banking and lower client activity in Private Banking. Trading revenues increased CHF 322 million, or 23%, compared to the second quarter of 2006, primarily as a result of higher fixed income trading in Investment Banking.

Other revenues were CHF 857 million in the third quarter of 2006, an increase of CHF 77 million, or 10%, compared to CHF 780 million in the third quarter of 2005 primarily reflecting an increase in minority interest-related revenues. Other revenues include CHF 618 million in minority interest-related revenues from consolidated private equity funds and other entities in which the Group does not have a significant economic interest in such revenues. In comparison to the second quarter of 2006, other revenues decreased CHF 269 million, or 24%, primarily reflecting reductions in minority interest-related revenues. See “Minority interests” below.

Provision for credit losses

The Group reported a net release of provisions for credit losses of CHF 40 million in the third quarter of 2006 compared to a net release of CHF 46 million in the third quarter of 2005. The credit environment continued to be favorable in the third quarter of 2006.

Total operating expenses

The Group reported total operating expenses of CHF 5,656 million in the third quarter of 2006, flat compared to the third quarter of 2005. Compensation and benefits decreased CHF 168 million, or 5%, to CHF 3,427 million, primarily due to lower compensation accruals in Investment Banking.

Other expenses were CHF 2,229 million, an increase of CHF 193 million, or 9%, compared to the third quarter of 2005, largely as a result of higher commission expenses related to higher transaction activity levels.

Total operating expenses were slightly higher compared to the second quarter of 2006, which included credits from insurance settlements for litigation and related costs of CHF 474 million in Investment Banking partially offset by business realignment costs of CHF 152 million in Asset Management. Compensation and benefits decreased compared to the second quarter of 2006, primarily reflecting lower compensation accruals in Investment Banking and Private Banking.

Income tax expense

The Group recorded income tax expense of CHF 367 million in the third quarter of 2006 compared to CHF 512 million in the third quarter of 2005, reflecting the Group's lower pre-tax income and lower estimated annual effective tax rate of 23.0% (in both cases excluding non-taxable minority interest revenues and expenses). Income tax expense was positively impacted by the release of tax contingency accruals totaling CHF 44 million following the favorable resolution of certain matters with tax authorities during the third quarter of 2006.

The Group tax expense is not affected by minority interest revenues and expenses from consolidated private equity and other entities in which the Group does not have a significant economic interest in such revenues and expenses. The amount of non-taxable income relating to these investments varies from one period to the next and was CHF 630 million in the third quarter of 2006, compared to CHF 518 million in the third quarter of 2005.

The Group’s effective tax rate in the third quarter of 2006 was 15%, compared to 20% in the third quarter of 2005. Excluding the effect of non-taxable income from these investments, the Group’s effective tax rate in the third quarter of 2006 was 20%, compared to 25% in the third quarter of 2005.

Minority interests

The Group's net revenues and operating expenses reflect the consolidation of certain private equity funds and other entities in which the Group does not have a significant economic interest in such revenues and expenses. The consolidation of these entities does not affect net income as the amounts recorded in net revenues and expenses are offset by corresponding amounts reported as minority interests. This minority interest income, which is reported in the Corporate Center, was CHF 630 million in the third quarter of 2006, and is comprised of net revenues, primarily other revenues, of CHF 640 million and operating expenses of CHF 10 million.

The Group reported minority interests of CHF 625 million in the third quarter of 2006, an increase of CHF 135 million compared to the third quarter of 2005. This increase was primarily due to revenues from certain private equity funds and other entities that were consolidated for the first time during the first quarter of 2006. For further details, see "Notes to the condensed consolidated financial statements unaudited Recently adopted accounting standards."

Discontinued operations

As a result of the agreement for the sale of Winterthur, the results of operations of Winterthur are reflected in Income from discontinued operations, net of tax in the consolidated statements of income for all periods presented. The assets and liabilities of Winterthur have been presented as Assets of discontinued operations held-for-sale and Liabilities of discontinued operations held-for-sale , respectively, in the consolidated balance sheet as of September 30, 2006, and June 30, 2006. Net new assets and assets under management for the Group are presented for all periods excluding Winterthur. The results of discontinued operations in the third quarter of 2006 were CHF 424 million, which included the release of a provision of CHF 154 million related to the favorable resolution of a VAT dispute in the UK.

For further details regarding the sale of Winterthur and its results, see "Notes to the condensed consolidated financial statements unaudited Discontinued operations."

Factors affecting results of operations

The global equity market environment was mixed as the earlier part of the quarter was characterized by continued uncertainty about oil prices and the US Federal Reserve's plans for interest rates, while a more positive market tone was observed in the latter part of the quarter with a reduction in commodity prices and an easing of tensions in the Middle East.

The US stock markets started out weakly in the third quarter, but recovered strongly, with all major indices up for the quarter. The Dow Jones Industrial Average had its best third quarter (up 4.7% during the quarter) in eleven years, and its fifth consecutive quarterly increase. The Frankfurt Stock Exchange Index and the Swiss Market Index were also up during the quarter, however, turnover in the Swiss market was down 34% compared to the second quarter of 2006, which negatively affected Swiss private client activity. Most European and Asian stock markets also rose in the quarter, aided by diminished investor concern that central banks would increase interest rates.

The US Federal Reserve did not raise interest rates in early August, which resulted in a stock market rally through the end of the quarter. Both the European Central Bank and the Bank of Japan raised rates in the quarter, but recent inflation data in the third quarter were largely benign and were viewed as a signal that future rate increases would be gradual. The US yield curve remained inverted in the quarter and flattened globally as short-term interest rates continued to rise. Mixed trading conditions were observed throughout most of the quarter, as relatively weak activity levels began to recover in September.

Industry-wide volume of announced mergers and acquisitions transactions in the third quarter represented the slowest quarter for deal-making in a very active year, but was higher than the levels of the third quarter of 2005. Deals were announced from nearly all industry sectors with financial sponsors continuing to drive mergers and acquisitions activity. European merger activity continued to exceed that of the US.

Industry-wide volumes of global debt underwriting activity were slightly lower than the second quarter of 2006 despite the pause in interest rate increases in the US. A robust merger market and a high level of financing activity across many sectors helped drive debt issuance volume, with both investment grade and high yield debt volumes up from the third quarter of 2005.

The traditional summer slowdown and uncertainty in the equity markets at the beginning of the quarter affected equity underwriting volumes, which declined from both the record-setting second quarter of 2006 and the third quarter of 2005, which was characterized by an unusually strong market environment in which the typical summer slowdown did not occur. Equity underwriting activity increased later in the quarter as the stock market continued its rally in September. The number of global initial public offering deals brought to the market declined from both comparable periods, but initial public offering dollar volumes were up from the levels in the third quarter of 2005.

Credit Suisse Group structure

The Group’s business consists of three segments: Investment Banking, Private Banking and Asset Management. The three segments are complemented by Shared Services, which provides support in the areas of finance, legal and compliance, risk management, operations and information technology. Prior period results presented in this Quarterly Report have been revised to reflect the operational and management structure in place during 2006.

The Group’s segments are managed and reported on a pre-tax basis. Minority interest-related revenues and expenses resulting from the consolidation of certain private equity funds and other entities in which the Group does not have a significant economic interest in such revenues and expenses are reported in the Corporate Center. Net income is unaffected by the consolidation of these entities due to offsetting minority interests.

Investment Banking

Investment Banking provides financial advisory, lending and capital raising services and sales and trading to institutional, corporate and government clients worldwide.

Investment Banking reported income from continuing operations before taxes of CHF 758 million in the third quarter of 2006, a decrease of CHF 181 million, or 19%, compared to the third quarter of 2005. These results reflected solid revenues in fixed income trading and investment banking and lower equity trading revenues. Income from continuing operations before taxes decreased CHF 529 million, or 41%, compared to the second quarter of 2006. The results in the second quarter of 2006 included credits from insurance settlements for litigation and related costs of CHF 474 million. Excluding the insurance settlements, income from continuing operations before taxes decreased CHF 55 million, or 7%, from the second quarter of 2006. These results reflected weaker market conditions in July and August with a decline in customer activity from the first half of the year and a seasonal slowdown in deal activity.

For the first nine months of 2006, Investment Banking reported income from continuing operations before taxes of CHF 3,609 million, an increase of CHF 2,296 million, or 175%, compared to the first nine months of 2005. Excluding the insurance settlements in the second quarter of 2006 and the CHF 960 million charge to increase litigation reserves in the second quarter of 2005, income from continuing operations before taxes increased 38%.

Pre-tax income margin was 18.1%, and pre-tax return on average economic risk capital was 21.5% in the third quarter of 2006 compared to 21.3% and 28.9%, respectively, in the third quarter of 2005. For the first nine months of 2006, pre-tax income margin was 25.1%, and pre-tax return on average economic risk capital was 32.8%, exceeding Investment Banking's mid-term performance targets of 20% and 25%, respectively.

Net revenues were CHF 4,191 million, down CHF 210 million, or 5%, in the third quarter of 2006 compared to the third quarter of 2005, primarily reflecting lower revenues in equity trading. Net revenues decreased 6% from the strong performance in the second quarter of 2006.

Provision for credit losses amounted to a net release of CHF 19 million in the thir