

Press Jeanette A.
Form 4
October 03, 2018

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Press Jeanette A.

2. Issuer Name and Ticker or Trading Symbol
USG CORP [USG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O USG CORPORATION, 550
WEST ADAMS STREET

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
10/02/2018

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
Vice President

CHICAGO, IL 60661

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Code V Amount Price			
Common Stock	10/02/2018		A ⁽¹⁾	47 A \$ 43.38	16,951	D	
Common Stock					17.9	I	By 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Press Jeanette A. C/O USG CORPORATION 550 WEST ADAMS STREET CHICAGO, IL 60661			Vice President	

Signatures

/s/ Jonathan Dorfman,
Attorney-In-Fact

10/03/2018

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects the reinvestment of dividend equivalents in additional restricted stock units, as required by the applicable Restricted Stock Units Agreement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Results in / end of Swiss Universal Bank International Wealth Management

Asia
Pacific

Global
Markets Investment
Banking &
Capital
Markets

Corporate
Center

Core
Results
Strategic
Resolution
Unit

Credit

Suisse 6M18 (CHF million) **Net revenues 2,850 2,747 1,905 2,972 1,172 (36) 11,610 (379) 11,231 Provision for credit losses 69 4 17 16 16 0 122 (1) 121** Compensation and benefits 972 1,152 801 1,212 683 129 4,949 136 5,085 Total other operating expenses 693 674 636 1,301 304 48 3,656 263 3,919 of which restructuring expenses 55 54 26 98 61 1 295 24 319 **Total operating expenses 1,665 1,826 1,437 2,513 987 177 8,605 399 9,004 Income/(loss) before taxes 1,116 917 451 443 169 (213) 2,883 (777) 2,106** Income tax expense 760 **Net income 1,346** Net loss attributable to noncontrolling interests 5 **Net income attributable to shareholders 1,341** 6M17 (CHF million) **Net revenues 2,759 2,485 1,729 3,126 1,117 3 11,219 (480) 10,739 Provision for credit losses 46 10 3 17 19 3 98 37 135** Compensation and benefits 980 1,144 811 1,319 651 213 5,118 182 5,300 Total other operating expenses 827 675 580 1,216 220 131 3,649 403 4,052 of which restructuring expenses 48 43 30 52 12 3 188 18 206 **Total operating expenses 1,807 1,819 1,391 2,535 871 344 8,767 585 9,352 Income/(loss) before taxes 906 656 335 574 227 (344) 2,354 (1,102) 1,252** Income tax expense 354 **Net income 898** Net loss attributable to noncontrolling interests (1) **Net income attributable to shareholders 899**

3

Results summary

In 6M18, Credit Suisse reported net income attributable to shareholders of CHF 1,341 million compared to CHF 899 million in 6M17.

In 2018, the US GAAP accounting standard pertaining to revenue recognition was adopted. In 6M18, both net revenues and operating expenses increased CHF 36 million in Investment Banking & Capital Markets and CHF 15 million in Global Markets and decreased CHF 13 million in Asia Pacific.

Net revenues of CHF 11,231 million increased 5% compared to 6M17, primarily reflecting higher net revenues in International Wealth Management, Asia Pacific and Swiss Universal Bank and lower negative net revenues in the Strategic Resolution Unit, partially offset by lower net revenues in Global Markets.

Provision for credit losses of CHF 121 million primarily reflected net provisions of CHF 69 million in Swiss Universal Bank, CHF 17 million in Asia Pacific, CHF 16 million in Global Markets and CHF 16 million in Investment Banking & Capital Markets. The net decrease in provision for credit losses of CHF 14 million from CHF 135 million in 6M17 was mainly related to a decrease of CHF 38 million in the Strategic Resolution Unit, partially offset by increases of CHF 23 million in Swiss Universal Banking and CHF 14 million in Asia Pacific.

Total operating expenses of CHF 9,004 million decreased 4% compared to 6M17, primarily reflecting lower compensation and benefits, mainly due to lower discretionary compensation expenses, and lower general and administrative expenses, mainly due to lower professional services fees, partially offset by higher restructuring expenses.

We incurred CHF 319 million of restructuring expenses in 6M18 in connection with our strategy, of which CHF 188 million were compensation and benefits-related expenses.

Income tax expense of CHF 760 million recorded in 6M18 mainly reflected the impact of the ongoing re-assessment of the estimated annual effective tax rate, including the impact of the geographical mix of results, and the impact of a deferred tax asset re-assessment in Switzerland, partially offset by the impact of tax benefits on the resolution of a tax litigation matter. Overall, net deferred tax assets decreased CHF 504 million to CHF 4,624 million as of the end of 6M18 compared to the end of 2017, mainly driven by earnings, own credit valuation movements, pension impacts and the Swiss deferred tax asset re-assessment, partially offset by a foreign exchange impact. Deferred tax assets on net operating losses decreased CHF 415 million to CHF 1,798 million during 6M18. The Credit Suisse effective tax rate was 36.1% in 6M18, compared to 28.3% in 6M17.

Segment results

In 6M18, **Swiss Universal Bank** reported income before taxes of CHF 1,116 million and net revenues of CHF 2,850 million. Compared to 6M17, net revenues were slightly higher, mainly due to higher recurring commissions and fees, a gain of CHF 37 million on the sale of our investment in Euroclear reflected in other revenues and slightly higher net interest income while transaction-based revenues were stable.

Net revenues in *Private Clients* increased 5% compared to 6M17, mainly driven by higher net interest income, a gain of CHF 19 million on the sale of our investment in Euroclear reflected in other revenues and increased recurring commissions and fees while transaction-based revenues were stable. Net interest income increased 5% compared to 6M17 with slightly higher loan margins on slightly higher average loan volumes and higher deposit margins on higher average deposit volumes. Recurring commissions and fees were 5% higher, with increased discretionary mandate management fees and higher investment advisory fees, partially offset by slightly lower banking services fees. Transaction-based revenues were stable, primarily reflecting higher fees from foreign exchange client business, offset by a gain from the sale of an investment in 6M17.

Net revenues in *Corporate & Institutional Clients* were stable compared to 6M17, primarily reflecting higher recurring commissions and fees and a gain of CHF 18 million on the sale of our investment in Euroclear reflected in other revenues, offset by slightly lower net interest income and slightly lower transaction-based revenues. Recurring commissions and fees were 7% higher, primarily reflecting increased wealth structuring solution fees. Net interest income was slightly lower with slightly higher loan margins on stable average loan volumes and higher deposit margins on lower average deposit volumes. Transaction-based revenues decreased slightly, primarily due to lower brokerage and product issuing fees and our profit share on the sale of an investment in 6M17, partially offset by higher fees from foreign exchange client business and increased revenues from International Trading Solutions (ITS). In 6M18, we recorded a provision for credit losses of CHF 69 million compared to CHF 46 million recorded in 6M17.

Total operating expenses decreased 8% compared to 6M17 mainly due to lower general and administrative expenses and lower commission expenses while compensation and benefits were stable.

4

In 6M18, **International Wealth Management** reported income before taxes of CHF 917 million and net revenues of CHF 2,747 million. Net revenues increased 11% compared to 6M17, reflecting higher revenues across all revenue categories.

Net revenues in *Private Banking* increased 12% compared to 6M17, reflecting higher revenues across all revenue categories. Transaction- and performance-based revenues increased 16%, mainly driven by higher brokerage and product issuing fees including higher levels of structured product issuances, higher fees from foreign exchange client business and increased revenues from ITS. Higher client activity was supported by the capabilities of ITS in providing proactive advice in a more volatile environment. Net interest income increased 11%, reflecting lower loan and higher deposit margins on higher average loan and deposit volumes. Other revenues increased due to the gain on the sale of our investment in Euroclear of CHF 37 million. Recurring commissions and fees increased 5%, primarily driven by higher investment product management fees.

Net revenues in *Asset Management* were 5% higher compared to 6M17, as an increase in management fees was partially offset by decreased performance and placement revenues. Management fees increased 10% and included the impact of higher average assets under management. Performance and placement revenues decreased 13% primarily from lower placement fees. Investment and partnership income decreased slightly, mainly driven by a decrease in revenues from the systematic market making business, partially offset by higher private equity income.

In 6M18, we recorded a provision for credit losses of CHF 4 million compared to CHF 10 million recorded in 6M17.

Total operating expenses were stable compared to 6M17, with higher restructuring expenses of CHF 54 million in 6M18 compared to CHF 43 million in 6M17 offset by slightly lower general and administrative expenses.

In 6M18, **Asia Pacific** reported income before taxes of CHF 451 million and net revenues of CHF 1,905 million.

Compared to 6M17, net revenues increased 10%, primarily driven by higher revenues in both our *Markets* and *Wealth Management & Connected* businesses.

Net revenues in our *Wealth Management & Connected* business increased 7% compared to 6M17, mainly reflecting increases in recurring commissions and fees, advisory, underwriting and financing revenues and transaction-based revenues, partially offset by a decrease in net interest income. The increase in recurring commissions and fees was mainly due to increased revenues from the majority of our core products, including higher investment product management fees, discretionary mandate management fees and wealth structuring solutions fees. The increase in advisory, underwriting and financing revenues was mainly due to higher equity underwriting revenues and higher fees from M&A transactions, partially offset by lower financing and debt underwriting revenues. Financing revenues in 6M18 included a negative net fair value impact of CHF 12 million from an impaired loan portfolio in recovery management and a negative net fair value impact of CHF 11 million from a retained equity position following an IPO in 4Q17, compared to a positive net fair value impact of CHF 43 million from an impaired loan portfolio in recovery management and additional revenues related to the recovery of interest payments on a portfolio of previously impaired loans in 6M17. The increase in transaction-based revenues primarily reflected higher brokerage and product issuing fees. The decrease in net interest income reflected lower treasury revenues, partially offset by slightly higher loan margins on higher average loan volumes and higher average deposit volumes.

Net revenues in our *Markets* business increased 17% compared to 6M17, due to higher equity and fixed income sales and trading revenues. Equity sales and trading revenues increased mainly due to higher revenues from increased client activity in prime services. Fixed income sales and trading revenues increased primarily driven by higher revenues from structured products and foreign exchange products.

In 6M18, we recorded a provision for credit losses of CHF 17 million compared to CHF 3 million recorded in 6M17.

Total operating expenses increased slightly compared to 6M17, mainly reflecting higher general and administrative expenses, primarily driven by higher litigation provisions in our *Wealth Management & Connected* business, largely offset by lower compensation and benefits, lower commission expenses and lower restructuring expenses. Litigation provisions mainly related to the US Department of Justice and US Securities and Exchange Commission investigations regarding our hiring practices in the Asia Pacific region between 2007 and 2013, which have now been resolved.

In 6M18, **Global Markets** reported income before taxes of CHF 443 million and net revenues of CHF 2,972 million.

Net revenues decreased 5% compared to 6M17, reflecting lower client activity across cash equities and securitized products partially offset by strong performance in our ITS franchise.

Revenues from fixed income sales and trading of CHF 1,663 million were stable compared to 6M17, including higher macro products and global credit products revenues and lower securitized products revenues and emerging markets revenues. Global credit products revenues were higher, reflecting increased leveraged finance and investment grade trading activity. Macro products revenues increased due to improved performance in our foreign exchange business partially offset by lower US rates revenues. These gains were offset by lower securitized products revenues compared to a strong prior year reflecting lower non-agency and agency trading. Despite this we

5

saw continued momentum in our asset finance business. In addition, emerging markets revenues decreased reflecting lower trading revenues in Brazil partially offset by higher financing and structured credit revenues in EMEA and Latin America.

Revenues from equity sales and trading of CHF 979 million were stable compared to 6M17, as significantly higher equity derivatives revenues were offset by lower cash equities results. Equity derivatives revenues significantly increased across all products due to higher client activity and increased volatility. Prime services revenues increased slightly, reflecting higher commissions in listed derivatives and improved prime brokerage revenues. These gains were offset by lower cash equities revenues reflecting reduced secondary trading revenues.

Revenues from underwriting of CHF 537 million declined 4% compared to 6M17, reflecting increased market volatility which negatively impacted issuance volumes particularly in debt underwriting. Debt underwriting revenues decreased due to lower investment grade and leveraged finance issuance activity. This was partially offset by higher equity underwriting revenues.

In 6M18, we recorded a provision for credit losses of CHF 16 million compared to CHF 17 million recorded in 6M17. Total operating expenses were stable compared to 6M17, as lower compensation and benefits were mostly offset by higher restructuring costs and general and administrative expenses. Total operating expenses included CHF 98 million in restructuring expenses in 6M18.

In 6M18, **Investment Banking & Capital Markets** reported income before taxes of CHF 169 million, a decrease of 26% compared to 6M17. Net revenues of CHF 1,172 million increased 5% compared to 6M17, primarily due to higher advisory and other fees partially offset by lower debt underwriting revenues. Compared to 6M17, advisory and other fees of CHF 437 million increased 14% mainly reflecting higher revenues from completed M&A transactions. Revenues from debt underwriting of CHF 528 million decreased 4% driven by lower leveraged finance and debt capital markets partially offset by higher derivatives financing revenues. Equity underwriting revenues of CHF 208 million were stable as an increase in IPO issuances and equity derivatives were offset by a decrease in follow-on and rights offerings.

In 6M18, we recorded a provision for credit losses of CHF 16 million compared to CHF 19 million recorded in 6M17. Total operating expenses increased 13% compared to 6M17, primarily reflecting an increase in restructuring costs, general and administrative expenses and compensation and benefits. The increase in general and administrative expenses reflected higher costs due to the adoption of the new revenue recognition accounting standard.

In 6M18, the **Strategic Resolution Unit** reported a loss before taxes of CHF 777 million, an improvement of 29% compared to 6M17. Negative net revenues of CHF 379 million decreased 21% compared to 6M17, primarily driven by lower overall funding costs, partially offset by lower fee based revenues as a result of accelerated business exits and by higher negative valuation adjustments in our legacy investment banking portfolio.

Total operating expenses decreased 32% compared to 6M17, mainly driven by lower general and administrative expenses due to an overall smaller footprint and lower compensation and benefits, primarily as a result of various cost reduction initiatives, including the transfer of our US private banking business.

Corporate Center reported a loss before taxes of CHF 213 million in 6M18 compared to a loss before taxes of CHF 344 million in 6M17. Negative net revenues of CHF 36 million decreased CHF 39 million compared to net revenues of CHF 3 million in 6M17, reflecting increased negative treasury results, partially offset by higher other revenues. Negative treasury results of CHF 114 million in 6M18 primarily reflected negative revenues of CHF 196 million relating to funding activities, partially offset by gains of CHF 71 million with respect to structured notes volatility and gains of CHF 23 million relating to hedging volatility. In 6M17, negative treasury results of CHF 61 million mainly reflected negative revenues of CHF 99 million relating to funding activities and losses of CHF 62 million relating to fair-valued money market instruments, partially offset by gains of CHF 115 million with respect to structured notes volatility. Other revenues of CHF 78 million increased CHF 14 million compared to 6M17, mainly reflecting the elimination of losses from trading in own shares.

Total operating expenses decreased 49% compared to 6M17, mainly reflecting lower general and administrative expenses, primarily due to a net positive impact of corporate function allocations and reduced expenses relating to the continued evolution of our legal entity structure, and lower compensation and benefits, mainly relating to lower deferred compensation expenses from prior-year awards and lower retention award expenses.

Differences between Group and Bank

Except where noted, 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 the Strategic Resolution Unit segments. These segment results are included in Core Results, except for the Strategic Resolution Unit, which is part of the Credit Suisse results. Core Results also includes certain Corporate Center activities of the Group that are not applicable to the Bank. Certain other assets, liabilities and results of operations are managed as part of the activities of the six segments. However, since they are legally owned by the Group, they are not included in the Bank's consolidated financial statements. These relate principally to (i) financing vehicles of the Group, which include special purpose vehicles for various funding activities of the Group, including for the purpose of raising capital; and (ii) hedging activities relating to share-based compensation awards.

These operations and activities vary from period to period and give rise to differences between the Bank's consolidated assets, liabilities, revenues and expenses, including pensions and taxes, and those of the Group.

For further information on the differences between the Group and the Bank, refer to "Note 33 – Subsidiary guarantee information" in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q18.

Comparison of consolidated statements of operations

in	Bank		Group		Bank		Group	
	2Q18	2Q17	2Q18	2Q17	6M18	6M17	6M18	6M17
Statements of operations (CHF million)								
Net revenues	5,611	5,218	5,595	5,205	11,196	10,740	11,231	10,739
Total operating expenses	4,561	4,607	4,470	4,541	9,188	9,453	9,004	9,352
Income before taxes	977	529	1,052	582	1,887	1,152	2,106	1,252
Net income	647	240	654	306	1,258	766	1,346	898
Net income attributable to shareholders	638	240	647	303	1,249	768	1,341	899

Comparison of consolidated balance sheets

end of	Bank		Group	
	2Q18	4Q17	2Q18	4Q17
Balance sheet statistics (CHF million)				
Total assets	800,628	798,372	798,158	796,289
Total liabilities	755,546	754,822	754,549	754,100

7

Capitalization and indebtedness

end of	2Q18	Bank 4Q17	2Q18	Group 4Q17
Capitalization and indebtedness (CHF million)				
Due to banks	17,452	15,411	17,459	15,413
Customer deposits	368,839	362,303	367,408	361,162
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	19,886	26,496	19,886	26,496
Long-term debt	165,110	172,042	165,961	173,032
Other liabilities	184,259	178,570	183,835	177,997
Total liabilities	755,546	754,822	754,549	754,100
Total equity	45,082	43,550	43,609	42,189
Total capitalization and indebtedness	800,628	798,372	798,158	796,289

BIS capital metrics

end of	2Q18	Bank 4Q17	2Q18	Group 4Q17
Capital and risk-weighted assets (CHF million)				
CET1 capital	38,354	38,433	35,533	36,711
Tier 1 capital	52,960	52,378	51,019	51,482
Total eligible capital	57,815	57,592	55,874	56,696
Risk-weighted assets	279,008	272,720	277,125	272,815
Capital ratios (%)				
CET1 ratio	13.7	14.1	12.8	13.5
Tier 1 ratio	19.0	19.2	18.4	18.9
Total capital ratio	20.7	21.1	20.2	20.8

Condensed consolidated financial statements

Group

Refer to III –Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 1Q18 and Credit Suisse Financial Report 2Q18.

Bank

The Bank's condensed consolidated financial statements – unaudited as of and for the six months ended June 30, 2018 and 2017 are attached as Exhibit 99.2 to this Form 6-K.

8

Exhibits

No. Description

12.1 Ratio of earnings to fixed charges (Group)

12.2 Ratio of earnings to fixed charges (Bank)

23.1 Letter regarding unaudited financial information from the Independent Registered Public Accounting Firm (Credit Suisse Group AG)

23.2 Letter regarding unaudited financial information from the Independent Registered Public Accounting Firm (Credit Suisse AG)

99.1 Credit Suisse Financial Report 2Q18

99.2 Credit Suisse (Bank) Financial Statements 6M18

101.1 Interactive data files (XBRL-related documents) (Group and Bank)

9

Signatures

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

CREDIT SUISSE GROUP AG and CREDIT SUISSE AG

(Registrants)

Date: July 31, 2018

By:

/s/ Tidjane Thiam
Tidjane Thiam
Chief Executive Officer

/s/ David R. Mathers
David R. Mathers
Chief Financial Officer

10
