CREDIT SUISSE

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# Internet

# bulletinplus

# How Safe Are Your Children in the Online World?

Security4kids provides an interactive and interesting way of helping parents, children, and teachers to counter the dangers of the internet and behave securely and responsibly in the online world. Moreover, the partners of the initiative offer specific training and information events for schools and teachers.

## security4kids

Visit www.security4kids.ch together with your family or your school class and learn more.
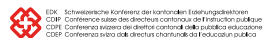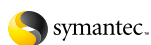
Editorial   **Hanspeter Kurzmeyer, head of Private Clients Switzerland**

## When the Internet Learned to Walk

How long is it since most people went to the post office with their payment book to make their payments? Since communication mainly took place by telephone, letter or fax, and it was often days before you received a reply? Since holidays were booked exclusively via the travel agent, telephone numbers and addresses were obtained from the telephone directory, and price comparisons were made by visiting a selection of shops? The answer may come as a surprise, because what sounds like the Dark Ages was little more than a decade ago.

Credit Suisse set out on its Internet adventure in the mid-1990s. Although the Internet was the hot topic of the day, it was still regarded with a certain skepticism. Credit Suisse was the first Swiss bank to react and in 1995 sprang a surprise by setting up a Web site. And just two years later, in 1997, it launched the first online banking application in Switzerland in the form of Direct Net. This was the starting point for a major tussle between the big Swiss banks. The ensuing period was marked by enormous progress in terms of technology. The Internet was booming. At the beginning of the new millennium the market collapsed, but soon recovered again. In the meantime, the Internet has established itself as a comprehensive information and communication platform. Around the clock, and in a matter of seconds, users can call up the information they need, make bank transactions or book a flight. In short, it would be difficult to imagine life without the Internet nowadays.

And since the new technology has a very short shelf life, the requirements are all the greater. As an innovative bank, Credit Suisse must also continuously develop in order to remain among the leaders. Online banking has now become an important channel within the context of comprehensive advice, and one that is constantly being adjusted to meet client needs. This is the case, for example, on the occasion of the 10th anniversary of Direct Net, which has been given a new look and feel that is even more user friendly, as well as a facility to provide current research information on stock exchanges and markets. This special edition of Bulletin tells you more about these innovations, in addition to all sorts of useful information on topics ranging from the Internet, through security, job search, and investment to virtual parallel worlds. We hope you find it interesting and informative reading.

# Happy Birthday, Direct Net!

Direct Net, Credit Suisse's online banking service, is celebrating its 10th anniversary and has just been given a complete makeover – with a leaner structure, enhanced services and a new look and feel. Congratulations!

"Welcome to New York." The lady at the hotel reception desk has just checked Ebler in. Outside night has fallen. Ebler looks at his watch. Almost midnight. Another eight hours until his important meeting.

It's about major investments. Ebler accesses Direct Net and takes another quick look at his company's financial situation: How much money is freely available and how much is tied up in the medium to long term? Lastly he takes a look in SecureMail, his bank's encrypted mailbox service: "Hello Mr Ebler. Credit Suisse is launching a new real estate fund called Living Plus. The product is a perfect fit for your personal investment strategy and should also be of interest to you as a corporate client. You can find the main facts and figures in Direct Net under Market Data & Research. Sincerely, S. Huber." Ebler doesn't want to decide straight away and resolves just to observe Living Plus for the time being. "Good evening, Mr Huber. Interesting offer. I'll include the real estate fund in my virtual portfolio. I'll contact you when I've decided what to do. Best regards – U. Ebler."

A fictional example from the everyday world of Direct Net? Yes and no. Michel Gaillard has been in charge of online banking at Credit Suisse for more than a year. He has implemented numerous projects and brought many new services to the market. In our conversation with him we found out what Direct Net can do and what direction the service is taking. But let's not get ahead of ourselves.

The first step towards an online banking service was taken in 1995 when Credit Suisse surprised the market by being the first Swiss bank to launch its own Web site. Two years later – exactly 10 years ago – the bank's clients were already able to pay their bills and buy securities online. This too was a first for Swiss banking. Lafferty Group, the renowned consultancy company, rated the Web site as "the best Internet offering of all the European banks." New products were launched, while some services were removed from the overall offering. With Fund Lab, for example, the bank offered its clients transparency in the world of funds. Credit Suisse published not only its own investment options, but also the best investment funds from other providers – a bit like being able to buy Wal-Mart products in a rival store. At the time, this "open architecture" was considered extremely innovative. Today clients can choose from around 2,500 investment funds from more than 60 fund managers.

## One Platform for All Requirements

Youtrade represented a revolution – the first online discount trading system in Switzerland. It was launched in 1999 and withdrawn again in 2003. "Youtrade was developed on a different platform from the securities trading service in Direct Net," explains Gaillard. "Our strategy was to move to a single Internet platform. We wanted our clients to be able to use a single environment and not have to log into different systems using different passwords." Youtrade was therefore removed from the market and many of its functions were integrated into Direct Net.

This strategy has remained constant: one platform for all applications. Thanks to this consistent approach Credit Suisse can react quickly while also keeping its development costs down. What does the current structure look like? Online banking is divided into two zones: a customer zone and a public zone. Each zone offers a range of applications that are designed to meet the needs of its users. Customers for example can take advantage of the services of a professional research department and access stock market prices in real time. Public users on the other hand have only limited access to these services.

Credit Suisse is now gradually integrating the customer zone applications into Direct Net, so that every customer can enjoy the same central access to all the available information and services.

The services and functions are now so numerous and varied that they need to have a logical design and a simple navigation structure. How else can customers be expected to find their way around the information jungle? "Direct Net today is better tailored to the various client segments. It's also more clearly structured and has an intuitive look and feel," explains Gaillard. After all, corporate clients have different requirements than private clients.

## Half a Million Direct Net Clients

In March of this year Credit Suisse signed up its 500,000th Direct Net client. In 2006 Direct Net users made more than 43 million transfers. Two-thirds of private clients use online banking weekly or monthly. Around two-thirds of corporate clients even use it on a daily basis.

However, expectations of the product also rise in line with user numbers. If it is to be worthy of being called a comprehensive "transaction platform," it needs to deliver even better services. For example, an overview of a client's finances at a glance, with details and charts for all accounts and securities – at any time, updated daily, and available world-

The clear structure of the newly designed Direct Net system is extremely appealing. With just a few clicks users
can review their financial situation, send payment orders, buy securities, access market data or receive an e-document.



The "Market Data & Research" component delivers a comprehensive overview of current market events.
In addition, exclusive studies from Credit Suisse Research provide valuable background information for personal
financial investment.

wide – or trading-oriented recommendations and comprehensive analysis of markets and products presented in a clear structured form. Because not everyone is an accomplished stock market trader. And not every expert is an analyst.

**Virtual Portfolios and E-Documents**

Gaillard maintains that Credit Suisse already meets these requirements and has in fact gone a few steps further. One of these steps, for example, is the virtual portfolio in which users can monitor the market performance of their favorite stocks. If requested, stock market price updates can even be sent to the user by SMS or e-mail. Another enhanced function is the electronic delivery of banking documents (like account statements, securities settlements and credit advices) to Direct Net – so-called e-documents. Digitally signed documents are legally valid and can be saved and forwarded. "With e-documents you can save time and money, and make an active contribution to protecting the environment."

Gaillard knows what clients want. His team has been monitoring the behavior of online banking users from the very beginning. Every new feature is based on countless tests and evaluations – so-called Voice of Customer Tests. At present, online banking is still primarily a trading and payment platform. But advisory services are becoming more and more important.

Those who fear that so much computer interaction will mean that advisory discussions become a thing of the past are wrong. On the contrary: Direct Net is not a suitable tool for pure intraday traders – in other words, for stock market players who execute their transactions within a single trading day and exploit the daily ups and downs of the market. Direct Net's target group clearly consists of investors with a medium- to long-term horizon, where the exchange of ideas is crucial. "Credit Suisse wants to set itself

## E-Documents

**Access and process documents electronically**

The new practical service from Credit Suisse for Direct Net clients: call up, view and process documents relating to accounts, payment transactions and securities directly online.

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## The Most Important Benefits at a Glance:

- E-documents are easy to save, search, copy and forward.
- Documents are available quickly, as there is no need to wait for the post to be delivered.
- Less paper is used, so the service is environmentally friendly.
- E-documents are digitally signed and legally valid.
- The service is free of charge.
- The documents are available quickly and at any time.
- E-documents remain available electronically for 24 months unless you delete them before that.

Further information is available at www.credit-suisse.com/edocuments.

## E-Bills

**Send and receive bills electronically**

E-bills are sent to Direct Net by the biller via the PayNet electronic billing system. They replace conventional hard-copy bills.

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## The Most Important Benefits at a Glance:

- Bills can be viewed, processed, and accepted for payment using Direct Net.
- No more typing in of payment slip details; you save time and avoid errors.
- You can access your electronic bills and accept them for payment wherever you are.
- You specify the billers from whom you want to receive electronic bills.

Further information is available at www.e-bill.ch.

apart from the competition by providing comprehensive advice. That's why we're working on enhancing Direct Net to include an advisory component. Not in order to replace face-to-face advisory discussions but to complement them." If this is to work, the advisor and the client must work closely together.

**More Accurate Advice**

Ebler is aware of the advantages and uses them. It's just that his actions are a good year ahead of present reality. He has already defined his profile in Direct Net: his risk tolerance, his financial commitments and his investment goals. Then, together with his relationship manager, he has drawn up an investment strategy. Huber now knows what Ebler wants and can provide him with up-to-date advice at any time – via Direct Net. This example illustrates how online banking is becoming more and more important as a complementary channel for all kinds of banking transactions. In the final analysis every client benefits from the bank's comprehensive expertise and from recommendations that are individually tailored to his or her investment strategy. In this context Gaillard speaks of an "integrated advisory and interaction platform."

Ebler has been back from New York for some time. He has just completed a hectic day at the office. Before leaving his desk he uses SecureMail to send a short message to his advisor. "Good evening, Mr Huber. I've invested 10,000 Swiss francs in Living Plus. Fantastic performance. Thanks for the tip. Best regards, U. Ebler." **fva**

Michel Gaillard
Head of Online Banking at Credit Suisse
**"The new Direct Net is much clearer."**

# "The Right Solution for Each Customer Segment"

Electronic bills, research reports, detailed performance analyses and virtual portfolios: Direct Net offers more features than ever before. Michel Gaillard explains what users expect.

Bulletin: **Mr Gaillard, with the launch of Direct Net's new look and feel Credit Suisse has improved many of its existing features and created some new ones. What are you especially proud of?**
Michel Gaillard: In the new Direct Net system we have developed the entire application in accordance with the international norms for creating so-called "barrier-free" Web sites. Thanks to special software it is now possible for blind people and those with visual disabilities to use Direct Net. We are the first bank in Switzerland to be awarded the AA label (certification of barrier-freedom) for this barrier-free Web site. We have also modified the navigation to better meet the needs of our users. The overall effect is to make Direct Net clearer and easier to use.

**Can you give us some more detailed information about the Secure-Mail application?**
SecureMail is a secure communication channel between private banking clients and their contacts within the bank. Normal e-mail traffic is not encrypted and can be viewed by hackers or by the user's Internet service provider. SecureMail, in contrast, makes use of the same security features as the rest of Credit Suisse's online banking offering. Nobody – apart from the sender and the recipient – can read the messages. We plan to extend SecureMail availability to other client segments in the future.

**What services does Direct Net provide for users?**
Direct Net offers an extensive range of useful functions for private, corporate and institutional clients. As well as the usual components – such as accounts, safekeeping accounts, payments, securities trading and stock markets – there are also electronic bills, electronic banking documents, detailed performance analyses, research reports, virtual portfolios, etc. being available 24 hours a day. The basic principle is to provide the right solution for every single customer segment. **>**

**What new projects are in the pipeline?**

We're working on a number of fronts. At the moment we're integrating the Investors' Circle application, which is used primarily by private banking clients, into Direct Net. Payments processing, particularly for businesses and institutions, is also receiving a lot of attention. Regular customer panels – involving 25 selected companies – are intended to help us streamline payments processing and improve portfolio management. We work closely together with our users in order to provide them with the features they want.

**Since May of this year payment details have been visible in Direct Net. When will we start to see credit card details?**

It's true that we don't currently display credit card details in Direct Net. In this case we are faced with the challenge of marrying Credit Suisse's systems with Swisscard's systems. However, initial discussions have taken place.

**How secure is online banking?**

Online banking is basically secure. We provide clients with the best possible security right from the log-in, which is based on a multilevel identification process. In addition, all data is encrypted using cutting-edge technology prior to being transferred, so that it cannot be read online by unauthorized persons. However, in their own interests users must take appropriate precautions. At www.credit-suisse.com/security we provide security tips for clients on how best to protect their PCs and their data.  **fva**

# Security Is the Top Priority in Online Banking

Credit Suisse ensures the best possible security in online banking and does everything it can to protect the bank's computer system and electronic data transmission.

The Internet connects hundreds of millions of people worldwide and this number is increasing daily. The opportunities for hackers are also increasing. Their attacks on the Net are becoming more targeted and more professional. Banks and other financial institutions are confronted by constantly changing challenges because wherever there's money, thieves are never far away – whether in bank branches, shopping malls or on the Internet.

"We invest heavily in terms of both money and personnel to provide the best possible security," emphasizes Johannes Hennekeuser, head of Security Technologies at Credit Suisse. By "best possible" Credit Suisse means secure data storage, encrypted data transmission and protected access to accounts. If clients want to communicate with the bank, they must prove who they are in three ways: with a user name, a password and a SecurID number – a six-digit code that is generated electronically and changes every minute. The system identifies the user on the basis of these elements. Users also have to enter a second SecurID number when they execute the initial transaction in each session. This multi-layered process offers the best possible protection against fraudulent payment transactions.

**A Story of Thieves Who Go Phishing**

Those who surf the Internet expose themselves and their computers to certain risks. In online banking this can lead to accounts being manipulated. But who are these thieves and how do they get their hands on the money? "Phishing" is one common method. The word "phishing" is a combination of the words "password" and "fishing" and simply means "using bait to fish for passwords." For example, phishers send e-mails that direct Internet users to fake Web sites and then ask them to enter their password, PIN code and other sensitive data.

Users are often willing to hand over secret information of this kind because they think they are using a genuine Web



Johannes Hennekeuser
Head of Security Technologies at Credit Suisse
**"We invest heavily in terms of both money and personnel to provide the best possible security."**

site. However, the link has not in fact taken them to the genuine service provider's Web site but to an identical or near identical copy of it.

In its end-of-year report the Swiss Coordination Unit for Cybercrime Control (Cycos) discloses that phishing attacks are on the increase.

**Be Careful Who You Trust**
Software manufacturers are constantly trying to produce new Web browsers that protect end users from attacks. One of these is Internet Explorer 7 from Microsoft. Among other features, it includes enhanced functions for detecting phishing attacks. For example, the Web address is displayed on every page – even if it's only a pop-up window. Attempts to load the genuine page in the background and the fake one in the foreground are therefore more obvious. Nevertheless, the user still has to recognize that the page is a phony.

"Don't believe everything you see on the Internet" is one of the most important security tips. Every user must be fully aware of when and where they reveal sensitive information. Hennekeuser spells it out: "Credit Suisse never asks its clients for personal information or confidential data by e-mail or telephone." The following principle applies: Never reveal your password or user name. However, the biggest single risk is and remains the client's PC.

All the experts agree that ensuring data is stored securely and installing antivirus protection, a firewall and the latest software updates are essential measures for every end user. Proper awareness of the need to take care when using electronic information is still not widespread enough among the population in general. The Credit Suisse campaign therefore also aims to inform children and young people. One example is the "Security for Kids" initiative. The security4kids.ch Web site is a collaborative venture between partners from education, Microsoft, Symantec, Cycos and Credit Suisse.

The site is intended to be used by schoolchildren, teachers and parents, and offers practical advice to help children and young people stay safe on the Internet. The aim of the initiative is that eventually it should become second nature to surf securely. "If we can educate the young to move around securely in the virtual world, they can be completely safe," explains Hennekeuser. One thing's for sure: Responsible use of the Internet is in the best interests of both the client and the bank. **fva**

→  **More about security issues:**
**www.credit-suisse.com/security**
**www.melani.admin.ch**
**www.kobik.ch** (Cycos)
**www.security4kids.ch**
**www.infosurance.ch**
**www.symantec.com**
**www.mcafee.com**
**www.antiphishing.org**

## Prevent Unauthorized Access to Your Computer. The 10 Rules of Online Banking

**1.** Double-click on 🔒 (in the status line) to check if the certificate appears correctly as cs.directnet.com. If so, you can be certain that you are using the genuine Credit Suisse Web site and not a phony one.

**2.** Never store passwords on your computer – whether on the hard disk or written on a note stuck to the screen.

**3.** Never use a password that consists of a date of birth, telephone number or name. Instead, create a password that consists of upper- and lowercase letters, and numbers.

**4.** Install security software (antivirus and firewall) and keep it up-to-date.

**5.** Connect to the Credit Suisse server immediately at the start of your Internet session and do not keep any other windows open.

**6.** If you receive e-mails containing links that claim to point to your online banking service, ignore them.

**7.** Never respond to telephone or e-mail queries about your online banking access data. Your bank will never ask you for information of this kind.

**8.** If your online banking session crashes or if unexpected error messages appear, shut down the browser immediately and inform Credit Suisse's specialists (tel. 0844 800 888).

**9.** Never leave your PC without first ending the online banking session. Always exit Direct Net by using the "Logoff" function; don't just turn the computer off.

**10.** Once you've logged off, empty the browser's cache and clear the history. You can find more information on this topic at www.credit-suisse.com/security.

# Cycos Searches and Finds

The Swiss Coordination Unit for Cybercrime Control (Cycos) has been online since January 1, 2003. Cycos acts as a center of competence for the public, official bodies and Internet service providers on legal, technical and crime-related issues. Practice shows just how competent it is.

Even its name reads like code: the Federal Office of Police, Department IMC, Section OSINT/Cycos Monitoring. Its unobtrusive premises are located in a residential zone near the football stadium in Berne. Those who want to come inside need a special pass. Here, behind closed doors, investigators scan the murky waters of the Internet.

They're on the lookout for all kinds of criminal offenses. For example, the distribution of hard-core pornography and violent images, white-collar crime of various kinds, extremist or racist statements, copyright infringements, illegal arms trading and – since April 1, 2007 – spam.

**White-Collar Crime Is on the Rise**
In 2006 Cycos received 6,300 tip-offs from the public: 24.3 percent related to hard-core pornography, including child pornography, 23.8 percent to unsolicited e-mails, 9.6 percent to pornography in general, 4.4 percent to white-collar crime, 2.2 percent to narcotics/drug-trafficking and 2.1 percent to racial discrimination. Other types of crimes account for the remainder.

The steady rise in white-collar crime is striking – the figures double every year. "White-collar crime on the Internet" is a very broad term. It includes "phishing," money laundering, fraudulent escrow services (Internet fiduciary services), misuse of credit card data, illegal data acquisition and countless other types of fraud. All the criminals behind these offenses work in the same way: they spy on Internet users in order to line their own pockets.

Nine members of staff at Cycos are responsible for uncovering criminal activity of this kind. They work in three separate areas: Monitoring, Clearing and Analysis. They are supported by all those who use the appropriate form to provide information about suspicious Internet content.

Around 23 percent of tip-offs relate to spam. Spam is not only used to deliver advertising for mass products; it's more and more frequently used for illegal activities such as phishing and the distribution of child pornography. There is a new spam analyzer for tip-offs of this kind at kobik.ch. This tool identifies the relevant Internet provider at the press of a button. If the provider is Swiss – Cablecom for example – the victim can report the case directly to Cablecom. Providers are obliged by law to prevent unsolicited mass advertising. "This analysis tool gives users the opportunity to defend themselves and shows them where they can get help," summarizes Roger Küffer, head of Monitoring. But users aren't just victims – often they are offenders without even knowing it. The user's computer can be hijacked and infected with viruses or Trojan horses. Each time that the PC is switched on, it automatically transmits spam messages – you could almost say "by remote control." A network of these infected PCs is known as a "botnet."

**Patrolling the Internet**
The name "Coordination Unit" doesn't really do Cycos justice. "A key part of our day-to-day work is generating cases." "Generating" in this context means actively searching the Internet for criminal activity. The central focus is clearly prescribed by Cycos' governing body: child pornography. Küffer says: "We know exactly what we're looking for and where to find it." However, the investigators don't have an entirely free hand. Monitoring is only permitted in the public sphere – password-protected areas are off-limits. Entrapment is also forbidden – as is investigation under false pretenses. The monitoring of chat forums therefore requires a great deal of time and sensitivity. "We know and observe that a great deal of illegal activity goes on in chat rooms and therefore work closely together with the chat room operators. Bluewin, for example, has more than 300 volunteers who intensively monitor chat rooms." Any suspicious activity is then reported to Cycos.

But where do most incidents occur? "Mainly in peer-to-peer (P2P) networks."

Roger Küffer
Head of Cycos Monitoring
**"We know and observe that a great deal of illegal activity goes on in chat rooms and therefore work closely together with chat room operators."**

Gnutella, Fast Track and eDonkey, for example, are well-known P2P networks. Countless images and other items of information – including child pornography – are passed along these sections of the data highway. "Here we pick up between 30 and 40 cases per month." Küffer demonstrates how quickly and irrevocably a hit can be made – even though there are several million surfers on the Net at this moment. He enters his query based on its relevance to Switzerland. He keeps the search term secret – this is confidential information. The list of hits is long and confusing at first glance, because not every hit points to an offender. Figuring out who is an offender and who is not is a key part of the work. Experience helps.

**Suspicious Activity. Now What?**
After all the tip-offs and suspicions with a link to Switzerland have been documented in a form that can be used in court, the dossiers are passed to Cycos' Clearing unit. Here the reports are checked to determine their relevance under criminal law, and the suspicious cases are then passed on to the responsible prosecuting authorities in the cantons.
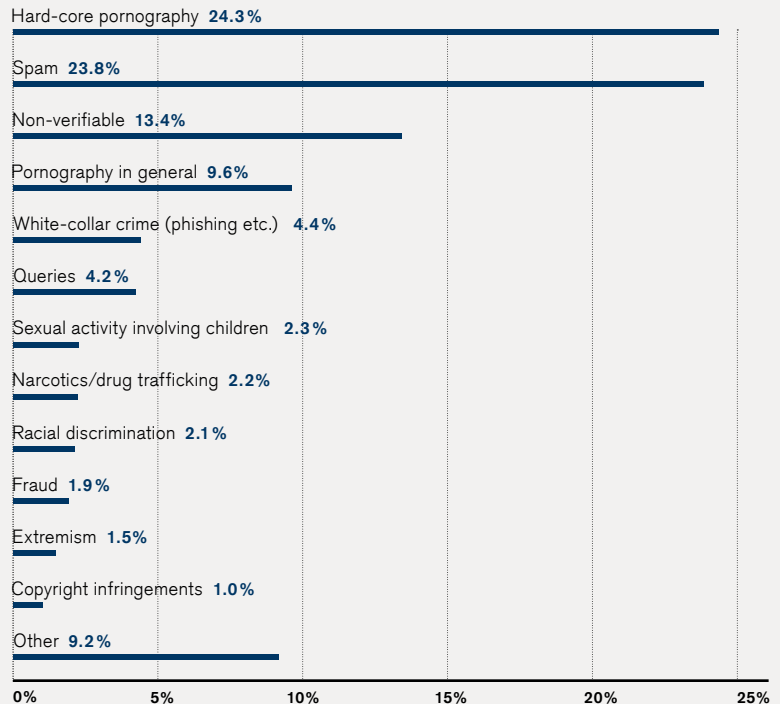
Over the past year Cycos has examined 259 suspicious cases, 75–80 percent of which are followed up by the police. That's around 207 arrests over the year. In a nutshell: Cycos' nine employees uncover one offender every second day – "clerical work" that's really worthwhile. **fva**

→ **You can find further information and the report form for suspicious Internet content at www.kobik.ch** (Cycos).

### Tip-Offs to Cycos From the General Public in 2006

**The 2005 trends have been confirmed again: reports relating to child pornography and spam account for about a half.** Source: Cycos

| Category | Percentage |
| --- | --- |
| Hard-core pornography | 24.3% |
| Spam | 23.8% |
| Non-verifiable | 13.4% |
| Pornography in general | 9.6% |
| White-collar crime (phishing etc.) | 4.4% |
| Queries | 4.2% |
| Sexual activity involving children | 2.3% |
| Narcotics/drug trafficking | 2.2% |
| Racial discrimination | 2.1% |
| Fraud | 1.9% |
| Extremism | 1.5% |
| Copyright infringements | 1.0% |
| Other | 9.2% |

### The Most Important Terms at a Glance:

**Spam** Spam is unsolicited, automatically generated mass advertising. The automatic bulk sending of messages makes it possible to reach a large number of recipients at very low cost.

**Phishing** The word "phishing" is a combination of the words "password" and "fishing." Fraudsters use phishing techniques to gain access to the confidential data of unsuspecting Internet users.

**Snowball system** The key feature of a snowball system is that new members are recruited and that these then recruit another "generation" of members who make payments to the previous generation.

**Fraud** The phenomenon of advance fraud has been known since the start of the eighties. Recipients of such e-mails, faxes or even personal letters are promised extraordinary profits in return for a relatively small up-front fee.

**Escrow** Escrow companies act as intermediaries and administrators of payments – particularly in the case of Internet transactions – where physical contact between buyer and seller is not generally possible.

# Become an Investment Pro at the Click of a Mouse

Anyone wanting a proper perspective of investment funds needs expertise – or at least the right Web site. Fund Lab is the site where beginners can quickly become experts.

The world of investment funds has become increasingly multifaceted since the beginning of the 1990s. There are now thousands of funds from a range of different providers that are suitable for all different kinds of interest groups. The value of the fund assets managed by Credit Suisse alone currently amounts to around 60 billion Swiss francs.

The principle behind all investment funds is that of collective investment. The fund invests money entrusted to it by private individuals, companies and pension funds. These pooled assets are invested professionally in equities, bonds, money market paper, real estate and alternative investments, or in a combination of these, in line with the fund's strategy. This strategy also determines the sectors, regions, countries, currencies or issues in which the assets are to be invested.

Diversification reduces total risk in a portfolio, since the individual investments have different correlations (less interdependency) with one another. The aim is to create a portfolio that promises to deliver the highest possible return at the lowest possible risk.

**Behind Every Fund Lies Great Expertise**
Choosing the right securities to include in an investment fund requires in-depth knowledge of market conditions and market trends, as well as plenty of time for analysis. Financial market specialists visit companies and analyze their performance. Before making investment decisions, the fund manager can also tap into the proven industry-specific know-how of analysts and economists who continually examine the financial markets. Fund managers thus have constant access to the up-to-the-minute information they need when deciding whether to buy or sell specific securities.

In recent years, the investment fund market has grown worldwide. There is a plethora of funds on offer in every investment category, every industry sector and every region. Investment funds are available for virtually every country and theme. The main reason for this growth and for the success of investment funds is that they offer undeniable advantages such as risk diversification, attractive long-term returns and flexibility.

**Fund Lab Facilitates Selection**
In order to filter out the strongest products from the global spectrum of funds on offer, Credit Suisse launched the information platform Fund Lab in 1999. Fund Lab is an interactive fund database on the Internet. It covers a large fund universe that is continually being expanded. The funds on the database are sourced from a large number of providers that have one thing in common – strong products. Today, Fund Lab encompasses more than 2,600 funds from more than 60 providers. Almost all the major names in the international funds industry are represented in this Internet database. But there are also a large number of innovative niche providers represented.

Fund Lab exists to provide transparency. The database places all relevant information on a single platform, facilitates data comparisons and keeps the data continuously up to date. The database is freely accessible at www.credit-suisse.com/fundlab. With just a few clicks, the newcomer can obtain maximum transparency in the world of investment funds. Through Fund Lab, Credit Suisse has provided consistently open sales architecture with the aim of creating added value. And the platform is still growing. In its expansion of Fund Lab, Credit Suisse applies both qualitative and quantitative criteria. A fund management company must have experience, reputation, size and solid management. A wide spectrum of funds is an additional acceptance criterion for Fund Lab. Other prerequisites include regular reporting, and the delivery of performance and other data necessary to ensure ongoing transparency and simple comparability. This data is also checked against data provided by independent external data providers. Meaningful comparisons and increased transparency can only be achieved on the

Julian Köhler
Head of Product Management, Investment Funds Private Banking

**"Through Fund Lab, Credit Suisse has provided consistently open sales architecture with the aim of creating added value."**

basis of stable and reliable data. In addition, specialist analyst teams regularly assess the individual funds in the Fund Lab universe.

Every month, reports are produced for each fund in the form of fact sheets. These document both the development in fund performance and the current composition of each fund. The work required to provide this transparency is immense, and is improved on an ongoing basis. Every month, about 50,000 PDF fact sheets are updated.

No matter which fund company produced the specific product, all of the investment funds offered on Fund Lab are sold at the same conditions in Switzerland. The issuing commission for money market funds is between 0.2 percent and 0.5 percent (depending on investment amount), that for bond funds 1 percent, and for equity and portfolio funds 2 percent. A minimum commission of 50 Swiss francs for the issuance of all Fund Lab funds applies. There is no fee applied to the redemption of fund units. In addition to a discount of 30 percent on own (Credit Suisse) safekeeping account fees, investors also enjoy a discount of 30 percent on issuing commission for all fund switches made within the Fund Lab universe.

The Buy & Sell function also enables investors to purchase or sell their selected funds online via Direct Net, the online banking service of Credit Suisse. In addition, a time limit for the latest placement of orders is provided, as is the most recent price and the security number of the fund in question. Anyone purchasing funds via Direct Net also receives a discount of 25 Swiss francs on each purchase order placed.

Fund Lab will continue to ensure that the requirements of a broad client spectrum will be optimally supported.

**Julian Köhler, head of Product Management Investment Funds Private Banking**



Every month, about 50,000 PDF fact sheets are updated.

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# Direct Net for All!

Credit Suisse is the first Swiss bank to have subjected its entire online banking application to international accessibility norms, and for this reason was awarded label AA certification on April 26, 2007. As of now, Direct Net is also available to disabled individuals.

The development of the Internet is without doubt one of the greatest technical achievements of the last century. Many everyday tasks can be carried out more easily, more quickly and above all more conveniently in cyberspace from your home computer. A huge advantage in particular for older people or for those with a disability – or so you might think. In practice, everything looks a little different: For around 700,000 people in Switzerland, a journey into the virtual world is not so straightforward due to problems such as pronounced shortsightedness, or motor, cognitive and other disabilities that hamper efficient orientation. Nevertheless, these clients, too, have a desire to carry out their banking business independently. For this reason, at the beginning of 2007, Credit Suisse created a unit to deal especially with the needs of these clients, with the aim of facilitating their access to the products and services of the bank.

**Credit Suisse Removes Barriers**
Credit Suisse began this initiative by looking at Direct Net, its online banking application. In cooperation with the external "Access for All" foundation in Zurich, the existing application was analyzed in terms of its adherence to international accessibility norms. To this end, representative pages from Direct Net were checked by test personnel with a visual handicap or other cognitive disabilities. The objective was to identify shortcomings and to take measures to correct them with the aim of being awarded accessibility certification by the "Access for All" foundation. This certification is a seal of approval from a nationally recognized certifying body, which confirms that Direct Net meets the international norms for Web accessibility. Finally, on April 26, Credit Suisse became the first Swiss bank to receive the accessibility certification. The areas to be improved included the following:

• To improve readability, it is now possible to increase the contrast of the pages.

• The individual screens have been assigned key words throughout so that they can also be recognized by people with a strong visual handicap.

• The browser enlargement function allows Direct Net to be displayed in a larger format.

• All table and column headings have been consistently optimized for the screen reader. This software tool provides the information that is usually displayed on the screen – with the help of nonvisual output devices, either acoustically or in tactile form via a line of braille.

Hanspeter Kurzmeyer, head of Private Clients Switzerland, is particularly pleased about the fact that Credit Suisse is taking on a pioneering role in Switzerland in the field of accessibility: "By making its products and services accessible to disabled people, Credit Suisse helps to integrate these individuals more firmly into Swiss society and thus meets its social responsibility obligations." **ad**

→ **More information:**
**www.credit-suisse.com/directnet**
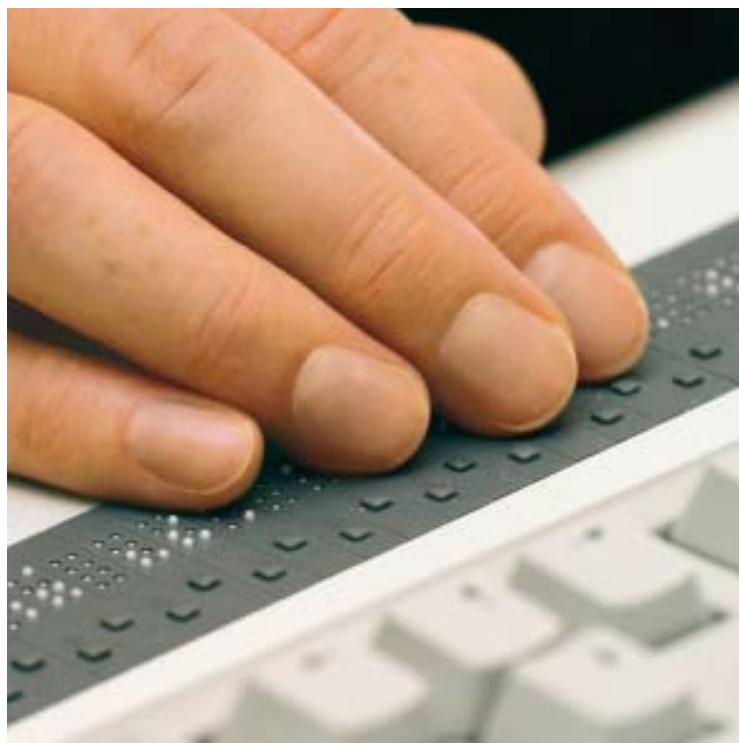


Clients with a strong visual handicap can use Credit Suisse online banking with the help of a special braille tool.

Daniel Hippenmeyer
Head of Recruiting Switzerland

**"Every fourth person who takes up a job with us has applied via the Internet."**

# Dream Job in Your Inbox

An Internet job search often presents many interesting opportunities, but also some that just aren't fitting. The best results are found with a trick: Don't look for jobs, let the jobs look for you. Jobmail can make the search for jobs easier and more efficient.

The online job market is booming. Hundreds of job exchanges on the Internet are scrambling to attract the most talented candidates. For those who apply to Credit Suisse in Switzerland, for example, the online channel is by far the most successful. Only those who already work for Credit Suisse or who are nominated by a line manager have better chances. "Last year around 25 percent of all external applicants who succeeded in gaining employment with Credit Suisse came via the Internet," confirms Daniel Hippenmeyer, head of Recruiting Switzerland.

The Internet offers job seekers and businesses clear advantages – not least, the chance to save time and money. Online job ads cost a fraction of ads placed in newspapers and also reach a massive target audience. Precisely when the market is as tight as it currently is, it's important to reach the biggest possible audience. At the same time, however, advertising on the Internet may mean that the overall quality of applications is lower.

One way of guaranteeing high quality is by online assessment, where applicants are directed to a special questionnaire which analyzes their skills. This enables employers to place candidates correctly and to develop them in line with their abilities. "Online assessment helps us to place candidates correctly and also supports the implementation of our corporate strategy," explains Erich Grimm. As head of Recruiting at the Credit Suisse Uetlihof offices in Zurich, he has an overview of most recruitment activity in Switzerland.

**Quality Must Be Assured**
Filter questions highlighting the candidate's abilities – for example, special language skills or banking experience – are another way of ensuring that only highly skilled candidates are selected. This method is already used by some job exchanges and supports businesses by roughly structuring the candidate list for each position. With more than 4,000 applications a month this can substan-

tially reduce the time and effort spent in searching for the right candidate.

The Internet also offers job seekers the option of only looking for jobs that match their specific requirements. TopJobsScout24, for instance, has two separate job portals: jobscout.ch, which is aimed at all job seekers – from those who have just completed their commercial apprenticeship to those with some management experience – and topjobs.ch, a platform for qualified specialists and managers. These platforms advertise more than 900 jobs a month in the Swiss financial services sector alone.

Splitting the job offers in this way makes it easier for job seekers to find what they're looking for: "It must be as easy as possible for users to find their way around the jungle of online offers," explains Urs Lüchinger, CEO of TopJobsScout24: "If someone is looking for a particular job or position in his or her career, there's little point in looking through a list of more than 1,000 jobs every month."

TopJobsScout24 is one of the job exchanges that not only advertises vacant positions but also addresses new aspects of the recruitment process: "Businesses with a strong brand like to appear on job exchanges with their own branding," explains Lüchinger. "We look at each job seeker's search criteria and then direct them not just to particular jobs but directly to the company that is offering the position in question."

This means that the user ends up directly in that company's online job market and can therefore gain an initial impression of the company to which they might consider applying. Almost every company today has its own online job market.

For Daniel Hippenmeyer, company Web sites on job exchanges offer a clear advantage: "If they want to attract the best candidates and set themselves apart, companies must become more innovative and position themselves actively as companies and employers."    **>**

**Jobmail: The Fast Path to Success**

Not every job is posted on every platform. For job seekers, the daily trawl through job exchanges, company job markets and newspapers can become an exhausting struggle. As well as organizing the job market into general vacancies and management positions, there are online platforms that specialize in particular professions – marketing and communications, for example. Applicants should therefore know the area in which they want to find a job and then locate specific providers for this job type. This can drastically reduce the number of Web sites that an applicant has to search. These specialized Web sites often come up with more interesting job opportunities than the non-specific job exchanges.

But what if you're looking for a job with a particular employer? Whereas in the past job seekers often carried out lengthy research and then submitted an unsolicited application to an employer, there are now far more effective methods: a jobmail subscription, for example. This is an extremely popular option because it's based on an idea that's as simple as it is effective. All you do is go to a company's Web site, take out a subscription for job vacancies and specify your job criteria. You will then receive an e-mail alerting you to each vacancy that is posted in your specified area in that company. Users receive the relevant information at the same time that it is posted to job exchanges and newspapers. This gives job seekers a head start and enables them to apply for one particular position. "This method is substantially more effective than an unsolicited application," explains Hippenmeyer.

In fact, the number of unsolicited applications has declined in recent years. Whereas in 2005 Credit Suisse received more than 100,000 unsolicited job applications, last year this number fell to just 7,000. There is a downward trend for applications of this kind because they use up scarce resources and are only successful in 5 percent of cases. "Targeted



On the Internet, job seekers can enter their own needs: field of activity, level of employment and contractual terms. The computer then relieves the user of the search task and indicates all the relevant positions. Fast and simple.

applications relating to specific job offers make more sense for both sides," confirms Hippenmeyer. "The success of the jobmail subscription service has exceeded all our expectations." In April of this year alone Credit Suisse registered 2,800 jobmail subscriptions.

That's twice as many as expected. In the "offline world" this number corresponds to 2,800 individuals who are currently interested in working at Credit Suisse and are waiting for precisely the job they want to become available. The jobmail

service is also popular with agencies that specialize in particular professions. It allows them automatically to keep up with developments in their sector.

So, although online job searches can reveal a wide range of opportunities, a jobmail subscription is one of the most efficient methods of finding available jobs. Once you've signed up to the jobmail service of your preferred employers, everything else happens more or less automatically. The next jobmail is sure to appear!  **jb**

# E-Business to Continue to Boom on Improved Broadband Access

E-business, the conduct of business on the Internet, continues to grow at strong rates across the globe spurred by improved access, services and content. The declining cost of broadband should boost Internet penetration further and consequently increase the amount of time and money spent online by Internet users. According to Credit Suisse estimates, the total amount spent online is estimated to grow to 263 billion dollars by 2010 from 170 billion dollars in 2006.

The number of active Internet users across the globe reached a total of 763 million in March 2007, according to the net-measuring firm comScore. These users viewed more than 2 trillion Web pages in March, which is 9 percent more than in the previous month. The US and Europe remain the largest Internet markets, though the fastest-growing regions are Latin America and Asia-Pacific. A PricewaterhouseCoopers' (PwC) study forecasts the global Internet advertising and access spending market to grow an annual 13 percent between 2005 and 2010.

### Broadband Connections Act as a Catalyst for Entire Sector

The Internet industry will thrive in the years to come as broadband connections continue to gain market share from traditional dial-up connections. "The rising broadband penetration, which shows no sign of abating, should be a catalyst for the entire industry," says Credit Suisse Internet analyst Heath Terry. "Broadband's declining cost and faster connection speed should spur the use of Internet and its various applications." Global Internet penetration at household level should reach 47 percent by 2010 compared with just 17 percent in 2001 and 34 percent last year, according to a PwC study.

### Google Dominates as Search Engine

Search engines today reap the most visits on the Web, with Internet becoming a key source of information for many of its users. The Web's attractiveness will continue to rise as search engine technologies improve further. About 80 percent of the global Internet population visit search engines, according to a Nielsen//Net Ratings study. Global search queries reach close to 22 billion every month, with Google's market share reaching nearly two-thirds followed by yahoo! with a market share of close to a fifth.

### Online Advertisement Is Booming

As people spend more time online, advertisers have to follow them on to the Web. Credit Suisse estimates that online advertising spending rose 35 percent year-on-year to 17 billion dollars in 2006. Global web advertising is expected to grow to 51.6 billion dollars by 2010, according to PwC. E-commerce, the sale of goods and services where an order is placed by the buyer or a price is negotiated over the Internet or e-mail, is expanding at a rapid pace too. In the US, e-commerce sales are estimated to account for 2.8 percent, or 109 billion dollars of total retail sales in 2006, according to data from the US Census Bureau. That is a 24 percent increase in US e-commerce sales compared with 2005.

### Users Increasingly More Comfortable With E-Commerce

"The e-commerce segment has been the most consistent grower in the Internet space, growing nearly 25 percent annually over the last four years," Credit Suisse's Heath says. "We believe this will continue as buyers become more comfortable with making larger transactions online and as the size of more Webaccustomed younger users increases. Companies like eBay, Amazon and traditional retailers with strong Web operations should continue to benefit from this growth. With the e-commerce segment trading at 29 times their estimated 2008 earnings per share, a slight premium to the Internet group as a whole, we believe the space is attractively valued relative to its growth rate," Heath adds. **de**

Heath Terry
Internet analyst at Credit Suisse

**"The rising broadband penetration, which shows no sign of abating, should be a catalyst for the entire industry."**

# A New Life in Cyberspace

Shopping without carrying heavy bags. A night on the tiles without waking up with a headache. It's all possible in a virtual second life. But I still haven't been able to find a branch of my bank in the virtual world of Second Life. A virtual world combined with a major bank. Haven't I heard that somewhere before?

It's 2002 and Expo.02. In an idyllic setting on the shores of Lake Bienne in western Switzerland, right in the middle of the Arteplage in Bienne, is the Cyberhelvetia pavilion. The environment of the Internet town Cy, the virtual parallel world to the real pavilion, is much less impressive. It's housed in a Credit Suisse server landscape. The idea of Switzerland's first virtual town seems bold. The intention is that people should be able to choose their own identity and then interact in a self-organizing virtual community. The infrastructure is meager. There is no sewage system and no hospital. The town itself is fairly basic, and yet around 33,000 people have chosen to settle here and conquer the virtual world. It couldn't be easier to move in. There's no need for removal vans or building permits. Citizenship can be acquired with just a few clicks of a mouse, and citizens have complete freedom when choosing their name. The only condition is that the name must not have been chosen already by another InCyder. The new citizen then chooses an avatar from around 100 available models and starts to look for somewhere suitable to live. Virtual life is ready to start. Just like in real life it's a matter of building and maintaining a network of friends. The Internet community even has its own Internet newspaper – the CyPress. As well as settling down in the virtual town of Cy it is also possible to take one's own photograph with the help of 30 Internet portrait robots. More than a million portraits are produced.

After Expo.02 the time-limited Cyberhelvetia project was taken over and continued by a few hundred passionate InCyders. It was only years later that the significance of Credit Suisse's pioneering work at that time really became clear.

### Internet Develops at Staggering Pace

Some time has passed since Expo.02. New technologies have made new Web projects possible. However, the ideas behind them are often not new. The Cyberhelvetia project and many other projects from the Internet's early years show that some ideas that closely resemble today's successful models were already alive and well during the time of the new economy. At that time Internet euphoria gave way to profound disenchantment. Dotcom stocks collapsed. On closer inspection it's clear that many of those ideas were simply ahead of their time. The technical foundations were lacking. Even simple tasks – like ordering a pizza online – took forever. First you had to use a dial-up modem to get online, then navigate at a snail's pace through the ordering process and pay for the long delays with frayed nerves and high connection charges.

### Interactivity Increasingly Important

Things only started to improve with the introduction of flat-rate Internet services. Now users paid a fixed price regardless of how long or how often they were online. But it was the availability of fast, inexpensive broadband access that finally made it possible to make proper use of various Web applications. Broadband access signaled the final breakthrough for the Internet. Various old ideas were retrieved from the shelf, dusted down and relaunched – and suddenly they worked. One shining example is YouTube. The idea is simple – and its success has been stunning. Users upload their videos and make them available to the public for viewing. Attracting the attention of a broad public comes at a price. The founders of YouTube sold it recently to Google for 1.65 billion dollars. Similar projects had failed five years previously. The technical and financial hurdles were then too high for normal Internet users.

The Internet is becoming more and more interactive. Millions of blogs are conquering cyberspace. As well as being easy to maintain, blogs often allow their readers to post comments. This makes it possible for users to give their opinion about articles directly. Readers become authors. This principle of the "community" is typical of the vast majority of so-called Web2.0 projects. The various wiki projects are based on it. Contributions to these online encyclopedias are written and edited by readers. This enables a vast corpus of knowledge to be assembled and made accessible to the public. However, this method of knowledge dispersal also has its downside – wikis are relatively easy to manipulate. However, self-regulation seems to work astonishingly well. After all, readers can fill gaps in texts and correct errors themselves.

One new project in the realm of virtual self-realization is currently on everyone's lips – Second Life. On closer inspection the parallels with Cyberhelvetia are obvious. Here, too, users can design their own avatar and create a virtual home for themselves. Once they've downloaded the software, they can immediately step into the virtual 3-D world. But here, too, technological progress has made its mark. The possibilities in Second Life are much greater; it's possible for example to design your own house or clothes

or to construct virtual branches of a company. The land for projects of this kind can be rented or bought using Second Life's own currency – Linden dollars. And these can in turn be bought using real dollars. Nevertheless, despite all the euphoria and media hype, the number of users who log in to Second Life every day is only about 30,000 – not exactly overwhelming when you consider it has six million registered users.

**Venture Into a New Dimension**
So it looks like Second Life is really more of a game than anything else. It doesn't provide anything that's really new. There are already plenty of contact networks, and there's no lack of other ways to communicate on the Internet. Traditional banner advertising along with online shops and company homepages have already established themselves as platforms for online marketing. The principle new feature of Second Life is its three-dimensionality. This – together with the new Windows Vista operating system – could signal a new trend for other Web applications. One thing is certain: The Internet has yet to find its final form. Who knows, perhaps after Cyberhelvetia and Second Life someone somewhere will develop a virtual "Third Life." **sds**



**Cy was Switzerland's first virtual city (top row). They were part of the Expo.02 project Cyberhelvetia, launched by Credit Suisse. What at the time was a pionieering idea, today belongs to everyday life – thanks to the virtual world Second Life (bottom row).**