

= Credit Suisse =

Credit Suisse Group is a Swiss multinational financial services holding company, headquartered in Zürich, that operates the Credit Suisse Bank and other financial services investments. The company is organized as a stock corporation with four divisions: Investment Banking, Private Banking, Asset Management, and a Shared Services Group that provides marketing and support to the other three divisions.

Credit Suisse's stock unsurprisingly hit a new 52-week low of \$ 10.01 during trading on July 6, 2016 while somewhat recent reports have suggested it is yet again being investigated by the U. S. Department of Justice in relation to tax evasion. Credit Suisse is also contending with a valid federal lawsuit filed against it at a New York City court and related litigation filed with the Administrative Review Board of the U.S. Department of Labor pertaining to the Sarbanes-Oxley Act's whistleblower protections. On July 15, 2016, the latest legal brief was filed in that Sarbanes case with the Administrative Review Board at the expense of Credit Suisse, NTT Data, Inc., and the U.S. Department of Labor.

Credit Suisse was founded by Alfred Escher in 1856 under the name Schweizerische Kreditanstalt (SKA, English: Swiss Credit Institution) in order to fund the development of Switzerland's rail system. It issued loans that helped create Switzerland's electrical grid and the European rail system. It also helped develop the country's currency system and funded entrepreneurship. In the 1900s Credit Suisse began shifting to retail banking in response to the elevation of the middle-class and the growing popularity of savings accounts. Credit Suisse partnered with First Boston in 1978. After a large failed loan put First Boston under financial stress, Credit Suisse bought a controlling share of the bank in 1988. In the 1990s, Credit Suisse acquired the Winterthur Group, Swiss Volksbank, Swiss American Securities Inc. (SASI) and Bank Leu among others. In the year 2000, it added the U.S. investment firm Donaldson, Lufkin & Jenrette.

The company restructured itself in 2002, 2004 and 2006. It was one of the least affected banks during the global financial crisis, but afterwards began shrinking its investment business, executing layoffs and cutting costs. During the period between 2008 and 2012, Germany, Brazil, and the United States began a series of investigations into the use of Credit Suisse accounts for tax evasion. In May 2014, the company pleaded guilty to decades of conspiring to help US citizens avoid taxes, and agreed to pay \$ 2.6 billion in fines.

In 2014, Credit Suisse had 888.2 USD Bn of assets under management (AuD) according to the Scorpio Partnership (an increase of 9.5% on 2013).

= Corporate structure =

Credit Suisse Group AG is organized as a joint-stock company registered in Zürich that operates as a holding company. It owns the Credit Suisse bank and other interests in the financial services business. Credit Suisse is governed by a board of directors, its shareholders and independent auditors. The Board of Directors organizes the Annual General Meeting of Shareholders while investors with large stakes in the company determine the agenda. Shareholders elect auditors for one-year terms, approve the annual report and other financial statements, and have other powers granted by law. Shareholders elect members of the board of directors to serve a three-year term based on candidates nominated by the Chairman's and Governance committee and the Board of Directors meet six times a year to vote on company resolutions. The Board sets Credit Suisse's business strategies and approves its compensation principles based on guidance from the compensation committee. It also has the authority to create committees that delegate specific management functions.

Credit Suisse has two divisions, Private Banking & Wealth Management and Investment Banking. A Shared Services department provides support functions like risk management, legal, IT and marketing to all areas. Operations are divided into four regions: Switzerland, Europe, the Middle East and Africa, the Americas and the Asian Pacific. Credit Suisse Private Banking has wealth management, corporate and institutional businesses. Credit Suisse Investment Banking handles

securities , investment research , trading , prime brokerage and capital procurement . Credit Suisse Asset Management sells investment classes , alternative investments , real @-@ estate , equities , fixed income products and other financial products .

= = History = =

= = = Early history = = =

Credit Suisse 's founder , Alfred Escher , was called , " the spiritual father of the railway law of 1852 , " for his work defeating the idea of a state @-@ run railway system in Switzerland in favor of privatization . Escher founded Credit Suisse ( originally called the Swiss Credit Institution , i.e. , Schweizerische Kreditanstalt ) in 1856 primarily to provide domestic funding to railway projects , avoiding French banks that wanted to exert influence over the railway system . Escher aimed to start the company with three million shares and instead sold 218 million shares in three days . The bank was modeled after Crédit Mobilier , a bank funding railway projects in France that was founded two years prior , except Credit Suisse had a more conservative lending policy focused on short @-@ to @-@ medium term loans . In its first year of operation , 25 percent of the bank 's revenues was from the Swiss Northeastern Railway , which was being built by Escher 's company , Nordostbahn .

Credit Suisse played a substantial role in the economic development of Switzerland , helping the country develop its currency system , funding entrepreneurs and investing in the Gotthard railway , which connected Switzerland to the European rail system in 1882 . Credit Suisse helped fund the creation of Switzerland 's electrical grid through its participation with Elektrobank ( now called Elektrowatt ) , a coalition of organizations that co @-@ financed Switzerland 's electrical grid . According to The Handbook on the History of European Banks , " Switzerland 's young electricity industry came to assume the same importance as support for railway construction 40 years earlier . " The bank also helped fund the effort to disarm and imprison French troops that crossed into Swiss borders in the 1870 Franco @-@ Prussian War . By the end of the war , Credit Suisse had become the largest bank in Switzerland .

Throughout the late 1800s , Credit Suisse set up banking and insurance companies in Germany , Brussels , Geneva and others ( as SKA International ) with the bank as a shareholder of each company . It created insurance companies like Swiss RE , Swiss Life , Rentenanstalt and Schweiz . Credit Suisse had its first unprofitable year in 1886 , due to losses in agriculture , venture investments , commodities and international trade . The bank created its own sugar beet factory , bought 25 @,@ 000 shares in animal breeding ventures and supported an export business , Schweizerische Exportgesellschaft , that experienced heavy losses for over @-@ speculative investing .

In the early 1900s Credit Suisse began catering to consumers and the middle @-@ class with deposit counters , currency exchanges and savings accounts . The first branch outside of Zürich was opened in 1905 in Basel . The bank helped companies affected by World War I restructuring , and extended loans for reconstruction efforts . During the 1920s depression , net profits and dividends were halved and employees took salary cuts . After World War II , a substantial portion of Credit Suisse 's business was in foreign reconstruction efforts . Holocaust survivors had problems trying to retrieve assets from relatives that died in concentration camps without death certificates . This led to a class action lawsuit in 1996 that settled in 2000 for \$ 1 @.@ 25 billion . The Agreement on the Swiss Banks ' Code of Conduct with Regard to the Exercise of Due Diligence was created in the 1970s , after a Credit Suisse branch in Chiasso was exposed for illegally funneling \$ 900 million in Italian deposits to speculative investments .

= = = Acquisitions , growth and First Boston = = =

In 1978 , White , Weld & Company dropped its partnership with Credit Suisse after it was bought by Merrill Lynch . To replace the partnership with White , Credit Suisse partnered with First Boston to

create Credit Suisse First Boston in Europe and bought a 44 percent stake in First Boston 's US operations .

In 1987 , the Group acquired the blue chip London stockbrokers Buckmaster & Moore . Originally established by Irish aristocrat Charles Armytage @-@ Moore and sportsman Walter Buckmaster , who had met at Repton School . As stockbrokers they were very well connected , had developed a good private client business , which at one time included John Maynard Keynes .

Other Credit Suisse First Boston brands were later created in Switzerland , Asia , London , New York and Tokyo . According to an article in The New York Times , First Boston became " the superstar of the Euromarkets " by buying stakes in American companies that wanted to issue bonds . In 1988 First Boston loaned \$ 487 million to Gibbons and Green for the purchase of the Ohio Mattress Company , which was purchased at twenty times its annual revenue . Gibbons had also borrowed \$ 475 million in junk bonds . When the junk bonds market crashed the following year , Gibbons couldn 't repay First Boston . Credit Suisse injected \$ 725 million to keep First Boston in business , which ultimately led to the company being taken over by Credit Suisse . This became known as the " burning bed " deal , because the Federal Reserve overlooked the Glass ? Steagall Act that requires separation between commercial and investment banks in order to preserve the stability of the financial markets .

In the late 1990s Credit Suisse executed an aggressive acquisition strategy . The bank acquired Bank Leu , known as Switzerland 's oldest bank , in 1990 . In 1993 Credit Suisse outbid UBS for a controlling stake in Switzerland 's fifth largest bank , Swiss Volksbank in a \$ 1 @. @ 1 billion deal . It also merged with Winterthur Group in 1997 for about \$ 9 billion and acquired the asset management division of Warburg , Pincus & Co. in 1999 for \$ 650 million . Donaldson , Lufkin & Jenrette was purchased for \$ 11 @. @ 5 billion in 2000 .

In 1996 Credit Suisse restructured as the Credit Suisse Group with four divisions : Credit Suisse Volksbank ( later called Credit Suisse Bank ) for domestic banking , Credit Suisse Private Banking , Credit Suisse Asset Management and Credit Suisse First Boston for corporate and investment banking . The restructure was expected to cost the company \$ 800 million and result in 7 @, @ 000 lost jobs , but save \$ 560 million a year . While Credit Suisse First Boston had been struggling , Credit Suisse 's overall profits had grown 20 percent over the prior year , reaching \$ 664 million . In 1999 Japan 's Financial Supervisory Agency temporarily suspended the financial @-@ products division 's license to operate in Japan for " window dressing , " the practice of selling derivatives that are often used by bank clients to hide losses .

In the 2000s Credit Suisse executed a series of restructures . In 2002 the bank was consolidated into two entities : Credit Suisse First Boston for investments and Credit Suisse Financial Services . A third unit was added in 2004 for insurance . Credit Suisse restructured again in 2004 under what it calls the " one bank " model . Under the restructuring , every board had a mix of executives from all three divisions . It also changed the compensation and commission models to encourage cross @-@ division referrals and created a " solution partners " group that functions between the investment and private banking divisions . Following the restructure Credit Suisse 's private banking division grew 19 percent per year despite the economic crisis . The firm bumped long @-@ time rival UBS off the number one position in Euromoney 's private banking poll . In 2006 , Credit Suisse acknowledged misconduct for helping Iran and other countries hide transactions from US authorities and paid a \$ 536 million settlement . The same year it merged Bank Leu AG , Clariden Holding AG , Bank Hofmann AG and BGP Banca di Gestione Patrimoniale into a new company called Clariden Leu .

The increasing importance of sustainability and the related commitments and liabilities of international standards such as the UNGC , of which the bank is a member , lead to an increasingly sophisticated and ambitious risk management over the years . Credit Suisse operates a process which since 2007 uses RepRisk , a Swiss provider of ESG Risk analytics and metrics , to screen and evaluate environmental and social risks of risky transactions and due diligence .

In 2009 Yellowstone Club founder Tim Blixseth sued Credit Suisse when the bank attempted to collect on \$ 286 million in loan debt during Yellowstone 's bankruptcy proceedings . The debtor had borrowed more than \$ 300 million for the business , but used a large portion of it for personal use

before eventually filing for bankruptcy . Four lawsuits were filed from other resorts seeking \$ 24 billion in damages alleging Credit Suisse created loans with the intention of taking over their properties upon default .

= = = Post financial crisis = = =

According to The Wall Street Journal , " Credit Suisse survived the credit crisis better than many competitors . " Credit Suisse had \$ 902 million in writedowns for subprime holdings and the same amount for leveraged loans , but it did not have to borrow from the government . Along with other banks , Credit Suisse was investigated and sued by US authorities for bundling mortgage loans with securities , misrepresenting the risks of underlying mortgages during the housing boom . Following the crisis , Credit Suisse cut more than one @-@ trillion in assets and made plans to cut its investment banking arm 37 percent by 2014 . It reduced emphasis on investment banking and focused on private banking and wealth management . In July 2011 , Credit Suisse cut 2 @,@ 000 jobs in response to a weaker than expected economic recovery and later merged its asset management with the private bank group to cut additional costs .

A series of international investigations took place in the early 2000s regarding the use of Credit Suisse accounts for tax evasion . The Brazilian government investigated 13 former and current Credit Suisse employees in 2008 . The investigation led to arrests that year and in 2009 as part of a larger crackdown in Brazil . Four Credit Suisse bankers were accused of fraud by the US Justice Department in 2011 for helping wealthy Americans avoid taxes . German authorities found that citizens were using insurance policies of a Bermuda @-@ based Credit Suisse subsidiary to earn tax @-@ free interest . In November 2012 , Credit Suisse 's asset management division was merged with the private banking arm .

In September 2012 , the Swiss government gave banks like Credit Suisse permission to provide information to the US Justice Department for tax evasion probes . In February 2014 it agreed to pay a fine of \$ 197 million after one of its businesses served 8 @,@ 500 US clients without registering its activities , leading to suspicion as to whether it was helping Americans evade taxes . It was one of 14 Swiss banks under investigation . Separately , in 2013 , German authorities began to probe Credit Suisse , its private bank subsidiary Clariden Leu , and its regional subsidiary Neue Aargauer Bank for helping German citizens evade taxes . The bank eventually entered into a ? 150 million settlement with the government .

In March 2014 , Credit Suisse denied claims it had been drawn into a Swiss competition probe investigating potential collusion to manipulate foreign exchange rates by various Swiss and foreign banks . In May 2014 , Credit Suisse pleaded guilty to conspiring to aid tax evasion . It was the most prominent bank to plead guilty in the United States since Drexel Burnham Lambert in 1989 and the largest to do so since the Bankers Trust in 1999 . " Credit Suisse conspired to help U.S. citizens hide assets in offshore accounts in order to evade paying taxes . When a bank engages in misconduct this brazen , it should expect that the Justice Department will pursue criminal prosecution to the fullest extent possible , as has happened here , " Attorney General Eric H. Holder said at the time . Holder also said " This case shows that no financial institution , no matter its size or global reach , is above the law . " Credit Suisse shares rose 1 % on the day the \$ 2 @.@ 6 billion penalty was announced .

On 10 March 2015 , it was announced that Tidjane Thiam , the CEO of Prudential would leave to become the next CEO of Credit Suisse .

= = Financial products = =

Credit Suisse endorses a strategy called bancassurance of trying to be a single company that offers every common financial services product . The investment bank is intended for companies and wealthy individuals with more than 50 @,@ 000 euro .

Credit Suisse developed the CreditRisk + model of risk assessment in loans , which is focused exclusively on the chance of default based on the exogenous Poisson method . As of 2002 about 20

percent of Credit Suisse 's revenue was from its insurance business it gained through the 1997 acquisition of Winterthur . The investment bank 's insurance products are primarily popular in the domestic market and include auto , fire , property , life , disability , pension and retirement products among others . Historically 20 ? 40 percent of the bank 's revenue has been from private banking services , one of its higher profit @-@ margin divisions .

Credit Suisse produces one of the six hedge funds following European stock indices that are used to evaluate the performance of the markets . The investment bank also has a 30 percent ownership in hedge fund investment firm York Capital Management . York sells hedge funds independently to its own clients , while Credit Suisse also offers them to private banking clients . Credit Suisse manages the financial instruments of the Dow Jones Credit Suisse long / short equity index ( originally called Credit Suisse / Tremont Hedge Fund Indexes ) .

According to a 2011 article in SeekingAlpha , Credit Suisse 's investment managers favor financial , technology and energy sector stocks . The bank 's head of equity investments in Europe said the team focuses on " value with an emphasis on free cashflow . " She also has an interest in companies undergoing management changes that may influence the stock price . According to a story in the Wall Street Journal , the head of Credit Suisse 's International Focus Fund keeps a portfolio of only 40 ? 50 stocks , instead of the industry @-@ norm of more than 100 . Credit Suisse publishes its investment advice in four publications : Compass , Viewpoints , Research and the Credit Suisse Investment Committee Report .

= = Reputation and rankings = =

People should judge for themselves how Credit Suisse should be regarded by taking into account the following statement that appears on the United States Department of Justice 's web site about Credit Suisse :

" As part of the plea agreement , Credit Suisse acknowledged that , for decades prior to and through 2009 , it operated an illegal cross @-@ border banking business that knowingly and willfully aided and assisted thousands of U.S. clients in opening and maintaining undeclared accounts and concealing their offshore assets and income from the IRS . "

Credit Suisse is a member of Wall Street 's bulge bracket , a list of less than a dozen of the largest and most profitable banks . The company has been identified as one of the world 's most important banks , upon which international financial stability depends . The bank is also one of Fortune Magazine 's most admired companies .

Credit Suisse has been recognized as the world 's best private bank by Euromoney 's Global Private Banking Survey and as the best European Equity Manager by Global Investors . In polls by Euromoney , it has been ranked as the top private bank and the best bank in Switzerland . As of 2004 , Credit Suisse was first in volume of high @-@ yield transactions , second for corporate high @-@ yield bond insurance and third for IPO underwriting . The Securities Data Company ranked Credit Suisse as the fourth best place for financial advice for mergers and acquisitions in the US in 1995 and sixth for domestic equity issues . Credit Suisse has been recognized by the Asset Triple A Awards . In 2005 Credit Suisse was ranked as the second best prime broker by Institutional Investor .

= = Work environment = =

Credit Suisse is more internationally minded than most European banks . According to WetFeet 's Insider Guide , Credit Suisse offers more travel opportunities , greater levels of responsibility and more client interaction than new employees get at competing firms , but is known for long hours . Analysts report 60- to 110 @-@ hour work @-@ weeks .

Roles and responsibilities are less stringent and the environment is pleasant despite hours being " the most grueling on Wall Street . " Vault 's Insider 's Guide reached similar conclusions , noting above @-@ average training , executive access and openness matched with reports of 80- to 100 @-@ hour work @-@ weeks .

