CREDIT SUISSE PLANS TO SELL U.S. PRIVATE BANK: NEWSPAPER

News / Finance

Credit Suisse Group intends to sell its **U.S. private bank** and slash its prime brokerage business under a strategy being developed by new Chief Executive Tidjane Thiam, Swiss newspaper Schweiz am Sonntag reported on Sunday.

Results will be presented to the bank's board in early October of a strategic review announced in July, earlier than first envisaged to give markets time to absorb news of a planned capital increase, the newspaper said, citing anonymous sources.

A spokesman for Switzerland's second-biggest bank declined comment on the report.

The newspaper cited "insiders" as saying the bank's U.S. private banking business had around 100 billion Swiss francs ($103 billion) under management but was not making progress there, unlike rival UBS (UBSG.VX).

The prime brokerage business, which provides services for big clients like hedge funds, and its fixed-income investment business, would be scaled back to free up capital that can be used for other businesses, it said.

Thiam signaled a strategy shake-up when he joined this year from British insurer Prudential Plc.

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The revamp aims to focus on banking for the world's wealthy, particularly in Asia, while moving away from riskier securities activities.

Investors have been watching for any clues as to his plans, as well as for any hints of a widely expected move to tap shareholders for additional capital.

The newspaper said Thiam planned changes in senior management that could affect allies of former CEO Brady Dougan, including private banking co-head Robert Shafir and Chief Financial Officer David Mathers.

Shafir was set to leave, while Mathers may be downgraded to his secondary role heading IT and operations, it reported.

Schweiz am Sonntag said Gael de Boissard, head of investment banking - fixed income, was in line to get the finance chief job.

It said Credit Suisse's board, which needs to approve the revamp, could have reservations, especially about the personnel changes.

Chaired by Urs Rohner, the board was due to address the plan on the first weekend of October, the newspaper said.

14 SEPTEMBER 2015

SOURCE: REUTERS
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