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Press Release

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Contact: Matt Anderson, 212-709-1691

STATEMENT OF NEW YORK SUPERINTENDENT OF FINANCIAL SERVICES BENJAMIN M. LAWSKY REGARDING CREDIT SUISSE AG

The New York State Department of Financial Services (DFS) today issued an **Order** regarding Credit Suisse AG and its operation of an illegal cross-border banking business, which aided thousands of U.S. clients in opening and maintaining undeclared accounts and concealing their offshore assets and income from the IRS and New York authorities.

Today's Order requires Credit Suisse AG to pay DFS a $715 million penalty for violations of law in connection with the Bank's global tax evasion scheme. The Order notes that during the course of the scheme Credit Suisse's New York Representative Office was a hub for the Bank's private banking business and played a significant role in the Bank's facilitation of tax evasion.

The DFS Order also requires the installation of an independent monitor of DFS's choosing inside Credit Suisse. The independent monitor will further review the involvement of individual employees in the misconduct, including officers, directors, and other employees; the elements of the Bank's corporate governance that contributed to its wrongdoing; the timeliness and effectiveness of the Bank's efforts to correct the misconduct; and other issues. The monitor will also recommend additional remedial measures based on the findings of that review. DFS intends to install an aggressive and fair monitor who will report directly to DFS in order to further address the deficiencies at the Bank that contributed to this misconduct.

Under today's Order, the Bank must also terminate certain individuals who were previously indicted but were still being paid by Credit Suisse. It is quite obvious that when misconduct occurs at financial firms, some individuals must have committed those bad acts and they should be held accountable. In this matter, actions have been taken by criminal prosecutors to indict individual Credit Suisse employees. As a regulator, we are ensuring that those under indictment will not continue to be paid by Credit Suisse. Those individuals are: Markus Walder, Susanne Ruegg Meier, and Marco Parenti Adami. Mr. Walder served as the head of the Bank's North American Offshore Banking division, and Ms. Ruegg Meier and Mr. Parenti Adami both served as senior managers in Credit Suisse's cross-border banking business.

DFS has determined not to initiate proceedings to revoke Credit Suisse's New York license. The New York Representative Office that had engaged in the misconduct at issue has been shut down and is no longer operating; the work of that office has been terminated. Going forward, however, it is necessary that Credit Suisse and its top management go above and beyond to ensure the Bank is playing by the rules and that management acts to prevent misconduct within the firm. Facilitating tax evasion was a strategy and business model that the firm engaged in for decades. It was decidedly not the result of the conduct of just a few bad apples. It is therefore quite appropriate that the firm itself is today pleading guilty, and for our independent monitor to further review the elements of Credit Suisse's corporate governance that contributed to this wrongdoing.

Today's guilty plea, combined with the individual indictments and significant monetary sanctions are serious yet appropriate in light of the conduct at issue. By putting this matter behind it, Credit Suisse has the opportunity to move beyond its past misconduct and set an example as a firm that gives its ethical and legal obligations the highest priority.

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New York State Department of Financial Services