

A Trusted Advisor

**An Interview with Frederick O. Terrell,
Vice Chairman-Investment Banking, Credit Suisse**

EDITORS' NOTE Frederick Terrell assumed his current post in June of 2010. Prior to rejoining Credit Suisse, Terrell was Managing Partner and Chief Executive Officer of Provender Capital Group, LLC, a private equity fund he co-founded in 1998. Terrell has also held a number of significant positions in the corporate governance arena, including membership on the board of directors for the New York Life Insurance Company, where he served as Chairman of the Investment Committee; for WellChoice, where he helped lead the board's committee that orchestrated the company's successful sale to WellPoint; and was Chairman of the Board for Carver Bancorp, Inc., the nation's largest African American-operated bank. He is a member of the Advisory Council for Yale University and the Board of the Yale School of Management. In 1983, he began his investment banking career as an Associate at First Boston Corporation. Terrell holds a B.A. degree from La Verne College, an M.A. degree from Occidental College, and an M.B.A. from the Yale School of Management.



Frederick O. Terrell

COMPANY BRIEF Credit Suisse AG (www.credit-suisse.com) is one of the world's leading financial services providers and is part of the Credit Suisse group of companies. As an integrated bank, Credit Suisse offers clients its combined expertise in the areas of private banking, investment banking, and asset management. Credit Suisse provides advisory services, comprehensive solutions, and innovative products to companies, institutional clients, and high-net-worth private clients globally, as well as to retail clients in Switzerland. Credit Suisse is headquartered in Zurich and operates in over 50 countries worldwide. The group employs approximately 48,200 people.

What excited you about the opportunity to return to Credit Suisse?

Credit Suisse was a special firm when I joined in 1983 and it has evolved into a global platform that we could never have imagined back then.

I left in 1997 to start my own firm, to shape a culture to call my own, and to invest private equity in emerging companies. After 2008, the world had changed and I was ready for a new challenge. I got an invitation from Paul Calello, who was then the head of Credit Suisse's investment bank, to talk about what had been going on at Credit Suisse since I left.

Paul's vision and that of other senior leaders at the bank was to recapture and enhance some of the unique aspects that Credit Suisse's business was known for, specifically the bank's connection to its largest global clients and its ability to deliver the widest range of services not only to established companies but to companies emerging as major global players. It was a time when my career experience would help me to rejoin what was essentially my home team.

How was the bank positioned when you came into the role and how has that played out?

We benefited from great leadership.

Prior to 2008, being a great risk manager was an important component of being a great CEO. But post-2008, that skill became absolutely essential. So I was fortunate to be returning to a firm that had leadership that had thoughtfully navigated its way through the most difficult environment in financial services history and had come out the other end stronger than ever; but it was still a tough environment.

We also benefited from the fact that we had a global platform in place to serve our clients, which predated the financial crisis. It would be impossible to assemble our platform today.

There are many challenges remaining, not the least of which are regulatory challenges and finding the most effective responses to the crisis. A lot of well-intentioned people on all sides of the issue are trying to make it better. We're trying to provide an extraordinary level of service to our clients in a tough environment. It's not always easy, but I'm very optimistic based on the strong fabric of our institution and our record of client-oriented innovation.

How tough is it to differentiate the firm in this space?

We try to put ourselves in the shoes of the clients that are operating under extremely difficult conditions. Everyone wants to be viewed as a trusted advisor in the crunch times. The advice you give is always closer to the mark if you take yourself out of the role of the intermediary – the traditional role of the investment banker, advisor or market maker – and look first to what the operator is trying to achieve.

Every time I engage with clients, I ask if what I am bringing to them would be helpful in what they do every day. We're better served if our clients feel we're in it with them shoulder to shoulder.

Are you concerned with the constraints of regulation today and has the pendulum swung too far?

A pendulum is a good metaphor because it's appropriate for people to have been concerned about the underlying causes of the financial crisis and what we now appreciate as the interconnectedness of all global institutions, including financial institutions.

The pendulum does swing and the first reaction when dealing with a crisis may turn out to be an overreaction. Over time however, it will be possible to take a longer-term view, which takes into account the realities of the marketplace and helps banks and other institutions remain active and forceful players on behalf of their clients, shareholders, employees and other stakeholders.

Do you worry about entrepreneurship being stymied?

Despite the overall challenges in the economy, this is a great environment for entrepreneurs. The New York City Partnership has been at the forefront in this regard and we've had an opportunity to work with them in creating an entrepreneurial environment in New York City – we want to be New York's response to the world of technology and to opportunities given the level of users and investors here, and practitioners in the city in the Fintech space and other areas. We're seeing tons of talented young people coming up with ideas that will create the companies of the future. I'm bullish because capital recognizes these ideas are great.

Is it important today that corporate responsibility aligns with business strategy?

I think of what we do in our work as a subset of what we do for each other. One area where the Credit Suisse Americas Foundation has been extraordinarily active is in alternative education. When we get involved with organizations like KIPP (the Knowledge Is Power Program, a national network of free, open-enrollment college preparatory public charter schools), we do it to promote our philosophy about making the world better, but we're also pursuing the goal of a better-educated group of potential colleagues.

Our efforts are not only on behalf of Credit Suisse; they're on behalf of the New York business community, which understands that it needs to respond to the issues of the day that are shaping what it's like to be a New Yorker. ●