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EMPLOYER PROFILE

VAULT EMPLOYER PROFILE:

CREDIT SUISSE FIRST BOSTON

BY THE STAFF OF VAULT

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Table of Contents

Introduction

Overview

Credit Suisse First Boston (CSFB) is one of the world's most renowned investment banks and a member of Wall Street's prestigious bulge bracket of securities firms. A wholly owned subsidiary of the Zurich, Switzerland-based Credit Suisse Group, CSFB offers a full range of investment banking and asset management services. Particularly strong in debt and equity underwriting, CSFB retained its position as the world's No. 1 high-yield corporate debt issuer in 2003 and jumped two spots to the No. 3 position in global IPO underwriting, according to Thomson Financial.

CSFB rose to top-tier investment bank status thanks (largely) to two acquisitions and a man named Frank. In 1988, the firm's parent, Credit Suisse Group (formerly CS Holdings), purchased investment bank First Boston and renamed it CS First Boston. Soon after, the firm poached Internet banking superstar Frank Quattrone from Deutsche Bank. Quattrone helped CSFB leap to the top of the investment banking league tables for tech and Internet advisory in the late 1990s. Even so, CSFB's stranglehold on its bulge bracket status didn't come until later, with the acquisition of Donaldson, Lufkin & Jenrette in November 2000. The $12.4 billion purchase added DLJ's debt underwriting prowess and established Wall Street name to CSFB's growing franchise.

A recent shakeup in CSFB's management structure suggested that the firm won't be looking to merge with another DLJ anytime soon. In June 2004, it was revealed that John Mack, CEO of CSFB and co-CEO of Credit Suisse Group, would be stepping down in mid-July 2004, leaving Oswel J. Grubel as the sole chief executive of the parent company and Brady Dougan, the No.#2 man at CSFB, to head the investment bank. According to *The Wall Street Journal*, Mack's surprise departure came after leaders at Credit Suisse's Zurich headquarters rejected Mr. Mack's entreaties to pursue a merger with another big bank and criticized CSFB's performance now that the economy had picked up.

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DEPARTMENTS

Investment Banking (Mergers & Acquisitions, Equity Capital Markets, Debt Capital Markets, Private Placement, Leveraged Finance, Private Equity)
Financial Services (Private Clients, Asset Management)
Securities (Equity, Fixed Income, Global Securities Finance, Research

STATS

Chairman: Stephen R. Volk
CEO: Brady Dougan
Employer Type: Subsidiary of Credit Suisse Group
2003 Revenues: $11.7 billion
2003 Net Income: $945 million
No. of Employees: 28,415
No. of Offices: 43

KEY COMPETITORS

Goldman Sachs
Merrill Lynch
Morgan Stanley
UBS Investment Bank

EMPLOYMENT CONTACT

For employment contacts, go to www.csfb.com/about_csfb/careers

UPPERS

- Solid management that is committed to winning
- Working among exceptionally smart people for a leader in its field
- Global nature of firm's franchise

DOWNERS

- Fails to attract some of the bigger deals on the Street
- Negative references in the newspaper about past management's messes
- Compensation less than the Street average

THE BUZZ
WHAT EMPLOYEES AT OTHER FIRMS ARE SAYING

- Good firm, tough place to work
- Falling apart; exodus by top bankers
- Rebuilding after a tough few years post-bubble and post-Quattrone
- Great derivatives department
- Good in high yield; improving elsewhere
- Best tech bank
- Worst bulge bracket firm to work for
- Lost a lot of its shine in recent years
- These guys totally blew it
- A cultural mishmash
- Amalgamation of a number of different firms leads to an inconsistent culture
- Very good at what they do
- Great, although somewhat disorganized
- Strong franchise

The Scoop

History

Making it out alive and well-positioned

Founded in Zurich in 1856 by Alfred Escher, Credit Suisse began its history as a venture capital firm that funded Swiss industries and railways. From its earliest years, the company thrived and soon began to expand internationally. However, in 1867, due to the disruption of regular trade caused by the U.S. Civil War, Credit Suisse suffered its first annual loss. In the early 1900s, the company continued to expand internationally. Though it had a hard time during the 1930s and early 1940s, first because of the Great Depression and then due to World War II, the company stayed afloat by dipping into the reserves that it had built up during its good years. Further, Switzerland's neutrality during World War II protected Credit Suisse from the Nazi regime. Because of Switzerland's neutrality, Swiss banks, unlike other major European banks, were left intact and in a good position to dominate the world market after the war. In the postwar years, Credit Suisse focused on foreign exchange dealing and gold trading.

First kiss

In 1978, Credit Suisse formed a joint venture with renowned American investment bank First Boston which began as the investment-banking arm of First National Bank of Boston. When the Glass-Steagall Act and other legal reforms set up barriers between commercial banks, investment banks and insurance companies, the investment-banking arm became the independent First Boston. In 1988, after First Boston sustained heavy losses in the 1987 stock market crash, Credit Suisse injected equity into the bank in return for control, and thus became the first foreign owner of a major Wall Street investment bank. Credit Suisse renamed itself CS Holdings and became a parent company/shareholder of a newly renamed CS First Boston.

In 1996, after a failed merger attempt with Union Bank of Switzerland, Credit Suisse decided to assert itself in the international market through its own efforts. As part of its restructuring process, Credit Suisse merged its U.S. investment banking operations with its corporate banking operations. The alliance became more formalized in 1997, when CS Holdings swallowed the entire investment banking unit and both parent and child emerged with new names: Credit Suisse Group and investment banking arm Credit Suisse First Boston.

Swiss not so neutral?

Like other major Swiss banks, Credit Suisse Group was the subject of close scrutiny because of allegations that it received large deposits of gold and jewelry stolen from Jews by the Nazis during World War II. Credit Suisse sought to deflect criticism of its past business affairs by establishing, along with Union Bank of Switzerland and Swiss Bank Corporation (which later merged to form UBS), a humanitarian fund for the Holocaust victims; the firm has promised to cooperate fully with investigating authorities. In the summer of 1998, the firm agreed, along with UBS and other Swiss banks, to pay $1.25 billion to settle the suit.

Big buy

CSFB's reputation grew throughout the late 1990s. Through acquisition the firm saw a chance to become an unquestioned leader in the industry and did exactly that, announcing the purchase of Donaldson, Lufkin & Jenrette (and DLJ's online unit, DLJdirect) in August 2000. DLJ was founded in 1959 by three Harvard MBAs. Originally a research firm, DLJ broke into the big leagues in 1970 by becoming the first member of the New York Stock Exchange to go public. The firm was acquired by Equitable in 1985 and soon after was snapped up by Axa Financial. Axa took DLJ public again in 1995 (though, at the time of the CSFB purchase, Axa controlled approximately 70 percent of DLJ).

The $12.4 billion DLJ acquisition was not universally loved some analysts predicted culture clashes, and the union resulted in the elimination of 2,500 jobs, most of which were held by redundant back-office personnel. Shortly after the merger, some senior managers abandoned the new firm. Ken Moelis, who had served as DLJ's head of corporate finance and who was named co-head of investment banking after the merger, left the firm for competitor UBS Warburg in November 2000. Also troublesome was a September 2000 report in *The Wall Street Journal* that Joe Roby, DLJ's president and CEO, received a six-year contract worth more than $82 million to act as chairman of the combined firm. (An unofficial gathering of DLJ employees in October 2000 featured a video that included the DLJ logo getting crushed and a picture of Roby with flashing dollar signs in his eyes.)

In early 2001, DLJdirect (in the U.S.) was renamed CSFBdirect. A few months later, though, the firm sold the unit to the Bank of Montreal for $520 million. CSFB also sold its U.K. online brokerage DLJdirect Ltd. to TD Waterhouse Group for an undisclosed amount.

Welcome Mack

In early 2001, the National Association of Securities Dealers announced a probe into the IPO practices at major Wall Street firms. It quickly became clear that CSFB was a focus of the probe. The NASD was investigating allegations that brokers coerced clients to pay higher commissions and to buy aftermarket shares in exchange for larger allocations of future IPOs. In May 2001, the NASD charged six CSFB employees with violating NASD rules. CSFB later dismissed three brokers, who, the firm concluded, had violated firm policy.

Embarrassed by the investigation and hoping to stave off a possible criminal indictment, Credit Suisse Group management decided to make a change. In what *BusinessWeek* called a ruthless corporate ambush, Credit Suisse Group Chairman and CEO Lukas Mühlemann summoned CSFB CEO Allen Wheat to London - and promptly dismissed him. Mühlemenn immediately hired John Mack, a Wall Street veteran with a reputation as a cost-cutter. Mack had resigned from Morgan Stanley in January 2001; he reportedly lost a power struggle for control of the firm to executives from the old Dean Witter, which merged with Morgan Stanley in 1997.

Though the firm initially denied that the IPO probe was a factor in Wheat's dismissal, among Mack's first moves was the hiring of legal experts Stephen Volk and Gary Lynch as vice chairman and global general counsel, respectively. Both were veterans of prestigious law firms. Volk was a partner at Shearman & Sterling while Lynch, the former head of the SEC's enforcement division, was a partner at Davis Polk & Wardwell. (Volk was elevated to chairman in January 2002, a month after Roby was named Chairman Emeritus and Senior Advisor.)

Hacking away

Besides dealing with the IPO probe, Mack's initial goals included cost cutting and establishing a single culture across the firm. One example was Mack's relationship with superstar banker Frank Quattrone. Quattrone had worked for Mack at Morgan Stanley but left for Deutsche Bank in 1996, seeking more autonomy. Unsatisfied with his role at Deutsche, Quattrone came to CSFB in 1998, where he excelled. He was allowed to run CSFB's technology banking practice as virtual fiefdom, controlling most aspects of life in the tech group and making it a firm-within-a-firm. The model was successful and CSFB became a leader in tech M&A and underwriting during the Internet boom.

When Internet and tech deals dried up in late 2000, Quattrone's influence waned. Additionally, though Quattrone wasn't named in the IPO probe, some members of his group were. This led to speculation that Quattrone would leave CSFB, though Mack was quick to back him up, calling him a first-class banker and a rainmaker.

Despite Mack's effusive praise, Quattrone and other senior bankers who negotiated guaranteed compensation at the height of the tech boom were asked to renegotiate their contracts. According to *The Wall Street Journal*, approximately 350 bankers and traders agreed to changes in their deals, saving the firm $400 million over three years. Quattrone, who the *Journal* topped out at $100 million during the good times, reportedly agreed to drop a clause that gave his tech team a cut of the group's annual profits.

The pay reductions weren't the only cuts ordered by Mack. In October 2001, he announced a plan to cut $1 billion in costs by the end of 2002. The cuts included finalizing the integration of DLJ as well as approximately 2,000 layoffs.

M&As and accolades

Despite the internal and external turmoil, CSFB remained a top investment bank in 2001. The firm was the fifth top merger adviser, sporting a total deal value of $47.7 billion during the year. Among some of the star deals: Comcast Corp.'s purchase of AT&T Broadband for $71 billion in July 2001; General Motors' $29 billion sale of Hughes Electronics to EchoStar Communications in August 2001; Phillips Petroleum Co.'s takeover of Conoco Inc. for $23 billion in November, and Washington Mutual Inc.'s procurement of Dime Bancorp for $4.9 billion in June 2001.

CSFB's achievement in the underwriter arena is none too shabby, either. The firm raked in 21 IPOs in 2001. Notable offerings include Kraft Foods' $8.7 billion IPO in June 2001, which CSFB co-led, a hefty $418 million IPO for Weight Watchers International in November 2001 (also co-led by CSFB) and VCA Antech's $140 million offering in November 2001 (CSFB led this one by itself).

But CSFB scored the most points in secondary market offerings. The firm was the lead manager of the secondary market in 2001 with 63 deals. CSFB managed Raytheon's October 2001 offering of $9.6 billion. In addition, CSFB had a hand in Earthlink's $200 million offering in August 2001 and Duane Reade's offering of $241 million in June 2001.

CSFB's research staff is also a source of pride. The firm moved from number four to number two in the 2001 *Institutional Investor* All-America Research Team rankings for U.S. equity research, placing 52 analysts on *II's* coveted list. CSFB was third in the fixed-income rankings with 32 analysts, up from No.10 the previous year.

Making the SEC go away

In January 2002, CSFB settled the allegations that some of the firm's brokers coerced clients to pay higher commissions and buy aftermarket shares in exchange for larger allocations of future IPOs. CSFB agreed to pay $30 million in fines and surrender $70 million in profit it made from managing IPO stocks during the tech surge of the late 1990s and early 2000. The $100-million payment was divvied up by the SEC and the NASD, and represented the fifth-largest fine sanctioned against a brokerage. CSFB neither admitted to nor denied the allegations.

In more positive news at the beginning of 2002, CSFB announced it would be acquiring the assets of HOLT Value Associates, chief provider of independent research and valuation services to asset managers. Based in Chicago, HOLT offers a valuation platform and database covering 18,000 companies in 28 countries. The firm has more than 350 institutional clients, and some of the world's foremost asset managers, who double as core clients of CSFB.

Hacking away

In March 2002, new investment banking chief Adebayo Ogunlesi stood before an auditorium full of CSFB bankers and announced that the pink slip recipients would most likely be senior executives. According to *The New York Times*, Ogunlesi told employees that CSFB had 25 to 50 percent more senior managers than comparable Wall Street firms, and that cuts would be necessary and made swiftly. Less than one month later, CSFB laid off 300 investment banking jobs, which, according to an internal memo, covered all levels of professional staff, every product and industry group.

At the end of 2002, CSFB would get hit with another $200 million fine, as part of the $1.6 billion settlement paid to federal and state regulators for hyping stocks in the late 1990s and early 2000s. In addition to fines, the banks were also forced to further disconnect their research units from their advisory units, in order to mitigate conflicts of interest between the two.

Still at the top

In 2002, CSFB worked on more M&A transactions worldwide than other bank, according to Thomson Financial. Some of the firm's larger M&A deals in 2002 included: advising TRW Corp. on its $12.2 billion sale to Northrup Grumman; advising AT&T on its restructuring of its interest in Time Warner Entertainment; and advising PanCanadian Energy on its $8.5 billion merger with Alberta Energy Co. For its advisory work on Kingfisher's $4.9 billion acquisition of Castorama Dubois Investissements, CSFB won a few deal of the year awards, including Best Overall M&A Deal from *Corporate Finance* magazine and Best Retail M&A Deal from *Investment Dealers' Digest*, which also honored CSFB for its work on Comcast Corp.'s purchase of AT&T Broadband for $72 billion, calling it the Breakthrough Deal of the Year. The huge deal also won *Institutional Investor's* Best M&A Deal of the Year for 2001. Other monster deals during 2001 were EchoStar Communications Corp.'s buyout of Hughes Electronic Corp. for $29 billion, and Phillips Petroleum Co.'s takeover of Conoco Inc. for $23 billion.

CSFB's achievements in the underwriter arena were none too shabby, either. In 2002, CSFB lead managed Alcon's $2.5 billion IPO, which became the largest health care IPO ever, as well as the largest European offering ever to be solely listed on the NYSE. Also in 2002, CSFB lead managed Big 5 Sporting Goods' $105 million IPO, Eon Labs $147 million IPO, and Integrated Defense Technologies' $154 million IPO. CSFB's research staff is also a source of pride. In the 2002 *Institutional Investor* Global Research Team research poll, CSFB tied with Morgan Stanley as the top bank overall, with 21 total positions, up from 18 in 2001. Additionally, in the 2002 *Institutional Investor* All-America research poll, CSFB ranked fourth overall, the same place it held in 2001, with 44 total positions and eight first-team rankings. Finally, in the Greenwich Associates U.S. survey of 2002, CSFB's research unit was ranked second overall.

The new deal

The year 2003 started out with a sale, as CSFB agreed in January to sell its stock-clearing unit, Pershing, to the Bank of New York. CSFB had inherited the Jersey City, N.J.-based Pershing, which handles 10 percent of NYSE trades, when it acquired DLJ in 2000. CSFB completed the transaction in May 2003 for $2 billion in cash, together with the repayment of a $480 million subordinated loan.

In March 2003, CSFB announced that it's considering a move that would separate its research unit into an independent firm called DLJ Research.

According to a confidential CSFB memo cited by *The Wall Street Journal*, the impetus behind the proposal is to take advantage of the opportunity stemming from the current regulatory scrutiny of research produced by analysts affiliated with investment banks. Internally, the move was called Project Independent Research, which, if set in motion, could save the firm some of its fines. Under the $1.4 billion settlement with regulators, $450 million will be used to fund independent research firms. So, if DLJ Research is hatched, then some of the $200 million CSFB paid out will, in effect, be returned to its pocket.

To be Frank

Perhaps no other name on Wall Street appeared in headlines more in 2002 and the beginning of 2003 than Frank Quattrone. In February 2003, immediately following news that Quattrone would face federal obstruction of justice charges, CSFB placed him on administrative leave. The charges signaled that Quattrone might have known authorities were investigating him when he sent e-mails in December 2000 telling employees to clean up their files.

Just a month after being placed on leave, Quattrone officially became an ex-CSFB employee, resigning from the firm at which he made over $200 million in fewer than four years. He resigned amid no less than three investigations, including a criminal one into his involvement in CSFB's IPO practices before the burst of the Internet bubble. In a statement, CSFB said that Quattrone's resignation was in the best interests of both parties. Two days after his resignation, Quattrone received some more bad news: he was charged yet again. The NASD accused him of using healthy shares in IPOs to gain business for CSFB and pressuring analysts to write favorable reports on client companies.

In January 2004, *The Wall Street Journal* reported that lawyers for Quattrone filed an appeal seeking to change the judge in his planned criminal retrial on obstruction of justice charges. Richard Owen, the federal judge in Manhattan who presided over a mistrial in October 2003, was set to preside on the retrial of the previous case, which resulted in a hung jury. Quattrone's lawyers said that Owen showed pro-prosecution bias in the previous trial. Owen did preside over the retrial, which resulted in a guilty verdict on three accounts.

On September 8, 2004, Quattrone was saddled with an 18-month prison sentence, above the maximum 16-month federal sentencing guidelines. *BusinessWeek* noted that U.S. District Judge Richard Owen opted for a stricter sentence, saying it was crystal clear that Quattrone committed perjury. As expected, Quattrone is appealing his conviction.

Out with the old?

Perhaps in a move to show that it is finally moving forward with new blood, CSFB announced in a December 2003 press release that it had appointed 125 new managing directors. What's more, it appears as if poor performers aren't being cut much slack, either. *The New York Sun* reported in January 2004 that CSFB fired two senior bond traders as a result of a bad trade of $8 million worth of adjustable-rate mortgage derivative bonds called an interest-only strip, citing unnamed senior CSFB bond officials. CSFB said the dismissals weren't do to the movement of a money-losing trade from one account to another, but as a result of a difference of opinion regarding an employee trade with the firm.

Mixing it up

The company posted mixed results in 2003. CSFB again retained the number one position in global high-yield corporate debt issuance, raising $22.8 billion from 123 issues, a 135.3 percent increase from 2002. CSFB also maintained a top-five position in global IPO issuance, bringing 20 new issues to market in 2003 and raising $3.6 billion in proceeds. This performance was good enough to jump one spot in the league tables to a No. 3 ranking, behind Goldman Sachs and Citigroup respectively.

However, CSFB fell to the No. 7 spot in global M&A activity in 2003, down from its No. 4 ranking in 2002. The company completed 257 deals, but the value of those transactions totaled just $145.1 billion, about half of 2002's total value. A November 2003 *Investment Dealers Digest* article noted that Christopher Lawrence, one of CSFB's former telecom banking heavyweights, was promoted to the title of chief strategic officer of its parent company, Credit Suisse Group. The article said the move signals to some observers that CSFB's telecom banking activity, which has fallen in M&A and some other league tables, is becoming less important to the firm.

CSFB did manage to stay within the top five banks in global common stock issuance in 2003, with 50 deals raising $6.49 billion in equity. Nonetheless, the bank fell two places to No. 5 from its No. 3 2002 ranking. Despite falling in the ranking within some categories, former CSFB CEO John Mack noted in a November press release that he was pleased with the cost-cutting that has occurred over the past two years. Mack also noted that stronger revenues from high-yield debt and credit trading helped to keep operating income flat during the first three quarters of 2003, compared with the previous year's results.

Mack hits it

A recent shakeup in CSFB's management structure suggested that the firm won't be looking to merge with another DLJ anytime soon. In June 2004, it was revealed that John Mack, CEO of CSFB and co-CEO of Credit Suisse Group, would be stepping down in mid-July 2004, leaving Oswald J. Grubel as the sole chief executive of the parent company and Brady Dougan, the No.2 man at CSFB, to head the investment bank. According to *The Wall Street Journa*l, Mack's surprise departure came after leaders at Credit Suisse's Zurich headquarters rejected Mr. Mack's entreaties to pursue a merger with another big bank and criticized CSFB's performance now that the economy had picked up.

In a press release announcing the move, Credit Suisse Group Chairman Walter B. Kielholz confirmed the firm's strategy of going at it alone. At this point in time, we have no interest in pursuing a merger with another financial institution. Kielholz also gave a nod to Mack, saying he was responsible for a dramatic turnaround of CSFB, delivering $1.4 billion in profit last year and enhancing its reputation by resolving major regulatory challenges and strengthening the franchise in key areas for future growth. Mack's successor, 44-year-old Brady Dougan, is a 15-year veteran of CSFB. He's a former trader and oversaw the equities division at CSFB from 1996 to 2001.

Just three weeks after Mack's announced departure, Dougan named his management team, appointing Brian D. Finn as president, a banker loyal to Mack, which, according to *The New York Times*, sent a message to First Boston bankers, many of whom had followed Mr. Mack to First Boston, that there would be no immediate exodus of bankers with ties to Mr. Mack. *The Times* also reported that two other Mack loyalists, general counsel Gary G. Lynch, and Eileen K. Murray, the head of global technology and operations, would remain in their current positions.

Midterm report card

CSFB maintained its top ranking in global high-yield corporate debt issuance as of the middle of 2004, completing 73 issues netting $12.4 billion in proceeds, according to Thomson Financial. However, the bank slipped one spot during the first six months of 2004 in global IPO issuance to No. 4, bringing 10 new issues to market netting $1.23 billion in proceeds. Despite a decline in market position, 2004's performance puts the bank in on a pace to eclipse its 2003 performance of 20 new issues and $3.6 billion in proceeds. In the M&A league tables, for the first six months of 2004, CSFB dropped to the No. 9 position, with 116 deals completed worth a total of $51.9 billion.

Compensation

Pay*

Corporate finance

First-year analyst: $55,000 base + $20,000 to $25,000 bonus

First-year analyst: $55,000 + $25,000

Second-year analyst: $60,000 + $45,000

Vice president: $110,000 + $200,000

Sales

Second-year analyst: $80,000 base + $20,000 bonus

First-year associate: $85,000 + $80,000

First-year associate: $90,000 + $55,000

Vice president: $150,000 + $500,000

Director: $150,000 + $700,000

Trading

First-year associate: $90,000 base + $90,000 bonus

Vice president: $100,000 + $350,000

Vice president: $110,000 + $900,000

Vice president: $110,000 + $250,000 to $300,000

Vice president: $130,000 + $170,000

Vice president: $120,000 + $200,000

Proprietary trader: $110,000 + $1,000,000

Managing director: $200,000 + $1,000,000

Information technology

First-year technical associate: $60,000 + $3,000

First-year technical associate: $65,000 + $10,000

Second-year technical associate: $67,500 + $4,500

Second-year technical associate: $72,000 + $7,000

Second-year technical associate: $72,000 + $10,000 to $15,000

Miscellaneous

Associate analyst, research: $85,000 + $70,000 to $120,000

Associate, credit derivatives structuring: $75,000 base + $80,000

Vice president, investment management sales: $130,000 base + $160,000

Third-year analyst, private equity: $75,000 base + $60,000

Third-year associate, private equity: $95,000 base + $300,000

**All figures from the 2004 Vault Banking Survey*

Perks

Meal allowance and taxi fare (or car service) if working on the weekend or late on a weekday

Free admission and discounts to Broadway shows, operas, museums, sporting events and retail stores

401(k) with matching, stock at discount prices, stock options

At New York HQ, great on-site gym at reasonably monthly rate ; excellent on-site gym in London office

Quite good on-site cafeteria in New York, plus on-site bank, shoe and watch repair, hair salon, dry cleaning and nursing room

Health, dental, vision plans

Organization

CEO s Bio

Big shoes to fill

Forty-five-year-old Brady W. Dougan became the CEO of CSFB in June 2004, succeeding legendary Wall Street dealmaker John Mack. In contrast to the charismatic Mack who has a flair for motivating people, *BusinessWeek* calls Dougan a detail-oriented, numbers guy who s risen through the ranks.

Dougan began his banking career in the derivatives group at Bankers Trust. He joined CSFB in 1990 and served as the head of its equities division for five years before being named the global head of securities in 2001. He became co-president of institutional securities in 2002 and, in 2003, a member of CSFB s operating committee and executive board, as well as Credit Suisse Group s executive board. Dougan holds a BA in economics and an MBA in finance from the University Chicago.

When Dougan was named CSFB CEO in 2004, he became the sixth person in the past 15 years to hold the post.

Business Units

Credit Suisse First Boston is divided into three major business divisions: investment banking, securities (subdivided into equities and fixed income) and financial services. These divisions remain the main categories when it comes to employment. Generally, in each department below, the firm hires MBAs and JDs as associates, and undergrads as analysts.

Investment Banking

Enjoying widespread name recognition and prestige, the banking division of CSFB is renowned for its comprehensive global network and expertise in areas such as privatization, M&A and underwriting. The division, also known as IBD, has two main subgroups: investment banking and private equity.

Investment Banking

This division is organized into product, industry and geographic groups. Product groups include M&A, equity and debt capital markets, private placement, leveraged finance, foreign exchange capital markets, project finance and private finance. Industry groups include: energy, financial institutions, health care, industrial and services, media and telecommunications, mining, real estate, retail and consumer products, and technology. The firm hires MBAs and JDs as associates in this division. Undergrads are hired into a two-year financial analyst position in the U.S.

Private Equity

The Private Equity Division is the direct investment (merchant banking) arm of CSFB. With over $26 million under management, the group is one of the world s largest asset managers of its kind. It invests the firm s money in buyouts, growth financings, structured equity investments, mezzanine investments, real estate investments, venture capital and investments in other private equity funds. CSFB s private equity arm works out of New York, Los Angeles, Menlo Park, Houston, London, Buenos Aires and Tokyo.

Securities

Fixed Income

This division is responsible for the sales, trading and research of fixed income products such as bonds and currency. The unit is divided into several groups: corporate credit products, credit trading, interest rate products, debt capital markets, emerging markets, foreign exchange, leveraged finance, transition management, and fixed income client applications.

Equities

This division encompasses sales, trading and research of equity products (primarily stock). Like fixed income, this division is grouped into several major functions: equity capital markets, sales and trading, derivatives and convertibles, transition management, and equities client applications.

Financial Services

This unit is subdivided into three subgroups: asset management, private client services, and transaction services and solutions (securities processing division). Credit Suisse Asset Management offers institutional asset management and fund investments, and has global assets under management of approximately $335 billion. CSFB s private client services unit (PCS), with 16 offices worldwide, provides a full range of brokerage services to wealthy individuals and family groups. Through transaction services and solutions, CSFB provides securities trading, clearing, information management, research, and cash management, among other financial products and services.

Locations

CSFB has offices in more than 69 locations in over 33 countries on five continents.

The Americas

New York, NY (Global/U.S. HQ)

Atlanta, GA

Baltimore, MD

Bethesda, MD

Boston, MA

Buenos Aires, Argentina

Chicago, IL

Cleveland, OH

Dallas, TX

Englewood, CO

Houston, TX

Irvine, CA

Los Angeles, CA

Menlo Park, CA

Mexico City, Mexico

Miami, FL

Monterrey, Mexico

Montreal, Canada

Nassau, Bahamas

New Orleans, LA

Newport Beach, CA

Palo Alto, CA

Pasadena, CA

Philadelphia, PA

Plano, TX

Plymouth, PA

San Francisco, CA

São Paulo, Brazil

Toronto, Canada

Washington, DC

West Palm Beach, FL

Europe

London, United Kingdom (European HQ)

Amsterdam, The Netherlands

Basel, Switzerland

Berne, Switzerland

Budapest, Hungary

Frankfurt, Germany

Geneva, Switzerland

Istanbul, Turkey

Kiev, Ukraine

Lausanne, Switzerland

Lucerne, Switzerland

Luxemborg

Madrid, Spain

Milan, Italy

Moscow, Russia

Paris, France

Prague, Czech Republic

St. Gallen, Switzerland

St. Peter Port, Channel Islands

Vienna, Austria

Warsaw, Poland

Zug, Switzerland

Zurich, Switzerland

Asia/Pacific

Bangkok, Thailand

Beijing, China

Hong Kong

Jakarta, Indonesia

Kuala Lumpur, Malaysia

Labuan, Malaysia

Manila, Philippines

Melbourne, Australia

Mumbai, India

Seoul, Korea

Shanghai, China

Singapore

Sydney, Australia

Taipei, Taiwan

Tokyo, Japan

Ownership

Credit Suisse First Boston is wholly owned by the Zurich based financial services organization Credit Suisse Group.

Key Officers*

Brady Dougan, Chief Executive Officer

Paul Calello, Chairman and CEO of Asia-Pacific Region

Christopher Carter, Chairman of European Region

Tony Ehinger, Co-Head of Equity Division

Brian Finn, President, Head of Investment Banking

Bennett Goodman, Head of Alternative Capital Division

James Healy, Co-Head of Fixed Income Division

Michael Kenneally, Chairman and Global CEO of Credit Suisse Asset Management

James Kreitman, Co-Head of Equity Division

Gary G. Lynch, Executive Vice Chairman, Global General Counsel

Eileen Murray, Head of Global Technology, Operations and Product Control

Adebayo Ogunlesi, Executive Vice Chairman and Chief Client Officer

Joanne Pace, Global Head of Human Resources

Jeffrey H. Salzman, Global Head of Private Client Services

Richard Thornburgh, Executive Vice Chairman and Vice Chairman of the Executive Board

Jerry Wood, Co-Head of Fixed Income Division

**All a part of CSFB operating committee*

Vault Newswire

September 2004: Frank's future: behind bars

Former CSFB superstar banker Frank Quattrone received an 18-month prison sentence for obstructing federal investigations into the firm's IPO practices. Quattrone's sentence exceeded the maximum 16-month federal sentencing guidelines. U.S. District Judge Richard Owen opted for a stricter sentence, saying it was crystal clear that Quattrone committed perjury. Quattrone is appealing his conviction.

July 2004: Mixed results on mid-year league tables

CSFB keeps its No. 1 ranking in global high-yield corporate debt issuance for the first six months of 2004, according to Thomson Financial. But in global IPO issuance CSFB falls one spot to No. 4. In M&A league CSFB dropped slightly, falling to the No. 9 position from the No. 7 slot it held at the end of 2003.

June 2004: Mack hits the road

CSFB CEO (Credit Suisse Group co-CEO) John Mack announces he'll be stepping down in mid-July 2004, leaving Brady Dougan, the No.#2 man at CSFB, to head the investment bank and Oswald J. Grubel as the sole chief executive of the parent company. According to *The Wall Street Journal*, Mack's surprise departure came after leaders at Credit Suisse's Zurich headquarters rejected Mr. Mack's entreaties to pursue a merger with another big bank and criticized CSFB's performance now that the economy had picked up.

January 2004: Up and down in major league tables

According to Thomson Financial's 2003 year-end league tables, CSFB retained the No. 1 position in global high-yield corporate debt issuance and jumped a spot to No. 3 in global IPO issuance. However, CSFB fell from No. 4 to No. 7 in global M&A activity, and dropped from No. 3 to No. 5 in global common stock issuance.

May 2003: Closing time

CSFB completes the sale of stock-clearing unit Pershing to the Bank of New York for $2 billion in cash, together with the repayment of a $480 million subordinated loan.

February 2003: Frank takes leave

Following news that Quattrone will face federal obstruction of justice charges, CSFB places him on administrative leave. The charges signaled that Quattrone might have known authorities were investigating him when he sent e-mails in December 2000 telling employees to clean up their files.

January 2003: Clearance sale

CSFB agrees to sell its stock-clearing unit, Pershing, to The Bank of New York. CSFB had inherited the Jersey City, N.J.-based Pershing, which handles 10 percent of NYSE trades, when it acquired DLJ in 2000.

December 2002: The big one

CSFB agrees to pay a $200 million fine as part of an industry-wide $1.6 billion settlement paid to federal and state regulators for hyping stocks in the late 1990s and early 2000s. In addition, the ten banks fined were also forced to further disconnect their research units from their advisory units, in order to mitigate conflict of interests between the two.

April 2002: Cutting some bankers loose

CSFB cuts 300 investment-banking jobs, which, according to an internal memo, covered all levels of professional staff, every product and industry group.

February 2002: Dumping direct, part two

CSFB completes the $520 million sale of CSFBdirect to the Bank of Montreal.

January 2002: Dumping direct

CSFB closes the sale of DLJdirect to TD Waterhouse Group for an undisclosed sum.

January 2002: Settling up

CSFB agrees to pay $100 million to settle an SEC and NASD investigation into alleged indiscretions in the firm's IPO share allocation practice. CSFB said it would pay $30 million in fines and surrender $70 million in profits that it made from managing IPO stocks during the tech boom of 1999 and early 2000. The firm neither admitted nor denied any wrongdoing in connection with the probe.

January 2002: CSFB adds Value

CSFB announces it will acquire the assets of HOLT Value Associates, chief provider of independent research and valuation services to asset managers. Based in Chicago, HOLT offers a valuation platform and database covering 18,000 companies in 28 countries.

November 2001: Mack logs off the Net

As part of CEO John Mack's cost-cutting plan, CSFB announces that it will shed its online brokerage units, CSFBdirect and DLJdirect.

November 2001: CSFB slashes senior salaries

CSFB forced approximately 350 senior traders and bankers, including superstar Frank Quattrone, to renegotiate their lucrative guaranteed-pay contracts, which were made at the height of the tech boom. CSFB hopes to save $400 million over the next three years as a result. The firm also cut brokers' commissions by as much as 10 percent on some accounts.

August 2001: Lynch named general counsel

Gary Lynch was named global general counsel at CSFB. Lynch, most recently a partner at Davis Polk & Wardwell, is well suited to cleaning up CSFB. He headed the SEC's enforcement division in the 1980s.

July 2001: Volk named vice chairman

Stephen Volk, former partner at law firm Shearman & Sterling, was named vice chairman at CSFB and member of the company's executive board.

July 2001: Wheat cut, Mack harvested

Embarrassed by recent scandals, including an NASD probe into CSFB's IPO practices, Credit Suisse Group fired Allen Wheat, who had served as CEO of CSFB for four years. The firm hired John Mack, former president and COO at Morgan Stanley, to replace Wheat.

July 2001: CSFB ups the ante

Seeking to finally close the books on its acquisition of Donaldson, Lufkin & Jenrette, CSFB raised the price of its offer for CSFBdirect, DLJ's online brokerage division that had been named DLJdirect. DLJdirect shareholders were initially disappointed with CSFB's $4 per share offer; the firm upped its offer to $6 per share, which would cost the firm $110 million.

May 2001: A Major addition

CSFB announced John Major, former prime minister of Britain, would join the firm as a part-time senior adviser. It was Major's second appointment to a senior position in a financial company; he had been named chairman of Carlyle Europe, the European arm of U.S. private equity firm The Carlyle Group.

May 2001: More cuts

CSFB cut more employees, this time laying off 10 percent of its investment banking staff. The company said the affected employees were redundant after the merger with DLJ.

April 2001: IPO troubles

An NASD probe of the IPO practices of major Wall Street investment banks, including CSFB, came to light. The NASD probe questioned, among other things, whether customers were allocated IPOs in return for supporting the offerings in the open market.

April 2001: Check please

Bloomberg News reported that CSFB asked its bankers to keep the cost of dinners celebrating the closing of deals below $10,000. The firm also banned weekend-long celebrations and the awarding of lucites to senior bankers at the close of a deal. (Lucites are small trophies that list the particulars of a deal and are meant as keepsakes for clients and bankers that worked on the deal.)

March 2001: Cuts at CSFBdirect

CSFBdirect, CSFB's online brokerage division acquired in the DLJ merger, laid off approximately 10 percent of its workforce, or 150 employees.

November 2000: It's official

The $12.4 billion acquisition of DLJ became official and Donaldson, Lufkin & Jenrette became a part of Credit Suisse First Boston.

Select Recent Transactions

2004

In June, CSFB, with UBS and Goldman Sachs, co-lead managed a $750 million subordinate debt offering for HBOS Capital Funding.

In March, CSFB lead managed a $363 million secondary common stock offering for Strayer Education, Inc.; the transaction was the largest equity offering in the history of the post-secondary education sector.

CSFB advised UGI Corporation on its t s Holding in March; in conjunction with the sale, CSFB also lead managed UGI's $240 million common share offering in March, UGI's $250 million bridge facility in January and UGI's GI ' s facility in January.

In March, CSFB co-lead managed an bond offering for the Republic of Italy.

In February, CSFB, along with Goldman JPMorgan Chase, co-lead managed TRW Automotive Holdings' $674.8 million IPO.

In February, CSFB lead managed a $563 million secondary common stock offering for Citadel Broadcasting Corporation; CSFB also lead managed a $330 million convertible note offering for Citadel in February.

In February, CSFB lead managed Cherokee International's $95.7 million IPO.

In January, CSFB co-lead managed a $325 million senior note offering and a $750 senior credit facility for Centennial.

2003

CSFB co-lead managed China Life Insurance Company Limited's $3.47 billion IPO in December; the initial offering was the world's largest in 2003.

In December, CSFB and Goldman co-lead managed the $317.2 million Orbitz IPO.

CSFB and Goldman co-lead managed Compass Minerals International's $188.5 million IPO in December.

In December, CSFB and Goldman co-lead managed Aspen Insurance Holdings' $236.25 million IPO.

In October, CSFB advised Zimmer Holdings on its $3.4 billion acquisition of Centerpulse AG; *IDD* named the transaction Healthcare Deal of the Year.

In November, CSFB and Goldman co-lead managed Sirva Inc.'s $390.35 million IPO.

CSFB lead managed a $2.5 billion bond offering for EchoStar in September; Corporate Finance named the transaction the Best Debt Deal of the Year.

In September, CSFB co-lead managed a $3 billion debt offering for SallieMae; the transaction was named International Deal of the Year by *International Securitisation Report*, and North American Securtization of the Year by *International Financing Review*.

CSFB advised Sports Authority on its $685 million merger with Gart Sports Company in August; the transaction was named Retail Deal of the Year by *Investment Dealers' Digest*.

In August, CSFB lead managed a $225 senior note offering, a $525 million senior note offering and a $700 million senior note offering for Dynegy Holdings.

In July, CSFB, with Morgan Stanley and Deutsche Banks, co-lead managed Federal Home Loan Bank's $3 billion bond offering.

In July, CSFB, with UBS, Merrill Lynch and ABN Amro, co-lead managed Devon Energy's $500 million senior note offering.

CSFB co-lead managed a million secondary common stock offering for OPAP in July; the deal was the largest European gaming secondary offering in history.

In June, CSFB, with Morgan Stanley and Banc of America Securities, co-lead Montpelier Re Holdings' $213.5 million secondary stock offering.

CSFB and UBS co-lead managed American Electric Power's $300 million note offering in May.

CSFB advised Heineken on its t s
Union in May; *The Banker* named the transaction the deal of the year for Austria.

In May, CSFB advised General Electric and NBC on their $14 billion acquisition of Vivendi Universal Entertainment; the transaction won M&A Deal of the Year awards from several publications, including *The Banker*, *Corporate Finance*, *Institutional Investor*, and *Investment Dealers' Digest*.

CSFB advised Burns Philp on its $2.2 billion takeover of Goodman Fielder in March; the transaction won *The Banker's* Deal of the Year award for Australia.

In March, CSFB and UBS co-lead managed Fannie Mae's $500 million debt offering.

In February, CSFB advised Gala Group and its shareholders on the £1.24 billion sale of the firm to a consortium of companies, including Candover Partners and Cinven.

CSFB lead managed a $550 million senior note offering and a $200 milliomn senior term loan for CITGO in February.

2002

CSFB, with UBS and Deutsche Bank, co-lead managed GE Capital's $4 billion debt offering in December.

CSFB, along with Goldman and UBS, co-lead managed Kingfisher's $3.7 billion secondary offering in August.

In June, CSFB acted as co-advisor, along with Salomon Smith Barney, to Hispanic Broadcasting on its $3.5 billion sale to Univision Communications.

CSFB co-lead managed Pacer International's $210 million IPO in June.

In June, CSFB lead managed Veridian Corp.'s $216 million initial public offering.

CSFB co-lead managed Eon Labs' $147 million IPO in May.

In May, CSFB co-lead managed the $342 million May IPO for Regal Entertainment.

CSFB co-lead managed Alcon's $2.3 billion IPO in May.

In April, CSFB co-lead managed Premcor's $432 million initial public offering.

CSFB acted as co-adviser to New York-based cable operator NTL, Inc. on its $10.6 billion sale to bondholders in April. Morgan Stanley, J.P. Morgan, Salomon Smith Barney and Rothschild served as NTL's other advisers on the deal, the largest announced transaction for the first six months of 2002.

In March, CSFB and UBS co-lead managed homebuilder WCI Communities' $131 million IPO.

In February, CSFB and Goldman Sachs co-advised TRW on its $7.7 billion sale to Northrop Grumman.

Our Survey Says

One for all

CSFB's culture is in flux, moving from an environment where individual groups were run separately to a management-driven team atmosphere where cross-selling is critical to everyone's success. Before CSFB merged with DLJ, the firm didn't have a cohesive, identifiable culture. Management's new approach has changed the feel of the bank and has made it a [friendlier] place to work, but the culture is still evolving from a nasty aggressive investment bank to a team-oriented institution. There is some teamwork, but people are mostly focused on their business, says a source. Although [former CEO] John Mack [had] made some headway in breaking down the silo mentality here, it still has a long way to go.

Still, the old firms-within-a-firm culture is breaking down, and today there are programs in place intended to create a one-firm atmosphere. For example, says an insider, associates used to be hired into specific groups, but now there is a generalist associate pool where all associates work on the same floor and work across groups for their first 10 months. After that, they're placed into a specific group.

The move toward one firm hasn't meant that CSFB has lost its ability to embrace individual achievement. Innovation has always been one of the hallmarks of CSFB, declares an associate, and you still can see that people can think for themselves and we don't have 'Stepford bankers,' like some other bankers, who seem to be a bit cultish in their worship of their firm. There is a complaint, however, that the firm's culture is being overtaken by the legal and compliance department's aggressive policing of behavior.

The day-to-day work hard-play hard atmosphere at CSFB can be intense and challenging, says an analyst, but all in all, [it's] a relatively fun place to work. Many view the firm as a meritocracy, and as with any investment bank, the environment is pressured and political but can also be social and warm. CSFB staffers see each other as capable and hard working, with the most striking aspect being the level of intelligence and respect everyone has for each other. Overall, the firm is on an upswing, says an associate. Things were pretty bad, say, two years ago, but with the company very profitable again, a great management team in place and a lot of initiatives to attract and retain the best people, CSFB is definitely a great place to work again.

CSFB's dress code is business casual, but the suits come out when taking companies around or meeting with certain clients. More senior staffers have pretty much abandoned casual dress, and so an easy way to favorably distinguish yourself is to model your attire on what you see on the more senior people in your group.

Outwit, outplay, outlast

For summer staffers, the 10 or so weeks spent at the firm can be a mix of training and education as well as live transactions. In addition, summer interns in certain groups (such as sales and trading) rotate throughout the summer to learn about various positions within the departments. Sources report varying degrees of responsibility, with one investment banking analyst saying he was treated like a full-timer and did the same type of work as a first-year analyst running models, creating pitchbooks and attending client meetings. On the flip side, an associate in sales says, We had to do a couple presentations throughout the summer but we mostly were on the desks observing. The contact adds, The internship is mostly a 10-week job interview where you're trying to impress but not screw up. One of our summer managers compared it to the TV show *Survivor*. You want to be impressive but not stand out so that you get kicked out.

For those who get it, however, summer responsibility has the potential to be daunting. A former summer associate reports that since the department I was in was fairly understaffed, I was acting as the primary associate on two deals. It was a lot of responsibility, he continues, including accompanying senior management of a company we were working with on their equity and high-yield roadshow.

Training to get better ...

First years begin their employment with CSFB with a six-week training program. This includes reviews of financial concepts and products, group presentations and in-house training for many of the financial and regulatory exams staffers must pass, including the Series 63, Series 7 and the CFA. Though CSFB's training program used to be derided, today's employees consider it great, exceptional, very thorough and one of the best on the Street. After the formal training period is over, CSFB offers continual training that isn't as highly regarded as the initial program. The biggest complaint seems to be that many classes last half a day, which makes it hard for a first year to step out and attend. On the job, the general sense is that experienced people are willing to answer questions and provide advice.

And managing to improve

Employees' opinions of senior CSFB personnel are generally positive, though some recognize there is room for improvement. Junior bankers typically find their superiors friendly, helpful and open to questions. Though CSFB is, even by investment banking standards, a relatively hierarchical firm, relationships between managers and their subordinates here tend to be cordial and generally based on a mutual respect, says a junior banker. Senior management continues to make an effort to improve communication within the firm and to provide junior staffers with a more significant voice in firm activities.

Others look at their leaders from more extreme perspectives. The managing directors here are incredible, says an awed associate. I came from the military, which obviously puts a premium on leadership, and these guys would challenge the best leaders I met in the Army. On the other side of the spectrum, a source feels that the firm is still lacking leadership in certain areas. There is a lot of talk about the need to invest in people but I haven't seen it yet outside of our initial training. The lack of feedback and interaction make it very difficult to determine where you stand at times. Another who yearns for a culture come and gone gripes, I wish more old DLJ bankers were here.

And then again, some feel CSFB management is just about average. I don't think our firm is particularly better or worse than the rest of investment banks no matter what other people may tell you, expresses one contact with a touch of cynicism. You are a resource to make these people more money and if you are successful at that, they will treat you like a king. If you become less useful to them, they will discard you for someone else who can help them more. Assume no such thing as loyalty exists and you will be fine. Another employee puts things a bit more gently but agrees that the more successful you are, the more coddled and well treated you are by managers.

Saving face time

As in keeping with the rest of the industry, CSFB employees work hard and can experience some very long days. It's no secret that the hours in investment banking compared to other industries [are] undoubtedly bad, says an investment banking associate who works 70 to 80 hours per week and frequently on the weekend. That being said, we all know what we are signing up for and, in fact, during the interview process one of the things they continually try to get you to discuss is whether you understand the hours involved and how you plan to cope. An analyst who puts in 80 to 90 hours per week concurs, We work hard here, but it's no surprise you work a lot of hours per week in banking. research analysts also keep long hours, with late nights, weekends and early mornings that occur on a regular basis as dictated by market events.

The good news for CSFBers is that there seems to be little or no pressure for face time. One investment banking associate feels that his long hours usually represent real work rather than just showing your face. Employees in groups other than investment banking report the same stance on face time, but many of them have the benefit of somewhat better hours. A trader says his hours are usually [market] hours, but I occasionally work longer if there is something significant happening in the marketplace that requires additional attention or research. If I work late, it's because there's something interesting to look at, not because I have to put in face time. CSFB sales employees report similar experiences. Still, a junior staffer in any group should plan to work hard. Many days I eat lunch at my desk and constantly have work to do, states a sales analyst who normally works from 6:30 a.m. to 6:30 p.m.

Buoyed by expectations set in the recruiting process, employees are generally content working in New York. One banker with perspective, however, doesn't look back at his days in the Big Apple with a lot of fondness. Life in the Australian office is very different from New York, he says. While in New York, I averaged 80-hour workweeks. Not only that, but if anybody left work at a decent time earlier than 10:00 p.m. it was almost like you had to have a good excuse, otherwise you were thought of as a slacker. As you move up levels and particularly if you get out of New York, this kind of culture improves drastically.

Workers' compensation

In general, CSFB professionals could be happier with their paychecks. Many bankers' salaries seem to be slightly below industry average, and one source gives a reason why. I think CSFB has tried to raise its financial performance for the Credit Suisse shareholders and, as a result, has underpaid its investment banking professionals in comparison to the Street, says a vice president. In 2003, I believe we were in the lower half of the industry and until people start leaving as a result, management will continue the practice. One good piece of news is that the firm has eliminated multi-year guarantees, which tended to eat up the bonus pool in the past. Not all employees are terribly dissatisfied with their compensation, however. One staffer believes CSFB offers salary levels that are competitive with peer investment banks, and another's wages are well above the average of the bank because he is in a very successful group [the trading division] with its own payout structure. Summer analysts and associates are compensated at rates in line with full-time graduates.

As for retirement benefits, CSFB offers a 401(k) program, but some believe CSFB does not match very generously. CSFB's contributions are determined in part by the firm's overall ROE [return on equity] performance for the year. Upon certain promotions (vice president and above), employees receive stock options. One vice president has 25 percent of bonus paid in phantom stock, which he says creates an incentive to stay. He also remembers that in the past, merchant banking deals have been offered to employees.

Employees are generally pleased with the perks they receive at CSFB. In New York, the building [11 Madison Avenue] is amazing, says an insider. They basically provide everything possible within the building so people never have to leave. The amenities include a gym, cafeteria, bank, shoe shine/repair, hair salon, dry cleaning, and they even sell Metrocards [for the subway] and have a nursing room. The presence of an in-building gym is both positive and negative, according to one employee. Since there is a gym, on-site employees are not offered corporate accounts to other gyms. Therefore, we are afforded the convenience of not having to leave the building to exercise during the week, yet have to commute to the city if we want to workout on the weekends. The gym (which one contact views as fantastic) is subsidized with a monthly fee determined by a sliding scale based on title. The meal allowance is deemed very cheap by one hungry banker, but another finds the cafeteria quite good. For additional perks, including free admission and discounts to Broadway shows, operas, museums and retail stores, there is a Work Perks web site that has all kinds of discounts at all times. In London, there is an excellent gym as well as standard meal and car service perks.

Superficially splendid

CFSB's office at 11 Madison Avenue in New York is a beautiful building that has a gorgeous lobby, which unfortunately welcomes you to relatively sterile office space with a very cold atmosphere. Some see CSFB's office in a different light. Our offices are very nice, stresses one impressed employee. Another shrugs and says simply, We have a nice building and, frankly, cubicles are cubicles everywhere I suppose. Traders report that the trading floor is fairly standard for an investment bank, offering little room to their employees. One highlight is the presence of mini-cafeterias on the equity and fixed income trading floors. A contact in research notes that the department recently lowered the walls of all cubes to promote a more friendly and collegial environment. In London, one banker says, the entire building is quite modern and attractively furnished.

Old boy network no more

Like many firms on the Street, CSFB is focusing more on improving diversity in the workplace. Our CFO and several members of the operating committee are women and we were even voted as one of the top firms to work for by *Working Mother* magazine, observes an associate. The old boy network is pretty dismantled. Still, some reminders of that network remain, as there are few women in higher management positions overall. But the firm seems to be doing everything from running seminars, specific recruiting trips and special privileges to attract more female employees to move up into management. With respect to actively recruiting and hiring women, CSFB's workplace is getting better and, once they take the jobs, female employees generally report being treated fairly. I don't think anyone here sees employees as man or woman, says a female analyst. We are all equals and all treated the same.

As for improving diversity with respect to African-Americans, CSFB has made tremendous strides, says an associate. There is a global diversity office and the firm has several programs to attract and retain minority candidates, including scholarships, explorer programs, firm sponsored employee networks, etc. In term of senior management, some of the most senior bankers at the firm are people of color. I myself am African-American and feel very comfortable here. CSFB has also been cited with praise for its leadership in promoting a comfortable workplace for gay and lesbian workers. One source says that the firm actively recruits gays and lesbians and hosts functions.

The firm culture has changed a lot over the last five years, but especially in the last two. It used to be a very entrepreneurial firm with many different fiefdoms with their own payout deals. Now, management has really tried to align employee interest with the general interest of the firm as a whole, emphasizing cross-selling and combining previously separate entities. It has changed the feel of the bank, but made it a more friendly place to work.

CSFB insider

Getting Hired

Marked to market

Like its competitors, CSFB's demand for workers depends on the state of the industry and is somewhat cyclical. Right now in the cycle, explains a CSFB source, we, along with most of the investment banks, are looking to staff up at the junior level to support the expansion of the business, which means more positions. It's the typical overhiring then overfiring cycle that is replicated at pretty much all investment banks. Another contact agrees, adding, I don't believe it's any easier or harder to get hired here than at any other major investment bank in New York at the moment.

Still, getting a job at CSFB can be difficult in that even with the increased demand for bankers, there are lots of eager and smart candidates for not that many positions. To land desirable applicants, CSFB actively recruits analysts at most of the traditional target schools, including the Ivy Leagues, plus some of the larger regional universities such as Michigan, Duke and Chicago. Associates are typically drawn from only a select number of schools, including Wharton, Chicago, Stern, Columbia, Harvard and Fuqua, as well as top law schools. However, the bank does hire outside the universe of its core schools, and strong students attending other institutions are encouraged to apply.

In addition to having strong credentials, spending a summer at CSFB is really a big stepping stone to getting hired, says one source. In fact, depending on market conditions, it may be the only way to land a full-time position. One associate in sales says that for his year, there were no offers outside of the summer class.

Called in for questioning

Successful CSFB applicants normally sit through two to three rounds of interviews before receiving offers. The first round is typically on campus, with the second and third rounds often conducted Super Day style at the firm with multiple back-to-back interviews (several sources report meeting about six professionals during both the second and third rounds). The process can involve meeting all levels of CSFB employees (analysts to managing directors) and is described by insiders as very competitive, very thorough and fair.

Interview questions vary depending on the interviewer, but tend to focus on determining the candidate's enthusiasm and willingness to learn on the job. To this end, one contact warns that interviewers always want to know why the candidate is interested in working in the specific department. Another source reports that most of the questions are geared towards fit rather than technical knowledge.

Still, CSFB interviewers may test a candidate's financial and market knowledge, with emphasis on the skills that would be used in the particular position being sought. One investment banking associate remembers that there were a good deal of questions that probed my understanding of finance and the concepts integral to financial analysis, such as problems involving net present value. An associate seeking a position in CSFB's research department took a writing test and answered technical accounting questions. The source also reports being asked, How would you go about researching a stock? and What is the greatest challenge you've overcome?

In addition to personality and technical questions, a candidate's reading habits might be tested; one current staffer was asked, What was on the front page of today's *Wall Street Journal*? Questions may also be a bit off the beaten path. CSFB staffers heard, If you could invite any four people in the world to a dinner party tonight, who would they be and why? and Are you motivated by making money? To get summer stints, candidates generally sit through two rounds of interviews and are posed both behavioral and quantitative questions.

Questions to Expect

1. What have you demonstrated in your lifetime that shows that you can handle this kind of work and deal with this kind of pressure?

Come ready with examples, preferably examples that show you leading crowds and working 100 hours a week.

2. Company A is considering acquiring Company B. Company A's P/E ratio is 55 times earnings, whereas Company B's P/E ratio is 30 times earnings. After Company A acquires Company B, will Company A's earnings per share rise, fall or stay the same?

Company A's earnings-per-share will rise, because of the following rule: when a higher P/E company buys a lower P/E company, the acquirer's earnings-per-share will rise. The deal is said to be accretive, as opposed to dilutive, to the acquirer's earnings. You should know this rule cold. When your interviewer asks you for your reasoning process, you must mention this general rule. Otherwise, even if you arrive at the right answer (through a different rule), your answer won't be good enough.

3. Walk me through the major line items on a Cash Flow Statement.

First, the Beginning Cash Balance, then Cash from Operations, then Cash from Investing Activities, then Cash from Financing Activities, then the Ending Cash Balance.

4. What industries do you follow/are you interested in?

Most investment banks are especially strong in a handful of industries. If your primary industry interests are incompatible with the firm's specialties, interviewers will know that you haven't researched the firm or are not a good fit. Be prepared to discuss in detail the industries you claim to follow. In CSFB's case, while the firm has strengths in many industries, it has been particularly strong in the manufacturing, financial services and tech industries.

5. Have you followed any stock recently? Did you decide to buy it? Why?

Make sure your stocks were winners if you did buy and explain your reasoning.

6. How would you value a company that was considering going public?

The answer is to discount the projected cash flows by the company's risk-adjusted discount rate. If the interviewer says you can only project the cash flows out for maybe five or 10 years, what do you do? The answer is you add in a Terminal Value, which represents the present value of all the future cash flows that are too far into the future to project. You take the Terminal Value in one of two ways: (1) you take the earnings of the last year you projected, say year 10, and multiply it by some market multiple like 20 times earnings, and that's the terminal value; or (2) you take the last year, say year 10, and assume some constant growth rate after that, like 10 percent the present value of this constant growth rate is the Terminal Value. You should also mention other methods of valuing a company, including looking at comparable company analysis, or how other similar companies were valued recently.

7. Why are you interested in investment banking?

If you have no previous experience on Wall Street, you are guaranteed to get this question. The primary purpose is to weed out those who are interested in banking solely for the money. Even if that is your primary interest, you'd better have a better answer planned. Try discussing your long-held love of finance, how you have followed the markets for years and find them fascinating, or how you love the idea of combining your love of numbers with your entrepreneurial drive in order to win business for the firm.

8. Give me an example of a time when you acted as a leader. How did you, or how would you handle someone who wasn't pulling the weight on a team?

This question is a favorite in investment banking. It tries to test your leading and team-playing abilities, both of which are important for a banking position.

9. What have you read in the paper that interests you?

A chance to show you read more than the red and purple sections of *USA Today*.

10. What do you know about CSFB?

Even if all you know about CSFB is information listed on its web site, this will show you're specifically interested in the firm - which is what this question is gauging. Knowing anything specific to the group you're interviewing with is a huge plus.

Questions to ask

1. What do you think sets CSFB apart from its peers?

Shows you have an interest in the firm specifically. Based on the response you get, you should inquire further with respect to differences.

2. How do you think things will change under new leadership (under new CEO Brady Dougan)?

Shows you know what's going on at the firm.

3. How has your experience at CSFB been? How did you get here? What's your background?

This gets interviewers talking about themselves (always a good idea) and, in doing so, you'll learn more about the firm's culture.

4. What deals have you worked on? What are deal structures and deal teams like? How big is your group?

Any question relating to the specific group to which you're applying is a good one. Shows you're interested in the fine details and you know what you're getting into that you have some understanding of how the deal process works. If you know enough to ask about very specific transaction details, go right ahead.

5. What exposure to senior management and to clients have you had?

This question shows that you want to learn as much as possible, and the answer shows how a certain group works.

6. How has the recent hire of John Doe, new head of X unit, worked out?

Again, another specific question, which employers like to field more so than general inquiries.

7. What percentage of deals has group X been the lead manager on in the past year?

The answer shows how well the group has performed and how much deal flow will exist going forward.

8. What does a typical day look like for an analyst (or associate)?

This could give you an idea of how many hours you'll be working, how much senior banking contact you'll get, and how much financial modeling versus copying, pitch-book work and other administrative assignments you'll be doing.

To Apply

Candidates can apply online at the career opportunities section of www.csfb.com. In addition, the site offers on-campus recruiting schedules, descriptions of positions offered and the firm's training programs, a Q&A section, and a Tips to Stand Out section - direct quotes from CSFB insiders.

On the Job

A day in the life

Associate, Investment Banking

8:00 a.m.: Arrive at work except on Mondays, when arrival time is 7 a.m. to have a meeting to update everyone on what we did the week before and what we have planned for the upcoming week.

8:05 a.m.: Check e-mail and voice mail. Return e-mail and voice mail.

8:30 a.m.: Eat breakfast fast.

9:00 a.m.: Join working group to discuss new mergers and acquisitions project for the Australian government.

9:30 a.m.: Get on a couple of conference calls with clients and senior bankers.

10:30 a.m.: Meet with analysts to give them financial modeling to do based on conference call.

11:00 a.m.: Work on pitchbook for Australian government project.

1:00 p.m.: Lunch in the office; socialize a little. (We'll go downstairs and get a sandwich and bring it up. That's a good chance to mingle and catch up with people)

2:00 p.m.: Return to working on pitchbook for M&A project in Australia.

3:30 p.m.: Check in with analysts and answer any questions they have.

4:00 p.m: Conference call with MD and client to go over preparation for meeting next week.

5:00 p.m.: Back to pitchbook.

7:00 p.m.: Eat dinner at desk.

7:45 p.m.: Discuss next day's schedule with deal team.

9:00 p.m.: Submit pitchbook materials to word processing.

10:00 p.m.: Return home by cab on the company's tab (except on Fridays, when you return home at 6:00 p.m. if you're lucky.)

Job Descriptions

Analyst, Investment Banking

Investment banking analysts run spreadsheet models, analyze numbers for a deal team and examine the impact of a transaction on a client's capital structure, among other duties. Analysts in this group start by going through a seven-week training program in New York, covering accounting, corporate finance, financial modeling, database capabilities and technology systems. Typically, analysts will either join a product group such as M&A, equity capital markets, debt capital markets and leveraged finance, or an industry group such energy, financial institutions, health care and real estate.

Analyst, Equities/Fixed Income

Analysts in this unit will likely join one of the following subgroups: research, sales, sales trading or trading. In research, entry-level analysts will assist senior analysts conduct business modeling, forecasting, statistical analysis and investigative research, usually in a particular industry. Sales analysts help the senior sales force market securities and help manage accounts. Trading analysts (or assistants) help senior traders in the buying and selling of securities. The trader deals with financial instruments such as interest rate options, which he or she trades by making deals with brokers and handling orders from customers. In the course of the day, the trader periodically checks completed deals to make sure that there are no errors in pricing, and also to spot any arbitrage opportunities. The trader is also responsible for preparing a statement of profits and losses at the end of each day. Sales traders act as a link between sales and trading. They build relationships with clients' dealing specialists, rather than their fund managers, and are responsible for managing the order flows between the client and the marketplace.

Full-time analyst positions are also offered in information technology finance, administration and operations. Summer analyst positions are available in all of the above units.

Typically, full-time analysts work for two years or less with the company, and are then expected to attend business school. Some analysts stay on for a third year. A small number of analysts are offered the opportunity to advance up the hierarchy without an MBA.

Associate, Investment Banking

After a five-week training program, associates will begin to assist senior bankers build and execute M&A transactions, restructurings, and debt and equity underwriting deals. By the end of associates' first years with CSFB, they'll be managing deals and maintaining client relationships. Associates' duties also include attending due diligence sessions and client presentations, preparing financial models. Associates will eventually be assigned to a specific product, industry or geographic group.

Associate, Equities/Fixed Income

Associates in equities and fixed income will likely join one of the following subgroups: research, sales or trading. Most research, sales and trading associates will go through a three-month training program in New York, covering debt and equity markets, sales and trading groups, and case-driven valuation. Depending on which area associates are hired into, after the training program, associates might begin to assist senior research analysts, handle client accounts or deal with sophisticated financial products. Associates' duties could include advising clients on the firm's research opinions, executing trades, and formulating sales and trading strategies. According to the firm, within a year, trading associates might be able to trade on their own accounts.

Summer associate positions are available in investment banking, equities and fixed income.

Associates used to be hired into specific groups, but now there is a generalist associate pool where all associates work on the same floor and work across groups for their first 10 months. They are then placed into groups and, after that, go through a limited rotation to really build industry and product knowledge. While the firm is trying to build a lot of institutional infrastructure, there still seems to be a spirit of openness and possibility here that can embrace individual achievement as well. This is important because innovation has always been one of the hallmarks of CSFB, and you still can see that people think for themselves. We don't have 'Stepford Bankers,' like some other banks do, who seem to be a bit cultish in their worship of their firm.

CSFB insider

The associate program is very much a meritocracy. Outstanding performers have the opportunity for rapid promotion. Over the last two years, management has focused on internal promotion as a way to strengthen *culture and to improve firm loyalty, which is always a challenge on Wall Street.*

CSFB insider

Final Analysis

New CEO Brady Dougan has his hands full. CSFB's recent history of scandal and ethical dust-ups have damaged its reputation. The firm has dropped in some of the more important investment banking league tables. And several bankers have left the firm since the management shakeup. CSFB insiders, though, say the firm is on an upswing and has, at least, put the federal probes, big layoffs and mergers behind it. Employees report that CSFB has been moving toward a one-firm, one-culture approach, away from the many-fiefdom approach that used to rule. Insiders also give CSFB high marks in training and diversity, and often praise the talent of their co-workers, who, they point out, still work for one of the most prestigious firms on the Street.

Recommended Reading

CSFB's web site, www.csfb.com, features a detailed About CSFB section that includes descriptions of its structure, business units, management, latest news, recent transactions and latest awards.

Some recent articles about CSFB we recommend:

A new tune after Mack the knife, *Financial Times*, September 28, 2004.

Blocking the Exits At CSFB; Can new CEO Brady Dougan stop talent from following John Mack out the door? *BusinessWeek*, July 12, 2004

The War Within, *The Deal*, June 28, 2004.

Defection-plagued CSFB hangs on, *The Deal*, March 23, 2004.

CSFB survives its slide, but now comes hard part; Must find firmer footing for growth; defections, ailing M&A are drags, *Crain's New York Business*, March 14, 2004.

Inside Frank Quattrone's Money Machine, *BusinessWeek*, October 13, 2003.

CSFB's Plunge In Underwriting: It slides in everything except junk, and says league tables aren't key to its goals, *Investment Dealers*' Digest. September 22, 2003.

Scandal Schmandal CSFB Rewards Exec Involved In IPO Probe, *New York Post*, May 8, 2002.

Fixer-Upper: John Mack faces the challenge of his life at CSFB, *Investment Dealers' Digest*. March 24, 2003.

CSFB faces need for brutal cost-cutting, *The Financial News,* March 18, 2002.

Accidental Investment Banker Takes Over Credit Suisse Unit, *The New York Times*, March 14, 2002.

CSFB Settlement with SEC, *The Daily Deal*, January 23, 2002.

The Trouble With Frank, *Fortune*, September 3, 2001.

Is Mack's Knife Sharp Enough? *BusinessWeek*, July 30, 2001.

Is CSFB Now Ready to Play in the Big Leagues? *Fortune,* August 16, 1999.

CSFB Edges Closer to the Global Banking Super-League, *Financial Times,* July 15, 1999.

Deep Pockets Build Investment Banking at Credit Suisse First Boston, *Crain's New York Business*, April 26, 1999.

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Getting Hired: The company s hiring process, interview questions to expect and application contacts

On the Job: Typical days in the life, job descriptions, career paths

Final Analysis: The final word on the pros and cons of working for the company

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