

Credit Suisse warns of trading slowdown and legal costs

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[REDIT Suisse](#), the Swiss bank reeling from the sudden departure of chairman [Antonio Horta-Osorio](#), issued a [profit warning](#) today related to legal [costs](#).

It will barely break even for the fourth quarter after setting aside 500 million Swiss francs (£400 million).

The bank said: “These litigation provisions have been incurred in respect of a number of cases where the Group has more proactively pursued settlements and primarily relate to legacy litigation matters from our investment banking business.”

Credit Suisse, a vital part of the Swiss financial scene and a major City of London employer, has been caught up in scandal for years.

It remains embroiled in the Greensill Capital fraud and the collapse of the Archegos fund.

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Today's charges are thought to be related to other matters, however.

Last week Horta-Osorio was forced to stand down after it emerged he breached Covid rules, including on a trip to the Wimbledon tennis tournament.

He was previously the CEO of Lloyds Bank, and was deemed to have done a good job steering that institution back to health.

The shares have tumbled 10% since his departure.

Credit Suisse says trading revenues have slowed lately, that is in line with what the big Wall Street banks have reported.

It says there has been a "reversion to more normal trading conditions". Under lockdown there was a trading frenzy as clients sought to position themselves for the pandemic and new players joined the market.

Credit Suisse is moving to expand its wealth management arm. Andrew Coombs at Citigroup said: "We expect these results will again bring into question management leadership."

He added: "We expect this result will be far worse than peers and its calls into question the new strategy which is to allocate more capital to wealth management and grow this business."

Horta-Osorio's departure following the resignation of CEO Tidjane Thiam in 2020 over a spying scandal. He apologised for his breach of the rules.

Credit Suisse has several thousand staff in the City, who work from a tower in Canary Wharf when not at home due to Covid