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SECURITIES AND EXCHANGE COMMISSION  
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12

**ANNUAL AUDITED REPORT  
FORM X-17A-5/A  
PART III**

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2011 AND ENDING DECEMBER 31, 2011  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

**CREDIT SUISSE PRIVATE ADVISORS**

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

**Tessinerplatz 7  
Zurich CH-8002**

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

**Steven C. Bender**

**646.290.7248**

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**KPMG LLP**

(Name - if individual, state last, first, middle name)

**345 Park Avenue**

**New York**

**NY**

**10154**

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

\* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant

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must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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*RH 5/2*


*RH 5/2*

## OATH OR AFFIRMATION

I, **Steven C. Bender**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **Credit Suisse Private Advisors** as of **DECEMBER 31, 2011**, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows: **NONE**.

  
\_\_\_\_\_  
Signature

**Financial & Operations Principal**  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Notary Public

BETH A. CONGDON  
No. 01008199721  
Notary Public, State of New York  
Qualified in Erie County  
My Commission Expires Jan. 20, 2013

This report \*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent Auditor's Report on Internal Control

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



**CREDIT SUISSE PRIVATE ADVISORS AG**  
(A Wholly Owned Subsidiary of Credit Suisse AG)

(S.E.C. I.D. No. 8-53440)

Statement of Financial Condition and Supplemental Schedule

December 31, 2011

(With Report of Independent Registered Public Accounting Firm and  
Supplemental Report on Internal Control)

**PUBLIC DOCUMENT**

(Pursuant to Rule 17a-5(e)(3) under the  
Securities Exchange Act of 1934)



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

**Report of Independent Registered Public Accounting Firm**

SEC  
Mail Processing  
Section

MAR 23 2012

The Board of Directors  
Credit Suisse Private Advisors AG

Washington, DC  
123

We have audited the accompanying statement of financial condition of Credit Suisse Private Advisors AG (the Company), a wholly-owned subsidiary of Credit Suisse Group AG, as of December 31, 2011 that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Credit Suisse Private Advisors AG as of December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statement has been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statement, the Company has decided to wind down its operations by transferring its entire brokerage and investment advisory business to an affiliate company and ultimately liquidate the Company. Management's plans in regards to these matters are also described in Note 1. The financial statement does not include any adjustments that might result from the decision to liquidate the Company.

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The supplementary information contained in Schedule I required by Rule 17a-5 under the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

**KPMG LLP**

February 28, 2012

**CREDIT SUISSE PRIVATE ADVISORS AG**  
(a wholly owned subsidiary of Credit Suisse AG)  
Statement of Financial Condition  
December 31, 2011

**Assets**

Cash and cash equivalents	\$	18,706,889
Receivables from brokers, dealers, and clearing organizations		92,345
Other assets		<u>1,599,412</u>
Total assets	\$	<u><u>20,398,646</u></u>

**Liabilities and Stockholder's Equity**

Liabilities:

Payable to affiliated companies	\$	736,156
Liability to employees		5,040,974
Stamp taxes and social security		213,863
Accrued expenses		329,954
Other liabilities		269,786
Provisions		<u>63,799</u>
Total liabilities	\$	<u>6,654,532</u>

Stockholder's equity:

Common stock, CHF 20 par value; 750,000 authorized, issued and outstanding	\$	8,953,086
Additional paid in capital		40,359,600
Accumulated deficit		(40,361,319)
Accumulated other comprehensive income		<u>4,792,747</u>
Total stockholder's equity		<u>13,744,114</u>
Total liabilities and stockholder's equity	\$	<u><u>20,398,646</u></u>

See accompanying notes to financial statements.

**CREDIT SUISSE PRIVATE ADVISORS AG**  
(a wholly owned subsidiary of Credit Suisse)

Notes to Financial Statements

December 31, 2011

**(1) Organization and Business Description**

Credit Suisse Private Advisors AG (the Company or CSPA) is a wholly owned subsidiary of Credit Suisse AG, which is a wholly owned subsidiary of Credit Suisse Group AG (CSG). The Company is a Swiss-domiciled broker-dealer registered with the Securities and Exchange Commission (SEC) and under the supervision of the Financial Industry Regulatory Authority (FINRA), acts as an introducing broker in the purchase and sale of global debt and equity securities. All customer transactions are cleared through National Financial Services LLC (an entity not affiliated with the Company), on a fully disclosed basis. The Company is also a portfolio management firm that offers global investment opportunities and wealth management strategies to high net-worth individuals residing primarily in the United States of America.

While the Company conducts its business from its headquarters in Zurich, Switzerland, it is required to prepare financial statements in accordance with accounting principles generally accepted in the United States of America for submission to certain regulatory authorities.

In November 2011, the Company gave a notification to FINRA to integrate the Company's entire brokerage and investment advisory business into its affiliate's, Credit Suisse Securities (USA) LLC ("CSSU"), PB USA business with a view to ultimately withdrawing the Company's registration as a broker-dealer and investment adviser with the SEC and membership in FINRA. Like CSPA, CSSU is both a direct, wholly-owned subsidiary of Credit Suisse AG and registered with the Securities and Exchange Commission in the United States as a broker-dealer and an investment adviser. The integration will be accomplished through a sale and transfer of CSPA's brokerage accounts and investment advisory agreements to CSSU, subject to the consent of CSPA's clients. As part of this transfer, CSSU will make a payment to CSPA for the business transferred which is anticipated to be paid in 2012. It is currently anticipated that the closing date for the integration will be on or about the close of business Swiss time on May 31, 2012.

**(2) Summary of Significant Accounting Policies**

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at December 31, 2011 in addition to the reported amounts of revenues and expenses during the year then ended. These estimates and assumptions are based on judgment and available information at the time of preparation of these financial statements, and consequently, actual results could differ from those estimates.

The functional currency of the Company is Swiss Francs and its books and records are maintained in the functional currency. The reporting currency for the purpose of preparation of these financial statements is U.S. Dollars.

Balances denominated in foreign currencies have been translated at the prevailing exchange rate at December 31, 2011. Translation adjustments arising from translating the Company's financial statements into the reporting currency are recorded within accumulated other comprehensive income in the statement of financial condition.

**CREDIT SUISSE PRIVATE ADVISORS AG**  
(a wholly owned subsidiary of Credit Suisse AG)

Notes to Financial Statements

December 31, 2011

*Cash and cash equivalents*

Cash and cash equivalents includes accounts maintained with banks with original maturities of ninety days or less.

*Income taxes*

The Company accounts for income taxes in accordance with ASC Topic 740 – Income Tax. Deferred income taxes are recorded for the future tax consequences of events that have been recognized in the financial statements or tax returns, based upon enacted tax laws and rates. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not.

The Company uses a two step approach in recognizing and measuring its uncertain tax benefits whereby it is first determined if the tax position is more likely than not to be sustained under examination. If the tax position meets the more likely than not threshold, the position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. For more information on the Company's accounting for uncertainty in income taxes, see Note (8).

**(3) Going Concern**

Management believes the Company has sufficient liquidity and capital to enable it to continue as a going concern.

**(4) Related Party Transactions**

In the normal course of business, the Company enters into transactions with affiliated companies. The amounts owed to affiliated companies with respect to these transactions are settled at least quarterly. The amount included in payable to affiliated companies on the statement of financial condition represents accrued but unpaid amounts relating to these transactions.

All of the Company's Swiss based employees are members of the Credit Suisse Group AG Pension Plan. The Company makes payments, through an affiliated company, to the Credit Suisse Group AG Pension Plan on behalf of its employees.

The Board of Trustees of the Credit Suisse Group AG Pension Plan decided to transfer all members insured under the pension fund to a retirement savings plan operating on the basis of defined contributions at which time the annuity plan (defined benefit system) will be discontinued. To compensate for reductions in projected benefits as a result of the transfer to the defined contribution plan, the employer made a one-time contribution.

The Credit Suisse Group AG Master Share Plan provides for equity-based awards to the Company's employees based on CSG shares.

**(5) Other Assets**

Other Assets of \$1,599,412 include recoverable withholding tax, security deposits, miscellaneous receivables and prepaid expenses.

**CREDIT SUISSE PRIVATE ADVISORS AG**  
(a wholly owned subsidiary of Credit Suisse AG)

Notes to Financial Statements

December 31, 2011

**(6) Commitments and Contingencies**

The Company belongs to the Swiss value-added tax (VAT) group of Credit Suisse AG and thus carries joint liability to the Swiss federal tax debts of the entire VAT group of Credit Suisse AG.

**(7) Net Capital Requirement**

The Company, as a registered broker and dealer in securities, is subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Act of 1934, which requires the maintenance of net capital. The Company computes its net capital under the aggregate indebtedness method permitted by the rule. At December 31, 2011, the Company's net capital was \$10,732,380, which was in excess of the minimum requirement of \$443,635 by \$10,288,745. The Company operates pursuant to the (k) (2)(ii) exemptive provisions of the SEC's Computation of Reserve Requirements Rule 15c3-3 and, accordingly, all customer transactions are cleared through one broker-dealer on a fully disclosed basis.

**(8) Taxes**

As a Swiss domiciled broker dealer, the Company is subject to taxes in Switzerland.

As of December 31, 2008, the Company has withdrawn from conducting business in the US and is no longer subject to taxes in the US. As of December 31, 2011, the Company has cumulative tax losses for US tax purposes.

At December 31, 2011, the Company has a deferred tax asset of approximately \$11.8 million (of which \$6.4 million relates to Swiss tax and \$5.4 million relates to US taxes) related to prior year tax losses. The Company continued to maintain a full valuation allowance of approximately \$11.8 million, resulting in a net deferred tax asset of zero, as management has determined that the realization of the deferred tax asset does not meet the more likely than not requirement.

The Company remains open to examination from Swiss jurisdiction for the years 2009 and forward in addition to US federal, New York State and City and Florida jurisdictions for the year 2008. The Company does not anticipate any settlements that would result in a material change to its financial statements.

**(9) Legal Proceedings**

Management of the Company is not aware of any legal proceedings or other matters arising out of the Company's activities as a Broker Dealer that would result in a material adverse effect on the Company's financial position or results of operations.

**(10) Subsequent events**

For the purpose of issuing these financial statements, management evaluated events and transactions through, to and including February 28, 2012. Based on these evaluations, no subsequent events were identified that require further recognition or disclosure.



**CREDIT SUISSE PRIVATE ADVISORS AG**  
(a wholly owned subsidiary of Credit Suisse AG)  
Computation of Net Capital Pursuant to Rule 15c3-1 of the  
Securities and Exchange Commission  
As of December 31, 2011

**Schedule I**

Stockholder's equity		\$	<u>13,744,114</u>
Deductions:			
Nonallowable assets:			
Cash and cash equivalents	\$	346,075	
Other assets	\$	<u>1,499,420</u>	\$ 1,845,495
Other Deductions:			45,442
Total deductions			<u>\$ 1,890,937</u>
Net capital before haircuts on foreign currency bank accounts		\$	<u>11,853,177</u>
Haircuts on securities positions and foreign currency bank accounts		\$	<u>(1,120,797)</u>
Net capital		\$	<u>10,732,380</u>
Minimum net capital requirement		\$	<u>443,635</u>
Capital in excess of minimum requirements		\$	<u><u>10,288,745</u></u>

Note: A reconciliation of amounts reported in the Financial Statements to amounts reported by the Company on Form X-17A-5 as of December 31, 2011, filed with FINRA on January 26, 2012 is presented as follows:

1) Stockholder's equity, as reported in the Company's part II (unaudited) FOCUS Report		\$	20,428,118
Adjustment for overstatement of nonallowable assets		\$	<u>(6,684,004)</u>
Stockholder's equity per above		\$	<u><u>13,744,114</u></u>
2) Nonallowable assets as reported in the Company's part II (unaudited) FOCUS Report		\$	8,529,499
Adjustment for overstatement of nonallowable assets		\$	<u>(6,684,232)</u>
Nonallowable assets per above		\$	<u><u>1,845,267</u></u>



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

**Report of Independent Registered Public Accounting Firm on Internal Control  
Required by SEC Rule 17a-5(g)(1)**

Member of  
Credit Suisse Private Advisors AG:

In planning and performing our audit of the financial statements of Credit Suisse Private Advisors AG (the "Company"), as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with U.S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.



A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Company's Member, management, the SEC, the Financial Industry Regulatory Authority, Inc. and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

February 28, 2012