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Sent: Tuesday, January 30, 2018 1:16 PM
To: Jeffrey Epstein
Subject: Fwd: FYI - Julius Baer's new chief set to cement his authority at Swiss bank

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Date: 30 January 2018 at 02:03:28 GMT-5
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Subject: FYI - Julius Baer's new chief set to cement his authority at Swiss bank

Julius Baer's new chief set to cement his authority at Swiss bank

Bernhard Hodler expected to tell investors he plans more acquisitions

Bernhard Hodler will seek to stamp his authority on Julius Baer
<<http://markets.ft.com/data/equities/tearsheet/summary?s=BBG000PJ8F26>> on Wednesday by telling investors he plans to remain in charge of the Swiss private bank for years to come.

When Mr Hodler was promoted in November to replace Boris Collardi, who unexpectedly left
<<https://www.ft.com/content/4e5e4f4a-d348-11e7-8c9a-d9c0a5c8d5c9>> Julius Baer for its rival Pictet, the bank gave the impression that his appointment was a temporary move until it was able to review its long-term leadership.

However, the bank's board has since given its backing to Mr Hodler to continue as chief executive for the foreseeable future, said a person familiar with the matter.

The bank's 57-year-old former chief risk officer joined it in 1998 after a spell at bigger rival Credit Suisse
<<http://markets.ft.com/data/equities/tearsheet/summary?s=BBG000BVPZY6>> and later completed an MBA at Wharton. He has told colleagues he plans to pursue a similar strategy to his predecessor, including a keen appetite for acquisitions.

While Mr Hodler is set to sharpen the bank's focus on being a pure-play wealth manager — eschewing any shift into asset management — he aims to do more bolt-on acquisitions to move into new markets and larger deals to bulk up in existing ones, the person said.

Under Mr Collardi, Julius Baer embarked on an aggressive international expansion programme — including the 2012 acquisition of Merrill Lynch's non-US wealth management business.

Assets under management grew at an average annual rate of 15 per cent to SFr355bn (\$378.6bn) in the five years to June 2017, in which time the bank's shares have almost doubled, making them one of the top performers in Europe's banking sector.

The biggest challenge for the Zurich-based bank's new leadership will be to prove its recent rapid expansion can deliver sustainable profits growth in an increasingly tough trading environment, especially if Mr Collardi tries to poach some of its clients.

"I'd be surprised if he dramatically changed the strategy," said David Hart, analyst at Kepler Cheuvreux in Zurich. "He has vast experience within private banking, and thus I wouldn't question his CV, but it is more a question of how will he lead the next chapter of growth."

"Has he got the same type of relationship to galvanise the relationship managers in the future — something that Boris Collardi was well known for or is there a risk that some of their key relationship managers could follow suit to Pictet down the line?" asked Mr Hart.

The bank is expected to report 12 per cent growth in revenues to SFr3.2bn and a 14 per cent rise in adjusted earnings per share when it unveils annual results on Wednesday, according to consensus analysts' estimates compiled by Bloomberg.

The business models <<https://www.ft.com/content/01927da8-d451-11e7-a303-9060cb1e5f44>> of Switzerland's private banks are under pressure amid stiff competition to manage the wealth of the world's rich, with tougher regulations and ultra-low interest rates further squeezing profit margins.

Following the global clampdown on banks helping clients evade tax, Switzerland's finance houses have sought to compete on the quality of their services — and investment performance.

Julius Baer remains under pressure to further leverage its scale by pushing through cost-efficiency programmes and harness new technologies — as seen at its bigger Swiss rivals UBS and Credit Suisse.

Jean-Christophe Pernollet



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