

THE WALL STREET JOURNAL.

English Edition | November 8, 2019 | Print Edition | Video

Pietro Lombardi ▼

PLAY TODAY'S PUZZLE

Home World U.S. Politics Economy Business Tech Markets Opinion Life & Arts Real Estate WSJ Magazine Q



MARKETS

UBS Takes Restructuring Charge as Profits Fall

Swiss bank preparing to make organizational changes to its investment bank

AA
TEXT



UBS CEO Sergio Ermotti, above, says the bank will focus on fewer industries and manage client relationships globally rather than regionally. PHOTO: STEFAN WERMUTH/BLOOMBERG NEWS

By Margot Patrick and Pietro Lombardi

Updated Oct. 22, 2019 8:26 am ET

UBS Group AG [UBS 1.21% ▲](#) said it would weather tougher banking conditions by tightening up the focus of its investment bank and charging large clients for deposits, as it posted a fall in third-quarter profit.

UBS's share price



Source: FactSet

The Swiss bank, one of the world's largest wealth managers for the rich, said Tuesday it would take a \$100 million restructuring charge to carry out organizational changes to its investment bank. Shedding jobs will save around \$90 million a year, Chief Executive Sergio Ermotti said. He didn't say how many roles are being cut.

UBS made wealth management its core



business and shrunk its investment bank early this decade, a strategy that for the most part has paid off and became a model for rivals. The investment bank's job losses now are "not significant," Mr. Ermotti told Bloomberg TV. He said focusing on fewer industries and managing client relationships globally rather than regionally will save costs and "adapt businesses to current market conditions."

UBS in September started combining some investment banking businesses and disbanded regional structures, the latest in a series of revamps to the unit.

HEARD ON THE STREET

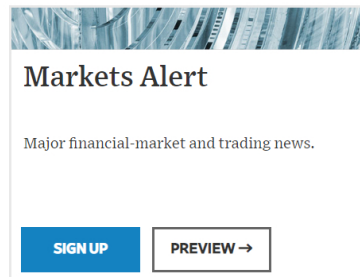
- [UBS: Facing Headwinds but Ready for the Storm](#)

Banks across the world are cutting costs and paring businesses in an attempt to keep profits up in a low-growth environment. Mr. Ermotti said some of the savings at UBS are to free

up money for needed compliance programs and technology. That includes more investment in electronic trading platforms, he said.

To help counteract pressure on its banking margins, UBS previously said it would charge its wealthiest clients to hold deposits above 2 million Swiss francs (\$2.03 million), starting Nov. 1. Mr. Ermotti on Tuesday said the bank's position continues to be that it won't pass negative rates on to smaller and retail customers.

Newsletter Sign-up



Markets Alert

Major financial-market and trading news.

[SIGN UP](#) [PREVIEW →](#)

Net interest margins, or the difference between lending and deposit rates, declined from last year, and UBS said the pressure will continue from ongoing low rates.

Net profit for the quarter was \$1.05 billion, down from \$1.25 billion in the third quarter of 2018, a 16% fall. Operating income fell to \$7.09 billion from \$7.43






billion.

The results were better than analysts expected, according to a consensus forecast provided by the bank.






Write to Margot Patrick at margot.patrick@wsj.com and Pietro Lombardi at Pietro.Lombardi@dowjones.com


WSJ opens select articles to reader conversation to promote thoughtful dialogue. See the 'Join the Conversation' area to the right for stories open to conversation. For more information, please reference our community guidelines. Email feedback and questions to moderator@wsj.com.

RECOMMENDED VIDEOS

1. Defense Department Releases Video From Baghdadi Raid 
2. Election 2020: Joe Biden on America's Standing In the World 
3. China Woos Foreign Companies While Serving Its Own Agenda 
4. What's Next for Trump's Impeachment Inquiry 
5. The Big Questions Around Aramco's Mega-IPO 

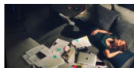
MOST POPULAR ARTICLES

1. Saudis Back Travis Kalanick's New Startup 
2. Michael Bloomberg Preparing to Enter 2020 Democratic Race 
3. How Google Edged Out Rivals and Built the World's Dominant Ad Machine: A Visual Guide 
4. His World Collapsed the Night the Berlin Wall Fell. Then Came the Hard Part. 
5. China Says Tariffs Will Go, but U.S. Doubts Remain 



MORE FROM: ELECTION 2020
Michael Bloomberg Preparing to Enter 2020 Democratic Race

JOIN THE CONVERSATION

Apple's Gadgets Co-Star in Its New TV Drama 

WHAT TO READ NEXT...



HEARD ON THE STREET

Saudi Aramco: The Buyers Matter More Than the Price



HEARD ON THE STREET

Square's Cleanup Still Leaves Questions

China Says Tariffs Will Go, But U.S. Doubts Remain



Buttigieg Barnstormers Flock to Iowa to Boost Candidate



Pensions Venture Into Risky Corners of the Market in Hunt for Returns



Missouri Dreams of Traveling 700 Miles an Hour



Saudis Back Travis Kalanick's New Startup



How to Use the HSA, for Medical or Retirement Savings



His World Collapsed the Night the Berlin Wall Fell. Then Came the Hard Part.



LVMH's Fortunes Glisten in Stock Market



Not So Fast, Mr. Trump! Relocating to a Low-Tax State Is Hard to Do



LIFE & STYLE

In Pioneer-Era Graffiti, Clues About the American West

I'M MAKING IT POSSIBLE TO BREATHE ON MARS.

Honeywell [LEARN MORE](#)



FINANCE

KKR Has Quietly Built an Investment-Banking Contender



MIDDLE EAST

Iran Marks Anniversary of U.S. Embassy Siege as Jailed Americans Await Thaw



Independent of The Wall Street Journal newsroom

ECONOMY & POLITICS

Here's exactly what Gates, Bloomberg and Cooperman would pay under Warren's wealth tax **MarketWatch**



MANSION GLOBAL ARTICLE

Golf Great Fred Couples Lists Newport Beach, California, Home for \$3.75 Million

[BACK TO TOP](#)

WSJ Membership

- WSJ+ Membership Benefits
- Subscription Options
- Why Subscribe?
- Corporate Subscriptions
- Professor Journal
- Student Journal
- WSJ High School Program
- WSJ Amenity Program

Customer Service

- Customer Center
- Contact Us

Tools & Features

- Emails & Alerts
- Guides
- My News
- RSS Feeds
- Video Center
- Watchlist
- Podcasts

Ads

- Advertise
- Commercial Real Estate Ads
- Place a Classified Ad
- Sell Your Business
- Sell Your Home
- Recruitment & Career Ads

More

- About the Newsroom
- Content Partnerships
- Corrections
- Jobs at WSJ
- Masthead
- News Archive
- Register for Free
- Reprints
- Buy Issues



- Dow Jones Products
- Barron's
- BigCharts
- Dow Jones DNA
- Dow Jones Newswires
- Factiva
- Financial News
- Mansion Global
- MarketWatch
- Private Markets
- realtor.com
- Risk & Compliance
- Venturesource
- WSJ Conference
- WSJ Pro Centre

[Privacy Policy](#) |
 [Cookie Policy](#) |
 [Copyright Policy](#) |
 [Data Policy](#) |
 [Subscriber Agreement & Terms of](#)

Copyright ©2019 Dow Jones & Company, Inc. All Rights Reserved.



MORE FROM: ELECTION 2020

Michael Bloomberg Preparing to Enter 2020 Democratic Race

