

FINANCE

UBS Nabs Top Ex-Credit Suisse Banker

The hiring of Iqbal Khan adds to the lineup of potential internal successors to CEO Sergio Ermotti



The appointment of Iqbal Khan, above, reorders the leadership of the UBS's top profit engine: wealth management. PHOTO: ARND WIEGMANN/REUTERS

By Jenny Strasburg and Pietro Lombardi

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UBS Group AG has hired Iqbal Khan, the former wealth-management head of Swiss rival Credit Suisse Group AG, as part of a broad reshuffle that creates a fresh lineup of potential internal successors to Chief Executive Sergio Ermotti.

The changes come as UBS and other European banks struggle with the effects of low and negative interest rates and stiff competition from U.S. banks. Wall Street banks have racked up big profits at home, giving them ammunition to expand in Europe.

The appointment of Mr. Khan on Thursday reorders the leadership of the bank's top profit engine: wealth management. Mr. Khan will jointly oversee the sprawling business of managing assets for rich clients with Tom Naratil, the bank's top U.S. executive and former finance chief who is the current co-head of wealth management. Mr. Khan will join Mr. Naratil on the executive board.

Mr. Ermotti, who has been at the helm of UBS since November 2011, has signaled a desire to stay for another year or two, having already outlasted most European bank CEOs, according to people close to UBS. Earlier this year he pushed back against speculation of any immediate departure plans by signaling his intention to finish regulatory projects and other work that will take more than a year.

He and the bank's chairman, Axel Weber, are expected to leave the bank at around the same time, according to one of the people familiar with the situation.

The changes position a raft of executives, including newcomer Mr. Khan, as potential internal CEO candidates, a person familiar with internal discussions said.

UBS's Chief Operating Officer Sabine Keller-Busse will add client-facing responsibilities as president for Europe, the Middle East and Africa. Suni Harford, the current head of investments for the asset-management business, has been promoted to oversee the whole business and will join the executive board.

UBS in recent months has also shaken up its investment bank amid volatile performance following the departure of that division's former chief, Andrea Orcel, late last year.

Mr. Khan oversaw Credit Suisse's international wealth-management operations for four years until leaving abruptly last month. He had been viewed by some Credit Suisse insiders and investors as a potential successor to CEO Tidjane Thiam, but that relationship soured as Mr. Khan sought more responsibility, according to people close to Credit Suisse. A spokesman for the bank declined to comment Thursday.

UBS and Germany's biggest bank, Deutsche Bank AG, earlier this year explored various ways to combine businesses, including asset management and investment-banking operations, The Wall Street Journal reported this week. Their discussions about forming an unusual European investment-banking alliance, which people close to the banks described as short-lived, reflect lenders' search for solutions to their joint challenges.

A deal never coalesced as the two sides failed to sort out thorny issues, including how to structure and allocate capital to any joint operations.

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Corrections & Amplifications

Suni Harford is the head of investments for the asset management business. An earlier version of this article incorrectly stated she was the head of asset management.

