

## JULIUS BAER AND POSSIBLE JOB CUTS



The Julius Baer Group, which is one of the largest publicly traded banks in the Switzerland area, could possibly be cutting a number of jobs since purchasing the Bank of America Corporation's wealth management units, which are located in areas outside of the United States. With this purchase, it is possible that a total of 1,000 jobs could be cut. Julius Baer is looking to reduce a total of around 18 percent of the workforce, cutting down positions. The information on the possibility of these jobs being cut was released in a statement earlier on in the day. Aside from this statement, Julius Baer had previously mentioned that it was expecting pay nearly 860 million Swiss Franc for a number of assets that are currently managed for the Merrill clients located in a number of different areas, including Asia, Europe, and the Middle East. The bank has chosen to acquire the assets of clients as a way to compete with other rivals, including UBS AG and the Credit Suisse Group AG. The firm believes that this new acquisition will enable them to increase their profits and earnings by about 15 percent. An analyst at the Kepler Capital Markets in Frankfurt, Dirk Becker, has said, "Before I recommend the stock, I'd like to see evidence that the cost-cutting will improve the bottom line." He also said, "It's way too early to judge this." This current deal, however, is the biggest deal to have occurred since the Chief Executive Officer, Boris Collardi, received his promotion a few years ago, back in 2009. Collardi said, "There is no other transaction of this size out there in wealth management with such a high tilt toward growth markets." Collardi also said, "It's a business with a strong momentum, at least until a few years ago. I think the business just needs momentum again." In the meantime, when costs are being cut, it is true that revenue also ends up being cut as well. It is definitely a tough move to make which is part of the reason that Bank of America did not want to deal with the hassle of this business anymore. The CEO of Bank of America, Brian T. Moynihan, has been looking to focus primarily on selling services to the customers the company already has. Moynihan has sold billions of dollars' worth of assets ever since he took on the position as CEO back in 2010, just two years ago. He did this with the purpose of trying to bolster capital prior to the stricter rules coming into effect.