

NEWSMAKER-UBS top job a poisoned chalice  
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By Lisa Jucca

ZURICH, Feb 9 (Reuters) - Being at the helm of Switzerland's best-known bank might once have been the pinnacle of a Swiss banker's ambition, but few today envy UBS chief executive Marcel Rohner as he struggles to rebuild the battered bank.

Under former all-powerful chairman Marcel Ospel, UBS, the world's largest wealth manager, waded deep into U.S. subprime assets and could report on Tuesday a net loss of up to 21 billion Swiss francs (\$18 billion) in 2008, the largest annual loss in Swiss corporate history.

Rohner, 44, was named CEO just before the subprime meltdown in June 2007 and was thrown into steering UBS through its monumental crisis. Together with Chairman Peter Kurer, who replaced Ospel in April 2008, he tried to break from the past by announcing a radical restructuring plan in August.

But there is growing concern in Switzerland that the changes are not being implemented fast enough and that a new management team may be needed to start attracting clients again.

"Rohner and Kurer are both men of the past. They belong to the management team of Ospel," said Lukas Haessig, a Swiss journalist and the author of investigative book "Der UBS-Crash" (The UBS-Crash).

"For a year now they have been trying to turn around the bank and did not succeed in bringing back the confidence. Time is running out," said Haessig, whose book came out on Monday.

Rohner became CEO when his predecessor abruptly resigned in what media then described as a boardroom battle.

Open and laid-back, Rohner, who has spent nearly his entire career at UBS, makes a stark contrast with the sober approach of Kurer, the bank's former general counsel.

Rohner, who was deputy CEO and head of UBS's prized wealth management arm, found himself having to scramble for investors' cash in the face of growing writedowns while trying to fend off a damaging U.S. probe into allegations the bank helped Americans hide money to avoid taxes.

On the brink of collapse, UBS had to turn to the state for help in October and got a 6 billion franc loan.

WHO NEXT?

Pressure on Rohner and Kurer has mounted further since Swiss media started to attack UBS's generous bonus structure at the end of last year in the face of ever-growing losses, prompting top managers to give up or pay back bonuses.

"I believe UBS needs new people and a new structure. The bank is far too big for Switzerland, and that poses a threat," said Willy Ruegg, a leader at trade union KV Zuerich, who has been vocal about the need to reform the bank.

Speculation about who could take the helm of UBS has been rife since well before Ospel's rushed

departure last year.

While last time the bank chose to appoint its top team internally, observers say this time around an outsider could take over to signal a clear break with the past.

Fiat CEO and UBS Deputy Chairman Sergio Marchionne, who in the past expressed veiled doubts about Kurer, raised questions about whether Rohner can deliver a turnaround at a January investor meeting, newspaper Cash reported last week, quoting people who attended the event.

"After this latest attack by Marchionne, no-one will give Rohner backing," the NZZ am Sonntag wrote on Sunday.

"However, Marchionne's influence is on the wane," the paper added, hinting that Fiat's boss, who is not a member of the closely knit Swiss German elite that has so far run UBS, may not be the person who ultimately replaces either Rohner or Kurer.

A UBS spokeswoman declined to comment.

The name of Deutsche Bank CEO Josef Ackermann, who is Swiss, has been doing the rounds as a possible chairman or CEO, but his own track record with Deutsche Bank is not spotless. The German bank was also hit by the subprime turmoil and lost 3.9 billion euros in 2008.

While pressure on the top management remains strong, a change at the top in the middle of the storm might further weaken the battered bank.

A source familiar with situation told Reuters both Kurer and Rohner continued to enjoy full support within UBS, but commentators say it is a matter of time before a reshuffle.

"Kurer and Rohner know themselves that they won't last long in their current position," Markus Granzol, a former Chairman at UBS Warburg, was quoted as saying in Cash.