



**Management Strategies
and
Transaction Advice
for the
Financial Services Industry**

Partner and Background:

Dipl. Wi-Ing. Caspar Freiherr v. Weichs



Education:

- 2 years apprenticeship with Siemens AG for industrial Administration (Siemens Stammhauslehre)
- 5 years Karlsruhe University with diplomas as industrial engineer in production and business administration and as engineer in time & motion studies (REFA)

Work Experience:

- 3 months Trainee at Siemens USA
- 3 years Senior Accountant at Whinney Murray Ernst & Ernst (now Ernst & Young)
- 2 years Ass. to CEO Dr. Jung AG, Investment Advisors and Asset Managers
- 3 years Managing Partner K&W Residenzbau Development GmbH
- 2 years Cofounder and CIO Bauwert Development AG (now Bauwert AG Investment Group)
- 8 years Partner and managing director Dr. Seebauer & Partner Strategic Management and Investment Consultants (now Mercer Oliver Wyman)
- Since 1994 Senior Partner Weichs Management Consultants

Memberships:

- Venture Capital Club München since founding in 1983
- Advisory Board BayFor of Technische Universität München (TUM) 2002-2004
- Advisory Board Cluster Initiative Bayern für Neue Werkstoffe, München / Nürnberg 2004-2024

Publications:

Since 1981 lots of articles about real estate and loan portfolio management; private, commercial, investment and real estate banking; public and corporate real estate; Basel II; Solvency II, open ended and closed ended investment funds; REITs; asset management, risk management, risk valuation, corporate and structured finance, sales strategies in real estate, bank and insurance business.

Philosophy:

We concentrate on the consulting of the top management of the European financial services market.

Our main targets are to render best services and to produce high added value for our clients.

We focus solely on our core competencies in the financial services market as an independent strategic consultant. Having recognized that many corporate strategies have a direct effect on the capital market or can only be implemented by using the capital markets, we provide our services specifically at the crossing between "Main Street" and "Wall Street". Our consulting task on "Main Street" is to prepare realizable corporate and operating area strategies and to set up the necessary internal organization as well as to accompany their implementation. As part of the consulting geared towards "Wall Street", transactions, investments and their structured financing are at the heart of our consulting approach.

In coupling these two consulting approaches, we deliver a unique and innovative link between value-added chains for our clients. So our accumulated published transaction volume (sales prices) is more than € 54,5 billion in 163 transactions since 1988.

Target groups & clientele

Banks

European banks are faced with enormous competition on a global scale. Only a few banks will reach or keep leading roles and will be able to cover all operating areas and strategic business fields. All other banks will limit themselves in order to shore up special competence.

For the bank-clientele it is necessary to draw up a personalized profile with a unique and scaled chain of added values. The effective use of the internet and the mobile communication will produce the most deciding competitive advantages towards the bank 2.0. Here we actually see the weakest strategic disadvantage in the industry, especially in continental Europe.

Our clientele can accomplish from us the following:

- Gain in-depth knowledge of the market and its potentials especially of the internet
- Adapt business segments and products to market requirements
- Fully utilise the changes and various forms of the capital market
- Evaluation, control and design of credit exposure and trade risks ex ante as well as manage and process them ex post
- We analyze, value and arrange true, synthetic or hybrid sales of asset and liability risks and create significant capital relief and de-risking in cooperation with experienced and renown financial institutions
- Rapidly implement the strategies in lean and efficient organizational forms with our help
- Last but not least we produce remarkable scale effects by pragmatic advise and implementation of bank mergers

We always approach the project by analyzing market requirements and positioning, core competences, best practice of competition, revenues and costs, operational efficiency and derive from such results implementable strategies which we accompany during implementation on client's demand.

Corporate Finance

The consideration and immediate incorporation of adequate capital market and financing concepts are increasingly indispensable to successful planning and implementation of corporate strategies. With an eye on feasibility and free of conflicts of interest we consult our clientele with appropriate corporate finance and investment-banking concepts.

- Strategic target search and research and accompaniment of the purchase and sale of business, particularly part of strategic global concepts on buy- and sales-side
- Partner and successor negotiations
- Valuation of enterprises and risks (for buyers and sellers)
- Corporate financing through private, institutional and strategic investors as well as through capital market launches of shares (IPO), bonds, notes etc.
- Merger and Privatization strategies (MBO, LBO, IPO)
- Pension Risk Transfers (interest-, market- and biometric risks) to produce significant equity and cost reliefs, rating improvements and funding options for unfunded pensions liabilities.

We analyse, value and optimize the existing or targeted business, the financing or investment model, we make estimates about risks and rewards, structure and place the finance or the business.

Insurances

Insurance companies can anticipate even greater competition as result of deregulation than the banking sector. It is important to insurance companies to be able to serve their customers in future at much more reasonable costs and more personally. This necessitates not at least advantages in terms of magnitude to profit from scale effects. Such effects also can be reached by creating industrial solutions with white label standard products or by outsourcing concepts of standard operations or by mergers and takeovers. The effective use of the internet, of artificial intelligence and the mobile communication will produce the most deciding operative competitive advantages towards the insurance concept 2.0. But also the asset management results in the majority of the continental European market participants are by far not competitive compared to international market leaders and asset managers and therefor needs strong improvements.

Against this background, we advise our clientele primarily with regard to securing and expanding their business through merger participation and cooperation strategies as well as with regard to the classic areas of:

- To optimize the asset / liability management (ALM) according Solvency II over the three parameters sufficient liquidity, high returns and low capital requirements

- Asset Management and sale of insurance portfolios in run off or too high interest situations together with their related assets as share deal or as asset deal
- Instead of run off models we alternatively advise less aggressively to implement reinsurance strategies for unprofitable life portfolios to create less costs and less capital requirements according Solvency II
- Sales and market expansion by systematic use of the internet, by forming a lean sales organization, by concentrating and restructuring of the product range, by strategic alliances and / or takeovers or mergers
- Cost efficiency by industrial solutions, fintech / insurtech implementation,
- Implementing lean organization in all business fields
- New competitive products
- Outsourcing of nonstrategic or unprofitable or too small operating areas or portfolios

We always approach the project solution by analyzing market requirements and positioning, core competences, best practice of competition, revenues and costs, operational efficiency, IT efficiency and derive from such results implementable strategies which we accompany on client's demand.

Real Estate

Real estate investment in Europe evolved in the last 25 years from a regulated and tax-oriented investment to a classic capital market-oriented investment and is thereby competing globally with other capital investments, particularly with stocks, bonds and upcoming infra structure. Additionally, we see the real estate industry more and more as a risky industry by the high volatility of interest rates creating unrealistic price levels in both directions with obvious and significant risks of interest changes and under- and overpricing. We also see that real estate investments have the disadvantage of too high acquisition costs in combination with the fact that they are unsuitable for quick maturity transformation on the asset side.

This initial situation demands careful definitions of objectives and strategic consulting and implementation for our clientele that despite belonging to the large businesses still maintains management structures of medium sized companies. What is needed are truly operational concepts and strategies with the following focus:

- Market and feasibility-studies
- Concepts for users, marketing, investors and financing never forgetting from the beginning a successful exit after a defined holding period
- Optimization of complex public and institutional property through corporate real estate and public real estate concepts as well as real estate portfolio management strategies
- Optimization of institutional real estate inventories through international oriented portfolio management on the asset side, combined with corporate finance strategies such as concepts for going public, participation and financial engineering, equity and mezzanine finance for projects and companies etc. on the liabilities side.
- Adjustments in management and organization due to the strategic requirements.

We always value existing real estate, concepts, projects and portfolios under the aspect of sustainable use and suitability by objective criteria with quantitative methods and by international standards. We apply rents and costs mark to market. We derive adjustments in organization and management from the strategic goals, from existing core competencies, internal cost analyses and from a best practice analysis.

Project Work

We solve the whole project task in an organized teamwork approach, preferably in workshops. We solve especially strategic tasks by analyzing market requirements and positioning, core competences, best practice of competition, revenues and costs and derive from such results implementable strategies which we accompany on client's demand after developing in consent with the client an implementation plan with competencies, responsibilities, time plan, investment and cost budgets.

Fees

In all cases we discuss with our clients the project tasks and proposal, we describe approaches, project organization, timing and calculate our fees on a fair time estimate. For transaction-oriented projects we normally agree in a success fee plus a cost covering retainer to keep an independent advisor position and ensure clients commitment. We invoice expenses either in a lump sum or directly on a voucher basis.