

Wealth Management Trends and Needs

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Overview of Trends

1. Market growth
2. Increasingly sophisticated needs
 - Product selection
 - Risk management
3. Distribution: Growing importance of family offices, PEO
 - Differentiation in servicing different segments
4. Service requirements

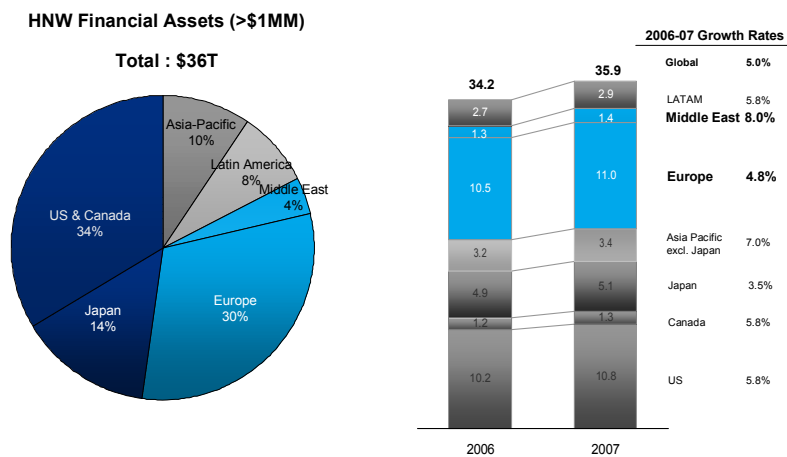
Market Growth

- Global private banking assets under management increased 128% year on year over 2007 to US\$7.6 trillion
 - Equal to the combined GDP of France, Germany and the UK
- Net income growth for the industry averages 44% year on year
 - Diversification of geographic sources: China shows overall fastest growth
 - Russia and India are also growing rapidly
 - Europe maintains first place with nearly 42% of global assets under management
- Wealth creation: self-generated wealth rather than inherited
 - Reflects that this is new wealth being created and not a result of increasing asset prices
 - Services needed may include things such as investment banking for business
- The wealth of the world's HNWI's increased 11.4 percent to US\$37.2 trillion in 2006
 - The number of HNWI's in the world increased 8.3 percent in 2006 to 9.5 million and the number of ultra high net worth individual grew by 11.3 percent to 94,970.
 - China's HNWI population grew by 7.8 percent and Russia's increased by 15.5 percent

Sources: Euromoney survey of 398 private banking and wealth management institutions; World Wealth Report by Merrill Lynch and Capgemini

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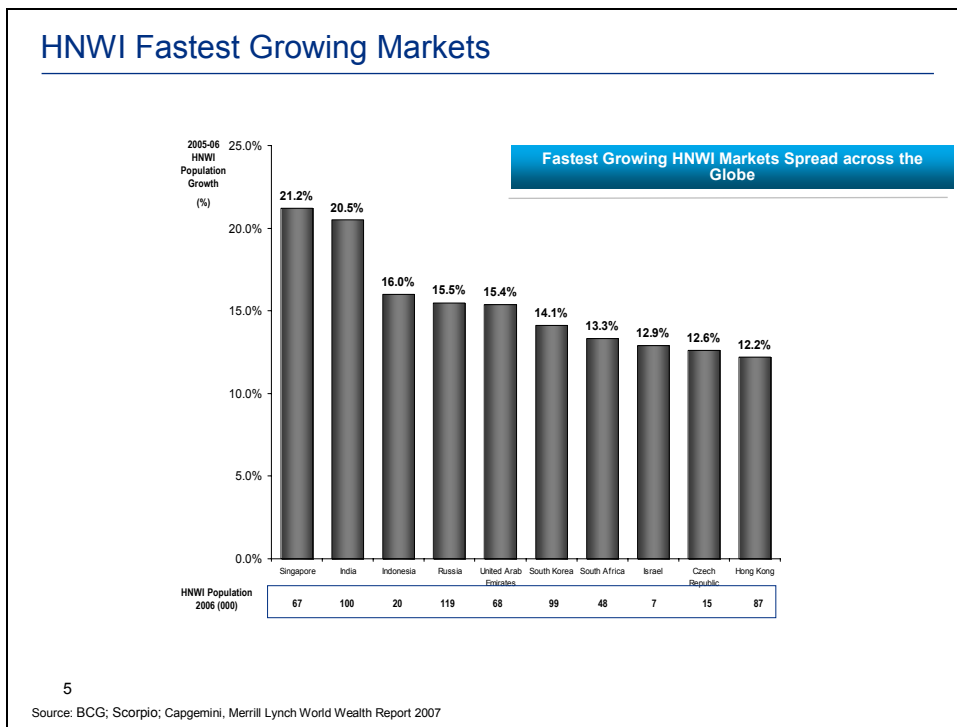
Market Opportunity Overview EMEA



Note: ⁽¹⁾ Column totals may not add due to rounding
Source: Merrill Lynch – Cap Gemini World Wealth Report; BCG;

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Solid Growth Rates on Largest Market



- ### Investor Preferences
- As the level of sophistication of customer needs grows, product shifts occur towards tailored solutions
 - As “emerging markets” emerge fully, more developed onshore wealth management capabilities and product localization are demanded
 - Trend towards advised wealth management services (away from broker/dealer model) continues in Europe, LATAM and Middle East
 - Products such as hedge funds, private equity and real estate are becoming increasingly important in client portfolios
 - Capital markets based strategies remain in demand
 - Customer priorities are shifting
 - Capital protection becomes a key consideration
 - Liquidity, diversification and growth are other key motivators
 - Less demand for credit products, more demand for equity flow and fx in capital markets arena
 - Private equity and direct investment
 - Alternatives increasing in a number of portfolios but retain a steady percentage allocation
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Segment Differentiation

- Refine segmentation model: align products, bankers and processes appropriately against each segment
- Growing importance of some capital management channels
 - Family offices
 - “PEO”

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Service

- Customers require more exacting service
- Competition for high end talent remains the largest challenge

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Conclusion

- Trends
 - Accelerated creation of wealth
 - Increasing sophistication of clients
 - Individual styles refining strategies
 - Accelerated family office creation and management
 - Increased risk alertness in current market
 - Differentiation in service models
 - Demand for talent evolving

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