

EXPLORING GROWTH OPPORTUNITIES IN WEALTH MANAGEMENT

**GLOBAL ISLAMIC FINANCE FORUM
Kuala Lumpur
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Exploring Growth Opportunities in Wealth Management

Capgemini - Merrill Lynch

World Wealth Report 2006

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	<u>1996</u>	<u>2005</u>	<u>2010</u>
# of HNWI s (Financial Assets>\$1million)	4.5 million	8.7 million	
HNWIs Wealth	\$ 16.6 trillion	\$ 33.3 trillion	\$ 44.4 trillion
# of Ultra HNWI s (Fin Assets>\$30million)		85,400	
		1% of HNWI population	
		1/3 rd of HNWI wealth	
Alternative Investments as %age of total HNWI Portfolio	3%	20%	

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Market Forces shaping the Industry over last decade

- Growing Competition
- Rise of Technology
- Proliferation of Global Information

Going Forward, WM landscape will be redefined by

- Increasing HNWI sophistication
- Information available to clients

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2004-05 HNWI Population Growth:

South Korea (21.3%)

Russia (17.4%)

Indonesia (14.7%)

Saudi Arabia (13.5%)

UAE (11.8%)

India (19.3%)

South Africa (15.9%)

Hong Kong (14.4%)

Singapore (13.4%)

Brazil (11.3%)

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Private Equity replacing Hedge Funds

	<u>2002</u>	<u>2007 Est</u>
Equities	20%	31%
Fixed Income	30%	21%
Cash/Deposits	25%	11%
Real Estate	15%	15%
Alternative Investment	10%	22%

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HNWI Assets by Region

North America	43%
Europe	21%
Asia-Pacific	24%
Latin America	8%
Middle East	3%
Africa	1%

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- **28%** of HNWI's have residences abroad (MidEast 80%;Eur 46%)
- **19%** of HNWI's with Children living abroad (MidEast 45%; Eur 27%)
- **28%** of HNWI's with Financial Advisors abroad
- **37%** of HNWI's with Offshore Financial Accounts
- **61%** of HNWI's are 56+ age-bank (Global population=15%)
- **84%** of HNWI's are married
- **83%** of HNWI's have Children
- **92%** of HNWI's are projected to transfer their wealth to extended or immediate family

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Global Full-Service Wealth Management Provider

- **A global network to match global needs**
- **Simplifying reporting**
- **Developing a Wealth Management platform**