

## OVERVIEW

Catalyst  
Summary  
Methodology

## EXECUTIVE SUMMARY

Competitive benchmarking: the top 10 global wealth managers

UBS, Credit Suisse, and Bank of America are the world's largest wealth managers  
Credit Suisse and Morgan Stanley saw strong net inflows in 2010, while Goldman Sachs and UBS lost business

ABN Amro has the highest revenues per employee, while UBS, Credit Suisse, and Bank of America employee revenues were among the lowest

While most wealth managers saw declines during the recession, UBS experienced the most dramatic fall in revenues

Wealth management Super League profiles

Number one: UBS Wealth Management Businesses

Number two: Credit Suisse Private Banking

Number three: Bank of America

Number four: Morgan Stanley

Number five: Deutsche Bank Private Wealth Management

Number six: BNP Paribas Wealth Management

Number seven: JP Morgan

Number eight: HSBC Private Bank

Number nine: Goldman Sachs

Number 10: ABN Amro Private Banking

Rising stars in global wealth management

DBS

Julius Baer

Royal Bank of Canada

Standard Chartered Private Bank

## INTRODUCTION

Compiling the Super League rankings

## COMPETITIVE BENCHMARKING: THE TOP 10 GLOBAL WEALTH MANAGERS

Introduction

The largest wealth managers by AUM

UBS, Credit Suisse, and Bank of America are the world's largest wealth managers

However, BNP Paribas, Deutsche Bank, and Morgan Stanley have seen significant growth

The strongest wealth managers by net inflows

Credit Suisse and Morgan Stanley saw strong net inflows in 2010, while Goldman Sachs and UBS lost business

Employee productivity

ABN Amro has the highest revenues per employee while UBS, Credit Suisse, and Bank of America employee revenues are among the lowest

Deutsche Bank and Morgan Stanley are struggling with high cost/income ratios

Goldman Sachs' relationship managers have the highest AUM, while Bank of America's AUM per relationship manager is relatively low

#### Best-performing wealth managers

While most wealth managers saw declines during the recession, Morgan Stanley's revenues consistently rose

#### The Super League Footprint

The leading global wealth managers have identified a number of geographies to expand their presence

The top 10 wealth managers are heavily concentrated in the US, France, and Switzerland

### **WEALTH MANAGEMENT SUPER LEAGUE PROFILES**

#### Number one: UBS wealth management businesses

Overview

Financial performance

Customer targeting

Customer acquisition: collaborating with retail and corporate operations to tap into a feeder client base

Customer retention: the Growth Plus incentive scheme

Innovative products and services

Marketing and advertising

Outlook

#### Number two: Credit Suisse Private Banking

Overview

Financial performance

Customer targeting

Innovative products and services

Marketing and advertising

Outlook

#### Number three: Bank of America

Overview

Financial performance

Client targeting: the mass affluent, women, and retirement opportunities

Customer acquisition: Bank of America's wealth management unit received over 5,000 referrals from other parts of the bank

Customer retention: GWIM's customer focus and one-stop-shop offering are used by Bank of America to strengthen relationships with clients and reduce attrition

Innovative products and services: Merrill Lynch Wealth Management's global investing program for next generation UHNW individuals

Marketing and advertising: Bank of America's GWIM employs a combination of traditional marketing and sponsorships with multimedia and social media to promote its brands

Outlook: Bank of America expects over 6% average revenue growth to 2015

Number four: Morgan Stanley

Overview

Financial performance

Unique selling points

Customer targeting: decided locally

Customer acquisition: vast majority from referrals

Customer retention

Innovative products and services: managed money platform

Marketing and advertising

Outlook

Number five: Deutsche Bank Private Wealth Management

Overview

Financial performance

Customer targeting

Innovative products and services

Marketing and advertising

Outlook

Number six: BNP Paribas Wealth Management

Overview

Financial performance

Customer targeting

Innovative products and services

Marketing and advertising

Outlook

Number seven: JP Morgan

Overview

Financial performance

Customer targeting: expanding its UHNW business geographically and demographically

Customer acquisition

Customer retention

Innovative products and services

Marketing and advertising

Outlook

Number eight: HSBC Private Bank

Overview

Financial performance

Customer targeting: specialist advisory teams

Customer acquisition: tapping the internal feeder customer base

Customer retention: educating younger generations

Innovative products and services

Marketing and advertising

Outlook

#### Number nine: Goldman Sachs

Overview

Financial performance

Customers

Innovative products and services

Marketing and advertising

Outlook

#### Number 10: ABN Amro Private Banking

Overview

Financial performance

Customer targeting

Innovative products and services

Marketing and advertising

Outlook

### **RISING STARS IN GLOBAL WEALTH MANAGEMENT**

#### Introduction

##### DBS

Overview

DBS's expansion strategy is a straightforward dash for bulk and economies of scale

Datamonitor view: betting big on organic growth in Asia Pacific

##### Julius Baer

Overview

Expansion strategy: Julius Baer has grown through acquisitions

Datamonitor view: Julius Baer is knocking on the door of the top 10 wealth managers

##### Royal Bank of Canada

Overview

Expansion strategy: RBC's unique selling points are its integrated wealth management approach and the Canadian brand

Datamonitor view: RBC is a formidable challenger to incumbent players

##### Standard Chartered Private Bank

Overview

Expansion strategy: future growth will come from internal referrals and a growing share of the customer wallet

Datamonitor view: Standard Chartered is well-positioned for future growth, but is unlikely to ascend to the Super League for some years.

### **APPENDIX**

#### Definitions

Measures of growth

Detailed definitions relating to competitor data

Methodology

Compiling the Super League ranking

Compiling the competitor profiles

Global Wealth Managers Survey

PAM UK Data

Further reading

Selected bibliography

Ask the analyst

Disclaimer

**TABLES**

Table: Top 10 wealth managers by AUM (\$bn), 2006–10

Table: Top 10 wealth managers net inflows as a percentage of AUM, 2006–10

Table: Top 10 wealth managers by profitability, 2010

Table: Top 10 wealth managers' cost/income ratios, 2006–10

Table: Top 10 wealth managers' AUM per relationship manager, 2010

Table: Top 10 wealth managers' operating revenues (\$m), 2006–10

Table: Top 10 wealth managers operating expenses (\$m), 2006–10

Table: UBS wealth management businesses key data, 2006–10

Table: UBS wealth management businesses key financial data (\$m), 2006–10

Table: Credit Suisse Wealth Management Clients key data, 2007–10

Table: Credit Suisse Wealth Management Clients key financial data (\$m), 2007–10

Table: Bank of America key data, 2006–10

Table: Bank of America key financial data (\$m), 2009–10

Table: Morgan Stanley key data, 2006–10

Table: Morgan Stanley Global Wealth Management key financial data (\$m), 2006–10

Table: Deutsche Bank PWM key data, 2006–10

Table: Deutsche Bank PWM key financial data (\$m), 2009–10

Table: BNP Paribas Wealth Management key data, 2006–10

Table: BNP Paribas general banking revenues by division, 2009–H1 2011

Table: BNP Paribas Investment Solutions division AUM by business line (\$bn), 2010– Q3 2011

Table: BNP Paribas Wealth and Asset Management key financial data (\$m), 2006–10

Table: JP Morgan Private Banking key data, 2006–10

Table: JP Morgan Asset Management key financial data (\$m), 2006–10

Table: HSBC key data, 2006–10

Table: HSBC key financial data (\$m), 2006–10

Table: HSBC Private Bank's complete specialist services proposition

Table: Goldman Sachs Private Wealth Management key data, 2008–10

Table: Goldman Sachs Investment Management key financial data (\$m), 2008–10

Table: ABN Amro Private Banking key data, 2006–10

Table: ABN Amro Retail and Private Banking key financial data (\$m), 2009–10

Table: ABN Amro wealth management brands, 2011

Table: DBS key financial data (\$m), 2006–10

Table: DBS wealth management brands by target AUM, 2011

Table: Julius Baer key data, 2009–10

Table: RBC key data, 2006–10

Table: Standard Chartered Private Bank key data, 2006–10

Table: Standard Chartered brands targeting affluent consumers

Table: Standard Chartered geographic reach by banking proposition

Table: Top 10 wealth managers: business units defined

Table: Top 10 wealth managers: AUM defined

Table: Top 10 wealth managers: AUM defined (continued)

Table: Top 10 wealth managers: net inflows defined

Table: Top 10 wealth managers: employees and relationship managers defined

Table: Top 10 wealth managers: operating income and operating expenses defined

Table: Top 10 wealth managers: operating profit defined

## FIGURES

Figure: UBS still leads the pack comfortably, but has lost significant ground in the past five years

Figure: UBS still leads the pack comfortably, but has lost significant ground in the past five years

Figure: Credit Suisse saw the strongest net inflows in 2010, while Goldman Sachs struggled

Figure: Deutsche Bank was in the red in 2010 while JP Morgan lead the way in terms of a low cost/income ratio and high operating profits

Figure: Deutsche Bank's cost/income ratio topped 100% in 2010, while Morgan Stanley was also operating on a thin margin

Figure: Goldman Sachs has the highest AUM per relationship manager, while Bank of America has the lowest

Figure: UBS's operating income nosedived over 2007–08, while Morgan Stanley enjoyed two years of operating income growth over 2008–09

Figure: UBS was able to significantly cut expenses in 2008, while Morgan Stanley's expenses rose with the inclusion of the MSSB business

Figure: The Middle East and Asia Pacific are wealth management hot spots

Figure: Wealth managers have a strong presence in both the US and Mainland Europe

Figure: A side-by-side comparison of the top 10 wealth managers' geographic presence

Figure: UBS divides wealth management into two geographical units

Figure: UBS has offices across the world

Figure: UBS wealth management businesses pre-tax profits declined in 2010

Figure: UBS's IPS collaboration strategy

Figure: Credit Suisse is divided into three core business units

Figure: Credit Suisse realigned client coverage into two private banking segments in 2009

Figure: Credit Suisse Private Banking has a truly global network

Figure: Credit Suisse employs the majority of its relationship managers in Switzerland and EMEA

Figure: Credit Suisse has maintained stable total income and interest income in its private banking operations

Figure: GWIM is one of the seven business segments within Bank of America

Figure: Bank of America GWIM's presence is greatest in North America

Figure: The reorganization of Bank America's wealth management business following the Merrill Lynch acquisition dampened growth in 2009–10

Figure: GWIM hosts a series of client webcasts supported by a dedicated website

Figure: Merrill Lynch's Twitter page has over 8,000 followers and an active profile

Figure: Morgan Stanley's private banking offices are concentrated in the US, but the group also has a presence in Europe, the Middle East, and Asia

Figure: Morgan Stanley Global Wealth Management financial performance, 2006-10

Figure: Morgan Stanley's unique selling points

Figure: Deutsche Bank PWM sits within the Asset and Wealth Management division, which in turn is part of Private Clients and Asset Management

Figure: Asset Management and Wealth Management was the second largest contributor to Deutsche Bank's net revenues in 2010

Figure: Deutsche Bank PWM has operations in 36 cities across Germany

Figure: Deutsche Bank PWM has offices in 32 countries globally

Figure: Deutsche Bank PWM's revenues grew in 2010, but higher operating expenses lead to a loss for the division

Figure: Entrepreneurship is the major source of HNW wealth in Germany

Figure: Deutsche Bank's @ArtMag\_DB Twitter feed showcases its involvement and expertise in art

Figure: Wealth management delivery and development is mostly confined to one division

Figure: Investment Solutions has maintained a constant share of the overall bank's business

Figure: The crown jewel of BNP's wealth operation, the private bank, is principally divided by geography

Figure: France dominates BNP Paribas's private bank branch network, but the group is established in more than 30 countries

Figure: Operating revenues and profits were up in 2010 following the integration of Fortis Bank

Figure: BNP Paribas has a comprehensive array of services to offer HNW clients

Figure: "Committed to your future" is BNP Paribas Wealth Management's global ad campaign

Figure: Geojit in India uses Twitter to pass along news stories of interest to its followers

Figure: Ace Manager engaged business school students in a competition involving all aspects of the bank

Figure: forachangingworld.com serves to promote the softer side of BNP Paribas

Figure: JP Morgan Private Bank is concentrated in the US but has a wide geographic spread

Figure: JP Morgan Asset Management's total income increased through 2008–10

Figure: HSBC is divided into four core business units

Figure: HSBC Private Bank has operations across the globe

Figure: Operating expenses have increased alongside fee income

Figure: HSBC Private Bank targets customer groups with specialist advisory services

Figure: Goldman Sachs has wealth management operations spread across the world

Figure: Goldman Sachs Investment Management's operating profit rose slightly in 2010

Figure: ABN Amro Private Banking is concentrated in Europe

Figure: ABN Amro Retail and Private Banking's total income, interest income, and fee income all rose in 2010

Figure: DBS's wealth management operations are currently part of the Consumer Banking Group

Figure: DBS's private wealth offering has a presence spanning just six countries, although its reach is much greater

Figure: Julius Baer has expanded globally

Figure: Julius Baer has undertaken an international expansion strategy since its separation from GAM

Figure: RBC Wealth Management is one of the five main business units at RBC

Figure: RBC Wealth Management offices are spread across the globe

Figure: Standard Chartered Private Bank sits within the Consumer Banking division

Figure: Standard Chartered Private Bank global operations

Figure: Standard Chartered Private Bank has a detailed customer targeting strategy

Figure: Global Wealth Managers Survey 2011 geographic coverage