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Wealth Management & Private Banking Market Overview

October – December 2018

Contents

Market Update

Key trends and market news in the Wealth Management industry globally

UK Renews its Attack Against Offshore Tax Evasion

- The U.K. Treasury plans to publish a new compliance strategy around the overseas entities that wealthy individuals use to conceal their assets, building on what the government called a "substantial progress that the U.K. has made in tackling offshore tax evasion" since the last plan in 2014.
- Fighting offshore tax evasion has increasingly become a priority for governments in the wake of public data leaks such as the Panama Papers, as almost half of the companies cited through that leak of 11.5 million documents were registered in the British Virgin Islands (U.K. territory). In addition, the Panama Papers cited almost 2,000 U.K.-based intermediaries that helped individuals or entities to evade tax.
- Alongside a new compliance strategy, the U.K. government is seeking to widen its data-sharing powers as part of the fight against tax evasion. Its high-net-worth unit, focusing on the tax affairs of rich individuals, has brought in more than 1 billion pounds ($1.3 billion) since it was set up in 2009.

Guernsey of Increased Attractiveness for Family Offices

- Guernsey is increasingly being considered as a base for family offices. David Bowen, Head of Deloitte's Private Office Consulting practice, commented: "We are starting to see a shutdown of jurisdictions which people would have typically looked to use, and they are relocating trusts or shoring up substance requirements where trusts are involved. The focus is to move away from areas seen as tax havens to areas with a more robust framework, and a real focus and defensibility around using the locations".
- One of the biggest fears for families is to be hacked, which can lead to the destruction of wealth, and these families are looking to protect themselves better from data and cyber protection.
- Guernsey's commitment to tax transparency and sharing information, while still offering privacy by refusing to adopt public registers of beneficial ownership, is very important. Guernsey is already improving its family office capabilities to attract more business, by refining its legal and regulatory approach to provide the most supportive global environment and ecosystem for servicing private capital and wealth, and to meet the evolution taking place in the world of the family offices.

MiFID II and Multi-family Offices

- Many MFOs have underestimated the challenges that MiFID II would bring to them. Preparation was last minute at best, at worst nonexistent. Many believed that the directive was not directly relevant to them and that it would only impact larger financial institutions. But of the 9,000 firms affected by Mifid II, 6,500 are small-to-medium enterprises, and many of these are MFOs.
- Close to one year after implementation, little has changed. Preparedness remains low among MFOs, in part due to a belief that regulators are failing to crack down on non-compliance; an unsurprising reaction given the wave of criticisms directed at the FCA for its limited interest in fining big banks and asset managers for non-compliance. Just six firms have so far reported themselves to the regulator.

- As MFOs often deal with a significant amount of different financial players, their obligations under Mifid II are highly challenging. Amongst the many demands, transaction reporting requires MFOs to keep records of all conversations, activities and communications they have engaged in, storing in a digitised, tamper-proof format to be made available at the regulator's request within 72 hours.

GCC Wealthy Clients Poorly Prepared for Wealth Transitions

- According to a recent survey by Jersey Finance's new office in the DIFC, 92% of HNWI GCC clients are poorly prepared and inadequately structured for the transition of wealth across generations.
- There is an estimated $1 trillion of wealth set to transition between families and generations in the Middle East during the next decade, which provides immense opportunities for wealth management companies in the region. According to the research, prepared in conjunction with Hubbis, there is a growing preference from HNWI clients to professionalize the way succession planning is managed, despite the lack of preparedness.
- Offshore jurisdictions that can demonstrate their dedication to transparency, ethics, and quality will survive and prosper in this changing environment. The use of offshore jurisdictions is highly driven by the geopolitical climate and fears of instability (25%) and succession planning (25%) followed by privacy and confidentiality (17%), asset protection (17%), tax efficiency (8%), and diversification of jurisdictions and assets (8%).
- According to the findings, HNWI clients in the Middle East understand that the selection of an International Financial Centre is critical, with reputation being the most important factor. As such, there is a clear trend towards Tier 1 IFCs that are noted for their expertise, regulatory robustness and transparency.
- The report further said that the more sophisticated HNWI clients in the GCC are concerned about the cost of having multiple structures in multiple jurisdictions, according to one third of respondents. 75% of industry experts agree that clients are looking to increasingly concentrate their assets and structures in one center.
- Offshore corporate structures and private trust companies appear to be the preferred options for the core of GCC HNWI wealth structuring, while trust structures are considered the next most important, alongside citizenship and residency planning.

Dubai International Financial Centre (DIFC) Growing Strong

- The DIFC is revamping its wealth management offering in the free zone, to attract wealthy families from all over the world to base their family offices and wealth management structures there.
- The ruler of Dubai, His Highness Sheikh Mohammed bin Rashid Al Maktoum, announced new laws in March that enhance the existing DIFC trust legislation in line with international best practice, including promoting better trust administration and giving greater certainty and flexibility to settlors, trustees and beneficiaries. It also introduces a completely new regime for the market, promoting better creditor protection, succession planning and lifetime private wealth planning for family businesses.
- Both form part of the DIFC's ambitious 2024 growth strategy, by which time it hopes to be the leading centre for private wealth management and one of the world's top 10 financial centres. In the old days, trusts were seen as a hiding place for assets, but now they are seen as a sensible approach to managing and owning wealth, particularly for the benefit of families.
- Sheikh Mohammed also introduced new residency laws in the UAE this year to make it possible for professional expats to obtain ten-year visas, rather than the current three-year ones. The aim is to attract wealthy investors, entrepreneurs and workers to put down roots.
- According to BSA Ahmad Bin Hezeem & Associates LLP, adviser to HNWIs and Corporates on UAE and DIFC laws, a lot of people are relocating to Dubai and restructuring their assets internationally, taking advantage of the double tax treaties between Dubai and the rest of the world. For example, the Dubai government has made considerable efforts to attract Chinese citizens in the last 24 months, including allowing visitors to be granted visas on arrival in the same way that European citizens are.

$12 trillion in Sustainable Investing Assets in the US

- A recent report by the US SIF Foundation (2018) found that sustainable, responsible and impact investing assets have expanded to $12.0 trillion in the US, about one fourth of the $46.6 trillion in total assets under professional management in the country. This is up 38% from $8.7 trillion in 2016.
- Much of this growth is driven by asset managers, who now consider environmental, social or corporate governance (ESG) criteria across $11.6 trillion in assets, up 44% from $8.1 trillion in 2016. According to the findings of the report, the top three issues for asset managers and their institutional investor clients are climate change/carbon, tobacco and conflict risk.
- From 2016 through the first half of 2018, 165 institutional investors and 54 investment managers controlling $1.8 trillion in assets under management (AUM) filed or co-filed shareholder resolutions on ESG issues.

Surging Number of Billionaires in China

- According to the latest UBS/PwC Billionaires Report (2018), total assets of all billionaires globally increased by almost 20% to $8.9 trillion over the past year:

  - The number of Chinese billionaires has risen to 373 in 2017 from 318 in 2016. Their assets increased by 39% to $1.12 trillion. The growth rate in the whole of APAC was 32%.
  - China created two billionaires each week, while Asia as a whole made three new billionaires per week. But as business remains risky in the region, China also lost one billionaire per week (106 new billionaires vs. 51 ex-billionaires).
  - North and Latin America lagged the world's growth rates, with an increase in assets of 12%, reaching a total of $3.6 trillion.
  - Thanks to a strong currency development, Western Europe had strong wealth growth over the past year. Assets increased 19%, while the number of billionaires only rose 4% to 414.
- Over the last decade, Chinese billionaires have created some of the world's largest and most successful companies and hugely raised living standards. Of all Chinese billionaires, 97% are self-made. Last year, 89 Chinese businessmen made their first billion dollars, three times more than in the U.S. and EMEA.
- To capture this growth, the big four Chinese banks (ICBC, Agricultural Bank of China, Bank of China and China Construction Bank), have all recently announced establishment of wealth management units within their business operations.

Family Offices Sprouting in Hong Kong and Singapore

- The number of family offices in Hong Kong and Singapore quadrupled between 2015 and 2017 according to the Monetary Authority of Singapore which added that those funds can benefit from a number of attractive incentives, such as tax breaks and residency being offered to them.
- The family office is a relatively new concept in Asia and, although there is no accurate data available, it is estimated that there are less than 400/500 of such firm in the entire region, compared to thousands in the West where wealth held by the population is of much older origins.
- The activity of setting up family offices this year has been substantially more than the previous one, and this growth should continue on the current pace. It is estimated that the number of new family offices in Asia rose by 15% in the first three quarters of this year compared to the same period last year. This momentum was aided by the boom in Hong Kong for initial public offerings which saw record money raised mostly by Chinese tech firms, turning many founders into millionaires and billionaires.
- Asian family offices are evolving from being just investment focused to offering a platform for dispute resolution and succession planning, as the new generation in the family-owned businesses expand into newer areas.

Banks' News

Banks' structural changes, M&A activities, expansion and hiring trends by institution

Lebanese financial group **Bank of Beirut has announced the acquisition of Luxembourg-based Fortuna Bank,** which will allow expansion in the Grand Duchy. The Lebanese banking group, which offers commercial, corporate, private, investment, asset management and retail banking, has already set foot in Europe, running offices in the United Kingdom, Cyprus and Germany. The management and 26-member staff of Fortuna Bank will keep their functions and continue to service local and regional customers. Fortuna offers a tailor-made banking service to clients and also funds real estate projects and offers investment services to a wide range of private and corporate clients.

Barclays started **moving its European coverage private bankers to Dublin** in anticipation of Brexit. Whilst some bankers have already moved, the rest will move in tranches up to March 2019. The bank is also expected to change the booking centre for several clients from London to Dublin. Most relationship managers have been offered a 30% hike in compensation. The move will not affect relationship managers who cover Swiss clients, as they are expected to be largely unaffected by the U.K's decision to exit the European Union.

BNY Mellon Investment Management (BNY Mellon IM) **has expanded it's presence in Nordics with its first office in Stockholm,** Sweden. The office opening will see BNY Mellon IM offer its suite of investment specialists to institutional and intermediary clients in Sweden, Denmark, Finland, Norway and Iceland. The office is led by Johan Stromberg, head of Nordic distribution at BNY Mellon IM, who joined the firm in October 2017 and supported by Viktoria von Kunow, director of Nordic distribution, who joined the firm in June 2018.

Citigroup is planning to **reposition some roles at its Southern European private-banking team from London to Madrid.** The choice may reflect the fact that many of Citi's executives in private banking are Spanish, including regional team leader Fernando Lopez Munoz who moved to Madrid from London earlier this year. His team also serves ultra-high net worth clients in Italy, Turkey, Portugal and Greece. The firm is planning to have its new broker-dealer in Frankfurt up and running by the end of this year in case negotiations break down without a trade deal or transition agreement. The bank plans to relocate around 150 roles to the new hub, many of which will be hired locally. Citigroup is also planning to relocate roles to offices in Milan, Paris, Dublin and Luxembourg. The Nordic and Benelux coverage teams are said to be moved to Luxembourg.

Credit Suisse has **pulled out of South Africa** after more than a decade as part of chief executive Tidjane Thiam's revamp, quitting a country whose economy has slipped into a recession for the first time since 2009. Credit Suisse, which had around 30 staff at its Johannesburg office, re-entered South Africa in 2006 after leaving in the 1980s

under pressure from anti-apartheid campaigners. The bank has now decided to close the office and terminate its physical presence in the region. The bank **will keep offering private banking services for South Africas wealthy clients from London, Zurich and Dubai** and its research teams in these cities will continue to cover selected blue-chip South African companies.

DBS, Southeast Asia's largest bank, has announced that it is **planning to almost double its Dubai private banking staff** (from the current 11 to 20) in its bid to triple revenue for its operations in the Middle East by 2023, capitalising on a shift of investments towards Asia. The bank is joining Citi and other global lenders expanding wealth management operations in the region. The prospective client base includes wealthy Middle East business people, family offices and non-resident Indians, as the bank identifies a shift in investments for this client base to Asia, from previous preferred locations of Switzerland, USA and UK.

Deutsche Bank PWM has **launched a multi-asset fund in Spain** that applies a scientific approach to limit risk and take better advantage of the investment opportunities of the equity market. DB PWM I-A3 Portfolio-Plus 10 is a diversified and global multi-asset fund that protects the portfolio through the systematic analysis of probabilities and the implementation of permanent non-conditional coverage, which limits the potential loss to 10%. This strategy brings the possibility of increasing the equity exposure more than other investment solutions taking similar risks. The Fund is aimed at Deutsche Bank's Private Banking and Wealth Management clients, with a minimum investment of €10,000. It invests worldwide in equities, fixed income, commodities and cash, including foreign currency transactions, and with a minimum time horizon of five years.

EFG International is **relaunching its domestic Italian business** and the bank has appointed **Giorgio Angelo Girelli** as the new head of its Milan branch, effective 01 December 2018 and subject to regulatory approval. Angelo Girelli will be responsible for relaunching and further developing EFG's business with Italian clients, which the bank defines as an important strategic area of focus. He will report directly to Franco Polloni, head of Switzerland & Italy Region. Italy's central bank had threatened to shut down EFG's Italian offices early last year (Milan and Como), due to an investigation over compliance failings due to BSI. These were revoked at the end of last year when EFG decided to shut the Como office and invest in relaunching in Milan.

Swiss Banque Heritage and Sallfort Privatbank announced that they will merge as of January 2019, combining banks controlled for generations by families who prospered in commodities trading. The merged entity will manage **6 billion Swiss francs (4.5 billion pounds) of assets** and operate under the Banque Heritage name. The number of Swiss private banks has fallen sharply over the last decade as lenders to the world's wealthiest people contend with tougher regulations and a changed environment following a global clampdown on tax evasion. The combined bank will remain based in Geneva and employ 120 staff in Switzerland. Marcos Esteve, CEO of Banque Heritage, will be chief executive and Johannes T. Barth deputy CEO. Paul-Andre Sanglard, Chairman of the Board at Banque Heritage, will be Chairman of the combined entity and Carlos Esteve, the Founder, will become Vice Chairman.

HSBC profits rose 28% in the third quarter of this year, as the bank reined in spending and wealth management income picked up for the firm. The **wealth management division's profits were up 3% to $100m (£78m) year on year** over the nine months to date. The bank seeks to **expand its private banking business in Germany,** with a focus on the ultra-high net worth segment, building a new team which will cater to entrepreneurial families and others with liquid assets starting at 30 million euros ($34 million). The bank targets EUR 30bn AUM. Last year, the unit collected almost two billion euros in new money while assets under management reached an all-time high of EUR 28.5bn.

In Asia, **HSBC Private Banking is planning to increase its revenues by $1bn by 2020,** as part of a re-focusing by the global bank on its Asian origins, setting out to target Asian wealth by increasing its client-facing headcount by 65% over five years and a doubling of client assets in eight years. HSBC will focus on HNWIs based in Singapore and Hong Kong, as part of a regional effort that is starting to refocus on markets in Thailand, Malaysia and Indonesia also. It is allocating $100m in fintech development across the SE Asia region.

Intesa Sanpaolo Private Bank is **opening a representative office in Bahrain,** and it has just been granted a representative office license to Bank of Intesa Sanpaolo Private Bank (Suisse) to operate in the Kingdom of Bahrain, Switzerland's Intesa Sanpaolo Private Bank (Suisse) was established in 2001 and is fully owned by Italy's Intesa Sanpaolo.

J. Safra Sarasin has announced the **successful completion of the acquisition of Bank Hapoalim's private banking businesses in Luxembourg and Switzerland** and the re-establishment of a physical presence in Israel. The acquisition includes the transfer of qualifying clients and

their relationship management teams who are focused on private banking clients primarily from Europe and Israel. The Group's growth strategy is also taking another step forward with the start of activities of J. Safra Sarasin Asset Management (Israel) Ltd, a company licensed by the Israel Securities Authority (ISA), together with the opening of a Representative Office, both located in Tel Aviv.

Julius Bär

The Swiss private banking group is in the process of opening three new offices, and close in two countries. The bank will **open its first offices in Belfast** in the new year, and this will make the wealth manager the first Swiss bank to be permanently based here. It will require its clients to have a minimum of £1m to invest. This adds to the other UK offices in Leeds, Manchester, Edinburgh and Glasgow.

The bank is also set to open a **new representative office in Mexico** and **Manuel Torroella Velazquez** will join from Monex Grupo Financiero to take charge of the unit. He has previously headed HSBC Private Bank in Mexico. Beatriz Sanchez, the new boss of Latin America at the Swiss-based private bank who formerly Headed the Latin American business for Goldman Sachs, has decided to refocus the bank's **Latin American growth strategy on Mexico, Brazil and Argentina.** The firm has had a foothold in Mexico since 2015 through its stake in NSC Asesores, a local wealth management company. The bank is also in preliminary negotiations to launch in Miami, and intends to expand presence in Chile and Colombia through alliances.

Johannesburg is the third new location the bank is opening, going after high-net worth individuals. The bank will employ seven people in South Africa, five of which have been lured from local lenders including FirstRand Group Ltd. subsidiary Rand Merchant Bank.

On the other side, Julius Baer's **Panama and Peru offices are to be shut down** following a strategic review of its Latin American unit by Beatriz Sanchez, that found the two countries unsuitable for building scale. The bank has not revealed any timeline for the move, which will impact six RMs as well as support staff who will now be transferred to the Bahamas, Chile or Switzerland and will continue to service their existing clients in Panama and Peru.

Business units-wise, Julius Baer has l**aunched a new dedicated unit to cater to financial advisers and other professional clients.** The division will be led by board member and current head of advisory solutions Philipp Rickenbacher, who will become head of intermediaries and global custody. He has worked with the company for nearly a decade, previously serving as Head of Structured Products.

In Japan, **Nomura Holdings has announced that it has completed the investment in Julius Baer Wealth Management,** a wholly owned subsidiary of Julius Baer Group, which was announced three months ago. Julius Baer's name has been changed to Julius Baer Nomura Wealth Management.

LOMBARD ODIER

Switzerland-based private bank Lombard Odier is **expanding its services to the South African market,** targeting clients looking to diversify their portfolios offshore. The bank will provide advisory and related services to the country's high net-worth clients. It established a representative office in SA in June 2017 and was recently awarded a category one licence from the industry regulator which will enable it to provide advisory services. Each client in SA will have access to a dedicated investment advisor based in Geneva.

Maybank

Maybank has partnered with Schroders' Singapore arm to develop a range of specialist investment solutions that will tap into the growing wealth market in Malaysia. The first step in this collaboration will be the l**aunch of two discretionary portfolios:** Global High Dividend Equity Portfolio and Global High Conviction Portfolio. These portfolios will be managed by Maybank Asset Management Malaysia (MAM Malaysia), with Schroders Singapore as the investment adviser. As part of the partnership, MAMG and Schroders will undertake further collaboration projects in 2019 to co-develop solutions across other asset classes, including Shariah-compliant investments and private assets among others.

NATIXIS WEALTH MANAGEMENT

Natixis Wealth Management has **announced the acquisition of Massena Partners,** an asset management and investment consulting company serving UHNW customers with a 23-member team based between Luxembourg and Paris. This will help the French bank to develop its wealth management business in France and Luxembourg. Massena Partners will become a subsidiary of Natixis Wealth Management, that will keep its operative autonomy in the management of its customers and in the choice of its investments.

Rothschild & Co

The **trust arm of private bank Rothschild & Co is being bought out** by its management. The firm is selling its wealth planning and trust arm to **Richard Martin,** a senior executive at the unit, and to an unnamed investor. Financial details of the move are not disclosed. A senior team from the trust arm will support Martin in the management buyout. The trust arm was the source of embarrassing head-lines recently when Switzerland's regulator found it negligent in dealing with 1MDB funds in July. The deal is expected to close in the first quarter, and the trust is still to unveil a new brand for itself, but Martin commented that the trust business will continue to work closely with Rothschild following the split.

Santander is **working on a deal with Julius Baer to acquire part of Julius Baer's Latin American business.** Under the agreement Santander would take over a portion of the Swiss bank's client accounts in the region following a review period. Details are not disclosed at this stage but is understood the accounts in question are managed out of Switzerland and that the deal could be focused on Venezuelan clients. The sources were unable to confirm the size of the client assets that are under discussion. This is in line with Baer's decision of no longer serving clients from Venezuela following a review of its Latin America business.

Schroders

Schroders and Lloyds have **confirmed the launch a wealth management strategic partnership in mid-2019,** with Schroders running £80bn of the Scottish Widows mandate cancelled with current manager Standard Life Aberdeen, as **James Rainbow,** Co-Head of UK intermediary at Schroders, is appointed Chief Executive of the joint venture. In an announcement to the stock exchange, the groups said they are entering into a strategic partnership to create a "market-leading wealth management proposition" that will combine Schroders' investment and wealth management capabilities with Lloyds' client base, distribution and digital capabilities. **Lloyds will own 50.1% of the share capital and Schroders the remaining 49.9%.** In addition, Lloyds will transfer approximately £13bn of assets and associated advisers from its existing wealth management business to the JV, and Schroders will transfer £400m from its UK wealth management business. There will also be a referral agreement in place to enable Lloyds' customers to make use of the proposition.

Schroders can now offer **global investment services directly to South African clients** as it has been granted a Category 1 Financial Services Provider ("FSP") licence. As well as an FSP licence, Schroders have a number of funds approved for distribution in South Africa by the FSCA. The regulator has recently approved a fifth fund, the Global Smaller Companies Fund, under its Luxembourg domiciled Schroders International Selection Fund (SISF) series. Schroders has been developing its South Africa business over the past five years and they have had a permanent presence in the country since December 2015.

Standard Chartered has launched a **new messaging system for private and priority banking clients,** who will now be able to interact with their Private Bankers to share banking-related and personal information within a new mobile application. With secure instant messaging, clients can start a chat while on the go to discuss their banking and investment decisions. They will also be able to do video and voice calls and conferences with their private bankers and RMs, and invite additional investment advisors or specialists as needed. In addition, there is a real-time file sharing feature for Standard Chartered's investment publications and outlook notes, with insights customised to a client's portfolio.

St James's Place has **announced that its assets under management topped £100billion,** despite recent growing uncertainty in the financial markets. The FTSE 100 firm, which offers advice on investments, pensions and tax to wealthy retail clients, saw the net inflow of funds of £7.58billion in the nine months to the end of September, up 15% on the same period last year. The increase and client retention rate 'strong' at 96% took funds under management to £100.6billion (up 11% since the beginning of the year and 17% higher over a 1-year period).

Stonehage Fleming and Glenmede Trust Company have **entered into a strategic alliance,** which has already started, and will allow both firms to expand their respective client offerings and geographical capabilities. They both remain independently managed and privately held. The relationship will allow Stonehage Fleming to deliver international family office, trust, and investment services to clients of Glenmede in Europe, Middle East and Africa, and Glenmede to offer investment and corporate trust services to clients of Stonehage Fleming in the US.

Banque Syz is working on succession plans, and the **sons of founder Eric Syz are both in line to take over the Genevan private bank.** Eric, who is the current CEO of the bank he founded in 1996, has started planning retirement and succession. In April, Syz named **Yvan Gaillard** as his deputy, and his two sons have also both entered the family business: **Nicolas Syz** is responsible for market development of private banking, while his brother **Marc Syz,** a private market specialist, is back from Hong Kong and at the bank as a managing director.

The bank has recently **announced a special project to target Swiss entrepreneurs** to further strengthen the domestic market. The bank launched a private market fund arm roughly six months ago, a bid to make private equity more accessible to wealthy clients. Mortgage lending, which Syz began in August, is also part of the

Swiss entrepreneur push, and the third pillar of the effort is in pensions, where Syz is teaming up with Liberty to help firms structure their pension obligations.

The Genevan private bank recently tried to migrate onto an Avaloq technology platform, but the plan fell through. The bank is now planning to **migrate onto Lombard Odier's platform,** but the change of heart unfortunately translates to a double-digit million write-down for Syz this year.

Although the recently announced third quarter earnings of the investment bank have been exceptional, the bank has confirmed it will **stay committed to its wealth management-centered strategy** for the next three years. But the bank is putting the unit through a **strict cost cutting,** although it did not specify specific measures yet. The unit must now save at least 250 million Swiss francs ($250.8 million) annually, compared to a 100 million francs target unveiled earlier this year. Targets stay the same: it wants to lift pre-tax profit by 10 to 15% annually, and win 2 to 4% in fresh funds (it recorded 2.3% in the third quarter).

The bank has recently **withdrawn from Nigeria,** closing its office in the country. It is left with only one office in the continent: South Africa. This has been confirmed with a statement by the central bank of Nigeria, which didn't give a reason for the bank's decision and mentioned no date of closure.

We mentioned in our latest market update that Switzerland is slowly re-establishing ties with the U.S. Juergen Wegner, a senior UBS executive in charge of Swiss Financial Advisers (SFA), a subsidiary of UBS which handles funds that wealthy U.S. customers bring to Switzerland, has recently mentioned that **the bank is increasingly receiving money from the U.S.,** as clients look to diversify their investments in a volatile U.S. political landscape. UBS is currently the only Swiss private bank with extensive U.S. business.

Vontobel has acquired the US wealth management business of Lombard Odier for an undisclosed sum. In 2015, Lombard Odier was fined nearly $100 million (CHF100 million) after admitting that it had helped US clients to evade taxes and it was one of many to incur financial penalties. Vontobel, on the other hand, was able to prove that it had not committed any offences in the US. The bank is **taking over Lombard Odier's US wealth management and its Canada-based brokerage units.** Each business currently manages around $600 million of client assets, bringing the total to $1.2 billion. The two banks have also entered into a cooperative agreement for Lombard Odier to recommend Vontobel to future clients who want wealth management services in the US. The deal is expected to be completed by mid-2019.

Vaduz-based VP Bank has **reached an agreement to buy the wealth arm of Luxembourg-based Catella Bank.** VP will pay 12 million Swiss francs ($12 million) to take on ten employees of Catella as well as 900 million francs in client assets, almost all from Europe. Part of the asset-based deal, which excludes Catella's private banking arm in Sweden, is a distribution partnership between VP and Catella for funds and real estate. The deal is expected to be sealed by the end of Q1 2019.

Wells Fargo & Co is **restructuring its wealth and investment management business to combine its two high-net worth operations,** the private bank and Abbot Downing. The two operations will retain their current branding and offerings. As part of the plans, the bank will also create a new unit under wealth management for its direct-to-client products, Intuitive Investor and Wells Trade, while another new unit will cover lending, trust and mergers and acquisitions. The three new leaders (of the combined private bank and the two other new units) are yet to be named and will report to Jon Weiss, Head of Wealth and Investment Management.

Key Movements

Key appointments for the period October to December 2018

Andbank

EMEA

Mercedes Blancafort Masriera, Deutsche Bank, Private Banker, Barcelona, has joined as Senior Private Banker in Barcelona

Banca Carige

EMEA

Maurizio Zancanaro, Banca Aletti, Chief Executive Officer, is joining as Head of Wealth Management, Milan

Bank of China

APAC

Kristan Lim, Senior Vice President, Private Banker, Greater China & North Asia, Singapore, has left

Bank of Singapore

APAC

Philippe Kerkhoven, Head of International Markets, Singapore, has left
Thomas Seiler, Team Head Russia, Singapore, has left
Liron Lev, Director, International Markets team (Israel/Russia), has left

Banque Paris Bertrand

EMEA

Stéphanie Hiltbrunner Seatter, Lombard Odier, Senior Relationship Manager, Geneva, has joined as Managing Director, Senior Relationship Manager, Geneva
Patrice Getaz, Lombard Odier, Senior Portfolio Advisor, Geneva, has joined as Executive Director in Geneva

For a complete list of key movements in over 50 wealth management and private banking institutions across EMEA, Asia Pacific and Americas, please get in touch with Rahul Sen or Giovanni Donati.

About Us

Rahul Sen, Partner, Financial Services
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Rahul is a financial sector specialist with an extensive global network in private wealth management. He has placed senior executives in Asia, the Middle East, Europe and the US. He has lived in Asia and the UK and is a former banker having worked as a Relationship Manager in the banking industry. This experience and understanding of the markets has earned him the respect from top candidates, having worked on their side of the fence.

He has a comprehensive knowledge of the Private Wealth Management Industry in Asia, the Middle East, Europe, the UK, Switzerland and New York and has originated and executed senior mandates in each of the locations.

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During his career in Executive Search, Giovanni developed strong connectivity and relationships within the wealth management and private banking industry, with a focus on EMEA and Emerging Markets, and executed mandates from junior positions up to senior management roles.

Prior to joining Boyden, he worked for a top ranked Executive Search boutique in London, covering research and execution of assignments in Private Banking and Investment Banking.

About Boyden

Boyden is a premier leadership and talent advisory firm with more than 65 offices in over 40 countries. Our global reach enables us to serve client needs anywhere they conduct business. We connect great companies with great leaders through executive search, interim management and leadership consulting solutions. The Financial Services practice across the firm work closely together creating a globally well connected business.

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