



The Right Leadership. **Worldwise.**TM



Market Overview Q3 2019

Wealth Management
& Private Banking

ANNUAL ASSEMBLY 2019

UNINTENDED CONSEQUENCE

Impact of AI on our future workforce

Thursday, 14th November - London

The Partners of Boyden UK request the pleasure of your company for an evening of drinks, canapes and thought leadership! This year we will have the opportunity to listen to the very latest thinking on how AI will impact our organisations' human capital and how organisations are preparing for the impact on the future workforce. Guest speakers include:



Michael Priddis CEO, Faethm AI

Faethm is an AI company with more data about the impact of the Fourth Industrial Revolution and the Future of Work than any company globally. One of the first companies globally to be invited to join the World Economic Forum - Centre for the Fourth Industrial Revolution, Michael has recently been invited to be an inaugural member of the WEF Global AI Council. Formerly a Partner and Managing Director of Boston Consulting Group's Digital Ventures, Michael is also a member of the Science & Innovation Group of BHP.



Isabel Fernandez-Mateo Professor of Strategy and Entrepreneurship; Chair, PhD Programme

Isabel is the Adecco Professor of Strategy and Entrepreneurship and Chair of the PhD Programme at London Business School. She is an expert on how relationships influence career outcomes – particularly in hiring, job transitions, and career advancement. She also studies gender diversity in the executive labour market. Professor Fernandez-Mateo teaches in various degree and executive programmes at London Business School, including an elective course on "Building your Career Strategy." She also teaches People Analytics, where she examines the challenges and opportunities of a data driven approach to people-related issues in organisations.



Lucy Shoring Global Head of Talent Mobility

Lucy has spent 11 years at MetLife, from Head of HR to HR Director UK, through Director for EMEA Reward and is currently the MetLife Head of Global Talent Mobility. In this role, Lucy has responsibility with her global business colleagues and professional partnerships to develop the future shape of the workforce across the geographies and all lines of MetLife business. Lucy is working with AI, data modelling and other inputs with her team to inform them on the strategies and practical steps to assure the Talent and People mobility agenda for MetLife.

For more information and to register your attendance

please contact Boyden.Assembly@boyden-news.com

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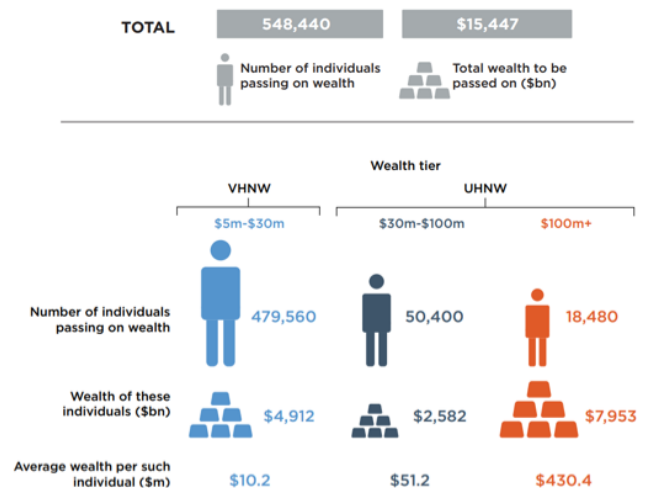
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Market Update

Key trends and market news in the Wealth Management industry globally

Over \$15 Trillion in Global Wealth Transferred by 2030

- According to the Family Wealth Transfer Report 2019 published by intelligence firm Wealth-X, \$15.4 trillion of global wealth will be transferred by 2030 by individuals with a net worth over \$5 million. The report identified that the majority of wealthy people around the world are currently over the age of 60, for whom wealth transfer has become a priority.
- Of the total estimated transfer, \$8.8 trillion will be passed on just in North America, followed by Europe where \$3.2 trillion is estimated to shift to the next generation by 2030. Asia accounts for \$1.9 trillion, due to the much younger wealthy population as opposed to older economies like Europe and the US. Furthermore, the super wealthy, with a net worth of \$100 million or more, will be transferring the majority of this wealth, equivalent to \$8 trillion.

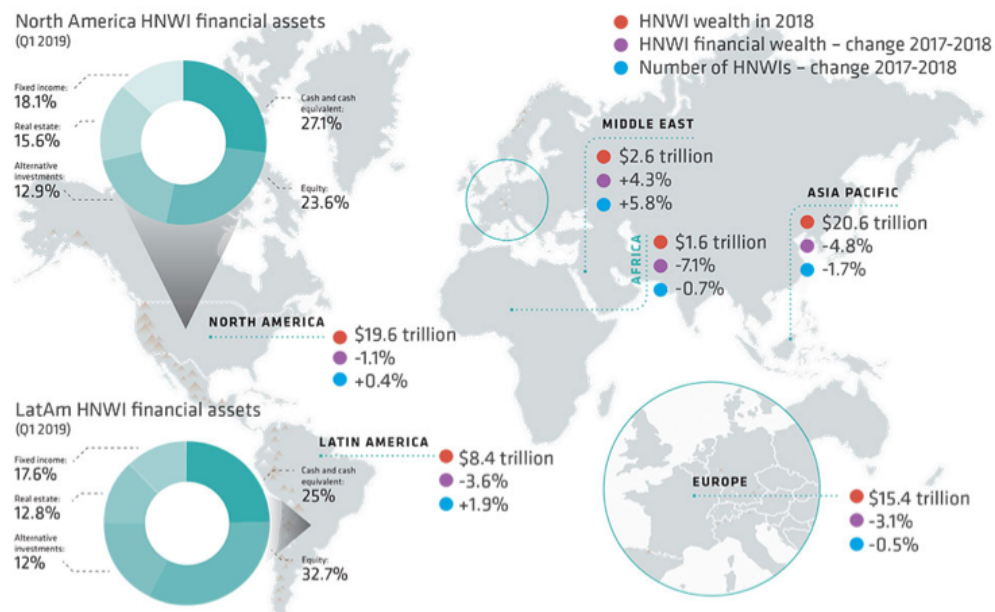


Note: The data is pre-taxation and any other regulatory requirements

Source: Wealth-X Family Wealth Transfer Report 2019

Global HNW Population Falling for the First Time Since 2011

- According to Capgemini's World Wealth Report 2019, the number and overall wealth of global high-net-worth individuals declined in 2018 for the first time in seven years. The number of individuals fell by 0.3% and overall wealth declined by almost 3%. HNWIs are defined as those having investable assets of \$1 million or more, excluding primary residence, collectibles, consumables and consumer durables. The report identified Asia Pacific being responsible for 50% of the global wealth decline of which China accounted for half of that.
- Europe and Africa also declined, while North America remained almost flat. The Middle East was the only region that registered an increase in its total HNW wealth. A significant drop in equity markets and a slowing economy were among the main reasons for the global decline. The UHNW segment (defined as the top 1% of the HNW population) also registered a decline, with its population and wealth declining by approximately 4% and 6% respectively.



Source: Capgemini Global HNW Insights Survey 2019

Banks Worth \$47 Trillion Adopt New Banking Principles

- Banks collectively overseeing over \$47 trillion in assets, or a third of the global industry, signed up to the new Principles for Responsible Banking, launched at the end of September in New York City and backed by the United Nations. The six principles provide a framework for a sustainable banking system to tackle the climate crisis and demonstrate how the industry can make a positive impact. The banks committed to align their business with the goals of the Paris Agreement on Climate Change and the UN Sustainable Development Goals (SDGs). Thirty banks led the development of these principles, which obtained 130 founding signatories during the launch. While action on climate change is growing, it is still far short of what is needed to meet the 1.5°C target of the Paris Agreement.

Swiss Regulator Approves Crypto Banks

- Switzerland granted banking licenses to Seba Crypto and Sygnum, two cryptocurrency-focused banks, representing the move of the blockchain industry into traditional banking. Finma purposely granted the two licenses at the same time, to avoid giving one firm a head-start over the other.



- Seba, based in Zug, has officially partnered with Julius Baer; while Zurich-based Sygnum's board includes former UBS CEO Peter Wuffli, and former Swiss central banker Philipp Hildebrand as a Senior Advisor. They are joined by a number of other crypto firms who are fighting to go live. Finma has always been very reluctant in issuing banking licenses to firms with drastically new business models.

Switzerland Strengthening AML and Information Exchange Rules

- The Swiss Federal Council has released a policy proposal to implement new anti-money laundering measures targeting lawyers, notaries and other consultants who have a role in managing companies and trusts; requiring those who have a role in some part of the management of companies and trusts to follow the same due diligence and reporting requirements as bankers. This comes as a result of the 2016 Panama Paper leak, which revealed that Swiss intermediaries, such as lawyers and financial advisors, had aided in setting up more than 38,000 offshore accounts on behalf of clients over the course of four decades. The Parliament will review the proposal later this year and if passed it will come into effect in 2021.
- Switzerland has also started exchanging financial account information for tax purposes with 33 more countries in September, for the first time. These countries are: Andorra, Argentina, Barbados, Belize, Brazil, Chile, China, Colombia, Cook Island, Costa Rica, Curaçao, Faroe Islands, Greenland, Hong Kong, India, Indonesia, Liechtenstein, Malaysia, Mauritius, Mexico, Monaco, Montserrat, New Zealand, Russia, Saint-Kitts and Nevis, Saint Martin, Saint Vincent and the Grenadines, Sainte-Lucia, Saudi Arabia, Seychelles, Singapore, South Africa, and Uruguay.

Sinking Profits for European Private Banks

- According to a report by McKinsey, industry profits fell 8% to £13.5 billion last year from £15.4 billion in 2017. Private banks in Europe took the biggest hit since the global financial crisis. The survey studied 113 banks and found that over 30% reported net client outflows, up from 25% a year earlier. Although banks continued to take tactical measures to control costs, the absolute cost base continued to grow between 2% and 3% year on year, with investment management, sales and marketing expenses rising by 4% a year over the past five years. McKinsey suggested banks to take quick action and especially small and mid-sized banks should work together to reduce costs by creating a platform for back-office functions. Consolidation among the smaller players would also create real competition to larger rivals.
- As previously identified in our Q1 2019 report, many Swiss private banking players are facing extinction. A recent report by KPMG and the University of St Gallen found that 34% of Swiss banks were “weak performers” in 2018, a drastic 50% increase from the year before. More than half of those banks posted a loss last year. At the same time, the number of “strong performers” dropped from 26 to 19 banks and is dominated by the larger players. This comes as a result of the death of banking secrecy that took

place exactly five years ago. Banks in Switzerland fell from 163 in 2010 to 101 at the start of 2019. CHF 100 billion + in AUM has been identified as the minimum scale for long term success.

UK Wealth Market Forecast

- Despite London retaining second place in the world's top financial centres index published by consultancy firm Z/Yen, second only to New York, KPMG has recently predicted a 1.5% GDP decline by 2020 if Brexit ends in a no-deal, which would be worse than the decline following the 2008 crash. It was a troubled year in 2018 for the UK, building not only on Brexit but also on the uncertainty of the US-China trade war. According to Capgemini's 2019 World Wealth Report, the population of UK high net worth individuals (HNWIs) declined by 3.3% in 2018 to stand at 556,000, significantly lower than the population growth of 9.5% in 2017. Assets of the UK's wealthiest also took a significant hit, with a 6% decline to \$2 trillion (£1.6 trillion).
- Analytic company GlobalData estimated that should no-deal happen, Q4 2019 will be a harming quarter which could reduce the UK wealth market by up to 5% in both 2019 and 2020 and will be largely felt in the fund and equity market. The number of UK resident non-domiciled individuals also declined to its lowest level ever. Last year, there were 78,300 non-domiciled taxpayers in the UK compared with 98,500 in 2016-17. HMRC said that of those who no longer have the non-dom status, about half became domiciled taxpayers and the other half left the British tax system. Although this number can be a little discouraging, the UK wealth market is broadly forecasted to revert to positive growth in the years following Brexit. As many bankers say “we need to get Brexit done; the inertia is worse than a no deal”.

Greece Lifts Capital Controls

- Capital controls imposed in 2015 at the pick of the Greek financial crisis were lifted in September, meaning that Greek individuals and companies will no longer be restricted on transferring money abroad, in a bid to make the country more attractive to foreign investors. Unemployment fell below 18% compared to its peak of 28% during the crisis; Greek state bonds continue to drop, while stocks and retail sales have been on the rise. Greek banks continue to shed non-performing loans with a country target to reduce bad loans by half, or below 20%, by the end of 2021.
- Greece completed the stability support programme designed by the European Stability Mechanism last year, which aimed to address long-term structural issues that contributed to Greece's financial crisis in the first place. The mechanism distributed €61.9 billion over three years and allowed Greece to implement reforms to help economic recovery

and will hopefully protect the country from future crashes.

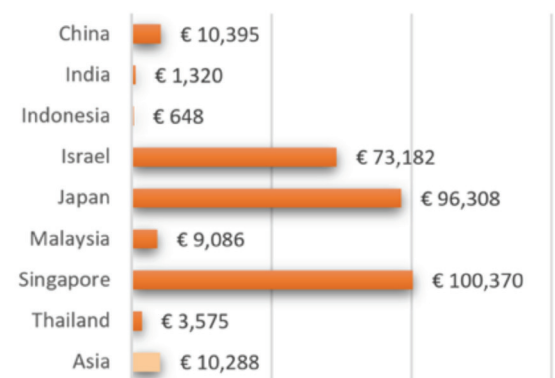
Hong Kong's Wealthy Seeking Safer Havens

- Hong Kong's political turmoil over the past two months saw multiple flights being grounded and violent street clashes with police, driven by protesters against the extradition bill proposed by China. If enacted, the bill would have allowed local authorities to detain and extradite criminal fugitives who are wanted in territories with which Hong Kong does not currently have extradition agreements, including Taiwan and mainland China, and would have undermined the autonomy of Hong Kong and its civil liberties. Despite the bill being suspended on July 9th, and withdrawn on September 24th, there is no doubt Hong Kong's stability has been undermined.
- An ever-increasing number of wealthy Hong Kong residents have been looking at other safer heavens, mainly eyeing the UK, Switzerland and the US, but also other countries that offer residency-for-investment visas like Portugal and Italy, to make sure they have a contingency plan in place in case things get worse. Portugal's visa program for example, has been one of the most sought after in Europe as it grants residency in exchange for a minimum property investment of €350,000. London is also attractive given the 20% fall in home prices from their 2014-15 peak and the weakened sterling, with Hong Kong Chinese individuals snapping up UK golden visas at an unheard-of pace, reaching a five-year high.
- The private wealth management industry total AUM in Hong Kong decreased by 2% in 2018 to HK\$7.62 trillion (approximately \$1 trillion) compared to the previous period. Despite Europe becoming increasingly interesting, a significant part of assets continues shifting from Hong Kong to Singapore too, a much simpler asset move than to the West.

Singapore Becomes Asia's Richest State

- According to the 10th edition of the Global Wealth Report published by Allianz, Singapore has overtaken Japan and is now the richest state in Asia, while ranking third globally after the United States and Switzerland, with net financial assets per capita of €100,370.00 in 2018. This represents a 4.4% year-on-year growth, despite the global economic instability and trade wars weighting mainly on the global middle class.

NET FINANCIAL ASSETS PER CAPITA



Source: Allianz Global Wealth Report 2019

- Singaporean banks reported strong performances in the first half of 2019, with the three major banks increasing their assets under management by 8-9% compared to the year before, as well as reporting stronger wealth management fees. Wealth-related fees in the first half of 2019 made up 37% of DBS Bank's core fees, 48% of OCBC Bank's, and 35% of UOB's, largely generated from the affluent segment, as well as private banking clients. They are also increasingly benefitting from more family offices setting up in Singapore, with the advantage of incentives like the tax incentive dubbed "13X" that allows qualifying family offices to have specified income derived from certain designated investments such as securities to be exempted from tax.
- Singapore has also raised to be Asia-Pacific's third largest fintech market by funds, placing just behind China and India. Despite a fall in the total value of fintech deals globally in the first half of 2019, the value of fundraising deals in this sector in Singapore almost quadrupled to \$453 million. China and India instead experienced declines of 49% and 21% respectively.

Aussie Millionaires Sitting on Cash

- The 2019 State of Wealth Report compiled by Crestone Wealth Management and CoreData discovered that most millionaires in Australia are unsophisticated and cautious investors. The report found that 81% of HNWI & UHNWI individuals (defined as individuals with \$1 million and \$10 million more of investable assets respectively) prefer to keep their wealth in cash through saving accounts and term deposits, rather than risk capital erosion. 56% invest in Australian equities, followed by 42% in direct residential property. The report also

identified that they feel safe in their own market, as less than one in four invest in global equities, and only one in 10 hold international bonds. Baby boomers (born between 1946 and 1964) are more likely to invest in cash or Australian equities, while younger investors tend to be more diversified. The report also commented that although Aussie investors are aware of the risks associated with the lack of diversification in their portfolio, they prefer to be cautious and are mainly focused in generating income and preserve capital.

Wealthy US Clients Increasingly Willing to Invest

- According to a survey conducted by UBS Global Wealth Management, US markets continue to hit record highs in 2019. Wealthy individuals and business owners are expressing growing intentions to invest; they remain positive on the US stock market, although politics and the national debt have emerged as top concerns. The study revealed that 50% of US investors see a diversified portfolio as a hedge against US-China trade tensions specifically, compared with 41% who favor cash. Banks are seeing increasing willingness in US investors to diversify their portfolios and put more money in the market.
- As identified in a research by Fidelity Clearing and Custody Solutions, wealth management M&A activity in the Americas hit record volumes in the first half of 2019, with RIA (Registered Investment Adviser) transactions increasing by almost 50% from the same time the year before. Transacted AUM increased 55%, with 73 deals taking place that amounted to \$460.5 billion in assets transacted. Some owners saw the advantage of selling and exiting during times of record-high markets, while other firms merged in a bid to improve their scale.

Banks & Wealth Managers News

Structural changes, M&A activities, expansion and hiring trends by institution



ABN Amro has enhanced private and corporate banking operations with the **implementation of Temenos WealthSuite**, to deliver the bank's personalised offerings quicker to market and achieve an improved cost/income ratio. Temenos' WealthSuite has been implemented in Belgium, and plans are for a broader rollout.

The bank also started offering **a new mobile wealth management app called Kendu** to its clients, powered by Sopra Banking Software. The app will allow wealth management clients to arrange a whole range of investments and will suggest options to reach individual financial goals.



AL RAYAN BANK

British Qatari-controlled Al Rayan Bank is **being investigated under formal review over its money laundering controls** by the FCA, after 15 controversial entities emerged among its clients, four of which have had their UK accounts closed by other banks in the UK. This includes groups accused of links to extremists including Hamas and the Muslim Brotherhood. It is believed that the investigation was launched last year and has led to restrictions placed on the bank preventing it from opening new deposit accounts for anyone "categorised as high risk for the purposes of financial crime risk". Al Rayan is the oldest and largest Islamic bank in the UK, with more than 85,000 customers and an asset book in excess of £2.05 billion.



Bank of Singapore **continues to grow fast in Asia**. Its discretionary portfolio management offering has been one of the most successful products, which saw total assets grow by 40% over the last two years. AUM in discretionary totaled \$7.7 billion at 2018-end. DPM penetration of the bank's total AUM was also up from 6.7% in to 7.5% in 2018, in line with the private banking industry in Asia where DPM penetration is on average less than 10%.

Greater China has been one of the best performing markets for the bank, under the guidance of Derrick Tan. AUM from the region nearly tripled in five years (2013 – 2018) and revenue grew 2.8 times, due to a major expansion drive and a client-oriented focus, particularly on lifestyle.



Neuchâtel-based private bank Bonhôte has launched a **new impact fund, The Bonhôte Impact fund**, with a focus on the United Nations' Sustainable Development Goals. The fund is overseen by Valentin Girard, Head of Impact Investing, and it invests in companies that are working to find solutions for climate change, supporting economic development in disadvantaged regions, protecting natural resources and promoting access to health and education.



Butterfield

The Bank of N.T. Butterfield & Son Limited has **completed the acquisition of the Channel Islands-based banking subsidiary of ABN AMRO Bank**, following receipt of regulatory approvals. ABN AMRO CI has been renamed Butterfield Bank Channel Islands Limited (BBCI), and over the next year Butterfield anticipates that BBCI will be fully integrated with Butterfield Bank Guernsey, which has operated in the Channel Islands for more than 45 years, and all clients will be served by the combined bank.



BREWIN DOLPHIN

Brewin Dolphin has **completed the acquisition of Bath firm Epoch Wealth Management**, initially announced in April, through which it has launched its new presence in Bath. The office is headed by Epoch's former managing partner, Barry Newbury, who moved to Brewin Dolphin with 36 other employees. Epoch manages £500 million in client assets. Brewin made a £10 million initial payment for the firm, with a further £9 million payment subject to performance.



C Hoare, the UK's oldest private bank, posted pre-tax profit of £32.5 million, up from £25.9 million year-on-year, for the 12 months to the end of March. Income rose 17.1% to £123.5 million, with deposits up 7.8% to £4.4 billion and its loan book growing 2% to £1.7 billion. The bank says it is **focused on cost control, while continuing to invest**. Costs rose from £74 million to £83.5 million year-on-year, driven by further investment in the business, including its first regional branch in Cambridge.



Asset under management in the RBS-owned private banks, Coutts and Adam & Co, rose 10% in the first half of the year, reaching £28.9 billion. £1.9 billion was down to positive investment performance, with all its portfolios in the top quartile over three and five years, and £0.2 billion was acquired in net new business. Profits for the combines firms remained 'steady' year on year at £155 million, with revenue up 1% and operating costs down 3%. According to Coutts' CEO, Peter Flavel, a key strategy is to **increase the number of new clients referred to the bank from the NatWest and Royal Bank of Scotland franchises**.



Banque Cramer posted a **loss of CHF 2.8 million in the first half of 2019**, due to a slump in trading and commissions. This compares with a profit of CHF 5.8 million at mid-2018 (although the profit was mainly due to the divestment of a stake). Despite being loss-making, it is reported that the bank paid a dividend to its sole shareholder, Norinvest, for an amount of CHF 15 million. The bank has been struggling to find a viable business model and continued to lose employees. Asset Management. Total funds under management rose to £42.4 billion at Q1 2019.

COMMERZBANK

Commerzbank offices in Frankfurt were recently **searched by German authorities**, as they continue **investigations into the Cum-Ex scandal** involving multiple global lenders, including Bank of New York Mellon Corp, Societe Generale SA and Deutsche Bank AG. Deutsche's headquarters were also raided last year with the same reason, as well as being searched a few weeks ago. The Cum-Ex transactions, spawned from various forms of dividend stripping, relied on the sale of borrowed shares just before a company was scheduled to pay dividends. This allowed more than one investor to claim a refund on a tax that was normally paid only once, effectively double-dipping at the expense of the state.



Credit Suisse has announced the **creation of a new business area called Direct Banking**, within its Swiss arm Swiss Universal Bank (SUB). This new area focuses on private and commercial clients who use core banking products and will combine digital solutions with personal advice. It will employ around 500 and will be headed by Mario Crameri, who previously worked as head of IT and operations at SUB. The bank is also separating the Swiss Investment Banking division of Credit Suisse in Switzerland, removing it from the Corporate and Investment Banking segment and instead managing it as its own business area, which will continue to be led by Jens Haas.

Credit Suisse and its Qatari shareholder (Qatar Investment Authority) are **expanding their presence in the Middle East** through their joint wealth management venture Aventicum Capital Management. The business has agreed to buy the management of selected funds and mandates from Amwal, a Qatar-based wealth manager. The funds include stock and

bond investments and products that conform with sharia rules; and they will be sold to local, regional and international investors.

Under the guidance of Marisa Drew, Credit Suisse's CEO of Impact Advisory and Finance (IAF), **the bank continues to grow and invest in the IAF team**, in a bid to champion the transition of financial markets to more sustainable investing, as well as investing with the intention to generate positive, measurable social and environmental benefits.



DBS has set a target to increase its assets under management (AUM) in the wealth business to S\$300 billion (\$218.04 billion), up from S\$234 billion at present, by 2023. The wealth business currently makes up 20% of the group's total income, and the target is to grow by 7 – 8% per annum to reach the desired AUM. According to Sim Lim, Group Head of Consumer Banking and Wealth Management, DBS will continue to **invest to increase their wealth asset base in North and South Asia**, with Indonesia being one of the main targets.

Thailand has also been a focus for the bank, where it plans to double its AUM (currently approaching \$3 million) and relationship manager headcount by 2023. DBS has been operating in the country through its wholly-owned subsidiary, DBS Vickers Securities (Thailand), offering onshore wealth management services, including funds, equities, structured notes and bonds to clients. It is now working more closely with the Private Bank division in Singapore to provide a global offering and access to offshore investment products to its clients.

Deutsche Bank

Deutsche Bank has started a radical restructure through which it will **exit its equities business and cut the workforce by a fifth** to reverse a slide in profitability. Dividends for 2019 and 2020 have been cancelled and the bank is forecasted to spend up to €3 billion in 2Q and €5.1 billion over 2019 in restructuring costs. The job cuts were larger than expected, with 18,000 roles made redundant, mainly across equities trading.

While cutting back on investment banking, the bank sent clear signals of being **investing in its wealth management division** led globally by Fabrizio Campelli. It has announced that it plans to hire 300 more relationship and investment managers across its America, Europe and Emerging Markets regions by 2021, in a

bid to chase more stable revenues. Deutsche's wealth business had 213 billion euros (\$242.35 billion) in AUM in the first quarter of 2019, up by €14 billion euros from the end of 2018.

Specifically, the bank has deployed resources towards its wealth management arm in India that received a €470m (\$541m) capital injection earlier this year. It is actively looking to hire 20 staff for its wealth unit, most of which will be front office relationship managers. It will also look to launch an onshore discretionary portfolio management service.

Deutsche Bank Wealth Management has picked Finantix, a leading supplier of transformational software to the banking industry, for AI-based KYC processing to **enhance the bank's client onboarding and KYC processes** while strengthening the due diligence process. The software has been implemented in Germany and will next go live in the US.

The bank has agreed to pay US \$16 million to settle allegations that it hired unqualified relatives of powerful Russian and Chinese government officials to win business. The SEC claimed that the hiring of poorly qualified relatives was in violation of the Foreign Corrupt Practices Act. The bank did not admit or deny the findings under the settlement.



**EDMOND
DE ROTHSCHILD**

Edmond de Rothschild has **acquired a 34% stake in independent asset management firm ERAAM**, a prominent French player in quant fund management founded in 1998, in order to expand its investment solutions to incorporate quantitative techniques. ERAAM focuses on "seeking absolute performance through factor management using a proprietary, disciplined and transparent approach". Edmond de Rothschild will in turn provide ERAAM with commercial and management expertise to help accelerate growth.



Falcon's CEO Martin Keller is attempting to rebuild management following an exodus of employees. At the same time the bank, having pursued a sale this spring and then abandoned it in May, is believed to be now **resuming the process of looking for a buyer/buyers**, in a project dubbed "Phoenix" internally, that is being managed by Deloitte. The ongoing regulatory proceedings over 1MDB have been hampering a sale.

Goldman Sachs

Goldman Sachs has plans to **grow its European wealth business**, hiring wealth advisers in Switzerland, Germany and the UK to increase the number from 250 currently to 350 front office roles in the next few years, who will be managing the wealth of individuals with disposable assets of at least \$30 million. According to Stefan Bollinger, Co-Head of Private Wealth Management EMEA at Goldman, the bank currently has just 1% of the market for UHNW individuals in Europe which is a \$7 trillion business.

The bank, who was reportedly close to **entering the Swiss mortgage lending market** at the mid-end last year, is believed to be soon going ahead with it. Goldman executives are in talks with Swiss financial regulator Finma for a plan to ramp up its mortgage business later this year. Goldman will not seek to compete with retail lenders but could partner with platforms which sell mortgages, similarly to the mortgage business it started in the Netherlands in 2015, where mortgages are granted only to solvent clients with a low likelihood of default. The bank will put up financing for loans, which are in turn securitized and can be sold to institutional investors as residential mortgage-backed securities.

In Asia, the wealth management arm of the bank has registered a 25% growth in its discretionary assets, as the bank continues to **invest and expand its offering for Asian clients**. This has been driven by the focus on a «core-satellite» approach, splitting assets into two major pools: one with the majority in stable, long-term holdings for broader returns, the «core»; and the other in smaller tactical and short-term investments such as a three-month FX trading idea, or «satellites». The ratio is a 70/30 split on average.

HSBC

The bank has **completed six months of private equity and debt funding** for its first private equity 'Vision' fund, raising over \$250 million (\$338.8 million) globally, with nearly half of the capital from clients in Asia. It is the first of a new program of annual Vision funds, catering clients looking for diversified private equity solutions through a single and well diversified portfolio. Each portfolio is constructed from a set of core funds, along with a variety of thematic funds and direct co-investment plays. It was co-created by HSBC Private Banking and HSBC Alternative Investments Limited.

HSBC has reiterated the key importance of the MENA region for the bank, with a target to **increase its MENA client book by 50%** in the coming years and achieve "double-digit revenue growth" according to António Simões, Global CEO of HSBC Private Banking. Saudi Arabia and the UAE are the key target markets, and the bank also sees large potential for MENA investors in Asia, including China.

In Europe the bank is to **cut 32 jobs at its Luxembourg base** as a result of the reorientation of commercial strategies and the outsourcing of some activities, mainly across middle and back office. In Switzerland the bank suffered a **€300 million euros fine to settle a tax fraud case in Belgium**, settling allegations that the bank used offshore companies to avoid paying EU taxes.



Itaú Private Bank is **now offering an offshore platform for its Colombian client**, giving them access to the US offshore market for the first time. This means Colombian clients can now open offshore accounts in the US through the Miami-based private banking branch, giving clients access to Itaú's offshore investment platform which includes investment products and wealth management services. This is part of a larger growth plan for the Latin American market. Itaú entered Colombia in 2016 following the private bank's merger with Chile's CorpBanca.

J.P.Morgan

JPMorgan won a bid to **buy a further 2% stake in its Chinese asset management joint venture China International Fund Management (CIFM)**, now holding a majority stake in the JV rising from 49% to 51%. This follows China's decision in 2017 to open the wealth management industry to foreign competition, and last year's decision to end restrictions on foreign ownership limits (a year before the scheduled date). UBS, Credit Suisse and Morgan Stanley have all since then increased their stakes in Chinese JVs to a controlling level too.



J. Safra Sarasin has **officially opened an office in Amsterdam**, the Netherlands, which will operate as a branch of Banque J. Safra Sarasin (Luxembourg) SA and is led by Marvin Kreuger, who joined the bank from ABN Amro at the end of last year. The move confirms J. Safra Sarasin's commitment to the Dutch market, which the bank intends to expand and develop further. The Dutch branch reports to Jules Moor, CEO of Banque J. Safra Sarasin Luxembourg.

Julius Bär

After a strategic review of Julius Baer's Italian wealth management subsidiary Kairos, for which the bank was earlier considering a sale, the bank **decided to keep Kairos and try to improve its profitability**. Julius Baer had put Kairos under strategic review after it suffered outflows on the heels of poor fund performance in 2018; but these remarkably improved in the first half of 2019. Kairos' AUM is over €9 billion euros, and the firm is now open to consider acquisitions in Italy.

The bank has recently **signed a deal with London-based advisory firm Alpima** for a customized platform that uses data science and technology to build portfolios and run money, connecting research, production and sales within an organization. Alpima claims to help productivity at client firms by drastically reducing manual processes with a number of activities.



KBL European Private Bankers has signed an agreement to **acquire Zurich-based Bank am Bellevue**, the wealth management business of the Bellevue Group, a diversified financial services company listed on the SIX Swiss Exchange. Bank am Bellevue employs 22 staff and manages €1.6 billion in assets and will be used by KBL to **re-establish a presence in Switzerland**, through which it plans to develop an offering for domestic and international clients. Dagmar Kamber Borens, former COO of Credit Suisse Switzerland, has joined as prospective CEO of KBL's Swiss entity, but will assume the role only once the acquisition is completed early next year. She will then have the task to expand the team of bankers in Switzerland.



With the raise of £80 million (\$98.7 million) in new funds, through the issue of convertible shares to investment company Pollen Street Capital, wealth management firm **Kingswood is planning to launch a business in Asia**. The firm has reportedly entered into 'exclusive discussions' to acquire a firm in Singapore that will allow Kingswood to enter the Southeast Asia market. This builds on the acquisition of Sheffield-based financial planner WFI Financial earlier this year, which brought its assets under management and advice at £2.5 billion.



LGT bought a **majority stake in wealth management firm Validus Wealth** to obtain a foothold in India's growing market for high-net-worth private clients. Validus Wealth, formerly known as WGC Wealth, employs more than 150 staff and is present in nine Indian cities including Mumbai, Delhi and Bengaluru. It will soon become more aligned to the LGT brand and offer investment advisory, portfolio management, research, and wealth planning services.

The bank has recently announced that it will **take over Indian impact investor Aspada**, in line with its efforts to broaden its impact investing strategy, which is a source of booming revenue for LGT. Aspada currently manages \$100 million in companies in food supply chains, healthcare, education, and financial services in India. The aim is social progress coupled with commercial capital, on a large scale.

LGT is also entering the onshore market in Italy and is **looking to open an office in Milan**. The office will be led by Andrea Cingoli, a Banca Esperia and UBS veteran, who will also assume the role of Chairman of the Board of Directors of LGT Italia together with Andrea Lorenzo Bergamini and Giorgio Hassan who will also become members of the board.

Half year results of LGT revealed a healthy CHF 215.0 billion in global AUM, up 8% compared to the previous year.



The Swiss entity of Liechtensteinische Landesbank has agreed to pay a fine of \$10.6 million to the U.S. Department of Justice to **settle tax evasion allegations that accuse the bank of having helped US clients dodge taxes** by conspiring with a Swiss asset manager. LLB Switzerland had around 100 US clients with almost \$200 million in assets at its peak, with most of the accounts being in the names of nominee entities. The bank agreed to cooperate in criminal or civil proceedings which will offer it immunity against prosecution in tax-related criminal offenses.



Lombard Odier has been further **strengthening its sustainability offering** with two recent senior hires that will allow the bank to develop the segment further. Dr. Christopher Kaminker and Ebba Lepage have joined as Head of Sustainable Investment Research & Strategy and Head of Corporate Sustainability respectively. They are both experienced professionals with strong track record in the field of sustainable finance. The aim is to bolster the bank's research capabilities across sustainable investments and advance its integrated sustainability solutions, giving clients access to companies that adopt such business models and practices.



Maybank has **launched its wealth offering in the Philippines** with the opening of a "Maybank Premier" branch in Manila. It will target high net worth individuals in the country with wealth advisory solutions, to capitalize on Southeast Asia's growth trajectory, of which the Philippines is one of the fastest growing economies.



Merrill is upgrading its reporting tools for its private banking clients by becoming the **first wirehouse to adopt the turn-key asset management platform's RIA tools**, a technology platform that financial advisers, broker-dealers, insurance companies, banks, law firms, and CPA firms can use to oversee their clients' investment accounts. To do so, the bank has partnered with Envestnet to supply the firm's Tamarac platform to more than 200 advisory teams. The RIA-focused technology specializes in portfolio management, reporting, trading, rebalancing and client portal solutions, and will allow UHNW clients who hold assets with multiple custodians to have a holistic view of their financial situation.



Mirabaud Group has obtained an **A+ rating for its PRI scoring** (Principles for Responsible Investment), achieving the highest rating in each of the considered categories, and an improvement from last year's score. Mirabaud has been active in the field of sustainable investing for years and has taken measures to strengthen and enhance its ESG approach across the whole Group in recent years.

The bank registered a profit of CHF 26.1 million Swiss francs (\$26.6 million) in the first six months of 2019 compared with CHF 29.9 million in the same period of 2018. The drop was mainly due to a decline in commission income. Interest income also fell and AUM increased to CHF 34 billion francs.

NOMURA

Nomura is expected to **launch its onshore China joint-venture in December**. The JV will employ over 100 staff who will be part of Nomura's wealth management and institutional brokerage business. Nomura is also believed to be considering plans to build an asset management arm alongside the wealth management business and pushing to expand across a diversified range of financial services mainly driven by sustainability. The venture is jointly owned by minority Shanghai-based partner Orient International and has received approvals from Chinese regulators for brokerage, proprietary trading, asset management and research.



Pictet Wealth Management is **seeking growth in Asia** and is looking to hire private bankers with the expectation to double the number in the region in the next few years. The bank currently employs 52 private bankers in Asia and is looking to add ten to fifteen bankers annually over the next four to five years, according to managing partner and co-head of private wealth management Boris Collardi. Pictet will seek to enhance its platform in the region as part of its growth strategy; it has already obtained a wholesale banking license in Singapore last year which allows it to offer Singapore dollar-denominated deposits and loans, and it is planning to import its advisory solution to Asia next year.



PKB, a Swiss independent private bank with Italian roots, has recently appointed former Julius Baer Managing Director Luca Venturini as Chief Executive, replacing Umberto Trabaldo Togni who has become Chairman of the Board of Directors. Recently interviewed by Finews, Umberto reiterated the **importance of the Latin American** market for the bank. PKB has a licence in Panama, where it claims to apply the same strict client onboarding and compliance rules adopted in Switzerland, and it has recently **applied for a representative office license in Colombia**. It is also considering an advisory licence in Argentina.



Quilter Cheviot's Dubai office has secured a Category 4 licence by the Dubai Financial Service Authority (DFSA), having previously operated within the Dubai International Financial Centre as a representative office. The licence will allow the firm to advise and **on-board new clients and service relationships in the United Arab Emirates**. It has also received a retail endorsement to the licence, allowing the local team to assist a cross-section of both professional and retail clients.



Multi-Family Office Saranac Partners **launched a wealth management service for US clients**, offering wealth advisory, investment management, lending solution and tax reporting service to US persons and green card holders residing outside of the US. Saranac Partners will help US clients to access specialist advisers for tax advice, estate and succession planning, and philanthropy.



Seven Investment Management (7IM) has **launched five ultra-low cost, multi-asset passive model portfolios** (dubbed the **7IM Pathway range**). It aims to offer advisers a simple way to create a well-diversified portfolio of passives for their clients for just 0.15% (plus underlying investments) per annum, utilising 7IM's strategic asset allocation framework and risk management process and combining different asset classes to optimise returns for each of the five levels of risk. The portfolios will be available on six platforms - 7IM, Novia, Transact, Standard Life, Aviva and ARC (Aegon) - with other platforms to follow.



Schroders Personal Wealth, the new joint venture between Schroders and Lloyds announced that it will **undercut the asset management pricing of major high street rivals by as much as 50%**, estimating first-year client fees, inclusive of all account set up costs and administrative and trading charges, to run at an average 3.6%. According to the firm, this compares to the 7.9% at St James's Place and 4.7% at Brewin Dolphin (although this has not been confirmed by the respective businesses). Schroders Personal Wealth announced plans to reach £25 billion in client assets (from the current £13 billion seeded by Lloyds) and hire 700 financial planners to the new division.



Societe Generale's UK business, Kleinwort Hambros, has been bleeding bankers through to the third quarter, with exits including their UK Head of Russia and Eastern Europe, as well as the Head of South Asia, the Head of Western Europe and the Head of UK Regions among other senior exits. This is an ongoing trend in the UK office, which has clearly lost appetite for international and emerging market clients following Societe Generale's acquisition of Kleinwort Benson in 2016, the UK wealth management operations of Oddo & Cie. Just three years after the acquisition, the bank is reportedly **planning a retreat from the UK** and it has started gauging the interest of potential buyers, with the help of Rothschild & Co.



Standard Chartered Private Banking, currently with \$65 billion in assets under management, is targeting a substantial growth of its private banking AUM, with the **ambition to grow to \$100 billion in three to five years**. To do so, it plans to hire 30 – 40 bankers per year across locations, with special focus in Hong Kong and Singapore. Currently the bank employs roughly 300 relationship managers. The private banking business accounted for only 3.8% of Standard Chartered total profit before tax in the first half of 2019.



St James's Place is **implementing a cash management service** through which all 4,000 advisers will be able to actively manage clients' cash deposits by seeking out the best interest rates, available to investors with £50,000 or more to deposit. This service was previously available only to corporate, charity and private clients with £250,000 to deposit.



Caledonia Investments announced **Caledonia Investments** announced in December 2018 that it had agreed to **acquire a minority stake (36.7%) in multi-family office Stonehage Fleming & Family Partners**, and the deal has now been completed. Caledonia paid £89.3 million, with additional deferred payments up to £20.6 million payable upon the family office achieving financial targets for the years ending 31 March 2020 and 2021. Stonehage Fleming is the largest family office in EMEA, formed in 2015 through the merger of Stonehage Group and Fleming Family & Partners.

TIEDEMANN CONSTANTIA

US Wealth Manager **Tiedemann Advisors**, which oversees about \$21 billion in assets, has **set up a Zurich-based joint venture with consulting firm Constantia Partners AG**, a firm offering family office and private equity advisory services started in 2017 by Robert Weeber, former head of Credit Suisse UK UHNW Group in Switzerland. The venture will be called Tiedemann Constantia, and it will help New York-based Tiedemann Advisors target clients in Europe and the Middle East while offering global investment opportunities to existing customers. Constantia Partners will in turn be able to move international assets into U.S. trusts, and provide access to Tiedemann Advisors' asset-management operation, including its impact-investment offerings.



Wealth manager **Tilney has agreed a merger with wealth manager Smith & Williamson**, in what has been dubbed as a 'game-changing tie-up' that will create a firm with revenue of £500m and assets under management in excess of £45 billion (Tilney manages £24 billion worth of assets and S&W has £21 billion). Both businesses have strong investment management businesses. On top of that, Tilney has a broad financial planning arm while Smith & Williamson is also a top ten UK accountancy firm that tax planning services. Tilney reached an agreement with Smith & Williamson, with the latter's shareholders receiving a consideration valued at £625m, to be paid through a combination of cash and shares. The combined group will be named Tilney Smith & Williamson, and the transaction is expected to complete in early 2020, subject to regulatory approvals.



Union Bancaire Privée has reiterated its **intention to keep investing in its Asia Pacific business**, where the bank has successfully doubled its AUM since 2016 to almost \$25 billion, currently representing around 15% of the group's total AUM. The acquisition of the international offices of Coutts in 2016 added a substantial Asian operation into the business, that Asia Chief Executive Michael Blake (former CEO of Coutts before the sale) is currently building upon. The bank has been strengthening its proposition in Asia, implementing a service to help large families establish single or multi-family offices; a corporate finance advisory referral panel in Hong Kong; and a closer cooperation with the asset management arm.



UBS has launched a **new digital tool** for its UHNW and family office clients in the UK that **allows them to view all their assets across different custodians and locations**, called UBS Asset Wizard. It provides performance and risk analytics information, including oversight of more esoteric asset classes such as private equity, real estate and art collections, and it also integrates sustainability considerations (ESG). Already available to clients in Switzerland, Germany, Luxembourg, Hong Kong and Singapore, it has now been implemented in the United Kingdom too.

The bank is making a **push into alternative investments in Italy**, with the launch of two private equity funds. The Multi Vintage Private Equity Fund 3 is a multi-manager fund that aims at providing investors diversification by investing globally in various private equity strategies: buyout, growth and special situations; aiming at reaching an initial target of \$250 million. Stripe 58 - Blackstone Capital Partners VIII is the second alternative fund offering investors access to the capabilities of Blackstone Capital Partner and will focus on sophisticated private equity transactions.

In France, **UBS France is set to increase its stake in UBS La Maison de Gestion**, a private banking unit created in a 2017 merger with Banque Leonardo (OCEA Gestion), increasing it from 51% to 95%. UBS La Maison de Gestion currently has €5 billion in AUM.

The bank suffered a **year-on-year decline of 248 financial advisers in the Americas** at the end of the second quarter (3.6% of the global bank's financial adviser workforce in the Americas), with large part of these advisers setting up independent wealth management firms as RIAs. This does not come as a surprise, as the bank stated in the past that it was pulling

back from the costly and high stakes business model of recruiting advisers from competitors, which also led the bank to withdraw from an industry agreement called the protocol for broker recruiting at the end of 2017. Despite that, adviser annual productivity reached a new peak of \$1.35 million.



Independent Swiss asset manager Unigestion **has opened a branch in Copenhagen**, in a bid to expand across Scandinavia. Per Lawitz Hansen, who joined the Swiss firm from Nordea in December 2018, will lead the business and organize the distribution of its services to Denmark, Norway, Sweden, Finland, Iceland and the Netherlands. Unigestion has \$23 billion in assets under management.



Liechtenstein's VP Bank is opening a strategic collaboration with Shanghai-based wealth manager Hywin Wealth to **penetrate the Chinese market** from Hong Kong. Hywin, a 13-year-old firm, provides asset management, estate planning, and philanthropy services to its clients in China. It is also present in the UK and Hong Kong and it aims to benefit from the much more global expertise and reach of VP Bank. VP Bank already has a presence in Hong Kong and Singapore and hopes to expand its business in China through this collaboration.

VP Bank is also **planning to penetrate further in Germany**, and it received an exemption from the German regulator BaFin allowing the business to expand its business in the country. The bank is now allowed to serve clients domiciled in Germany and expand its client-base without establishing a branch or cooperating with a licensed bank. BaFin will check that AML guidelines and regulations protecting German clients will be enforced by the bank.



Genevan wealth management firm XP Private, part of Group XP, is **preparing to open a branch in Lisbon**, Portugal, pending necessary approvals from the regulator. The bank aims to service Brazilian clients in Portugal, building on its expertise with Latin American clients. The firm currently operates offices in Switzerland, London, New York, Miami, Sao Paulo and Rio de Janeiro.



Zuercher Kantonalbank, the largest Swiss cantonal bank, posted a **5% decrease in net profit to CHF 418 million Swiss francs (\$424 million) in the first half of 2019** from 439 million the year before, with negative interest rates in Switzerland affecting performances. Cost-income ratio also worsened reaching 59.1% from 58.4%. Despite that, assets under management raised to CHF 315.5 billion with CHF 2.5 billion in net new money and CHF 17.7 billion due to the rise in asset prices.



Key Movements

Key appointments for the period Q3 2019

1875 Finance **EMEA**

Jens Hansen, UBS, Executive Director, UHNW Nordics, Luxembourg, has joined as Director in Luxembourg

7 Investment Management **EMEA**

Alex Montgomery, Head of Wealth Management, has left

ABANCA **EMEA**

Javier Rivero, Credit Suisse, Director, Private Banker, Geneva, has joined as Head of Private Banking

Arbuthnot Latham & Co **EMEA**

Daniel Ryan, Julius Baer, Director, Relationship Manager, London, has joined as Private Banker in London

Spike Godwin, Citi Private Bank, Associate Banker, London, has joined as Private Banker in London

Bank Alpinum **EMEA**

Patrik Laeser, former Managing Director at Credit Suisse, has joined as Chief Executive Officer, taking over from interim head **Juergen Bewernick** who has left the bank

Bank Audi **EMEA**

Sacha Martone, UBS, Investment Advisor HNW Middle East, Geneva, has joined as Private Banker in Geneva

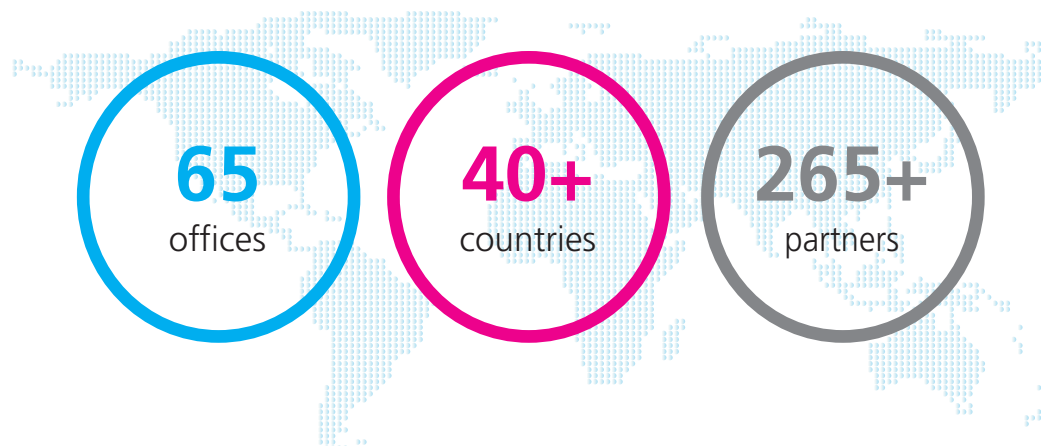
For a complete list of key movements in over 100 wealth management and private banking institutions across EMEA, Asia Pacific and Americas, please get in touch with [Rahul Sen](#) or [Giovanni Donati](#).

DISCLAIMER: The above information is collected from both official and unofficial sources to provide our contacts with timely updates. Although we strive to check each data point, updates could contain a slight margin of error.

About Boyden

We specialise in **senior executive talent solutions** for a diverse client base that includes start-up, mid-market, and listed companies worldwide. Boyden has the ability to connect **local** and **regional** knowledge with global insights creating a consistent and unified search process that is unmatched in the industry.

With our in-depth **knowledge** and **expertise** across private equity and venture capital sectors, Boyden remains the first choice when it comes to executive search, interim management and leadership consulting solutions.



Our Approach

We develop a **talent roadmap** with our clients that may lead to assessment, development plans, interim or executive search. Boyden partners have a wealth of business experience and are known to challenge and ask many questions.

We pride ourselves on our **matrix approach** with industry experts and functional teams collaborating to provide the best possible talent solution. We have a **track record** of attracting quality talent across sectors to meet business objectives.

Our Solutions

At Boyden, **every client** is important and each engagement is unique. We are known for working closely with clients to understand their goals and objectives, challenge their thinking, offer solutions that ensure the right leaders are discovered to **achieve success**.

Our key performance and client service metrics impact all areas of the search process, from **global teaming** and **key account management**, to enhancing our own sector expertise, leadership insights, client collaboration and service.

About Us

Our wealth management & private banking practice covers a client base that includes Swiss, European, US and Asian Private Banking entities. The clients include Private Banks as well as Multi Family Offices. We build, develop and maintain **long lasting and strong partnerships** with clients in order to grow and build their businesses and deliver a tailor made search process to meet their needs and requirements.

Relationships are key in the industry and our repeated success in the private wealth management space is drawn on many years of **experience** and **relationships** built by our consultants with senior individuals globally. We interact with them on a continuous and regular basis, understand their requirements and priorities, and have earned their trust over the years.



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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.

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