



WINE AND DINE 101 type courses are now popular with private banker wannabes as they help students relate to future clients.

POSED PHOTO: WANG HUIFEN / SUIT FROM PICADILLY CUSTOM TAILORS

Hottest job in town: Private bankers

More wealthy people are parking money here, so banks look to hire more private bankers for them

► **Jeremy Au Yong**

AS PART of his year-long masters course, former tax accountant Justin Sng, 26, visited a luxury watch shop in Switzerland, attended a lecture on investing in watches and was even taught how to savour fine wines.

He was not attending a Swiss finishing school but a wealth management course targeted at aspiring private bankers, which includes sections on living the high life to help students relate to their future clients.

Applications for these programmes, offered by the Wealth Management Institute (WMI) together with the Singapore Management University and Swiss Finance Institute, have rocketed since the school opened in 2003, and with good reason.

More and more multi-millionaires are choosing to park their money here, and financial institutions need to hire more and more private bankers to help them take care of it.

According to Practice Professor Francis Koh, the associate dean and programme director of the Master of Science in Wealth Management degree offered by the institute, the school turned down 80 applicants last year — twice the number they took in.

This, despite a \$48,000 price tag on the masters course.

The 40 qualified private bankers the course churns out each year can barely keep pace with the industry's rapid expansion.

Private banking — financial services targeted at clients who have at least US\$1 million (S\$1.62 million) to invest — is growing at a breakneck pace. A recent Bloomberg News report said the amount of assets Singapore-based private banks managed for overseas clients grew by nearly 25 per cent last year.

It is the biggest gain of any country in the world and has made Singapore the sixth largest offshore private banking centre,

after Switzerland, the Caribbean islands, Luxembourg, the United States and the Channel Islands in the English Channel.

The Monetary Authority of Singapore attributes much of this boom to strong economic growth in Asia, together with Singapore's reputation for a stable political climate, strong banking confidentiality laws and high standards of financial sector supervision.

Banks point to low taxes here as another catalyst for growth.

After the Sept 11 terrorist attacks, the European Union implemented a withholding tax last year which individuals with offshore deposits have to pay to keep their bank details secret

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— PRACTICE PROFESSOR FRANCIS KOH, the associate dean and programme director of the Master of Science in Wealth Management degree offered by WMI, on how banks resort to poaching staff

from the authorities. The requirement has driven many out of European markets and, it seems, right into Singapore's arms.

However, Asia is still the source of most of the wealth parked in Singapore.

According to a World Wealth report released last year by Merrill Lynch and Cap Gemini, there are 2.3 million people in the Asia-Pacific with assets worth at least US\$1 million. Their combined private wealth in 2004 totalled US\$7.2 trillion, enough to build the Marina Bay integrated resort 2,000 times over.

The upshot of all this is that banks here have developed a voracious appetite for wealth managers. It is so much that Prof Koh said that many banks resort to poaching staff.

"A game of musical chairs has

been taking place, with valuable talents moving from one bank to another. Sometimes, a whole team of professionals will migrate to a competitor," he said.

Already Citibank has recruited more than 100 people. It now has more than 300 private bankers and product specialists here helping to manage nearly US\$60 billion in assets in the Asia-Pacific. At Credit Suisse, about 150 people were recruited last year, bringing the total to 450.

UBS said it has added to its head count "substantially" while HSBC increased manpower in its private banking sector by 10 per cent. This year, Societe Generale private banking intends to raise its staff count from 200 to 250.

And with the industry looking to add 600 new people to its ranks in the next few years, it is little wonder Mr Sng, now an investment manager with the Government of Singapore Investment Corporation, was hired promptly after he finished his course. And no surprise that many want to follow in his footsteps.

Mr Tan Gim Chong, 32, a student sponsored by Citibank to attend WMI, worked for nearly 10 years on a navy submarine before taking the plunge into the business world. "I felt the urge to explore other opportunities on land. Influence from friends in the industry gave me insight to the banking world and it sparked my interest," he said.

However, private bankers warn those thinking of joining that the job is hard work.

Said WMI graduate Nilesh Shah, 38, who worked in a furnishing company for 14 years before making the switch to private banking: "You are dealing with clients from all over the world. India is a few hours behind, Japan is a few hours ahead, so the time belt you are working on is longer than normal."

While none would reveal what a private banker can expect to earn, Mr Pierre Baer, executive director of Societe Generale Private Banking Asia Pacific, pointed out: "No one in this business needs to worry about not being paid enough."

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