

Singapore's private banking lures more millionaires

Switzerland of Asia

By Yoolim Lee

◀ Tan Gim Chong, who spent most of the past nine years in a Singapore navy submarine, will soon be managing money for the world's richest people. Tan, 32, is studying for a master's degree in wealth management at Singapore Management University, his tuition paid by Citigroup Inc.

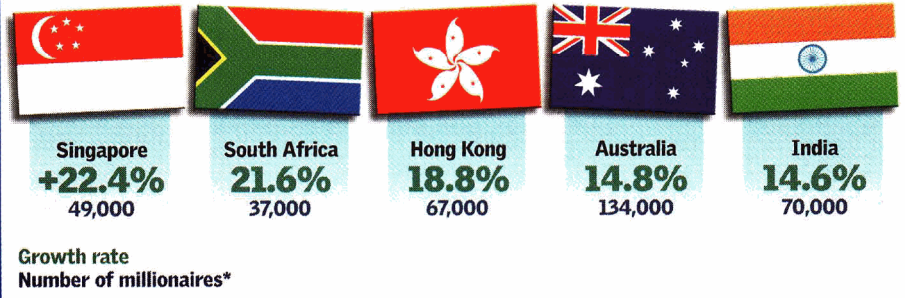
He's one of more than 100 recruits that Citigroup is adding in the country. Credit Suisse Group, Merrill Lynch & Co., Société Générale SA and UBS AG have also expanded in Singapore in the past two years as the booming economies of Asia create millionaires who are drawn to the city-state's low taxes.

"With China and India in the region, Singapore will be used, to a large extent, as the Switzerland in Asia," says Kong Eng Huat, managing director of Merrill Lynch's private banking division in Singapore.

Assets managed for offshore clients by private banks in the country climbed

Richer residents

Singapore leads the world in the growth in the number of millionaires.



*People with assets worth more than \$1 million. Figures are for 2004. Sources: Cap Gemini, Merrill Lynch

about 25 percent last year to 200 billion Singaporean dollars (\$124 billion), the world's biggest gain, says Roman Scott, a Singapore-based partner at Boston Consulting Group Inc.

Residents of the country don't pay tax on income earned overseas, and people with at least S\$20 million in assets can become residents if they place S\$5 million in a financial institution. Investment gains earned in the city-state from stocks and other financial instruments are also tax-exempt.

These policies are luring some of Asia's millionaires—there were 2.2 million as of 2004, says the World Wealth Report—to Singapore. "It's a great time to be a private banker," says Tan, who'll join Citigroup in June.