

Private banks fighting to win Asia's wealthy

Many expanding ultra high net worth units through fierce poaching of staff

By SLOW LI SEN

THE number of newly minted billionaires in Asia is growing by leaps and bounds and this has become the latest battle ground among leading private banks competing to manage the money of the region's wealthiest citizens.

Many private banks are ramping up operations of their so-called ultra high net worth (UHNW) units through fierce poaching of each other's senior staff because only the most experienced bankers will be able to connect with billionaire clients.

'At this level, many of their family offices operate as mini banks,' said Rachel Lin, spokeswoman of UBS Ag.

'Some large family offices are run by investment professionals and are no different from a pension fund or insurance company in their level of professionalism and sophistication,' said Carlo Grigioni, UBS vice-chairman of wealth management.

UBS, Switzerland's largest bank, last month added two senior private bankers to its UHNW team; another group has been hired and will be revealed later this month, Ms Lin said.

The bank has about 1,000 wealth management staff based in Singapore, one of its two private banking hubs in Asia.

UBS counts more the half of Asia's billionaires as its clients.

According to Forbes in March, the number of billionaires in Asia jumped to 234 from 130 a year ago, with China and India leading the way.

Forbes estimated that Asia's billionaires have a combined worth of US\$729 billion, up from US\$357 billion a year ago. Asia's share of global billionaires jumped seven percentage points over the year to 23 per cent.

Last month, China's Hurun Rich List 2010, China's equivalent of the Forbes list, said that the country should now have the world's highest number of billionaires.

'We already know of 189 US dollar billionaires in China this year, but you can safely say that we have missed at least half again, meaning that there are between 400 and 500 US dollar billionaires,' said Rupert Hoogewerf, who studies China's wealthy and compiles the Shanghai-based Hurun Rich List.

Singapore's own 40 richest people, 11 of them billionaires, saw their total net worth this year at US\$45.7 billion (S\$62.4 billion) - up 17 per cent from last year's US\$39 billion.

Deutsche Bank is also boosting its UHNW team.

About one third of the 30 relationship managers it plans to add every year are to serve ultra rich clients, said Ravi Raju, head of Deutsche Bank Private Wealth Management, Asia Pacific.

He said that entrepreneur and billionaire clients know about the strengths of the bank.

'We bank most of the billionaires in the 15 markets that we are present,' he said.

The bank's UHNW business is growing at double the pace over the last year compared with its high net worth business, he said. Deutsche Bank has currently over 200 relationship bankers among a total staff of close to 700 in the region.

RBS Coutts is currently recruiting bankers for its upcoming Asian UHNW unit.

'We have a successful ultra high net worth team in the UK - Coutts Private Office (CPO) - which was established in 2005,' said Nick Pollard, chief executive, RBS Coutts Asia. They manage clients with a minimum of Â£pounds;10 million (S\$20.8 million) in investable wealth or Â£pounds;30 million in total net wealth, he said.

'We will be rolling out this proposition to Asia in 2011 and are currently recruiting suitable bankers for the positions,' said Mr Pollard.

Yesterday RBS Coutts also announced eight new private bankers to its South-east Asia team.

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