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## **Private banks intensify efforts to woo rich non-resident Indians**

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PRIVATE banks here are stepping up their efforts to court the wealthy Indian diaspora, more popularly known as non-resident Indians (NRI).

For generations private banks in London and Switzerland have courted rich NRIs who have headed to the UK and the Middle East from the Indian subcontinent and East Africa.

More recently, Asia's phenomenal economic growth driven by powerhouses China and India has also seen many NRIs make their fortunes in the region.

Globally, the amount of wealth held by high net worth Indians is estimated at US\$477 billion by the CapgeminiMerrill Lynch 2010 Asia Pacific Wealth Report.

In Asia, NRIs command near to US\$80 billion with US\$20 billion in Singapore alone, according to Niels Zilkens, Clariden Leu global head Indian subcontinent and NRIs.

This month Clariden Leu, a Swiss private bank set up a brand new five-man NRI team in Singapore to make sure it grabs a share of the business.

Next step will be Hong Kong where the bank will hire three dedicated NRI bankers, said Mr Zilkens in an interview yesterday.

It is taking on only seasoned bankers of at least 15 years' experience to serve the NRIs, said Mr Zilkens.

The bank's NRI strategy on covering the NRI market is not based on domicile but on community banking, he said.

'The Indian diaspora has been there for a long time, in the US, the Commonwealth, Middle East and Africa and of course Asia, mainly Hong Kong and Singapore,' said Mr Zilkens.

'They do business relying very much on referral,' he said.

Giving an example, he said an NRI in Hong Kong who wants to do some business in Thailand will approach his brother-in-law and that's why bankers serving NRIs must be compliant with each country's regulatory framework.

'As such we hire only the most experienced and senior relationship managers who have an in-depth understanding of both client and regulatory requirements,' said Mr Zilkens.

Clariden Leu has about 160 people in Asia, up about 15 per cent since 2009. About 100 are in Singapore.

Wealthy NRIs are entrepreneurs in just about every industry, in consumer durables, real estate, heavy industry, telecom, media, IT, services, infrastructure, tourism and hospitality, automobiles and banking.

And many are on the cusp of large generational transfers, said Salman Mahdi who heads the NRI market in Deutsche Bank Private Wealth Management.

'Singapore is very important as a regional hub for the South Asian diaspora,' said Mr Mahdi.

The outlook for the NRI never looked better, and Deutsche Bank expects 85 per cent of Indian wealth to change hands over the next 15 years, he said.

In this regard, the next generation of NRIs are expected to be more aware of the benefits of professional wealth management services, said Mr Mahdi.

'We expect a big pick up in acquisitions, businesses changing hands, and we can work closely with the group's corporate and investment banking teams so we can advise clients looking into raising capital for acquisitions,' he said.

The German bank's global NRI team has 65 people with 20-22 based in Singapore.

Mr Mahdi expects its NRI business to double over the next two-three years and the bank will be adding 20 per cent more bankers to serve the segment, he said. 'We're a significant player,' he said, adding that it has US\$10 billion of the NRI assets.

Mr Zilkens: NRIs do business relying very much on referral

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