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Private Banking: The Julius Baer/Merrill Deal - Asia vs. Latin America

16 August 2012 - After missing out on Sarasin to Brazil's Safra group (more details: *Emerging Market M&A*), Julius Baer snatched up Merrill's private banking business. Buying Merrill's ex-US wealth management business will increase assets under management for key emerging regions including Asia, LatAm and the Middle East.

Julius Baer has strongly focused on building EM links and relationships, especially in Asia (more details: *Asia Asset Management Trends*). The firm refers to Singapore as its "second domestic market".

JB last month struck a deal with BOC on client and investment referrals. As a result of the Merrill acquisition, half of Baer's business will now be in emerging markets, up from a third, indicating a shift from developed to emerging.

We've covered the metatrend of "Multi-convergence" in many studies in the last few years: increasingly blurry lines of demarcation between developed and emerging (regions), retail and institutional (distribution channels), traditional and alternatives (product), and global/local regulation.

Capgemini with RBC (not Merrill any more) in its annual World Wealth Report noted that in 2011 Asia-Pacific for the first time in history had the highest number of wealthy investors, ahead of North America.

Collardi noted as much by pointing out that the deal will add a new growth dimension not only to growth markets, but also to Europe.



[← Return to previous](#)