



EDOUARD  FRANKLIN

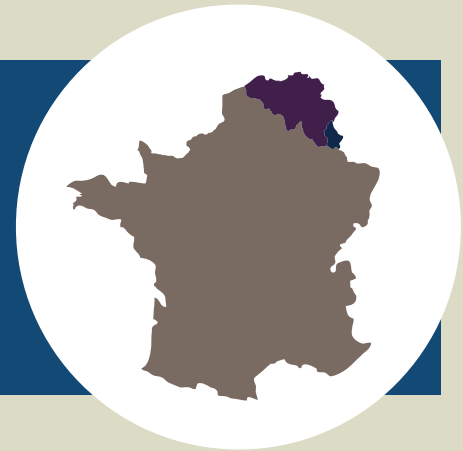
Wealth management Survey 2014



Luxembourg

INTRODUCTION

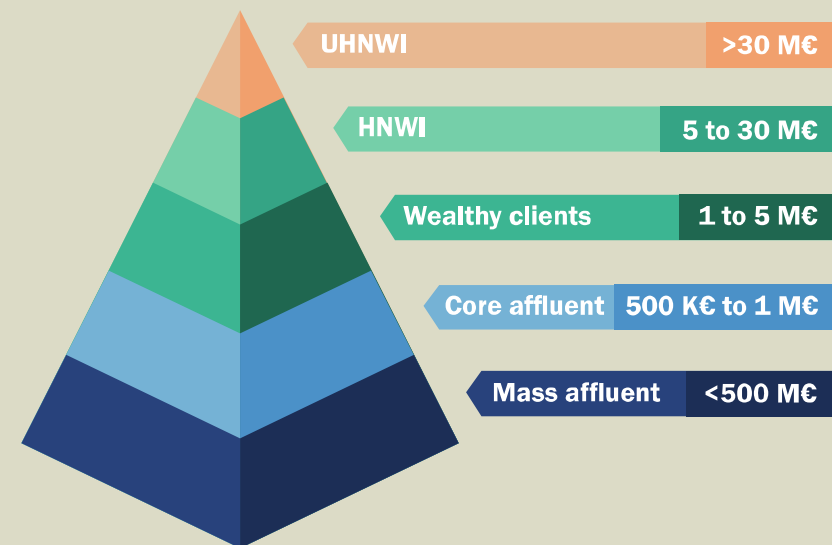
In 2011, EDOUARD FRANKLIN issued the third edition of the Luxembourg Wealth Management Survey in a very chaotic economic context. In a three years' time, the Luxembourg and more globally, the European Wealth Management sector have known a very deep and rude strategic turn-around. From an offshore to an onshore situation, the Luxembourg Wealth Management players have been obliged to adapt their business model and their operational organisation to serve new clients in a more regulated environment. Political and economic decisions makers have taken the right and quick decisions to adapt to the coming end of banking secrecy. After a turbulent period, Private Banks and Wealth Management professionals are now attracting HNWI and UHNWIs who are coming over to Luxembourg in a transparent way. We have conducted this survey in order to analyse and understand the current situation of the Wealth Management community and give you a complete and detailed outlook of the new economic and HR issues that impact this population. We warmly thank the 500 people who have responded to our electronic Survey. We wish you a pleasant reading.



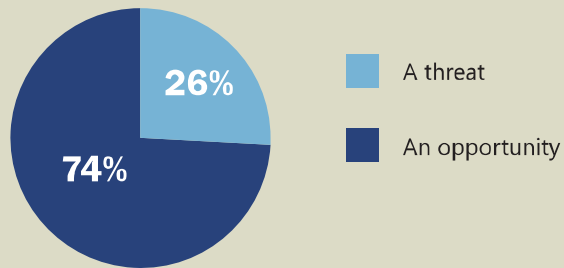
▪ DETAILS OF FUNCTIONS

DEVELOPER	Professional in charge of developing and acquiring a wealthy clientele in a specific region or sector, without the responsibility of managing a portfolio of clients.
CLIENT RELATIONSHIP MANAGER	Professional in charge of managing a wealthy clientele in a specific region or sector, without the responsibility of acquiring a new clientele.
DESK MANAGER	Professional in charge of a team of private bankers, developers and/or Client Relationship Managers, with or without a personal portfolio.
PRIVATE BANKER	Professional who gives advice and develops a portfolio of wealthy clients (without managing any portfolio).
WEALTH MANAGER	Professional who works for a management company, and who manages and develops a portfolio of wealthy clients (including portfolio management).
ESTATE PLANNER	Professional in charge of legal, tax and property issues on behalf of private clients.
PORTFOLIO MANAGER	Professional responsible for allocating assets and for following up on private clients' portfolios.
FAMILY OFFICER	Professional working in a family office and responsible for handling the movable assets, real estate and the general capital of wealthy clientele.

▪ DETAILS OF CLIENTS CLASSIFICATION



THE END OF BANKING SECRECY IS:



COMMENTS

- Despite a very negative first reaction, Wealth Management players are massively considering the end of banking secrecy as an opportunity.
- AuM have been stabilised at €300 billion despite massive relocations of offshore clients but they now understand that the new market situation is more favorable and opportunistic for the Luxembourg marketplace.
- 59% are globally optimistic regarding the future and strategic reorganisations of the major banking players demonstrate that they have made Luxembourg their European Private Banking platform.

	Increase	Stability	Decrease
Private banks	6%	19%	75%
Independent wealth managers	42%	32%	26%
Life-insurers	19%	52%	29%
Family offices	60%	29%	11%
Trust, Fiduciaries	22%	45%	33%
Law firms	36%	66%	13%
Asset managers	28%	52%	20%

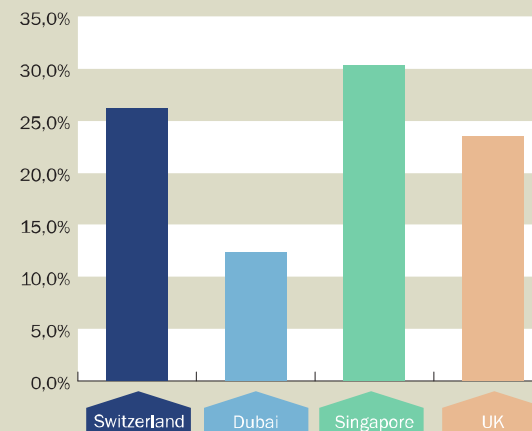
COMMENTS

- Wealth management professionals massively expect a decrease of private banks.
- Indeed, small players will not be able to afford increasing regulatory pressure and costs related.
- We already observe an increase of smaller players like wealth managers and family offices. Family offices have increased by 82% in a 12 months' period.
- Other players are expected to remain stable in the future.

HOW OPTIMISTIC ARE YOU REGARDING THE FUTURE OF LUXEMBOURG WEALTH MANAGEMENT ?



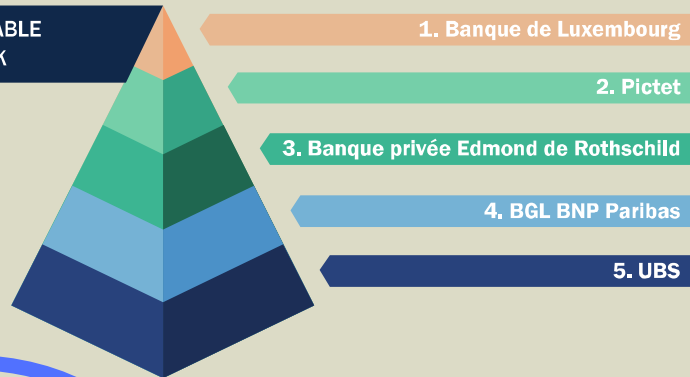
WHAT WILL BE THE MOST COMPETITIVE MARKET PLACE WITH LUXEMBOURG IN THE 2 COMING YEARS ?



COMMENTS

- The Switzerland market slowdown has a positive impact for Luxembourg. Even if Switzerland and Singapore remain the two most competitive marketplaces, we observe an increasing interest from Swiss Wealth Management players and professionals for Luxembourg.
- Some Swiss Wealth Management Companies are setting up their European business in Luxembourg to serve their clients in an European legal framework.

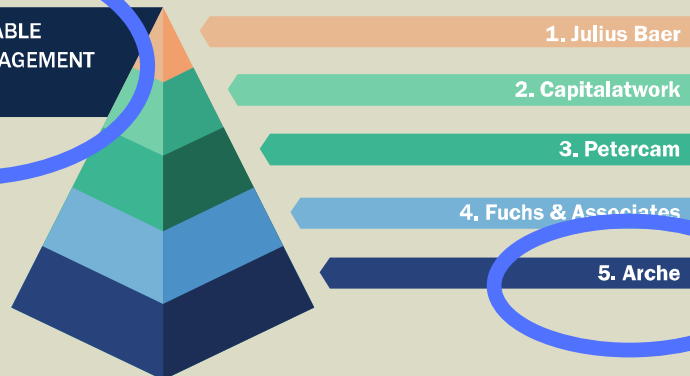
MOST REPUTABLE PRIVATE BANK



COMMENTS

- Banks with a solid Private Banking expertise in terms of products and services remain the most reputable in Luxembourg.
- WM professionals are aware that a stable strategy and solid financial results are the most significant key differentiators in this competitive marketplace.

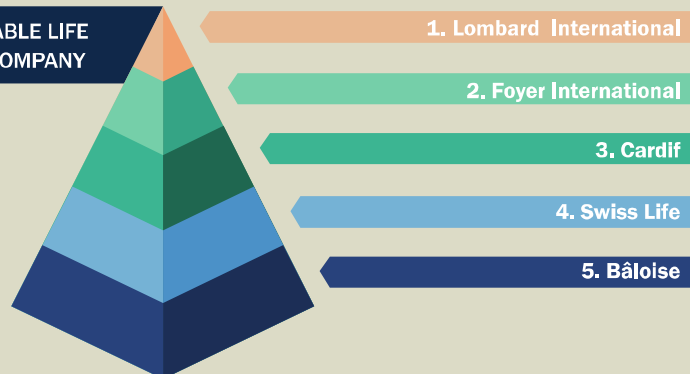
MOST REPUTABLE WEALTH MANAGEMENT COMPANY



COMMENTS

- The three biggest Wealth Management Companies are ranked in the Top 3.
- Further to the take over of Merrill Lynch, Julius Baer maintain its leadership in this business segment which remains a market niche with scattered and small-size actors.
- Fuchs and Arche are the two local players with increasing reputation.

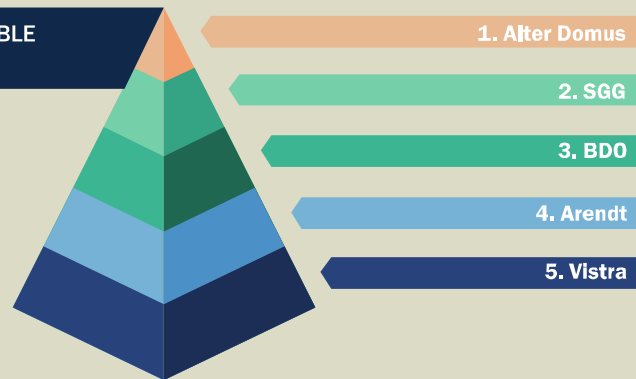
MOST REPUTABLE LIFE INSURANCE COMPANY



COMMENTS

- The biggest Life Insurance group in Luxembourg appears again as the most reputable.
- Wealth management professionals have voted for Companies with stable and clear business models and strategies.
- Besides International groups, a local player, Foyer international, pulls out with solid and successful outcomes.

MOST REPUTABLE FIDUCIARIES



COMMENTS

- The three first most reputable fiduciaries are both the biggest and the most local ones.
- There is a limited attraction for international players with Dutch roots.
- Alter Domus, SGG and BDO have demonstrated very successful and stable business strategies which allow them to attract highly-skilled professionals.

MOST REPUTABLE LAW FIRMS



COMMENTS

- This ranking demonstrates a good balance between local and international players. The 5 selected Law firms are big players on the Luxembourg market with important staff and multi-specialists strategie.
- Niche players are out of this ranking.

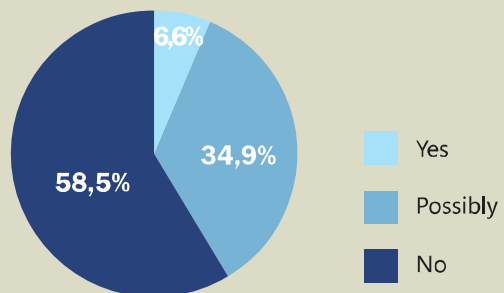
MOST REPUTABLE FAMILY OFFICES



COMMENTS

- A brand new actor, Arche, makes an outstanding entry in this ranking.
- This regulated Multi Family Office presents a very clear business model and a very successful start. Some Swiss actors are tending to offer a similar model and we observe the number of family offices (mostly single) have increased by 82% in a 12 months period.

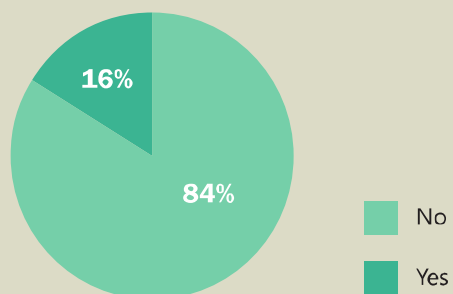
■ DO YOU EXPECT TO LEAVE YOUR BUSINESS COUNTRY IN THE 3 COMING YEARS ?



If yes, in which country / geographical area would you like to relocate?

Switzerland	22%
Asian countries	16%
UK	11%
North-American countries	11%
Belgium	9%
France	9%

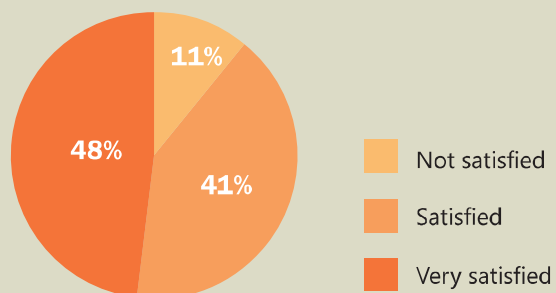
■ DO YOU EXPECT TO MOVE TO ANOTHER BUSINESS SECTOR IN THE 12 COMING MONTHS ?



If yes, which Business sector?

Family Offices	41%
Private Banks	18%
Independent Wealth Managers	14%

■ JOB SATISFACTION



Job satisfaction

6,96/10

