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**WEALTH MANAGEMENT SERVICE MODELS MUST EVOLVE
AS NEEDS OF HIGH NET WORTH INDIVIDUALS
GROW INCREASINGLY COMPLEX**

*World Wealth Report from Merrill Lynch and Capgemini Finds That Shifts
in HNWI Demographics and Investment Patterns Reinforce a
“Needs-Based” Approach*

New York, June 27 – The annual World Wealth Report, issued today by Merrill Lynch (NYSE: MER) and Capgemini, found that wealth management firms are moving toward more dynamic, needs-based client service approaches, applying advanced segmentation and analysis to the traditional assets under management (AUM) model that was once embraced as industry standard.

“Leading wealth management firms understand that to be successful, their service model must be tailored to the individual needs of the client,” said Robert J. McCann, president of Merrill Lynch’s Global Private Client Group. “A client-centric service model allows the advisor to provide a better wealth management experience, and strengthens the advisor/client relationship.”

2 – World Wealth Report Spotlight

The Report found that the world’s nearly 10 million High Net Worth Individuals (HNWIs) have undergone significant changes in their sources of income, demographics, and spending goals.

“In financial services we are observing a trend that has already taken root in retail and entertainment industries. Individuals’ characteristics and on-going, changing client needs are taking on much greater significance in how Wealth Management firms evaluate the effectiveness of their service models. Traditional service models need to evolve to ensure that advisors are provided with the tools, technology and data to service their clients based on an array of client profiling knowledge that helps them highlight greater opportunities for offering new products and services,” said Bertrand Lavayssière, Group Director, Capgemini Financial Services. “A needs-based approach provides advisors with the right products and services to offer their investors to achieve their investment goals and enjoy improved client satisfaction.”

Historically, many firms placed HNWIs into one of three types of practice models:

1. Brokerage (offering product experts and financial advisors)
2. Investment Management (relationship-based approach)
3. Wealth Planning (clients are assigned a personal CFO or financial planner)

The Report found HNWIs require a different way of doing business:

- HNWIs are becoming more global in their investment approach, driven by expanded awareness of international developments, portfolio performance and risk mitigation.
- HNWIs are increasing the amount of resources and time they apply to philanthropy, treating their charitable pursuits as investments with social returns.
- HNWIs have increased demands for socially responsible investment screening, shareholder activism and community-focused investment.

3 – World Wealth Report Spotlight

There are four key steps that financial services firms are taking to successfully implement a dynamic needs-based approach to client service, including:

1) Segmenting and Determining Client Needs in Addition to AUM

Segment clients according to their interests, frequency of firm interaction, communication preferences and financial behavioral attributes.

2) Product and Service Selection Based on Firm Strategy and Client Lifetime Value

Analyze client needs and create tailored offerings to meet the unique needs of clients. For gaps between client needs and product and service offerings, the firm must decide to build additional capabilities, partner with a third party, or decline certain business opportunities to ensure consistency with the firm's overall strategy.

3) Selecting a Service Approach and Practice Model

Determine a service approach to fit the needs of clients and deliver service through multiple channels and practice models.

4) Staying Current with Client Needs

To effectively address and anticipate ever-changing client needs, firms should continuously monitor and update their clients' profiles and behavior patterns.

Technology Must Evolve

In order to implement a more dynamic client servicing model, financial service providers will have to significantly improve and update their information technology. Through sophisticated and agile information technology (IT) architecture, armed with data gathering and data analysis capabilities, firms will have a better understanding of client's changing needs.

Spotlight Conclusions

Within the last few years, HNWI's have become increasingly sophisticated, globally aware, and proactive with their investments. Today, the majority of their assets come from business ownership and other proactive wealth generation activities. These individuals are as active in building their wealth as they are in investing it.

This new generation of HNWI's will require wealth management services to be more dynamic, sophisticated, and diverse. Firms will need to have IT architectures, governance structures, and service models that break-down the traditional boundaries between asset classes.

About Merrill Lynch

Merrill Lynch is one of the world's leading wealth management, capital markets and advisory companies with offices in 37 countries and territories and total client assets of approximately \$1.6 trillion. As an investment bank, it is a leading global trader and underwriter of securities and derivatives across a broad range of asset classes and serves as a strategic advisor to corporations, governments, institutions and individuals worldwide. Merrill Lynch owns approximately half of BlackRock, one of the world's largest publicly traded investment management companies with more than \$1 trillion in assets under management. For more information on Merrill Lynch, please visit www.ml.com.

About Capgemini

Capgemini is positioned with deep industry experience, enhanced service offerings and next generation global delivery to serve the financial services industry. With a network of 15,000 professionals serving over 900 clients worldwide, we move businesses forward with leading solutions and best practices in Banking, Insurance, Capital Markets and Investments.

5 – World Wealth Report Spotlight

As one of the world's foremost providers of Consulting, Technology and Outsourcing services, Capgemini enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working called the Collaborative Business Experience. Capgemini reported 2006 global revenues of EUR 7.7 billion and employs more than 75,000 people worldwide. For more information, please visit www.capgemini.com/financialservices.

Note to Editors/Reporters: To download the 2007 World Wealth Report, please visit www.capgemini.com/worldwealthreport.

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