



Capgemini Contact:

Vanessa McDonald
+44 (0)870 238 2856
vanessa.mcdonald@capgemini.com

Merrill Lynch Contact:

Danielle Mapes
+61 2 9226 5706
danielle_mapes@ml.com

MERRILL LYNCH AND CAPGEMINI RELEASE THIRD ANNUAL ASIA-PACIFIC WEALTH REPORT

Assets of Asia-Pacific High Net Worth Individuals Rise to US\$9.5 Trillion

Number of HNWI's in Region Hits 2.8 Million – Ultra-HNWI's Top 20,000

Competition grows for Emerging- HNWI and Ultra-HNWI Clients

New York, September 29th – Driven by economic growth and stock market returns, the wealth of Asia-Pacific's high net worth individuals (HNWI¹) increased 12.5 percent in 2007 to US\$9.5 trillion, according to the third annual Asia Pacific Wealth Report released today by Merrill Lynch (NYSE: MER) and Capgemini. The number of HNWI's in the region grew by 8.7 percent to 2.8 million and the number of ultra high net worth individuals (Ultra-HNWI²) jumped 16.4 percent to 20,400. Asia Pacific accounted for 27.8 percent of the world's HNWI population in 2007 and Ultra-HNWI's accounted for 26.3 percent of the region's HNWI wealth. The report covered nine key markets in Asia Pacific: Australia, China, Hong Kong, India, Indonesia, Japan, Singapore, South Korea and Taiwan.

India, China Lead the Way

For the third straight year, five of the world's 10 fastest –growing HNWI populations were concentrated in Asia Pacific markets. India led the way with 22.7 percent increase in its HNWI population, followed by China at 20.3 percent. South Korea, Indonesia and Singapore posted gains of 18.9 percent, 16.8 percent and 15.3 percent, respectively.

“Emerging markets are benefiting from recent reforms to the financial services industry and increases in foreign direct investment from international markets, such as the US, UK and Middle East,” said Wayne Li, Senior Manager, Capgemini's Financial Services Strategic Business Unit.

¹ Individuals with net assets of at least US\$1 million, excluding their primary residence and consumables.

² Individuals with net assets of at least US\$30 million, excluding their primary residence and consumables.

“As long as the region remains an engine of wealth creation, local and foreign investors will continue to pursue investment opportunities in the region.”

The Asia Pacific region also saw an increase in Emerging-HNWIs, or individuals with between US\$750,000 and US\$1 million in investable assets. The number of Emerging-HNWIs in Asia Pacific rose 6.9 percent last year, versus the global rate of 5.2 percent. China’s emerging-HNWIs population grew the fastest, at 19.9 percent.

“The report paints a consistent picture of growth for the Asia Pacific region,” said Antony Hung, Head of Pacific Rim Wealth Management at Merrill Lynch. *“Strong domestic demand and a growing entrepreneurial class continue to spur wealth creation in this part of the world, presenting tremendous opportunities for wealth management providers.”*

Drivers of Wealth

Economic growth and stock market returns were the key drivers of wealth accumulation in the Asia Pacific region in 2007.

Two-thirds of the markets covered in the report expanded their economies at a faster rate than the global average, with China and India reporting 11.4 percent and 7.9 percent real GDP growth respectively. Despite deteriorating global economic conditions in the second half of 2007, robust domestic demand buoyed growth in most Asia-Pacific economies.

As investors shifted funds away from troubled mature markets in favor of their stronger, emerging counterparts, Asia-Pacific markets welcomed increased investment activity in the second half and enjoyed impressive gains. In addition, savings rates, as a percentage of GDP, were higher in Asia Pacific than most developed markets.

Asset Allocations Vary by Market

Market uncertainties in the second half of 2007 prompted Asia-Pacific HNWIIs to shift their assets to safer, less volatile asset classes. Last year, the region’s wealthy allocated 46 percent of their holdings to cash/deposits and fixed-income securities, an increase of seven percentage points from 2006.

Asia-Pacific HNWIs cut their exposure to real estate but the asset class remained a significant source of wealth for high-net-worth investors in the region. They held 20 percent of their assets in real estate last year, compared with the 14 percent global average.

Within the region, asset allocations differed from market to market. Australian HNWIs, for example, held 38 percent of their assets in equities, the highest in the region. Investors in India, Hong Kong and Singapore also had relatively high equity allocations.

South Korea's HNWIs continued to allocate the highest percentage of their holdings to real estate, putting 40 percent of their investments in the asset class. Unlike other investors in the region, Australian HNWIs increased their real estate allocations by one percentage point last year, driven by gains in the local property market.

Opportunities at Opposite Ends of the Wealth Spectrum

Competition for high-net-worth clients has prompted wealth management providers to look more closely at Emerging-HNWIs and Ultra-HNWIs. In 2007, these groups experienced significant growth both in terms of numbers and their combined wealth. In India, Emerging-HNWI wealth increased by 22.1 percent to US\$35 billion, and the assets of Ultra-HNWIs broke through the US\$100 billion barrier for the first time.

“Both local and foreign providers in the region recognize the potential of emerging-HNWIs and Ultra-HNWIs and are looking for ways to improve their priority and private banking models to better serve these segments” said Wayne Li, Senior Manager, Capgemini's Financial Services Strategic Business Unit. *“Providers are also cognizant they must maintain a differentiated value proposition across the segments so as not to dilute their offerings to higher wealth tiers.”*

Looking Ahead

While growth prospects in the near term may be compromised by the global slowdown, the long-term potential of the Asia-Pacific HNWI marketplace remains strong. The region's HNWI wealth is projected to reach US\$13.9 trillion by 2012, growing at an annual pace of 7.9 percent and slightly ahead of the 7.7 percent global rate. By 2012, Asia Pacific is expected to replace Europe as the second-largest regional repository of HNWI wealth.

In 2009, Asia-Pacific HNWIs are likely to turn to fixed-income securities that offer less volatile returns. They are also expected to increase their allocations to alternative investments, mainly in the form of hedge funds or other investments, more suited to uncertain market conditions.

About Merrill Lynch

Merrill Lynch is one of the world's leading wealth management, capital markets and advisory companies, with offices in 40 countries and territories. The firm has commanding positions around the world in its complementary core businesses: Global Wealth Management, which is comprised of Global Private Client and Global Investment Management, and Global Markets and Investment Banking.

Merrill Lynch's Global Wealth Management group is a leading international provider of wealth management and investment services for individuals and businesses. With more than 750 offices, approximately 16,700 Financial Advisors and US\$1.6 trillion in client assets, it is the largest business of its type in the world. The Private Banking and Investment Group at Merrill Lynch is comprised of more than 166 private wealth advisor teams that utilize global resources to provide financial advisory, banking, and trust services to America's ultra high net worth families.

As an investment bank, Merrill Lynch is a top global underwriter and trader 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 \$1.4 trillion in assets under management at June 30, 2008.

For More information on Merrill Lynch, please visit www.ml.com.

About Capgemini

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, 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 - the Collaborative Business Experience - and through a global delivery model called Rightshore[®], which aims to offer the right resources in the right location at competitive cost. Present in 36 countries, Capgemini reported 2007 global revenues of €8.7 billion and employs over 86,000 people worldwide.

Leveraging deep industry expertise with the power of Rightshore[®] global delivery, Capgemini can meet the increasingly sophisticated needs of the financial services sector. With a network of 15,000 professionals working for more than 900 clients worldwide, Capgemini's Financial Services Sector provides transformational solutions in Banking, Insurance and Capital Markets with industry recognized thought leadership.

For more information visit www.capgemini.com/financialservices. For local websites and our strategic partners in Asia-Pacific, please visit www.capgemini.com/locations/asia_pacific.

Note to Editors/Reporters: To download the 2008 Asia-Pacific Wealth Report, please visit www.capgemini.com/wealth