

Merrill Lynch Contacts:

Selena Morris (North America)
selena.morris@bankofamerica.com
+1 212 236 2272

Sara-Louise Boyes (EMEA)
saralouise.boyes@baml.com
+44 20 7996 3557

Capgemini Contacts:

Pinar Posluk (North America)
Weber Shandwick for Capgemini
capgeminiWWR@webershandwick.com
+1 212 445 8242

Marta Saez (EMEA)
Weber Shandwick for Capgemini
msaez@webershandwick.com
+44 20 7067 0524

**WEALTH MANAGEMENT FIRMS SHOULD LEVERAGE AN INTEGRATED
ENTERPRISE RESPONSE TO BETTER ADDRESS HNWIS' COMPLEX POST-CRISIS
NEEDS, ACCORDING TO 15TH ANNUAL WORLD WEALTH REPORT**

*Enterprise Value¹ Approach is an Important Differentiator for Wealth Management Firms in
Highly Competitive Market*

New York, Paris, June 22, 2011 – Wealth management firms and advisors need to provide a broader and more integrated set of capabilities to meet the complex needs of today's high net worth individuals (HNWIs)², according to the 15th annual World Wealth Report, released today by Merrill Lynch Global Wealth Management and Capgemini. An Enterprise Value approach is especially critical in today's environment as HNW clients expect their relationships with firms and advisors to create more sustained and broad value than in the pre-crisis years when HNWIs were more heavily focused on chasing returns. The current imperative is for firms and advisors to help HNW clients manage the complex mix of goals, concerns and priorities they now face.

“While an air of normalcy is returning to global financial markets, HNWIs have been deeply impacted by the effects of the crisis,” said John Thiel, Head of U.S. Wealth Management

¹ Enterprise Value: The ability to leverage, or combine, different cross-enterprise capabilities that may reside in other business units/entities such as the corporate, private, or investment bank

² HNWIs are defined as those having investable assets of US\$1 million or more, excluding primary residence, collectibles, consumables, and consumer durables

and the Private Banking & Investment Group, Merrill Lynch Global Wealth Management. “Many HNW clients have clearly rethought their investment and life goals, and are now heavily weighing the amount of risk they are willing to assume in order to reach those goals. Firms will need to bring the full force of their capabilities to bear to deliver an integrated response to HNWIs’ complex post-crisis needs.”

HNWIs Have Regained Trust in Firms and Advisors but Are Still Cautious

In 2010, as financial markets and economies rebounded across the globe, a significant majority of HNW clients reported that they have trust and confidence in their wealth management advisors and firms. This endorsement stands in stark contrast to 2008, when nearly half of HNW clients had lost trust in their advisors and firms.

The crisis has had a lasting effect, however on investor psyche, reflected in the still relatively cautious asset allocations of HNWIs.

“Although HNWIs took on more calculated risk in search of better returns, at the end of 2010, HNWIs globally still held a significant amount of their assets in more conservative instruments such as fixed-income and cash and equivalents,” said Jean Lassignardie, Global Head of Sales and Marketing, Capgemini Global Financial Services. “Amid this mixture of trust and misgivings among HNW investors, firms and advisors must continually demonstrate their value and relevance to help HNWIs meet their changing and complex needs.”

HNWIs’ Concerns and Demands Have Grown More Complex Post-Crisis

After seeing significant market fluctuations, 42 percent of HNWIs said capital preservation was “extremely important” and a large number (46 percent) said it was “important.” In addition, effective portfolio management is deemed “important” by 49 percent of HNWIs and “extremely important” by 30 percent. The crisis made these needs more acute and also raised or created new priorities, including specialized advice (48 percent stating “important” and 25 percent “extremely important”) and transparency on statements and fees (42 percent stating “important” and 34 percent “extremely important”).

Enterprise Value Offers a Relevant and Complete Response to Clients

The post-crisis environment requires a higher degree of responsiveness and flexibility than in the past, requiring the leverage, or combination of different cross-enterprise capabilities

that may reside in other business units/entities such as the corporate, private, or investment bank. Firms could drive significant HNW client satisfaction by leveraging Enterprise Value to deliver an integrated response to HNWIs' complex needs – especially in areas where HNWIs see substantial value but are less than satisfied to date.

HNWIs are already demanding certain cross-enterprise capabilities that are not currently well provided for, including cross-enterprise expert advice teams; unique investment opportunities through the investment bank; preferred financing for entrepreneurs; and advice/expertise from the private bank and the investment bank during the wealth-creation process. Enterprise Value provides a means to meet these demands and can be an important differentiator for firms that need to be more responsive in today's highly competitive market.

Today's Enterprise Value paradigm is very different from yesterday's firm-driven search for synergies. Forward-thinking firms need to build Enterprise Value strategies and investment programs from a client-benefit perspective, while also meeting the internal challenges that exist in doing so, from ensuring strategic commitment at the Board and CEO-level to managing incentives and establishing support mechanisms.

“Providing HNW clients with important benefits such as more harmonized and consistent service offerings, access to a wider range of resources or capabilities, and new investment opportunities are important differentiators,” said Thiel. “This requires a kind of flexibility and responsiveness that represents a significant shift for many firms. But it could also be a great opportunity for astute firms to demonstrate their commitment and value, by offering a distinct value proposition to their HNW clients.”

“Although there are challenges to creating Enterprise Value approaches for clients, there also is potential for firms to capture financial benefits such as lower costs of funds, higher trading flows and internalized margins, as well as secondary synergies such as cost savings,” said Lassignardie.

Ultimately, Enterprise Value is a long-term evolution and commitment, not a short-term fix, and requires an eye for longer-term return-on-investment (ROI) measures. Continuity is critical since HNW clients will want to be assured the proposition will remain throughout business and investment cycles.

About Merrill Lynch Global Wealth Management

Merrill Lynch Global Wealth Management is a leading provider of comprehensive wealth management and investment services for individuals and businesses globally. With nearly 15,700 Financial Advisors and in excess of \$1.5 trillion in client balances as of March 31, 2011, it is among the largest businesses of its kind in the world. More than two-thirds of Merrill Lynch Global Wealth Management relationships are with clients who have a net worth of \$1 million or more.

Within Merrill Lynch Global Wealth Management, the Private Banking & Investment Group provides tailored solutions to ultra high net worth clients, offering both the intimacy of a boutique and the resources of a premier global financial services company. These clients are served by more than 160 Private Wealth Advisor teams, along with experts in areas such as investment management, concentrated stock management and intergenerational wealth transfer strategies. Merrill Lynch Global Wealth Management is part of Bank of America Corporation.

Source: Bank of America. Merrill Lynch Global Wealth Management (MLGWM) represents multiple business areas within Bank of America's wealth and investment management division including Merrill Lynch Wealth Management (North America and International), Merrill Lynch Trust Company, and Private Banking & Investment Group. As of March 31, 2011, MLGWM entities had approximately \$1.5 trillion in client balances. Client Balances consists of the following assets of clients held in their MLGWM accounts: assets under management (AUM) of MLGWM entities, client brokerage assets, assets in custody of MLGWM entities, loan balances and deposits of MLGWM clients held at Bank of America, N.A. and affiliated banks. This reflects a change in calculation methodology effective March 31, 2011.

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™. The Group relies on its global delivery model called Rightshore®, which aims to get the right balance of the best talent from multiple locations, working as one team to create and deliver the optimum solution for clients. Present in 40 countries, Capgemini reported 2010 global revenues of EUR 8.7 billion and employs over 112,000 people worldwide.

Capgemini's Financial Services unit brings deep industry experience, innovative service offerings and next generation global delivery to serve the financial services industry. With a network of 17,000 professionals serving over 900 clients worldwide, Capgemini collaborates with leading banks, insurers and capital market companies to deliver business and IT solutions and thought leadership which create tangible value.

More information is available at: www.capgemini.com/financialservices

Rightshore® is a trademark belonging to Capgemini

Note to Editors/Reporters: For more information or to download the 2011 World Wealth Report, please visit www.capgemini.com/worldwealthreport.