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Capgemini Contacts:

Michael McNamara (North America)
+1 212 317 8281
michael.mcnamara@capgemini.com

Karen Cohen (International)
karen.cohen@capgemini.com
+1 516 607 9652

Merrill Lynch Contacts:

Erik Hendrickson (North America)
+1 212 449 7293
erik_hendrickson@ml.com

Sara-Louise Boyes (EMEA)
saralouise_boyes@ml.com
+44 207 996 3557

**GLOBAL FINANCIAL SERVICES MODEL NEEDED
TO BETTER-ASSIST NEXT GENERATION OF
HIGH NET WORTH INDIVIDUALS**

***As International Lifestyles Become Increasingly Common, Those
Managing Wealth Strain to Meet New Service Demands***

NEW YORK, June 20 – The world’s high net worth individuals (HNWIs), people with net financial assets of at least US\$1 million, excluding their primary residence and consumables, are increasingly showing a preference for international investments and lifestyles, which will intensify as an unprecedented amount of wealth is passed on to a new generation of globally-minded investors, according to the 2006 World Wealth Report (“The Report”) released today by Merrill Lynch (NYSE: MER) and Capgemini.

With this trend quickly building momentum, wealth managers are developing new products and services that will meet the demands of the next wave of HNWIs. According to The Report, 76 percent of relationship managers surveyed say service approaches must change as HNWIs’ international exposure increases.

Universal Appeal

Contrary to the “think globally, act locally” mindset, HNWIs are increasingly both thinking *and* acting globally, as they steadily look beyond traditional domestic markets to explore investment opportunities in new and emerging economies around the world.

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Driven by the expectation of better returns and mitigating risks, HNWI's are becoming more aware of wealth management opportunities and strategies abroad. In fact, 65 percent of HNWI relationship managers surveyed said their clients are increasingly aware of how wealth is managed internationally.

In addition to investing globally, nearly three out of 10 HNWI's are buying homes in different countries. Having an overseas address is especially popular among investors in the Middle East and Europe, where 80 percent and 40 percent, respectively, of HNWI's own a home in another country.

According to The Report, improving client reporting and back-end processes are the two most immediate issues for wealth management companies to address.

“The new HNWI's are truly citizens of the world, who not only demand more access to a complete ‘family balance sheet’ view of their asset information and data, but also want strategic, global advice about the next opportunity,” said Bertrand Lavayssière, Managing Director, Global Financial Services, Capgemini. “Wealth managers who can accommodate the increased demand for information and advice with the appropriate tools and technology will flourish with the new breed of affluent investor.”

Globalization will Surge Along with Wealth Transfer

As the world's population continues to age, an unprecedented amount of wealth is projected to change hands in the coming years.

“As this wealth shift occurs, wealth management providers will not only be tasked with maintaining their relationships with the inheritors, but they will also need to respond and adapt to the needs of an evolving HNWI demographic,” said Mr. Lavayssière.

And that demographic clearly favors the global financial arena, said Robert McCann, Vice Chairman and President of Merrill Lynch's Global Private Client Group.

Of the relationship managers interviewed for The Report, 84 percent believe that likely inheritors will want increased exposure to international investments, and 76 percent agreed that likely inheritors will require the ability to be served in multiple geographies.

“In order for financial advisors to meet the demands of global-minded clients and to gain market share, the ability to tap several markets with a consolidated global service model is critical,” Mr. McCann added. “Advisors offering global solutions will likely gain clients while also helping to eliminate the risk of assets being moved to other firms.”

“The heirs of the Ultra-HNWI and the HNWI will have high expectations about technology,” Mr. Lavayssière said. “Also, in addition to increasing the geographic diversification of their financial holdings, it appears likely that, unlike their Ultra-HNWI peers, HNWI inheritors will be more engaged in their investments, focusing on better returns and increasing risk geared toward wealth accumulation rather than preservation.”

What the Next Generation of HNWIs Want

Whether they have earned or inherited their wealth, the next wave of HNWIs will fundamentally change the wealth management landscape. Advances in general financial awareness and technology have gradually tipped the balance between client and financial services provider in favor of the client. Increasing demands, declining client loyalty and the impending wave of generational wealth transfer are creating an environment in which client turnover could explode.

Two historical challenges that will become even more complex are client reporting and account creation. Investors do not want reams of paperwork, but do want easily accessible and customized information that allows them to immediately check on their investments. They want access to a new “family balance sheet” that shows them all their assets and liabilities across all asset classes in a simple, easy-to-view format. Though this is a relatively straightforward request, it is not being met everywhere today.

“No matter how complex the investment options may become, the client-facing solution must remain simple, transparent and understandable to best-serve clients and advisors,” Mr. McCann said.

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“This will require investments in technology to enable an efficient global organizational operating structure and, most importantly, ensure the advisor, the institution’s *face* to the client, has the tools to support the client without increasing the administrative burden,” Mr. Lavayssière added.

About Merrill Lynch

Merrill Lynch is one of the world's leading wealth management, capital markets and advisory companies, with offices in 36 countries and territories and total client assets of approximately \$1.8 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. Through Merrill Lynch Investment Managers, the company is one of the world's largest managers of financial assets. Firmwide, assets under management total \$581 billion. 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, has a unique way of working with its clients, which it calls the Collaborative Business Experience. Through commitment to mutual success and the achievement of tangible value, Capgemini helps businesses implement growth strategies, leverage technology, and thrive through the power of collaboration. Capgemini employs approximately 61,000 people worldwide and reported 2005 global revenues of 6,954 million euros.

Capgemini’s wealth management practice is continuously working to help clients develop and operationalize innovative growth strategies and successfully implement customer relationship management solutions, wealth advisor workstations, Internet-based “self directed” and “full service” offerings, as well as front-and back-office systems. More information about individual service lines, offices and research is available at www.capgemini.com/financialservices.

5 – WWR Global Model

For a copy of the 2006 World Wealth Report, as well as more specific regional data, please visit www.capgemini.com/worldwealthreport.

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