Bloomberg
May 13. 2022 | bloomberg.com

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JPMorgan Builds Its Global Bet on Wealth of the Ultra-Rich

- Lender's private bank has 'ambitious growth plans' in Europe
- Firm looks to expand wealth options in Benelux, Nordic nations

by Benjamin Stupples and Hannah Levitt
May 13, 2022

Pablo Garnica Alvarez-Alonso isn't letting the trillions of dollars in recent global stock-market losses curb his wealth-management plans at JPMorgan Chase & Co.

The chief executive officer of the lender's private bank in Europe, Middle East and Africa is continuing to target double-digit percentage growth in headcount over the next five years as he seeks to expand the New York-based firm's global operations for the world's ultra-rich.

JPMorgan has hired at least a dozen private-banking executives in the past year from rivals including Credit Suisse Group AG, Citigroup Inc. and UBS Group AG to achieve that goal.

"We believe that we need to continuously survey the market for talent," Garnica, 57, said in a recent Zoom interview from JPMorgan's London office. "We have ongoing ambitious growth plans."

The firm is boosting its private-banking services outside of the U.S. as part of a strategy to increase share globally under longtime asset- and wealth-management head Mary Erdoes, who led the business to record revenue last year. It's looking to push deeper into international markets, including a digital retail bank in the U.K. and a commercial-banking expansion. As part of those efforts, it agreed in June to buy UK digital-wealth manager Nutmeg Saving and Investment.

Pablo Garnica Alvarez-Alonso *Photographer: Andy Lane/JPMorgan*

Greater Share

Shawn Mofidi joined the private bank in March from Citigroup as a managing director for the Middle East, North Africa and Turkey. The firm is tapping internal talent as well, recruiting Andres Cassinello Herrera in April from the corporate and investment bank to lead its strategic equity business for EMEA.

Former Credit Suisse bankers Oscar Forsberg, Michael Darriba and Konstantin Zakharyan started at the private bank's EMEA unit in the past year, while Cynthia Eghikian joined in November after leaving UBS. Laurence Stoppelman began around the same time to oversee clients in Israel after working as the EMEA investment head for Citigroup's private bank. Former ING Groep NV executive Vincent De Vries joined in December.

Global banks are vying for a greater share of the wealth created in recent years, driving fierce competition for advisers who can bring billions of dollars in client assets. Goldman Sachs Group Inc. is also expanding its private-banking business across Europe, while Citigroup opened private-banking offices this month in Paris and Frankfurt as part of plans to improve its returns.

That surge in wealth is under strain as volatility continues to grip financial markets, with the S&P 500 Index approaching a bear market after tumbling 19% from its January peak and tech shares plummeting 29% from November records.

'Hire More'

Garnica, who started at JPMorgan's private bank in 1996, said his division plans to expand most aggressively in areas where it's historically been smaller, such as the Nordic and Benelux nations. His unit boosted the number of wealth advisers by 12% in 2021, focusing on ultra-high-net worth individuals, family offices and endowments.

"The headline figure on talent growth is around 10% a year -- that's net growth," he said, declining to disclose the number of wealth advisers in the EMEA division. “We’ll of course have attrition along the way, so we probably need to hire more than that.”

JPMorgan had 2,798 advisers globally in its private bank at the end of the first quarter, a 14% increase from a year earlier. The unit’s revenue climbed 5.8% during the period to $2 billion, while assets under management rose 13% to $1.9 trillion.

As for the Ukraine war, JPMorgan said in March it’s pulling out of Russia, though the private-banking unit didn’t have staff in either country.

“The growth strategy across the EMEA private bank is unchanged,” Garnica said.