

Needs of HNWI's

The change is here..



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“We don’t do changes around here..”

Challenges for Private Banking providers

Pressure on profitability

- Operating Model
- Regulatory Requirements
- IT Costs
- Pricing
- Change in Client Behaviour
- Next Generation of Customers



Needs of HNWI customers

Shift towards conservatism

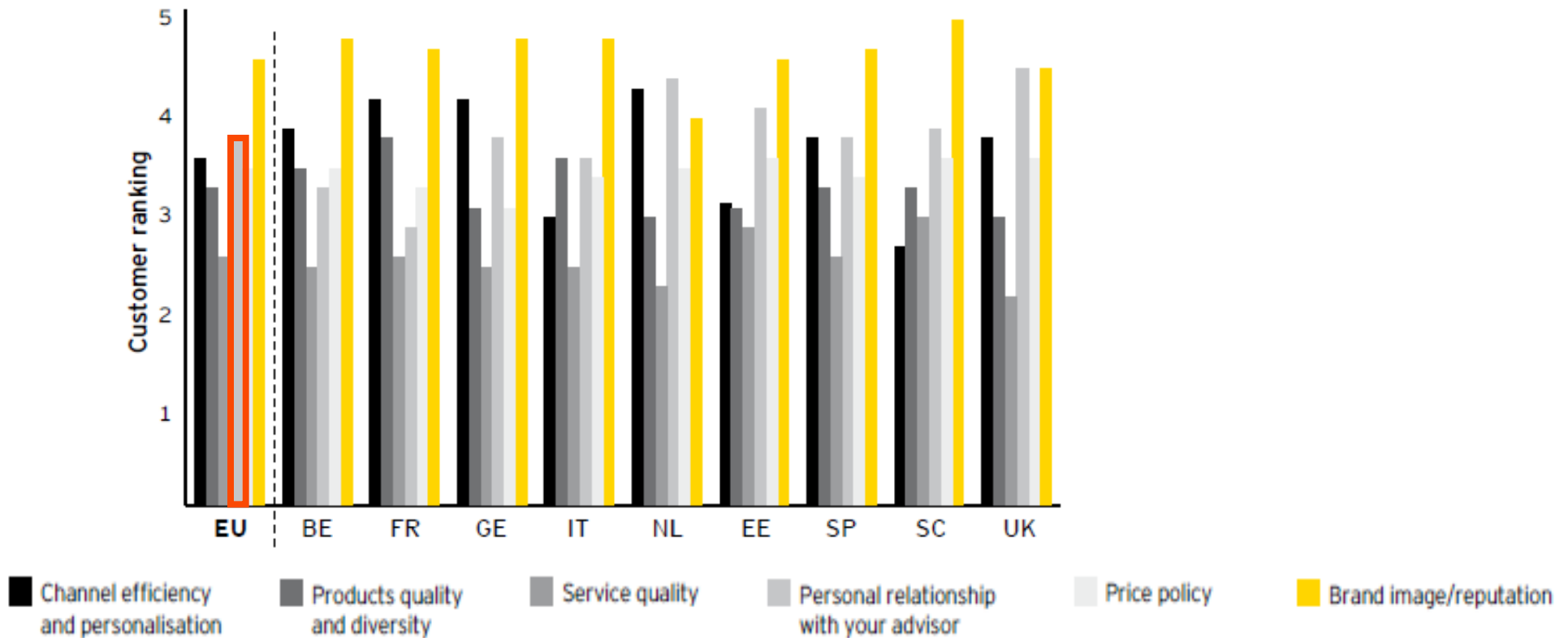
- Reputation of the service provider
- Demand for higher transparency
- Risk aversion
- Competence of private bankers
- Expectation towards higher attention
- Convenience



Needs of HNWI customers

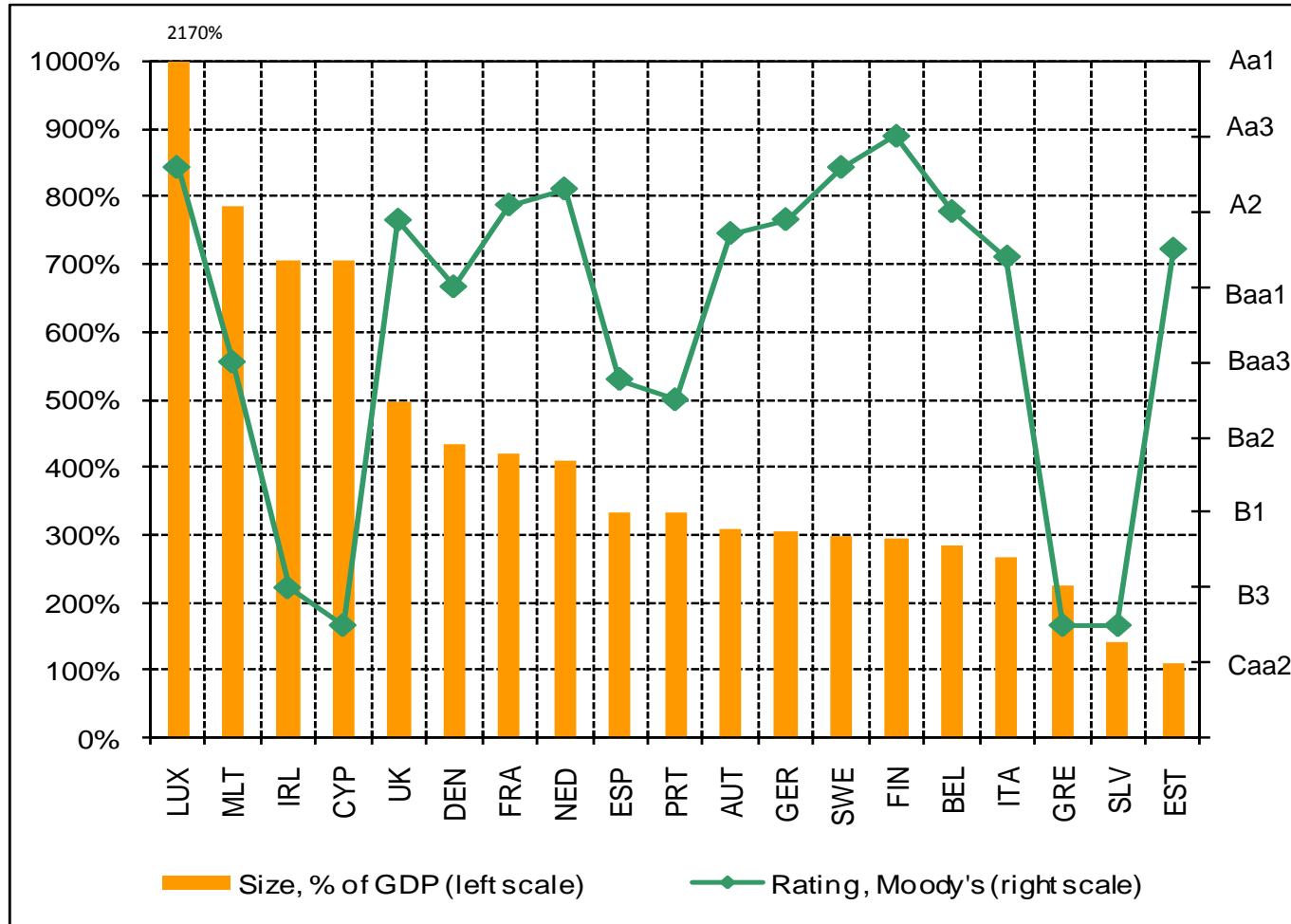
Reputation and Competence

What is important to you in your relationship with your bank?



Estonian Banking Sector

Size and credibility



Banks are in a very healthy position to finance potential increase in credit demand

Estonian Private Banking Market 1/2

Benefits of doing business and keeping wealth in Estonia

- **Stability of state finances**
Government Debt 10% of GDP
- **Good reputation of Banking Sector**
- **Geographical situation between East and West**
- **Stable and favorable tax system**
0% corporate income tax
- **Ease of doing business**
E-solutions in government solutions
(online commercial register, online tax returns)



Estonian Private Banking Market 2/2

Benefits of doing business and keeping wealth in Estonia

- **Well-developed e-solutions**
Global Finance: Best Mobile Banking 2012
Global Finance: Best Internet Bank in Central and Eastern Europe
- **Multilingual service**
English, russian, finnish etc.
- **Considerably lower fee structure**
Comparing to Western Europe countries
- **Competence of private bankers**
Experience in IPB service



Needs of HNWI customers

Reasons for using Private Banking service abroad

- Search for political and economic stability
- High quality service
- Discretion
- Business related reasons
- Search for diversification

**Estonian Private Banking sector
meets those needs!**





“It is too early to say..”

Zhou Enlai & Richard Nixon,
assessment of the 1789 French Revolution

Thank you



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