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Survey shows private bankers are in an acquisitive mood

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Nearl hree q ar ers of pri a e bankers polled in a s r e b acco n - anc rm KPMG belie e acq isi ions are or h making in he c rren en i- ronmen .

Vie s from 100 e ec i es across he orld ere so gh , i h 20% sa - ing deals ere de ni el , or h con- empla ing and 54% agreeing his as probabl he case. Aro nd 19% ere disin eres ed in acq isi ions and 7% ere no s re.

Serial acq irers of recen ears, no abl lis ed eal h ad iser EFG In erna ional, ha e ceased o be ac i e no heir share prices ha e gone off he boil. Cer ain o ld-be acq irers ha e become ner o s as a res l of he economic crisis and pres- s re on margins. B se eral banks are keen o sell foreign b sinesses a he behes of go ernmen resc ers. Commer bank's decision o sell Klein or Benson is an e ample.

S iss sales are planned, according o Ra So dah of ad isor rm Mille- ni m Associa es ho said: The rend o er he ne 12 mon hs is likel o accelera e and b ers can be smar and selec i e as al a ions ha e dropped o 2002 le els and in some cases e en belo hem.

Wo ld-be endors are also con- cerned b a global 15% fall in he n mber of millionaires. Man are keen o bols er heir capi al ra ios.

According o Merrill L nch's World Weal h Repor , a erage opera ional gro h of 17% from 2006 o 2007 more han hal ed o 6% from 2007 o 2008.

In con ras , banks on he fron foo , s ch as Credi S isse and Barcla s Weal h, ake he ie ha deals ill help hem ake b siness from hird par ies in a lo -gro h en ironmen . One anal s said acq irers are more con den ha ke ad isers o ld s a in place han d ring he boom. According o KPMG, 6% of asse s are los , on a erage, one ear af er he comple ion of a deal.

KPMG said here as a big gap be een b ers and sellers and he nancing of deals can be o gh: More han a hird of responden s ci e bo h a lack of nancial reso rces and e ces- si e price e pec a ions on he par of he seller as res ric ing f r her M&A.

In a separa e s r e , managemen cons l an MDRC said 54% of responden s hink bids are more likel in he c rren en ironmen , as rms s r ggle o gain marke share.

A breakdo n of r s be een clien and ad iser as no ed in a s r e p b- lished b Do Jones Weal h B lle in his mon h. The Merrill L nch s r e has con rmed he rend, adding ha 76% of clien s had los fai h in ad isers across he ind s r .

This p s acq irers innocen of acc sa ions of mis-selling prod c s a a clear ad an age. Headh n ers sa ad isers ha e become rel c an o join banks facing his kind of redemp- ion hrea .