

UBS advisers break \$1 million per FA revenue mark

Bank's U.S. wealth unit is lone bright spot in rough fourth quarter

By Bruce Kelly

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UBS financial advisers in the U.S. crossed the threshold of producing more than \$1 million in revenue per adviser during the fourth quarter.

Average production was up 8% from \$927,000 in the third quarter and 15% from \$869,000 year-over-year, according to UBS Wealth Management Americas.



Along with the record revenue per adviser, which totaled \$1,001,000 and included trainees in the mix, the firm reported a new high in net new money of \$8.8 billion for the quarter, up 84% from \$4.8 billion in the third quarter. It also reported record assets per adviser of \$119 million versus \$118 million in the previous period. Adviser headcount through December was 7,059, 27 more than at the end of September.

Wealth Management Americas parent company Swiss bank UBS AG posted a \$2 billion loss for the fourth quarter. That was largely due to the cost of legal settlements, most notably for its role in a global manipulation of interest rates.

UBS advisers' average revenue generation is outpacing wirehouse competitors. Advisers at Morgan Stanley most recently produced \$824,000. Reps and advisers with Wells Fargo Advisors LLC on average produced \$670,000 in revenue, according to UBS spokeswoman Karina Byrne. Wells Fargo spokeswoman Rachelle Rowe did not return a call to verify that number.

Not counting trainees, advisers at Bank of America Corp.'s Merrill Lynch generated \$1.3 million on average, up 13.5% year-over-year. Including trainees, that average dropped to \$935,000.

“UBS is the smallest among the four wirehouses, but it is positioning itself to be responsive and nimble” to financial advisers' work and needs, said Danny Sarch, an independent recruiter who counts UBS as one of his clients. “Senior management is sensitive to the realities of the field.”

Non-personnel expenses at UBS Wealth Management Americas increased by \$98 million, including \$87 million for litigation and regulatory provisions.