

Morgan Stanley CEO seeks closer MUFG ties in asset management

2024/12/25 06:53 Nikkei English News 630ワード

DAICHI MISHIMA and YUKI NAKAMURA, Nikkei staff writers

NEW YORK/TOKYO -- Morgan Stanley will look for ways to work "closer together in the asset management space or in wealth management" with Japanese partner Mitsubishi UFJ Financial Group, CEO Ted Pick told Nikkei.

Pick, who took the reins at Morgan Stanley in January, led strategic planning at the Wall Street bank for the "Alliance 2.0" inked with MUFG in 2023, under which the two companies have stepped up cooperation in such areas as equities research.

"We are in this for the very long term, and part of my hope is that when I'm done and the next person comes in, the quality and the scope of the relationship will be even broader and deeper," Pick said in an interview.

Pick touched on MUFG's use of technology in its wealth management business, including the full acquisition of online brokerage au Kabucom Securities, slated for completion by the end of January. Kabucom is set to implement Morgan Stanley's stock-trading execution platform for institutional investors in March.

Collaboration on services and research that make use of artificial intelligence is also a possibility. Morgan Stanley was among the first big Wall Street players to partner with OpenAI.

The alliance between Morgan Stanley and MUFG began in 2008, when the Japanese company invested \$9 billion in its American counterpart during the global financial crisis. Since fiscal 2013, Morgan Stanley has directly contributed more than 2 trillion yen (about \$13 billion at current rates) to MUFG's net profits.

The partnership was cultivated by then-MUFG CEO Nobuyuki Hirano, who stepped down from Morgan Stanley's board in 2022 after a total of nearly nine years, and Pick's predecessor James Gorman, who was CEO for 14 years and will depart as chairman in January.

Despite the leadership changes, Pick said that the relationship between the two companies will last "forever."

During Morgan Stanley's postcrisis turnaround, Gorman strengthened its wealth management business through acquisitions, diversifying its profit streams. The company aims to boost its return on tangible common equity, which stood at 18.2% in the first three quarters of 2024, to 20%.

Key to reaching this goal will be growing the company's two big profit drivers. The institutional securities segment generated 44% of net revenue in the July-September quarter, and wealth management accounted for another 47%.

The company's investment banking income lags behind that of such rivals as JPMorgan Chase, according to Dealogic.

But "in the current improved environment, it's reasonable to think that we can actually also gain share," Pick said, citing renewed activity including big acquisitions and initial public offerings. Morgan Stanley's client assets across the wealth management and investment management segments rose more than 20% on the year to total over \$7.5 trillion as of the end of September. Its goal is to raise this to \$10 trillion.

Other Wall Street giants, such as Goldman Sachs, are also focusing more on wealth management, seen as a stable profit stream.

"We have leading market share in wealth management, but still, the actual market share is quite low" due to fragmentation in the sector, Pick said.

That business will grow as a function of continued U.S. growth and global growth, he said.

Asked about plans for the wealth management and investment banking businesses, Pick said Morgan Stanley will "focus on both, and on having them work together more effectively."

Through wealth and investment management and through global investment banking coming together, in what we like to call the integrated firm."

As an example, he described a hypothetical multibillionaire customer.

"That person is like an institution. That person has assets with us," he said. "We manage those assets of wealth management, but she also controls the company," so she needs mergers-and-acquisitions advice for whether she should buy another company, Pick said.

許諾番号30101908 日本経済新聞社が記事利用を許諾しています。

本サービスで提供される記事、写真、図表、見出しその他の情報(以下「情報」)の著作権その他の知的財産権は、その情報提供者に帰属します。

本サービスで提供される情報の無断転載を禁止します。

本サービスは、方法の如何、有償無償を問わず、契約者以外の第三者に利用させることはできません。

Copyrights © 日本経済新聞社 Nikkei Inc. All Rights Reserved.