

# Taking wealth management forward in the Middle East

*There is a need for firms to focus on building modern, digital-friendly platforms where better-trained advisers consistently act and behave in their clients' best interests. This assumes the regulatory agenda in each market doesn't stifle the opportunities for growth.*

The wealth management firms which will be most successful over the next five years in the Middle East will be those which embrace digital and put in place modern, robust technology platforms.

The ability to clearly demonstrate alignment with clients' interests is also a critical component – which ties in to the need to deliver the right client outcomes.

This can be achieved, suggest various market practitioners in the GCC, via a mix of independent and technical financial advice which has the objective to maximise value for the client.

More specifically by client segment, a successful model must focus on the newer millionaires, as well as small-business owners.

Family governance solutions will be a key way to access and win the trust of many families which are concerned about their businesses when they are no longer around.

At the same time, moving the industry forward in this way requires some important changes – for example, in the way advice is given, advisers are trained and remunerated, new talent is developed, clients are educated, and various aspects of the market are regulated.

These were some of the key take-aways from more than 50 senior practitioners – who responded to a Hubbis survey – representing a range of CEOs, senior management, product gatekeepers and business unit heads working at retail banks, private banks, Insurance companies, IFAs and multi-family offices.

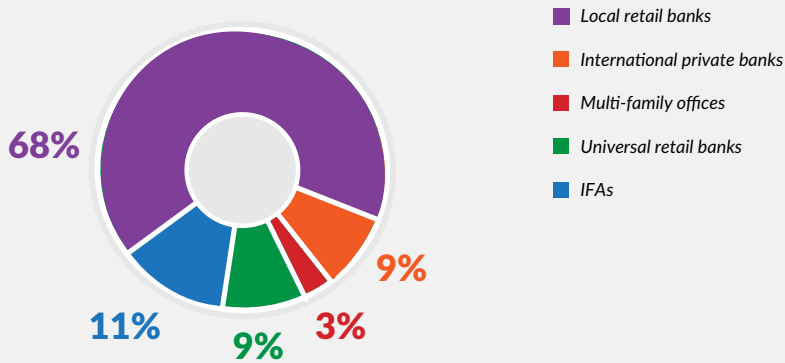
## Panel speakers

- **Rajesh Malkani**, Head Private Banking & Wealth Management, Mashreq Bank
- **Gautam Duggal**, Regional Head of Wealth Management, AME, Europe & Head of Wealth Management UAE, Standard Chartered Bank
- **Daffer Luqman**, Executive Vice President, Abu Dhabi Islamic Bank
- **Cedric Lizin**, Head of Wealth Management, Middle East, Africa & Japan, Barclays
- **Jamal Al Kishi**, Chief Executive Officer, Middle East & Africa, Deutsche Bank
- **Dr Angelo Venardos**, TEP, IBF Fellow, Managing Director, Equiom Group



Rajesh Malkani, Mashreq Bank

**WHO IS BEST PLACED TO BE MOST SUCCESSFUL AND PROFITABLE OVER THE NEXT 5 YEARS?**



Source: Hubbis Middle East Wealth Management Forum 2017, Dubai



Dr Angelo Venardos,  
Equiom Group

**SOLUTIONS, NOT PRODUCTS**

Several elements of these success factors for a sustainable wealth management offering in the Middle East are dependent on firms being able to shift towards selling solutions, not chasing revenue through single transactions.

And there are specific ways that business leaders and wealth managers can achieve this.

Inevitably, it should start with a better understanding of clients' needs – and then an ability to deliver what they want.

To do this requires effective relationship selling rather than transaction selling. At the same as doing this, wealth managers can educate their clients on how to think and act – depending on their needs and goals – when it comes to their portfolio.

According to some respondents, a complete shift in the organisational paradigm is a must, to keep the customer at the centre.

An important building block, therefore, is improved training and development of advisers. Further, having robust minimum qualification levels for the industry would, said some respondents, help to enhance the reputation of the industry.

Over time, this would also create a deeper and more competent talent pool within the Middle East.



Gautam Duggal, Standard Chartered Bank

**BRINGING SHARIAH TO THE FORE**

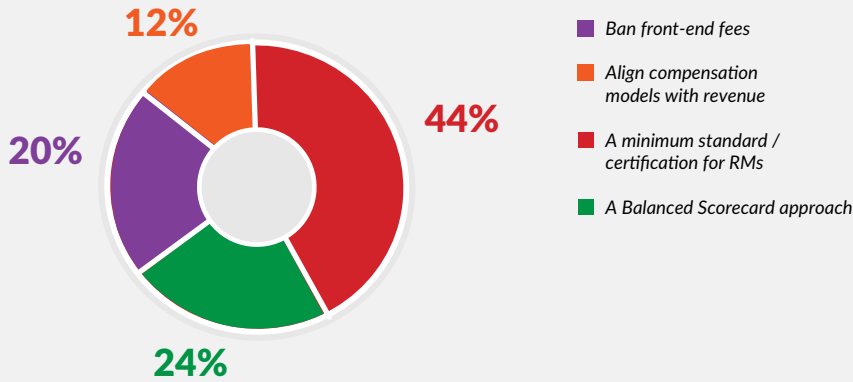
More education and greater knowledge levels around Shariah products is another important part of developing the overall wealth management offering in the Middle East

It would be beneficial to both product providers and end-clients, given that Shariah products often perform better than their conventional counterparts.



Cedric Lizin, Africa & Japan Barclays

**WHICH OF THE FOLLOWING WOULD BE MOST EFFECTIVE IN ENHANCING THE INDUSTRY’S REPUTATION?**



Source: Hubbis Middle East Wealth Management Forum 2017, Dubai

A number of respondents said this needs to be driven by specific government-led initiatives, with a healthy dose of training for advisers.

But product development cannot happen in isolation of more dialogue with the potential market to define the opportunities. This might result in a more standardised Shariah offering, for example, also helping to reduce costs.

**REGULATORY PRIORITIES**

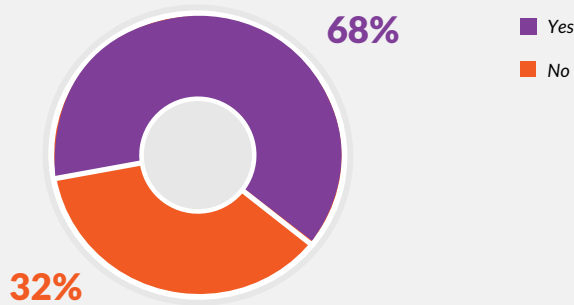
Respondents also pinpointed several initiatives which the region’s regulators should drive, with the alignment of the interests of clients and advisers in mind:

- Greater transparency, in turn helping advisers better assess a client’s needs
- Simpler and uniform regulatory guidelines – with the goal of making the life of bankers (and clients) easier



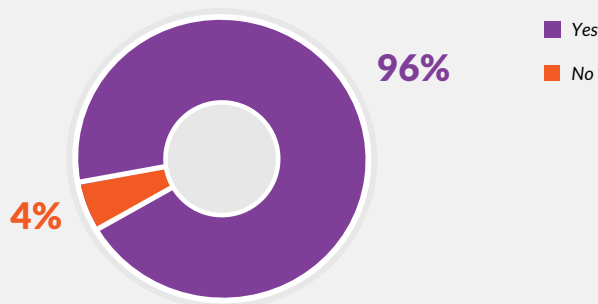
Daffer Luqman, Abu Dhabi Islamic Bank

SHOULD THE REGULATORY APPROACH TO WEALTH MANAGEMENT IN THE MIDDLE EAST BE SIGNIFICANTLY TIGHTER?



Source: Hubbis Middle East Wealth Management Forum 2017, Dubai

DO YOU THINK A MINIMUM STANDARD CERTIFICATION SHOULD BE MADE MANDATORY FOR ALL WEALTH MANAGERS?



Source: Hubbis Middle East Wealth Management Forum 2017, Dubai

- A clear definition on how to deliver investment advice for clients inside as well as outside the UAE
- Lower initial commissions and a focus on longer-term income streams – to provide more security for advisers and better value for clients
- Stricter regulation for wealth planners and business owners who visit the UAE to tout for business and effectively default to a product-focused sale ■

**Sharper segmentation [is needed], based not just on size of client portfolio but also on sophistication, life stage and generational needs**



Jamal Al Kishi, Deutsche Bank