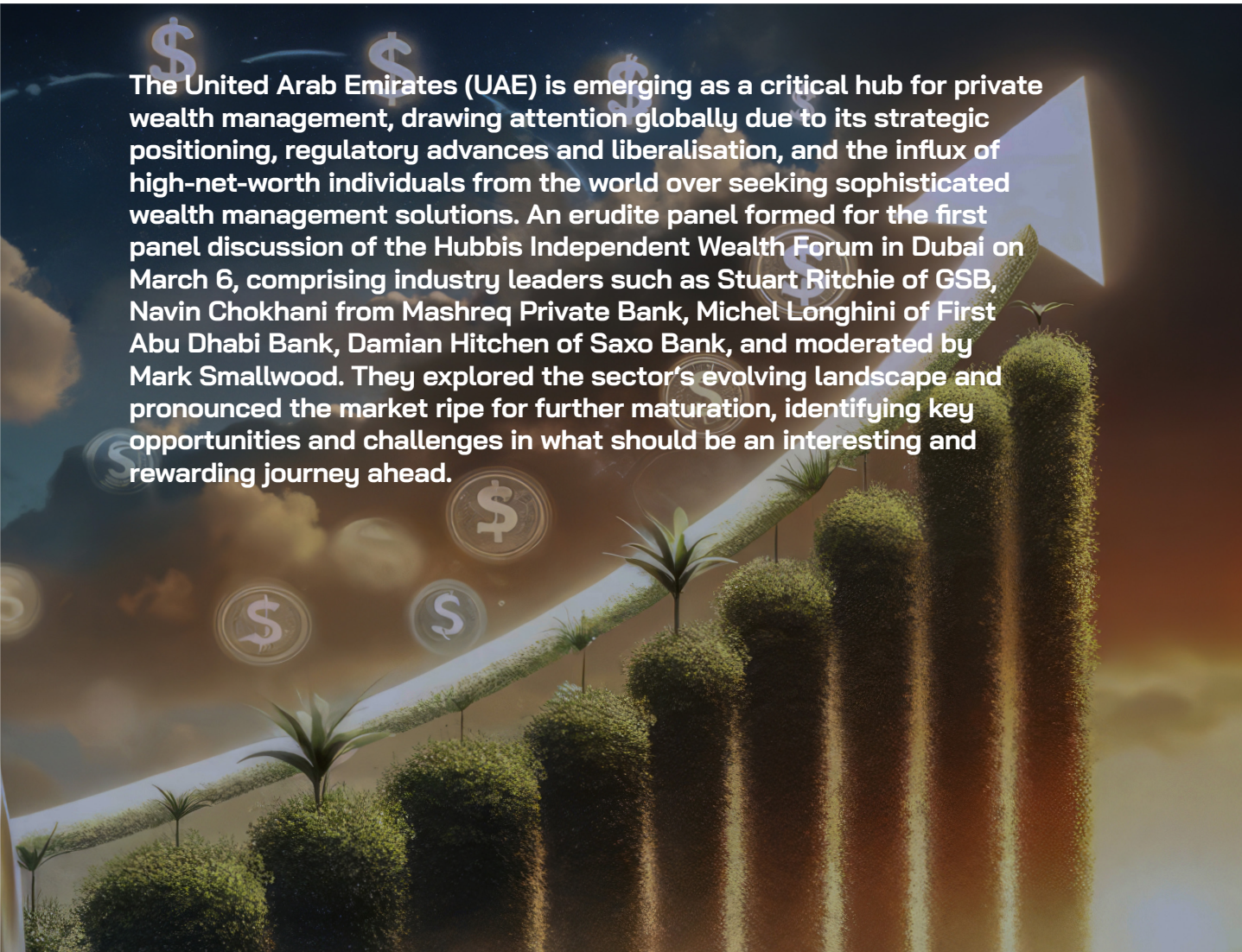


# The Evolution of Private Wealth Management in the UAE: The Opportunity & The Improving Proposition



The United Arab Emirates (UAE) is emerging as a critical hub for private wealth management, drawing attention globally due to its strategic positioning, regulatory advances and liberalisation, and the influx of high-net-worth individuals from the world over seeking sophisticated wealth management solutions. An erudite panel formed for the first panel discussion of the Hubbis Independent Wealth Forum in Dubai on March 6, comprising industry leaders such as Stuart Ritchie of GSB, Navin Chokhani from Mashreq Private Bank, Michel Longhini of First Abu Dhabi Bank, Damian Hitchen of Saxo Bank, and moderated by Mark Smallwood. They explored the sector's evolving landscape and pronounced the market ripe for further maturation, identifying key opportunities and challenges in what should be an interesting and rewarding journey ahead.

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## AT A GLANCE - THE KEY TAKEAWAYS

### Strategic Expansion in the Face of Immense Opportunity

The panel agreed that there is a huge opportunity for the wealth management market in the UAE and the broader Middle East region, with Dubai and other key centres ideally placed in a time zone bridging east and west, with a huge ongoing influx of HNW and UHNW wealth from around the world (often relocating there with their families), and with a host of tax, regulatory and governmental initiative to help attract expertise and clients to the region. Accordingly, the UAE's wealth management sector is experiencing a major growth and transformation phase that will only be enhanced further by the expansion of the broader financial sector ecosystem and, very probably, geopolitics and the shifting inclinations of HNW and uber-rich private clients indigenous to the region and from around the globe.

### Technological Integration & Innovation

Technology is essential for adapting to client expectations and enhancing the competitiveness of the UAE's wealth management services. Accordingly, the UAE's wealth management sector is embracing digital solutions, helping drive transformation with the smartest and latest software, including artificial intelligence, all of which is designed to make the wealth offering more seamless and productive for clients and providers, but also for their clients. Smaller players in the

#### Chair:

» **Mark Smallwood**

CEO, Rapier Consulting and Engagement & Consultant Partner  
Hubbis

#### Panel Members:

» **Michel Longhini**

Group Head of Global Private Banking  
First Abu Dhabi Bank

» **Navin Chokhani**

SVP & Head of Client Value Management Private Banking  
Mashreq

» **Damian Hitchen**

Chief Executive Officer, MENA  
Saxo

» **Stuart Ritchie**

Managing Partner  
GSB Capital



independent sector can leverage technology to enhance efficiencies, offer a better service, improve outcomes and connectivity, as well as scale up capabilities.

### Scaling up and Modernising the Investment Offering

Aside from specialised digital software and solutions for everyday service and efficiency enhancements, there is a widespread growing interest in digital investment and custody platforms such as that offered by Saxo Markets, as providers and clients both seek to benefit from simpler onboarding, easier and broader access to investment products, and technologies that will help them with execution, information, reporting, and in a host of other key areas.

### Deepening and Competitive Landscape and Collaboration Opportunities

The wealth management landscape in the UAE is increasingly characterised by a blend of competition and collaboration. Banks and new market entrants are availing themselves of what is clearly a deepening financial, wealth management, professional services and technology ecosystem that fosters opportunities for synergies that can upscale capacity, improve outcomes, enhance client personalisation and satisfaction, boost and enrich service offerings and generally help smaller individual firm cater to diverse client needs.

### Global Insights and the Shift to 'Local' Wealth Management

The trend of managing wealth locally within the UAE, as opposed

#### These are some of the topics the panel addressed:

- » What are the key trends and developments in the UAE and the broader Middle East private wealth management markets?
- » How will the independent wealth management sector expand in the years ahead?
- » Which types of independent wealth firms are already established in the UAE, who are emerging as new competitors, either from within the region or from overseas, and why?
- » Broadly, who are the key local/regional and international clients, and what specific requirements or expectations do each of these types of clients have?
- » What are the challenges?
- » How do traditional private wealth managers, such as international or local Private Banks, view this development? Will they collaborate or compete?

#### Expert Opinion



"The UAE isn't just a geographical crossroads; it's a mushrooming nexus for global wealth management, drawing on its advanced financial infrastructure, strategic location, and a regulatory framework that's both progressive and welcoming. This unique combination positions the UAE as an indispensable player in the global finance arena, ready to cater to the sophisticated needs of the world's wealthiest families."

#### Expert Opinion



"Our firm's expansion isn't just geographical; it's a leap into the future of finance, where artificial intelligence and digital platforms redefine how we interact with and serve our clients. The seismic shift in client onboarding, powered by these technologies, is just the beginning. We're committed to harnessing this digital prowess to ensure that our clients' wealth management experience is unparalleled, efficient, and tailored to the new age."

to traditional reliance on private banks (mostly from Europe) and the major European financial centres, underscores the UAE's rising global significance for regional and indeed global private clients who might in the past have bypassed the UAE or considered it simply as an adjunct to the main and more established centres. This shift is helping create a snowball-type effect, attracting more international families and businesses seeking sophisticated wealth management solutions in the region, driving more regional clients to focus on the UAE, and at the same time, giving new entrants a reason to set up there, and existing players reasons to scale up in these markets.

### Collaborative Growth Amid Regulatory Evolution

A supportive and evolving regulatory environment is crucial for attracting clients, reeling in new competitors, deepening the talent pool, fostering innovation and ensuring client privacy and security within the UAE's wealth management sector. Collaboration between traditional financial institutions and also with fintech firms was highlighted as a vital component of the industry's growth trajectory.

### Challenges and Opportunities Ahead

While integrating advanced technology with legacy systems and achieving regulatory clarity present some ongoing challenges, these also offer opportunities for sector-wide innovation and progress. Addressing these challenges head-on is essential for the UAE's wealth management sector to continue its trajectory towards global leadership.

#### Expert Opinion



"In the UAE's dynamic wealth management landscape, our strategy is two-pronged: embracing cutting-edge digital innovation to streamline and enhance our service offerings while simultaneously deepening our commitment to personalised client relationships. This blend of the new and the traditional is our answer to the competitive influx and our path toward collaborative growth. It's about creating a synergistic ecosystem where banks, wealth managers, and fintech startups enrich each other's capacities."



#### Expert Opinion



"Moving from the traditional bastion of private banking in Switzerland to the vibrant market of the UAE, I've witnessed first-hand the shift towards local wealth management. This paradigm shift is not merely geographical; it represents a fundamental change in how global wealth chooses to manifest and manage its resources, with the UAE emerging as a beacon of innovation, security, and sophistication in wealth management practices."

Additionally, intensifying competition from major private banks, from the wealth arms of major local/regional banks, and the constant influx of new independent wealth firm arrivals will mean that nobody can survive on yesterday's style and culture – all clients expect a lot more expertise, objectivity, attention and service, so only the genuinely 'better' players will survive and truly prosper.

### REVIEWING THE KEY INSIGHTS FROM THE DISCUSSION

#### The UAE's Rapidly Evolving Wealth Management Landscape

The UAE's wealth management sector is undergoing a significant transformation, influenced by global economic shifts, technological advancements, and regional policy reforms. The panellists opened the discussion by outlining the UAE's growing appeal as a wealth management destination fuelled by its increasingly robust and diverse financial infrastructure, the favourable tax regime, advancing regulation and liberalisation, government support, the shift of more global wealth to their shores, the expansion of the financial ecosystem, and the region's strategic global location.

#### Strategic Expansion and Technological Integration

A speaker highlighted his EAM's proactive expansion into key financial centres worldwide, emphasising the importance of the UAE in their broader international and strategic

#### Expert Opinion



"As pioneers at the intersection of finance and technology, Saxo Bank is at the forefront of democratising access to global financial markets. Our mission goes beyond simplifying trading and investment; it's about embedding innovation in every touchpoint with our clients. The challenges of streamlining the onboarding process and making our platform more intuitive are significant, but they are challenges we are eager to meet head-on. This commitment to innovation is what sets us apart and drives the future of wealth management."



#### Expert Opinion



"The UAE's wealth management sector is at a pivotal moment where the traditional pillars of finance meet the disruptive forces of fintech. This convergence is not just fortuitous; it's by design, fostered by a regulatory environment and national governments that are both supportive and forward-thinking. The collaboration between the leaders, the banks, wealth managers, and fintech firms is not just beneficial; it's essential for our collective success and growth."

growth. He discussed leveraging artificial intelligence (AI) and digital platforms to enhance client onboarding, their investment offerings and service delivery, reflecting a sector-wide shift

towards technology-driven progress and solutions. This transition is seen as a response to the demographic changes (as the clients gradually become younger) and the heightened expectations



for efficiency and customisation in wealth management services.

### The Competitive Landscape and Collaborative Opportunities

Another guest offered a local/ regional perspective, detailing how established UAE banks like their own are navigating the influx of global players and new wealth into the region. He stressed the dual strategy of embracing digital innovation while maintaining personalised, human-led client relationships, crucial in a market where competition and collaboration among banks, wealth managers, and fintech firms are intensifying. His insights shed light on the evolving ecosystem where traditional and modern wealth management practices converge.

#### Expert Opinion

"The integration of advanced technology with existing legacy systems presents a formidable challenge, yet it's a necessary evolution that must be achieved. As we navigate this complex landscape, our focus remains steadfast on elevating the client experience, ensuring that each innovation leads to more personalised, efficient, and secure wealth management services."

"The clarity and adaptability of regulations are paramount as we chart our course in the global wealth management arena. The UAE has made significant strides, but the journey ahead requires a continued emphasis on regulatory innovation to ensure we remain competitive and attractive to global wealth."

"The essence of wealth management has always been deeply personal. Despite the leaps in technology, our core mission remains to understand and serve the unique needs of each client with our best people. Balancing this personal touch with the efficiencies of digital innovation is our ongoing challenge and great opportunity."



### Global Insights and the Shift Towards Local Management

A veteran wealth management leader provided a comparative view of the wealth management landscape in the UAE set against traditional hubs like Switzerland. He noted a significant shift in wealth management practices, with an increasing portion of wealth being managed locally within the UAE, contrary to the previous trend of managing Middle Eastern wealth far away in the major European financial centres. This trend underscores the UAE's rising stature as a global wealth management hub, attracting not only regional but also international clients.

### The Digital Platform and Innovation Frontier

A speaker discussed his firm's role as a digital pioneer, emphasising

its commitment to providing innovative trading and investment solutions. He highlighted the importance of adapting to client needs through technology, particularly in streamlining the onboarding process and making financial services more accessible and efficient. His commentary underscored the growing influence of fintech in reshaping the wealth management sector, aligning with the broader trend towards digitalisation through the provision of open architecture investment, execution, reporting, and even custody tailored to client needs and offering seamless interactivity and simpler operability.

### Collaborative Growth Amid Regulatory Evolutions

The panel converged on the theme of collaborative-led growth within the UAE's wealth management sector, driven by a combination of regulatory support, technological innovation, a deepening financial, services and technology infrastructure, and the potential for alliances and strategic partnerships. They discussed the importance of a conducive regulatory environment that supports innovation while ensuring client privacy, security and trust. The dialogue underscored the potential for synergies between traditional financial institutions and fintech firms to enhance service offerings and client experiences.

### Challenges and Opportunities Ahead

Despite the optimistic outlook, the panellists acknowledged the current and future challenges, including the need for further regulatory clarity, the integration of technology with legacy systems, and the continuous

demand for personalised client services. However, these challenges are viewed as opportunities for innovation and differentiation in any increasingly competitive market where quality and integrity will win clients, and where 'older' market cultures and practices fall by the wayside.

### The Path Towards Global Leadership

The comprehensive insights from the panel discussion illustrate the UAE's wealth management sector's dynamic evolution, marked by strategic expansion, digital transformation, and a

shift towards local management of regional and global wealth. As the sector navigates future challenges and opportunities, the collaborative efforts of traditional banks, wealth managers, and fintech firms, underpinned by supportive regulatory frameworks, will be crucial. The UAE is poised not just to become a regional leader but also to assert itself as an increasingly prominent global player in private wealth management, offering sophisticated solutions to meet the evolving needs of high-net-worth individuals and families from the world over. ■



#### Expert Opinion

"The UAE's ascendancy in the global private wealth management sector is a testament to its visionary leadership, strategic positioning, and unwavering commitment to excellence. As we navigate the complexities of global finance, the collaborative spirit among industry players in the UAE, supported by a progressive regulatory framework, sets the stage for a future where the UAE is not just a participant but becoming a peer and potentially leader in the global wealth management conversation."

