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### ARNAUD LECLERCQ, HEAD OF NEW MARKETS AT LOMBARD ODIER

Although wealthy GCC investors remain strong backers of local economies, Geneva-based Lombard Odier has witnessed a spike in money being sent overseas. The Swiss private bank, which services ultra high net worth clients out of a representative office in Dubai, manages \$167 billion in global assets.

Increasingly, local investors are shifting their wealth outside the Gulf region and requesting sophisticated funds to preserve their families' net worth, said Arnaud Leclercq, head of new markets at the firm. "A number of wealthy individuals, in particular Emiratis and Saudis who have been typically invested only locally are deciding to reallocate a portion of their wealth outside of the Arab World," he said.

In the past, Saudis have held 90 per

cent of their wealth locally, but Leclercq said there had been a marked shift recently, and this figure is now closer to 70 per cent. GCC investors have looked to diversify their investments and spread risk following prolonged turbulence in local markets.

"We have also seen an increased level of interest from the very large and wealthy families in setting up family funds outside of the region, in the shape of a reserve fund, very similar to how a sovereign wealth fund functions. "Investors have also become increasingly savvy, and they now are looking for banks that can provide diversified booking centres outside of the Gulf, in places such as Geneva and Singapore," said Leclercq.

Lombard Odier has been a dominant player in private banking since it was established in 1796. Much of this brand capital has contributed to its growth in the Middle East.

The firm has had ties to the region since the 1970s but only opened a representative office in Dubai in 2007. It has, however, been criticised for taking a less aggressive stance than some of its competitors, such as Credit Suisse and Julius Baer, in targeting the region's wealthy individuals. Less than 10 per cent of its managed assets come from the Middle East – a proportion the bank is trying to raise to 20 per cent in the next four years.

Out of its office in Dubai, it is planning to continue expansion into what it calls 'new markets', which include the rest of the Middle East, Central

Asia, Russia and Turkey. To underline the commitment to this planned growth, Leclercq said he himself will be relocating from Geneva to Dubai by the end of 2011.

"We have already begun to select a number of senior bankers and specialists to cover these areas, so there are clear plans to expand not only in the local market, but also to establish Dubai as one of our three global hubs: Switzerland, Singapore and now Dubai," he said.

There has been a flood of private bankers to the region in recent years, raising concerns that the market could quickly become over-saturated. But Leclercq is defiant: "Lombard Odier works in the UHNW segment... We are one of the world's largest private banks involved in this specific segment. Indeed, there are not many banks – if any – that are as involved on the local level as much as we are."

He did issue one word of caution in the short-term: "Over the period of the last 18 months, we certainly have noticed that a number of clients have decided to reallocate their resources to areas other than wealth management – in the sense of private banking. For example, they are opting to reinvest in real estate in the West, buy gold or simply holding cash – all rather than have their assets managed."

#### FACTS

Founded in 1796, Lombard Odier Darier Hentsch & Cie is the oldest firm of private bankers in Geneva and one of the largest in Switzerland and Europe. With a network of 23 offices in 17 countries, it offers its private and institutional clients a wide range of advisory services in wealth management, financial products, and specialised areas. An independent family business for seven generations, the firm is run by seven Partners.

It has been offering private banking services and solutions to the Middle East for more than 50 years. In February 2007, the firm established a formal presence in the region with the launch of a representative office in Dubai.

