

Swiss bank Lombard Odier to open Abu Dhabi office this year

The group wants the Middle East to account for 10 per cent of its global business in the next three to five years



Arnaud Leclercq, Middle East managing director of Swiss Bank, Lombard Odier, which expects to open an office at Abu Dhabi Financial Market by April. Sarah Dea/The National



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Lombard Odier, the Swiss private bank headquartered in Geneva, plans to open an office in Abu Dhabi in the first half of this year – its second in the UAE – to better serve its local client base and expand its Middle East operations.

The bank, the oldest in Switzerland, wants the region to account for 10 per cent of its global business within the next three to five years, group managing director Arnaud Leclercq told media on Tuesday. The regional business is currently steered from Lombard Odier's 10-year-old representative office in Dubai.

“The Middle East is one of our key strategic markets and we felt it would be interesting to have an office under a second jurisdiction in the UAE, while remaining committed to Dubai,” said Christophe Lalandre, managing director of

Lombard Odier Dubai, who will head up the Abu Dhabi office in the emirate's financial free zone, Abu Dhabi Global Market.

Lombard Odier has received an advisory licence 'in principle' from ADGM's financial services regulator and hopes to secure the remaining approvals needed to open the office by April and, if not, within the first half of this year, the senior executives said.

The office will serve as Lombard Odier's regional hub to service the Arabian Gulf and Middle East, and is in part a response to demand from high-profile client families in Abu Dhabi and neighbouring Al Ain to be in closer proximity to their advisors.

It is also an opportunity to expand the bank's services, capitalising on high forecast growth in personal wealth in the Middle East. The region accounted for the largest share of investable assets in the world in 2017, rising by 11 per cent year-on-year to \$3.8 trillion, according to a Boston Consulting Group report published last year.

Of that, the UAE is projected to lead the way, with total personal wealth held in investable assets set to grow by 7 per cent per year to reach \$590 billion by 2022, driven by an uptick in equities and investment funds, BCG said. Investable assets are cash and bank accounts, equity, bonds, securities and investment accounts which can be readily converted into cash.

Lombard Odier, which has \$276bn of assets under management globally, has seen 15 per cent year-on-year growth in the Middle East since the Dubai office opened. It hopes the new hub will help it to exceed this in the coming years, Mr Leclercq told reporters.

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The bank will focus on tapping into rising appetite among clients for sharia-compliant wealth advisory services, which it launched in Dubai in 2012. Securing an advisory licence in Abu Dhabi will enable it to directly provide these services to local clients.

The bank has previously said it plans to start offering products such as sukuks (Islamic bonds), and direct equity investments through Islamic indices.

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Another focus for the new office will be the creation of bespoke investment portfolios for clients. “Regional clients are increasingly wanting to invest outside their home base – particularly in the last few years [of low oil prices and sluggish economic growth] when there have been fewer

home assets available,” said Mr Leclercq. “Those clients are increasingly wanting a bespoke solution where they can determine what they are exposed to, rather than taking a blanket approach.”

Global economic growth is projected to slow from 2019 due to trade uncertainty, geopolitical tensions and other headwinds, according to the International Monetary Fund, and regional clients want a highly diversified investment approach across different funds and geographies, Mr Lalandre added.

Lombard Odier’s Abu Dhabi office will launch with an initial five staff transferred from Dubai, while the Dubai office will be replenished to bring it back up to its current size of around 10 employees.

The new hires will include a managing director for the Dubai office to replace Mr Lalandre. That person has been appointed but not yet named.

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