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Time to talk

High-net-worth families in the Middle East
face succession's 'silent crisis'

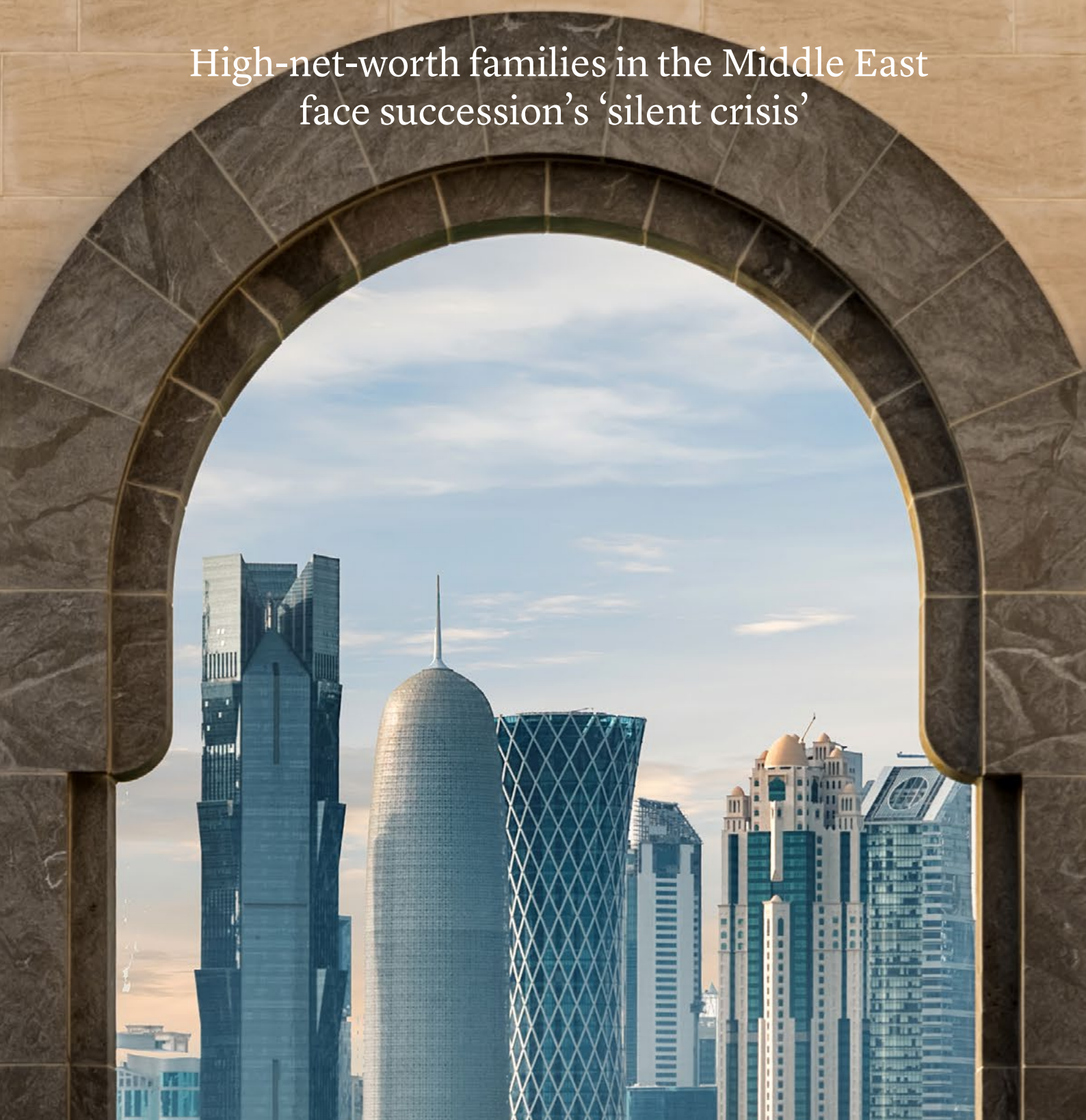




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Key takeaways

- ▶ Across the Middle East, succession planning is being delayed, putting wealth and family legacies at risk.
- ▶ In many cases, the delay is a conscious choice to prevent conflict between the younger and older generations.
- ▶ The generational divide is real, but conflict can be resolved or avoided by taking a practical approach to succession planning and family governance.
- ▶ Technological progress, combined with the rise of women leaders, is set to drive the dynamism of the Middle East's wealth and family business landscape.
- ▶ Private wealth in the Middle East is becoming more professional, with well-prepared individuals often excelling across all areas of wealth planning.
- ▶ The wealth management industry must adapt to meet the evolving needs of clients who put greater emphasis on digital innovation, shared values and 'soft skills'.

Rethinking succession

The Middle East is the fourth largest wealth hub in the world.¹ Dynamic and increasingly outward-looking, the region is growing in confidence on the world stage and seeing major quality-of-life gains for its citizens.

Much of this is a story of family businesses and burgeoning private wealth. Government investment and entrepreneurialism have transformed the Middle East's wealth landscape, with family businesses at its heart. A cornerstone of the Middle Eastern economy, family businesses account for over three-quarters of the private sector workforce² and are deeply intertwined with the region's culture, values and aspirations.

That's why succession planning is critical – whether for family-owned businesses or independently held wealth. It is essential not only for long-term business success and preserving family legacies, but also for supporting the region's economic resilience.

At Lombard Odier, we are committed to building long-lasting and deep-rooted client partnerships. This is the case in the Middle East, where we have been present in the UAE since 2007, building on more than half a century of serving clients across the region. Our recent Euromoney award for Best Pureplay Private Bank in the Middle East is a testament to this. Across locations, our team has a wealth of experience in meeting the needs of local and expat high-net-worth (HNW) and ultra-high-net-worth (UHNW) families, bringing a deep understanding of the region and its connections to the rest of the world.

The 'great wealth transfer' – in which USD 1 trillion is expected to be passed to the next generation (Next Gen) by 2030 – is underway. As this vast sum changes hands, are HNW and UHNW families properly prepared for the succession and family governance issues that can arise? Are the Next Gen ready to take on this new responsibility? And how will this be affected by the growing role of women in family businesses and managing wealth?

In this guide we share the results of our detailed survey of HNWIs (high-net-worth individuals) living in the Middle East. Though the private wealth sector is buoyant today, our findings suggest the potential for trouble ahead. We believe that a crisis of silence has arisen around the topic of succession planning and family governance – with just 18% of respondents reporting that they have a comprehensive succession plan in place – and that intergenerational differences could destabilise family businesses and legacies, with potential implications for the wider economy. It is essential that families begin succession discussions today, not only to safeguard legacies, but also to unlock new opportunities for resilience and growth.



Ali Janoudi

Limited Partner

Head of New Markets at Lombard Odier

¹ 6621189cae393f0860258476_TWMI Middle East WealthTech Landscape Report 2023.pdf

² <https://www.pwc.com/m1/en/publications/documents/family-business-survey-2019.pdf>

Surveying a fast-evolving landscape

Since the 1970s, the private wealth landscape in the Middle East has been transformed. Once dominated by a handful of leading HNWI families, the region now boasts a rapidly expanding community of successful family businesses, investment offices, and high-net-worth expatriates.

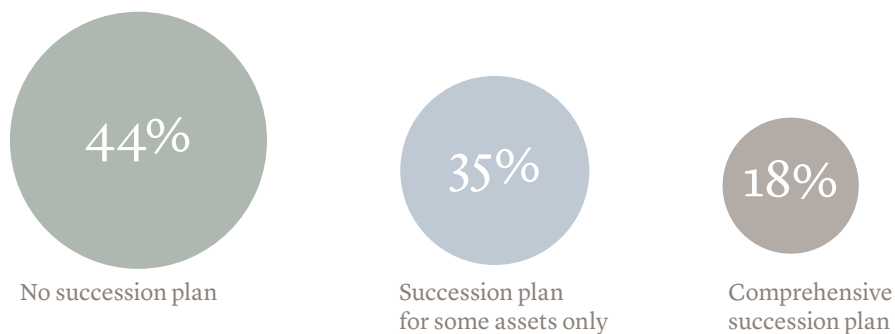
The Kingdom of Saudi Arabia (KSA) alone is home to almost 60,000 HNWI and UHNWIs, a number that is forecast to more than triple by 2027.³ Across the Middle East more broadly, the number of HNWI rose by 50% between 2016 and 2023.⁴

As the landscape evolves, it is essential that the wealth management industry adapts. That's why, in 2025, we conducted an in-depth survey of HNWI in the KSA, the UAE, Qatar, Kuwait and Bahrain, so we can ensure we remain ideally placed to serve families and individuals across the region.

³ <https://gulfnews.com/business/markets/saudi-arabia-expects-a-surge-in-millionaires-1.1706795730827?>

⁴ https://www.capgemini.com/wp-content/uploads/2024/05/WWR_2024_web.pdf

► **Despite the critical importance of wealth transfer, fewer than 1 in 5 HNWI in the region have a comprehensive succession plan in place**



Source: Lombard Odier

Methodology



Sample

300 HNWI's across the Middle East



Age



68%

of respondents are between
25 and 44 years of age



32%

of respondents are
above 45 years of age



Regions







Part 1

Succession: a silent crisis?

With the great wealth transfer gathering pace, Part 1 of our survey focusses on succession planning and family governance – across both family businesses and independently held wealth.

Our findings uncover a tendency towards silence and delay – with potentially far-reaching implications.

Generational frictions

The rapid rise of Middle Eastern private wealth has brought a unique challenge. With much of this wealth created in just the last 50 years, many families are now grappling with their first ever significant intergenerational wealth transfer.

While many families recognise the importance of succession planning, almost half continue to postpone it.

Strikingly, our survey suggests this is not due to lack of opportunity, but to family divisions and, in particular, intergenerational friction.

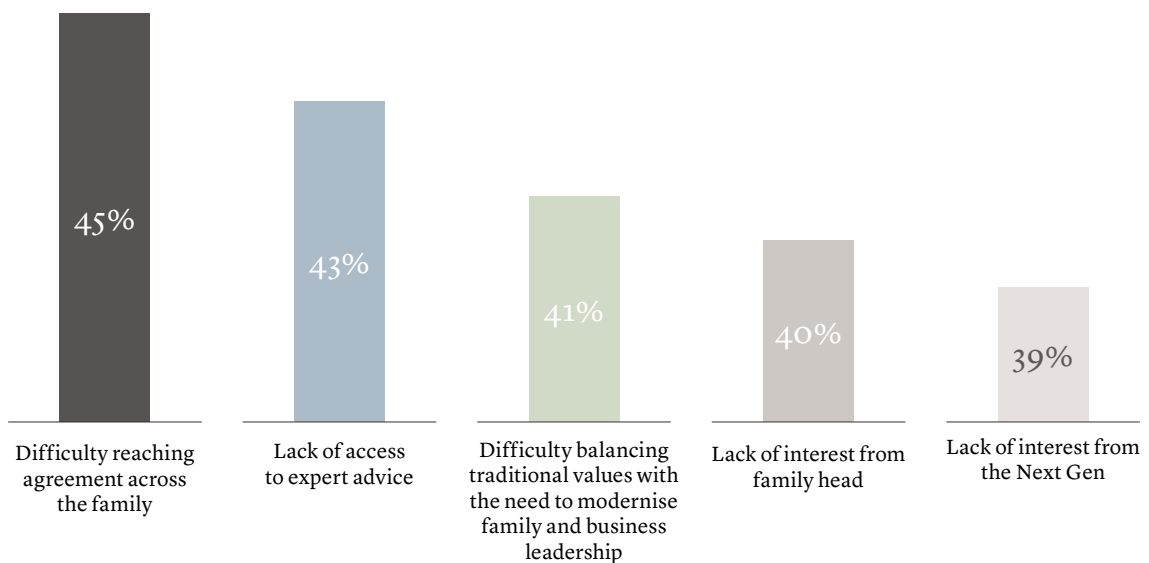
Among those who have taken steps to prepare succession plans, nearly a quarter say that family sensitivities and diverging views have made it impossible to reach agreement.

Instead of searching for ways to bridge the gap, too many families are delaying taking action.

At Lombard Odier, we believe it is advisable to begin succession planning sooner rather than later.

For families that are yet to tackle these topics: it's time to talk.

► **The most commonly cited challenges to reaching consensus relate to intergenerational tensions and family dynamics:**



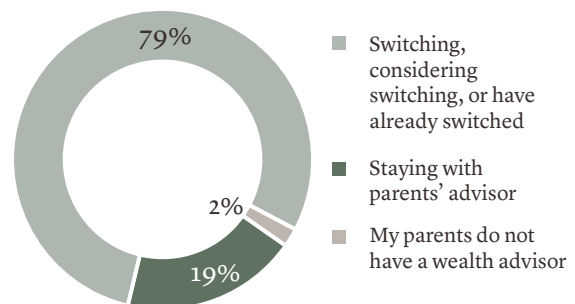
Source: Lombard Odier

The majority of Next Gen respondents say they plan to take a different investment approach to their parents

The generational divide is also seen in attitudes towards investing – fewer than one in five Next Gen respondents say they plan to retain their parents' wealth advisors.

In a region where conservatism and stability are highly valued, the next generation appear to be breaking with tradition, seeking a new approach to investing and managing family wealth.

Will you keep your parents' wealth advisor?



Source: Lombard Odier



Family governance: the exception, not the norm

Where succession planning lays out the organising and transferring of assets from one generation to the next, family governance formalises the day-to-day communication and decision-making around shared family assets or projects. In the Middle East, where family businesses are the cornerstone of the region's economy, family governance is of vital importance.

Yet here we found a familiar story.

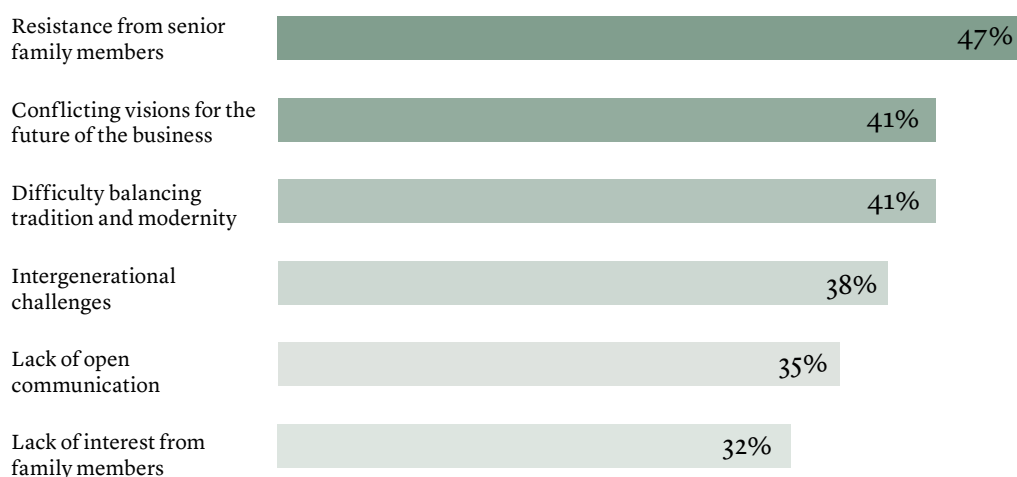
Less than 15% of family businesses have a formal governance structure in place, with family differences and intergenerational frictions cited as the chief obstacles.

Despite this, a strong majority of senior HNWIs say they have confidence in the Next Gen to lead and grow the family business. Next Gen respondents are similarly confident in their own ability to take the reins.

Is this confidence based on concrete succession plans? Or, as silence pervades the transition question, is it based simply on the hope that all will be well?

Without open communication and precise planning, business and wealth transitions too often become a source of conflict, family division, and financial disintegration.

► Top six challenges to creating a family governance structure stem from family frictions, especially between generations



Source: Lombard Odier

Passing the torch with confidence:
Senior and Next Gen see eye-to-eye on leadership

96%

of the older generation are very or somewhat
confident of the Next Gen's ability to lead
and grow the family business

93%

of the Next Gen are very or somewhat
confident in their own ability to lead





Let's talk

with Joëlle de Cerjat, Senior Wealth Planner, Middle East

From silence to strategy

Open communication, especially between generations, is essential for maintaining business success over the long term, transitioning wealth successfully, and safeguarding legacies.

Yet, a lack of communication is often a weak point in families and family businesses. From our experience working with HNW and UHNW families, here are some tips for encouraging communication and moving from silence to strategy:

- ▶ **Take practical steps to promote communication:** Schedule regular family meetings to create a structured space for dialogue, where all members are encouraged to participate.
- ▶ **Foster 'psychological safety':** Ensure all voices are heard and valued so that everyone feels confident to share their view in an atmosphere of mutual respect.
- ▶ **Respect differences:** It is common for generations to be divided in terms of their values, interests, and attitude to money, investments and business decisions – this should be acknowledged and appreciated, recognising that each generation brings its own unique strengths.
- ▶ **Search for points of agreement:** While respecting differences, focus on common ground to aid mutual decision-making.
- ▶ **Build the foundation:** Dedicate time to sharing the family's 'story' with all members, including the history of the family business, family investments, or shared projects.
- ▶ **Set unifying goals:** Develop a shared vision of the wealth or business that unites senior members with the next generation, while honouring individuality, the family's history, and expectations that may differ across generations.
- ▶ **Seek expert help:** Fostering open communication should be seen as a practical challenge like any other. Consider engaging a mediator or family counsellor to help tackle sensitive topics, and financial advisors or estate planners to ensure all angles are covered.
- ▶ **Create learning opportunities:** Building competence and confidence enhances emotional intelligence, clarifies roles and expectations, encourages broader perspectives, fosters collaborative decision-making, and reduces the risk of resentment or power struggles.





Part 2

A turning point for family businesses and wealth management

The great wealth transfer is unfolding amidst seismic geopolitical shifts and rapid technological change. As the Middle East accelerates its diversification away from oil, digital innovation is poised to reshape the region's business landscape.

In Part 2 we look at the evolution taking place in the private banking sector, and the dynamism that could be unleashed should HNW and UHNW families successfully tackle the succession challenge.

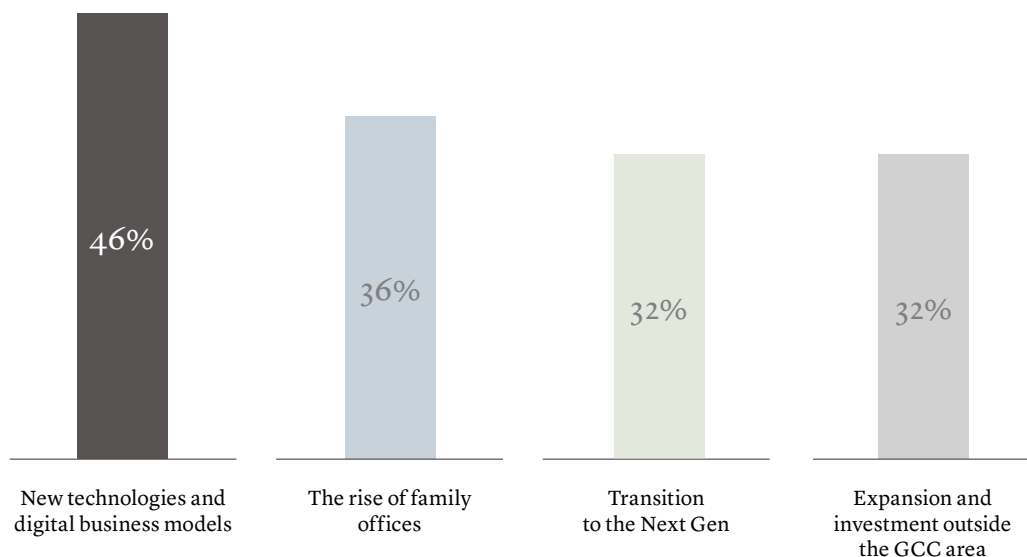
Next Gen shape the future

Private wealth in the Middle East is set for continued strong growth. Government diversification agendas – such as Vision 2030 in Saudi Arabia, which aims to reduce reliance on oil and build a more sustainable, innovation-driven economy, and the UAE's transformation plan focussed on boosting non-oil sectors – have driven investment in real estate, technology, and tourism.

This pattern will continue, with bold policymaking further encouraging innovation, entrepreneurialism, and expanded international trade networks.

An increasingly global outlook, and rapid advances in digital technologies – such as artificial intelligence (AI), e-commerce, and fintech – are changing the Next Gen vision for the future of family businesses and family wealth.

► Which factors will most impact family businesses over the next 5 years?

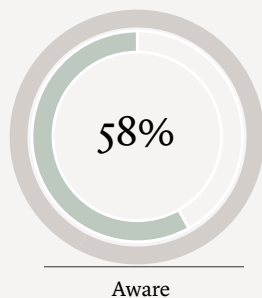


Source: Lombard Odier

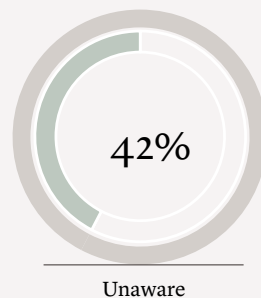
Focus on Saudi Vision 2030

Many of our respondents are aware of Vision 2030 and view it as a driver of diversification and growth, though four in ten are unclear about its implications for family businesses and the opportunities it presents.

Awareness of the impact on family businesses of Vision 2030:



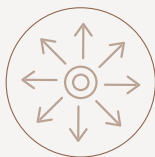
Aware



Unaware

Source: Lombard Odier

What are Vision 2030's biggest opportunities for family businesses?



Diversify into new
sectors and expand
internationally



Adopt innovative
business models,
especially in technology
and tourism



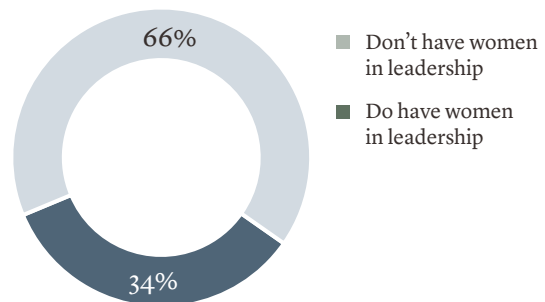
Strengthen local
operations and
partnerships

Strength through diversity

The Next Gen is also set to shake up company management structures. In particular, we believe the trend towards women occupying leadership roles in family businesses will continue to grow, with respondents strongly identifying the benefits of diversifying company leadership.

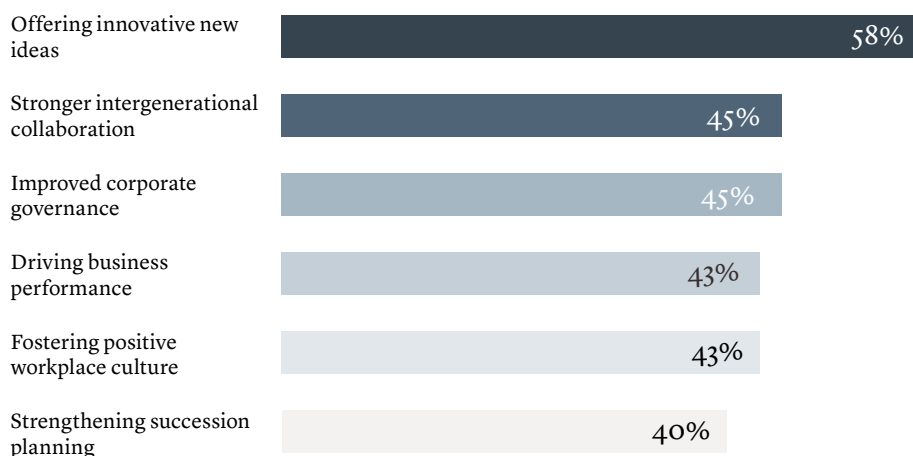
As the Next Gen take the helm, the future for the Middle East's family businesses will be dynamic, digital, and increasingly diverse.

► How many family businesses have women in leadership roles?



Source: Lombard Odier

► Perceived benefits of women occupying leadership roles



Source: Lombard Odier

A wealth management (r)evolution

For the wealth management industry, the great wealth transfer represents an opportunity, but also a risk. As the next generation take on the responsibility of family wealth and family businesses, wealth management in the Middle East must adapt.

Across generations, as more families approach the point of wealth transfer, interest is growing in alternative wealth management services that blend technical expertise with 'soft skills'. Succession and inheritance planning top the list (41% would like advice in this area), followed closely by legal and regulatory matters (40%), and family governance and conflict resolution (39%).

The industry must also be ready to innovate, particularly when it comes to digital services – **44% of Next Gen respondents say they intend to replace their parents' advisor with a digital bank or online wealth management platform.**

Wealth managers increasingly need to align with their clients' values and offer broad, multidisciplinary expertise – including in areas where soft skills and an understanding of family dynamics are essential. They must also demonstrate to a new cohort of HNWI's and UHNWI's – often sceptical of traditional models – how a tailored, relationship-based approach can deliver meaningful and lasting value.

At Lombard Odier, our client-first approach means we are ideally-positioned to assist in these areas of growing interest – whether through our LO Patrimonia wealth planning specialists, our tailored solutions, or our award-winning Chief Investment Office.

Which factors would most influence your choice of wealth manager?

Better alignment with values **35%**

Superior investment performance **31%**

Better access to private markets **31%**

Enhanced digital platforms **30%**

More personalised services **29%**



The rise of family offices

Our survey found that more than half of HNW families say they have a family office, **rising to four in five of those with family businesses**. This notable result reflects the ongoing transformation and maturation of private wealth in the Middle East. Historically focussed on real estate, many HNW and UHNW families are now diversifying into more complex portfolios spanning private equity, technology, healthcare, and global markets – demanding a more sophisticated approach to investment management.

Crucially, we found that different elements of wealth planning interconnect, meaning those families that have tackled one area of planning are better equipped in all aspects of their wealth. **This is particularly true for those with succession plans, who are more likely to also have a family office, a family governance structure, and to understand cross-border tax laws.**

Why families choose to set up a family office

47%	Tax optimisation and legal compliance
44%	Wealth preservation, transparency and succession planning
43%	Centralising the family's wealth
41%	Personalised services
37%	Assistance with non-financial aspects

Demystifying Family Offices

1 What is a family office, and what is its core purpose?

The primary goal of a family office is to preserve and grow family wealth across generations, while aligning with the family's values, goals, and legacy. Each family office is unique, structured and governed by the individual circumstances, needs and objectives of the family it serves.

2 What services are most commonly sought in Middle Eastern – and global – family offices?

As the Middle East wealth landscape evolves, HNW and UHNW families are seeking a broader and more sophisticated range of services that go beyond traditional wealth management:

- ▶ **Investment management:** portfolio allocation and diversification across global markets, private equity, real estate, and venture capital. Some family offices also emphasise Shariah-compliant investments.
- ▶ **Estate and succession planning:** helping to ensure a smooth transition from one generation to the next.
- ▶ **Legal and tax advisory:** navigating domestic and cross-border tax and legal issues.
- ▶ **Next-Generation education and leadership development:** preparing heirs for leadership roles, often focussing on governance training, entrepreneurship, and family values.
- ▶ **Philanthropy:** managing charitable foundations or fulfilling obligations such as Waqf and Zakat.
- ▶ **Impact investing:** aligning investments with social and environmental values.
- ▶ **Lifestyle and concierge services:** covering many aspects of family life, but typically handling real estate, travel, education and healthcare logistics, or providing VIP-level personal services for family members.

3 How does a private bank work alongside a family office?

A private bank can work alongside a family office to empower them with deep expertise, global reach, and institutional-grade infrastructure that family offices may not have in-house. Private banks work hand-in-hand with family offices, acting as an extension of their internal capabilities. Typically, these services include the following:

- ▶ Investment management and advisory
- ▶ Financial research
- ▶ Account and investment consolidation
- ▶ Estate and tax planning*
- ▶ Philanthropy advisory
- ▶ Access to exclusive investment products, such as private equity
- ▶ Digital access

* Lombard Odier does not provide tax advice



Let's talk

with Joëlle de Cerjat, Senior Wealth Planner, Middle East

The practicalities of a successful succession

Private wealth in the Middle East is maturing – marked by growth, diversification and professionalisation. Yet when it comes to preparing for intergenerational transitions, the region is still maturing. For the next generation to realise their potential, succession must be addressed with urgency.

A successful succession involves far more than simply passing the baton. It should reflect a genuine partnership between the generations, with each having the right to speak and a vital role to play. Open communication is an essential starting point, but there are many other key steps. Here are some tips on tackling the practicalities of a successful succession:

- ▶ **Initiate succession planning well ahead** of time to allow the next generation to prepare thoroughly and to prevent last-minute crises.
- ▶ **Create a clear roadmap** that outlines succession timelines and roles and responsibilities for all stakeholders.
- ▶ **Formalise the succession process**, e.g. through legal instruments, such as wills, shareholder agreements, letters of wishes, executor appointments, etc.
- ▶ **Invest in the education and training** of Next Gen family members. For family businesses this means bringing the Next Gen into the business early to provide hands-on experience, and ensure they acquire technical and leadership skills. For privately managed family wealth this means introducing the Next Gen to the world of wealth management, perhaps by including them in meetings with advisors or creating shared investment or philanthropy projects.
- ▶ For family businesses, **develop a written plan** that precisely details the transfer of ownership, management roles, and decision-making authority.
- ▶ Where no family member is prepared to take over, **consider bringing in outside leadership so as to have the best fit for the role**. For family businesses this may mean appointing an external CEO. For family wealth this may mean hiring an investment advisor or opening a family office run by a third-party expert.
- ▶ **Have a contingency plan**. Develop clear policies for decision-making during emergencies, including appointing designated back-up leadership.
- ▶ **Empower the next generation to innovate**. Whether in a family business or managing family wealth, success over the long term comes through adaptation and innovation, not stasis.

Meeting you where you are: our expertise in the Middle East and beyond

At Lombard Odier, wealth management is our core mission. For more than 225 years, across eight generations, we have had a single aim – to preserve and grow our clients' wealth for the long term, generation after generation.

We have been serving investors in the Middle East for more than half a century. We have a physical presence in the UAE – via our local office in Dubai – and a dedicated Middle East team that serves the entire region, with experts based in Geneva and Zurich.



Recognitions and Awards

- **2025** – named 'Best Pure-Play Private Bank in the Middle East' at the Euromoney Awards for the second consecutive year, and 'World's Best for Succession Planning' for the first time.
- **2021** – collaborated with SEDCO Capital, a renowned asset manager in the Middle East, in order to expand our Shariah-compliant investment offering.
- **2019** – won our first Islamic finance award and have since been awarded 'Best Shariah-Compliant Wealth Management Offering' for the sixth consecutive year by the WealthBriefing MENA Awards for Excellence.
- **2018** – our discretionary portfolio investment mandate certified 'Shariah-compliant' by the Shariah Supervisory Board of Amanie Advisors.

We know your values are paramount. That's why we are committed to providing tailor-made solutions to help build wealth for you and your family, and to leave a legacy that matches your outlook. When it comes to succession planning and family services, where needed we are able to collaborate with your external advisors to ensure a holistic approach, so that you can be confident all bases are covered. We have deep experience of finding a way through intergenerational or other tensions to find lasting solutions,

engaging all stakeholders to ensure the family's legacy is preserved through a unifying purpose.

We are an international bank, with a local presence and a network of offices around the globe. However your assets are spread, and wherever in the world your family members may live, we can help you optimise your wealth management and investment strategy for the long term.

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