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ABOUT THIS SURVEY

The GCC Wealth Insight Report 2017 is based on a survey of 100 High Net Worth Individuals (HNWIs) across the Gulf Cooperation Council (GCC), which comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE). For the purposes of this study, HNWIs are defined as individuals with US$2 million or more in investable assets.

This is the fourth edition of the GCC Wealth Insight Report, which has been released annually since 2014. The study is sponsored by Emirates Investment Bank (EIBank), an independent private bank based in the UAE. EIBank chose Ipsos and Brunswick Insight to conduct this study on its behalf in order to ensure the accuracy of the findings and independence of the analysis.

All data and findings are sourced from Brunswick Insight and Ipsos.
FOREWORD
FROM THE CEO

Khaled Sifri
Chief Executive Officer
Emirates Investment Bank

Emirates Investment Bank has a diverse range of high net worth individual (HNWI) clients from across the Gulf Cooperation Council (GCC) and around the world, which provides us with a unique perspective on investor sentiment and capital allocation trends.

As part of our commitment to understanding the regions HNWIs, Emirates Investment Bank, for the fourth consecutive year, has commissioned an independent survey which provides valuable insights on the regional and global economy, as seen through the eyes of the GCC’s wealthy.

These are unpredictable times. So, on the surface, it may seem somewhat unfair to ask our survey participants to provide their views on how they expect the economy to perform over the months and years ahead. Nonetheless, we needed to ask them because investor confidence and sentiment are key indicators of the direction of an economy, indicators that are even more meaningful when that group is selected from the HNWI community.

2016 was marked by heightened volatility in markets around the world - it seems the outcomes of presidential elections and referendums are no longer foregone conclusions. Regionally, despite governments implementing structural reforms and steady gains in the price of oil, liquidity remained relatively tight.

It is, therefore, no surprise that this year’s GCC Wealth Insight Report shows that investors are expecting a flat or, possibly, declining economic performance in 2017 – both at a regional and international level.

In terms of allocation, we see a declining appetite for illiquid assets such as real estate and a rotation into cash. Longer-term, however, prospects look brighter, indicating that HNWIs see this as being a cyclical rather than structural downturn.

New for this year’s Report, we asked participants for their views on women in business in the Gulf region. I am pleased to see strong support for increasing the participation of women in senior management and board positions. In fact, six in ten HNWIs support introducing quotas to have more women on the boards of public companies. This really shows how the regional economy is maturing and pursuing greater inclusion and diversification, which can only be a good thing for the development of the economy.

Emirates Investment Bank has helped its clients navigate through a number of business cycles. At the core of our advice to clients has always been the importance of investment diversification when it comes to long-term sustainable growth. If the world has learned anything from 2016, it is that nothing is certain and an investor must always price in all possibilities.
Pessimism about the current economic situation but cautious optimism about the future among HNWIs

The GCC Wealth Insight Report 2017 is the fourth edition of our research into the views of High Net Worth Individuals across the GCC. The Report outlines HNWIs' views on the local and global economies as well as the main elements that drive their investment decisions. The current survey was conducted between September and December 2016, with the majority of interviews completed before the US presidential election and the fall of Eastern Aleppo in Syria.

2016 was marked by a series of unexpected events - from Britain’s decision to leave the European Union, to the election of Donald Trump as President of the United States, to banknote demonetisation in India. After each event, markets around the world reacted immediately but, often, rebounded relatively quickly. The heightened levels of volatility added concerns to subdued global economic growth, with GCC economies continuing to be weighed down by the relatively low price of oil.

These factors and others have had an impact on this year’s findings. This year’s survey shows that investors are braced for worsening conditions, or at best, more of the same in 2017. However, there is cautious optimism looking to the next 3-5 years, with the majority of HNWIs optimistic for the global and the Gulf economy. Views on the outlook for the global economy are more positive than those for the Gulf region, as perceptions of the latter are influenced by conflicts in the Arab World.

There appears to be a “hold steady” attitude among HNWIs who predict continued disruption in 2017 due to oil price movements, political instability, conflicts and a rising threat of terrorism. While still focused on growth, increasing uncertainty has led HNWIs to also concentrate on protecting wealth through more cautious and conservative investment decisions. The survey reveals a continued trend towards more liquid assets such as cash and deposits.

HNWI investment decisions have been, and continue to be, affected by the global and regional economic situation. Around half of HNWIs say that the current economic situation has changed their approach to investing, at both a global and a local level. Local economic conditions have led to a greater fear of losses and increased investments in new and growing sectors as investors look for greater diversification.

HNWIs continue to prefer local investment. The majority say they are keeping investments closer to home, rather than being global investors, due to greater relative confidence in the stability and security of the local economy. There has been an increase year-on-year since 2015 in the proportion of global investors, principally driven by a desire for diversification and risk management.
SURVEY DEMOGRAPHICS

COUNTRY

UAE 26%  SAUDI ARABIA 26%  OMAN 12%  QATAR 12%  KUWAIT 12%  BAHRAIN 12%

GENDER

14% FEMALE  86% MALE

AGE

25-34 12%  35-44 27%  45-54 42%  55+ 19%

SOURCE OF WEALTH

49% SELF MADE  4% INHERITED  47% COMBINATION OF THE TWO

PROFESSION

28% ENTREPRENEUR  31% EXECUTIVE  8% PROFESSIONAL (Lawyer, Doctor, Accountant, Professor etc)  1% RETIRED  32% OTHER
ECONOMIC SENTIMENT

The global economy faced another challenging year in 2016 with sluggish growth and subdued investments. The United Kingdom’s unexpected vote to leave the European Union in June and Donald Trump winning the U.S. presidency in November triggered an increase in investor concerns, counteracted by better-than-expected performance at the start of the year. Lower oil prices have severely affected the GCC region, particularly Saudi Arabia. While oil prices have increased from their low of almost US$30 per barrel in February 2016, the situation has triggered regional structural reforms intended to increase diversification of GCC economies.

We asked respondents for their views on the current economic situation. This year’s findings show that investors are braced for either worsening conditions or more of the same in 2017. Views of HNWIs on the economic situation in their own country vary significantly across the GCC.

HNWIs are braced for either worsening conditions or more of the same in 2017.
Views on the **global economy** are consistent with 2016. However, HNWIs have polarised views on the **regional economy** in 2017.

HNWIs in the GCC remain fairly pessimistic about the current condition of the **global economic situation** in 2017. Almost half (47%) think that the situation is worsening and just 15% say the situation is improving. This is broadly in line with the results of our 2016 survey.

Amongst the 15% of HNWIs who say the **global economic situation** is improving, business growth leading to more investment opportunities (53%), the perception of recovery from previous economic crises (27%) and the stabilisation in stock markets and major currencies (13%) are most often cited as reasons for this view.

Amongst the 38% of HNWIs who think the **global economic situation** is staying the same, the lack of visible change (26%) and drop in oil or commodity prices (24%) are the most commonly cited reasons for this view. In relation to 2016, more respondents now cite strengthening European and Western trade (18%, vs. 10% in 2016).

Amongst the 47% of HNWIs who say the **global economic situation** is worsening, political instability, conflict and threat of terrorism (72%) are the most commonly cited reason for this, as it was in 2016 (53%).

### Global Economic Situation

<table>
<thead>
<tr>
<th>Year</th>
<th>Improving</th>
<th>Staying the same</th>
<th>Worsening</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>15%</td>
<td>38%</td>
<td>47%</td>
</tr>
<tr>
<td>2016</td>
<td>14%</td>
<td>39%</td>
<td>47%</td>
</tr>
<tr>
<td>2015</td>
<td>31%</td>
<td>40%</td>
<td>29%</td>
</tr>
<tr>
<td>2014</td>
<td>30%</td>
<td>54%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Regional Economic Situation

<table>
<thead>
<tr>
<th>Year</th>
<th>Improving</th>
<th>Staying the same</th>
<th>Worsening</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>20%</td>
<td>36%</td>
<td>44%</td>
</tr>
<tr>
<td>2016</td>
<td>17%</td>
<td>47%</td>
<td>36%</td>
</tr>
<tr>
<td>2015</td>
<td>9%</td>
<td>36%</td>
<td>55%</td>
</tr>
<tr>
<td>2014</td>
<td>5%</td>
<td>39%</td>
<td>56%</td>
</tr>
</tbody>
</table>
Consistent with 2016, HNWI views on the economic situation in their own country vary across the GCC.

Views are most positive in the UAE and Qatar, and least positive in Kuwait, and Saudi Arabia. HNWIs in Oman are most likely to feel that the economic situation in their country is worsening (75%). This pattern is consistent with 2016.

There has been some improvement in HNWI views in the UAE and Bahrain. But for all other countries, the proportion of HNWIs who say that the economic situation in their country is improving remained the same or declined in relation to 2016.

<table>
<thead>
<tr>
<th>Country</th>
<th>Improving</th>
<th>Staying the same</th>
<th>Worsening</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>69%</td>
<td>31%</td>
<td>0%</td>
</tr>
<tr>
<td>Kuwait</td>
<td>8%</td>
<td>42%</td>
<td>50%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>42%</td>
<td>58%</td>
<td>0%</td>
</tr>
<tr>
<td>Oman</td>
<td>17%</td>
<td>8%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Base: All answering UAE, KSA, Oman, Qatar, Kuwait, Bahrain.
Looking one year into the future, HNWIs indicate a decline in economic pessimism in comparison to 2016.

Four in ten (40%) HNWIs say the global economic situation will be better over the next 12 months, consistent with 2016 (39%). There is a decline in the proportion of HNWIs who think the economic situation will worsen (15%, down from 26% in 2016), and an increase in those who expect the situation to stay the same (45%, up from 35% in 2016).

% who expect the economic situation in one year to be...

<table>
<thead>
<tr>
<th>Year</th>
<th>Improving</th>
<th>Staying the same</th>
<th>Worsening</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>40%</td>
<td>45%</td>
<td>15%</td>
</tr>
<tr>
<td>2016</td>
<td>39%</td>
<td>35%</td>
<td>26%</td>
</tr>
<tr>
<td>2015</td>
<td>52%</td>
<td>8%</td>
<td>36%</td>
</tr>
<tr>
<td>2014</td>
<td>46%</td>
<td>18%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Looking five years into the future, HNWIs have a positive outlook for global economic prospects. However, there is a fall in strength of optimism for the Gulf economy.

Just over three quarters of HNWIs (76%) are optimistic about the economic prospects for the global economy over the next five years, which is consistent with previous years.

Three in four HNWIs (75%) say that they are optimistic about the economic prospects for the region over the next five years – slightly down compared to previous years.

% who say they are...

Economic prospects for the global economy

<table>
<thead>
<tr>
<th>Year</th>
<th>% very / somewhat optimistic</th>
<th>% very / somewhat pessimistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>76%</td>
<td>15%</td>
</tr>
<tr>
<td>2016</td>
<td>77%</td>
<td>24%</td>
</tr>
<tr>
<td>2015</td>
<td>78%</td>
<td>39%</td>
</tr>
<tr>
<td>2014</td>
<td>75%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Economic prospects for the regional economy

<table>
<thead>
<tr>
<th>Year</th>
<th>% very / somewhat optimistic</th>
<th>% very / somewhat pessimistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>75%</td>
<td>20%</td>
</tr>
<tr>
<td>2016</td>
<td>83%</td>
<td>40%</td>
</tr>
<tr>
<td>2015</td>
<td>86%</td>
<td>46%</td>
</tr>
<tr>
<td>2014</td>
<td>87%</td>
<td>56%</td>
</tr>
</tbody>
</table>
Optimism vs Pessimism over the next 5 years: 
**Global Economy**

Market stability, positive economic signs and policy reforms in established economies are creating optimism, whereas continued political instability and terrorism are driving caution.

**Optimism**
- The main reasons volunteered for optimism (76%) in the global economy:
  - 26%: Positive economic signs and stability is most frequently cited as the reason for this view, as was the case in 2016
  - 18%: Government and business policy reform in established economies is also commonly cited (18%, up from 5% in 2016)
  - 11%: Financial markets perceived as cyclical

**Pessimism**
- The main reasons volunteered for pessimism (24%) in the global economy:
  - 67%: Continued political instability and uncertainty is the most commonly cited reason
  - 33%: Threat of terrorism - a new theme for 2017 - is also a frequently cited reason for pessimism
  - 25%: Concerns over the stability of major economies is featured again this year, increasing from 22% in 2016
Optimism vs Pessimism over the next 5 years: Regional Economy

Majority remain optimistic for the Gulf economy due to the effects of oil prices, stable economic growth and new development projects. The negative impact of conflicts in the Arab world is creating the most concern.

**Optimism**
- Effect of the price of oil is the most frequently cited reason (31%) for optimism in the regional economy.
- Strong and stable, growing economies (23%)
- Development and new projects are also cited (20%)

**UAE**

“The level of liquidity in the Gulf, cutting-edge industries in the Gulf, development plans, and having large projects.”

**Pessimism**
- The main reasons volunteered for pessimism (25%) in the regional economy:
  - Negative impact of conflicts in the Arab world is most commonly cited (as was the case in 2016) (72%)
  - Drop in and effect of oil prices (48%)
  - The unstable economic situation for the Gulf region (24%)

**Saudi Arabia**

“Increasing political tension and instability in global oil prices.”
We asked HNWIs to share their views on how the current economic situation and the geopolitical situation in the Arab region have impacted their investment approach and investment decisions. In an increasingly unpredictable and uncertain world, investors are seeking lower risk and showing greater caution in their investment approach.

HNWIs display increased caution in their investment approach and have lower tolerance for risk.
Impact of global and local economic situation on investment decisions

HNWIs evenly split on how both global and local economies have altered their approach to investing

**GLOBAL ECONOMIC SITUATION**

- **50%**
  - Half of HNWIs say the global economic situation has changed their approach to investing and investment decisions.
  - Of those who say their investment decisions have been affected by the global economic situation:
    - **42%** are more cautious about making new investment decisions/looking for less risk
    - **20%** have reduced/stopped global investment activities
    - **16%** have lower gains from current investments

  - **“Spread risks. Spread banking decisions. Avoid banking with one institution, in one region but diversify with several banks in several regions.”**
  - **Bahrain**

  - **“Shrinking our vision of expansion of investments towards more liquidation and cash”**
  - **Kuwait**

**LOCAL ECONOMIC SITUATION**

- **49%**
  - Half of HNWIs say the local economic situation has changed their approach to investing and investment decisions.
  - Of those who say their investment decisions have been affected by the local economic situation:
    - **20%** have increased investment in new/growing sectors
    - **20%** are more cautious when making investment decisions due to fear of losses
    - **18%** have discontinued projects

  - **“We feel now we will get more benefit from investing, so changing our investment plans and thinking of investing more.”**
  - **Oman**

  - **“The hoped-for economic movement in 2020 motivated me to increase the volume of investments.”**
  - **UAE**
**Regional geopolitics** changed the investment decisions of almost half of HNWIs.

45% Yes
55% No

The effect on HNWIs’ investment decisions varies by country.

Those in Kuwait (92%) and Bahrain (58%) are most likely to say that their investment decisions have been affected by regional geopolitics.

Amongst the 45% of HNWIs who say that their investment decisions have been changed by the geopolitical situation in the Arab region, there is a greater sense of caution, with 56% hesitant to make new investments particularly in affected countries in the region (36%).
Other than the regional geopolitical situation, a range of factors and key themes over the past year have affected investment decisions.

Movement in oil prices and regional structural reforms have had material impact on investment decisions.

<table>
<thead>
<tr>
<th>% who say</th>
<th>Movements in the price of oil</th>
<th>Regional structural reforms</th>
<th>Currency fluctuations</th>
<th>Interest rate movements</th>
<th>Performance of stock markets</th>
<th>Brexit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great deal / some</td>
<td>71%</td>
<td>65%</td>
<td>62%</td>
<td>60%</td>
<td>52%</td>
<td>27%</td>
</tr>
<tr>
<td>A great deal</td>
<td>37%</td>
<td>34%</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
<td>10%</td>
</tr>
<tr>
<td>Some</td>
<td>34%</td>
<td>26%</td>
<td>34%</td>
<td>34%</td>
<td>26%</td>
<td>17%</td>
</tr>
<tr>
<td>A little</td>
<td>15%</td>
<td>21%</td>
<td>27%</td>
<td>28%</td>
<td>18%</td>
<td>25%</td>
</tr>
<tr>
<td>Not at all</td>
<td>29%</td>
<td>35%</td>
<td>38%</td>
<td>40%</td>
<td>48%</td>
<td>73%</td>
</tr>
</tbody>
</table>

Base: All answering
Greater market volatility has led to an increase in the proportion of HNWIs allocating their wealth to liquid assets. For this Report, HNWIs were asked about their current stance on investment, both in terms of overall goal (growing or preserving wealth) and in terms of preferred investment categories. The distribution of HNWIs’ wealth is broadly similar to previous years, with their own business featuring highly. While there is a lower appetite overall for increasing investments across all asset classes, real estate seems to be a less attractive prospect for new investments and there is a trend emerging towards more liquid assets such as cash and deposits.

Greater market volatility has led to an increase in HNWIs allocating their wealth to liquid assets.
Investing: Globally vs Locally

Similar to 2016, most investors prefer to keep assets closer to home

- Seven in ten (72%) HNWIs say that they prefer to keep their assets close to home, rather than being a global investor (28%).

For the 28% of HNWIs who are global investors, the most commonly cited reasons for this relate to diversification and risk management (54%). Other reasons include a desire to take advantage of global opportunities (46%), preferring to invest internationally (21%) and the perception that local or regional economies are not secure currently (14%).

Among HNWIs who prefer to keep their assets close to home, almost half (48%) say this is because they are confident that investments in the region are secure, which is consistent with 2016. Other reasons cited include familiarity with the risks and regulations (27%), a preference for keeping interests close to home (27%) and the ability to easily oversee investments (21%).
Global Investors – Preferred Regions

Similar to 2016, Europe and North America are the favoured regions currently

Amongst global investors, preferences have shifted away from the Middle East (excluding GCC countries) both now and in 3-5 years’ time. Europe is most frequently cited (50%) in terms of preferred region beyond the GCC, followed by North America and Asia. Looking ahead to the next 3-5 years, Asia is now most often cited.

Spain: “The presence of real estate investment opportunities at competitive prices.”

US: “Quick return on investment and country safety.”

Kuwait

Bahrain

Turkey: “Prices are much lower there than any other country.”

Qatar

Saudi Arabia

China: “Because it is the cheapest country [for] making goods and because of suitable prices.”

Base: All those who say they are global investors.
Current allocation of wealth

The distribution of HNWIs’ wealth is broadly similar to previous years, with wealth most likely to be allocated to their own business (34%). However, there does appear to be a continued, though gradual, shift this year since 2015 towards HNWIs having a greater share of their wealth in cash/deposits and away from real estate as an investment.

<table>
<thead>
<tr>
<th>Allocation</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>My own business</td>
<td>20%</td>
<td>25%</td>
<td>25%</td>
<td>27%</td>
</tr>
<tr>
<td>Cash / deposits</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
<td>25%</td>
</tr>
<tr>
<td>Real estate (as an investment)</td>
<td>30%</td>
<td>29%</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>Direct investment or private equity</td>
<td>8%</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Stocks</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Gold / precious metals</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Bonds</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Base: All answering
Allocation of excess wealth

Preferences for new investments shift away from real estate

- HNWIs are most likely to say that they would invest excess wealth in their own business (32%).
- However, as we see with current allocation of wealth, there is a slight shift in relation to previous years, with HNWIs suggesting they would invest less of their wealth in real estate.

Average distribution of excess wealth (%)

- My own business
- Real estate (as an investment)
- Cash / deposits
- Gold / precious metals
- Stocks
- Bonds
- Direct investment or private equity
- Other

Future allocation of wealth

HNWIs intend to invest in cash/deposits and their own businesses in the near future

- Half of HNWIs say that they plan to increase their investment in cash deposits (51%) and their own business (50%) in the near future, while four in ten (41%) intend to increase their investment in real estate.
- Approximately a quarter of HNWIs say they plan to increase the share of their wealth in direct investment/private equity (28%) and gold/precious metals (28%).

% who say...

- Cash / deposits
- Gold / precious metals
- My own business
- Stocks
- Real estate (as an investment)
- Bonds
- Direct investment or private equity
- Other

Base: All answering
Future allocation of wealth – year on year change

HNWIs’ planned wealth allocation shows a declining appetite for increasing investments across all assets in the near future compared to previous years.

In relation to 2016, a notably lower proportion of HNWIs intend to increase investment in direct investment/private equity and gold/precious metals.

% who say they plan to increase investment in

Cash / deposits
My own business
Real estate (as an investment)
Direct investment or private equity
Gold / precious metals
Stocks
Other

Accumulation vs Preservation

Majority remain focused on growing their wealth. However, there has been a marginal increase in HNWIs looking to preserve wealth.

Eight in ten (80%) HNWIs say that they are focused on growing their wealth, rather than preserving it, which is broadly consistent with previous years.

% who say...

Amongst the 80% of HNWIs who are focused on growing their wealth, the main reasons are:
- 33% to provide reassurance and security for themselves and their family
- 28% to fulfil personal ambitions
- 25% due to economic and political instability

Amongst the 20% of HNWIs who are focused on preserving their wealth, the main reasons are:
- 60% to maintain the wealth that has been worked for
Estate planning and wealth transfer

Estate planning has not been formalised for four in ten HNWIs. However, the majority without a current plan intend to make one in the near future.

- Four in ten HNWIs’ expect their assets to be distributed after death according to the law (40%).
- Three in ten have not yet thought about estate planning for their assets (31%).
- Just two in ten currently have a clear documented transfer plan in place (20%).
- One in ten have considered it but have not documented a plan (9%).

Of the 20% of HNWIs who have a clear documented transfer plan in place, almost half (45%) say they review and update their plan annually.

Of those HNWIs who do not have a clear documented transfer plan, almost three quarters (73%) say it is likely they will make one in the near future.

How often do they review and update their plan

% who say

- 15% less than 5 years
- 5% Never
- 45% Annually
- 15% Every 3-5 years
- 20% Every 1-2 years

Likelihood of planning for estate in the near future

% who say

- 13% Somewhat unlikely
- 15% Very unlikely
- 25% Very likely
- 48% Somewhat likely

Base: All who have a plan

Base: All those who do not have a plan but do not expect to distribute according to the law

Shariah compliant investments

- Eight in ten HNWIs (80%) say that it is important that their investments are Shariah compliant (up from 71% in 2016), including 62% who rate this as ‘very’ important.

% who say important / not important

Base: All answering
DIVERSITY & CHARITABLE CAUSES

Investment decisions are often influenced not only by financial factors but also by social and political attitudes. With the ubiquitous nature of social media, conversations about many societal issues are happening quickly and continuously at all levels.

With this in mind, HNWIs were asked about their attitudes towards diversity and the presence of women leaders in the GCC region, as well as their support of charitable organisations. The findings reveal broad support for increasing participation of women at senior levels of business and government in the GCC region. In addition, most HNWIs allocate at least some of their wealth to charitable giving and a majority plan to increase charitable giving in 2017.

Majority of HNWIs plan to increase charitable giving in 2017.
Increase in the proportion of wealth allocated to charitable giving

Nine in ten HNWIs (90%) say that they allocate at least some of their wealth to charitable giving, which is consistent with previous years.

Amongst those who do give to charity, the majority (69%) allocate between 1-10% of their wealth, with 31% giving more than 10% of their wealth, up from 12% in 2016.

While order of preference changes, the same three charitable causes top the list in 2017 and 2016. In 2017, humanitarian causes are the most common recipient of charitable giving (63%), followed by religious causes (51%) and healthcare (48%).

Compared to 2016, there has been an increase in the proportion of HNWIs who donate to religious causes (up to 51% from 36%).
Future allocation of wealth to charity

Majority plan to increase their charitable giving in the near future

64% 16%

Almost two in three HNWIs plan to increase their charitable giving in the near future

While 16% plan on donating the same amount, and 20% say they will reduce the amount of money they donate

% who say

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase</th>
<th>Keep the same</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>64%</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>2016</td>
<td>68%</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>2015</td>
<td>60%</td>
<td>40%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Women in leadership in the GCC region

Broad support for increasing the number of women in senior management and board-level positions.

Of the HNWIs interviewed

- Support increasing participation of women in senior management positions: 77%
- Support encouraging women to move into board-level positions: 73%
- Support introducing quotas to have more women on the boards of public companies: 59%

Base: All answering
SELECTING A BANKING PARTNER

We asked HNWIs for their views on selecting a banking partner and on which criteria are most important to them. HNWIs have high expectations when selecting a banking partner and many (78%) use more than one bank to help manage their wealth. Relationships with financial partners tend to last for decades and prompt careful consideration of numerous factors. Consistent with previous years, we see that the reputation of a bank and quality of service remain the most important considerations for HNWIs.

We also asked HNWIs about other aspects of their banking preferences. As has been the case since the inaugural survey, most HNWIs still prefer using local banks (rather than international ones). A majority say they prefer a private bank that offers day-to-day banking services in addition to wealth management, rather than a private bank that provides exclusive wealth management services or a universal bank to help manage their wealth.

Reputation of a bank and quality of service remain the most important considerations for HNWIs.
Choosing a banking partner for wealth management

Reputation and service consistently rated as most important

<table>
<thead>
<tr>
<th>Criteria</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation of the bank</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>Customer service</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>High standard</td>
<td>16%</td>
<td>27%</td>
</tr>
<tr>
<td>Geographical presence</td>
<td>10%</td>
<td>19%</td>
</tr>
<tr>
<td>Facilities offered</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td>Financial position</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>Offer good rates</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Track record/ experience</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Financial performance</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Islamic transactions / Shariah compliant</td>
<td>14%</td>
<td>6%</td>
</tr>
<tr>
<td>Easy access to bank</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Transparency / trustworthy</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>Reliable</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Local presence and activities</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Meeting and understanding my financial needs</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Criteria for selecting a local banking partner

Bank reputation, brand and service are rated as key factors

<table>
<thead>
<tr>
<th>Criteria</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank reputation and brand</td>
<td>94%</td>
<td>3%</td>
</tr>
<tr>
<td>Level of service</td>
<td>86%</td>
<td>9%</td>
</tr>
<tr>
<td>Digital / online banking capabilities</td>
<td>71%</td>
<td>21%</td>
</tr>
<tr>
<td>Fees and pricing</td>
<td>67%</td>
<td>23%</td>
</tr>
<tr>
<td>Investment expertise and global access</td>
<td>69%</td>
<td>21%</td>
</tr>
<tr>
<td>Who the Relationship Manager is</td>
<td>61%</td>
<td>26%</td>
</tr>
<tr>
<td>Access to accounts on mobile devices</td>
<td>64%</td>
<td>22%</td>
</tr>
<tr>
<td>Financial education and planning tools</td>
<td>51%</td>
<td>31%</td>
</tr>
<tr>
<td>Shariah compliant investments</td>
<td>59%</td>
<td>18%</td>
</tr>
<tr>
<td>Estate planning and wealth transfer tools</td>
<td>39%</td>
<td>14%</td>
</tr>
<tr>
<td>Who the shareholders or board members are</td>
<td>34%</td>
<td>21%</td>
</tr>
<tr>
<td>Family &amp; friends recommendation</td>
<td>34%</td>
<td>28%</td>
</tr>
<tr>
<td>Engages in a range of CSR activities</td>
<td>32%</td>
<td>27%</td>
</tr>
</tbody>
</table>

% who say

- Very important
- Somewhat important
- Somewhat unimportant
- Very important

Bank reputation and brand are important

- 97% say the bank’s reputation and brand are important

Level of service is important

- 95% say the level of service is important
Local vs International banking partner

Consistent with previous years, the majority of HNWIs (79%) say that they prefer a local bank to an international bank to help manage their wealth. This represents an increase in relation to 2016, when 60% expressed a preference for local banks.

For the 79% of HNWIs who prefer using a local bank, ease of access and more security are driving factors. These reasons closely mirror those cited in 2016.

The main reason for preferring a local bank

- 54% Easy access / closer to home
- 24% More secure / safe
- 22% Islamic banking services

% who say

<table>
<thead>
<tr>
<th>Year</th>
<th>Local bank</th>
<th>International bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>2016</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>2015</td>
<td>80%</td>
<td>20%</td>
</tr>
</tbody>
</table>
For the 21% of HNWIs who prefer using an international bank to manage their wealth, the most commonly cited reason for this is depth of knowledge, expertise and experience (62%)

The main reason for preferring an international bank

62%
Depth of knowledge / expertise/experience

48%
Global presence / convenience

24%
Offer better services

Preference of wealth management services provider

Majority prefer a private bank offering day-to-day banking services in addition to wealth management

% Who say they prefer

Private bank offering day-to-day banking services in addition to wealth management 62%
Universal bank with day-to-day banking and corporate banking services 23%
Private bank exclusively providing wealth management services 15%

Reasons for preferring a private bank offering day-to-day services

For the 62% of HNWIs who prefer using a private bank offering day-to-day banking services in addition to wealth management:

65%
Say it is easier/more practical to use one bank for all aspects of banking
31%
Feel they receive good services, offerings and/or benefits
13%
Feel they receive better customer service
Interest in investment banking advisory services

Nearly seven in ten HNWIs (69%) say that they would be interested in a bank that offers investment banking advisory services, with 28% saying they would be ‘very’ interested. This is lower than stated interest in previous years (84% 2016, 75% 2015, and 84% 2014).

<table>
<thead>
<tr>
<th>Year</th>
<th>Interested</th>
<th>Not interested</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>2016</td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>2015</td>
<td>75%</td>
<td>26%</td>
</tr>
<tr>
<td>2014</td>
<td>84%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Reasons for preferring a universal bank offering day-to-day and corporate banking services

For the 23% of HNWIs who prefer using a universal bank with day-to-day banking and corporate banking services:

- 65% Say it is easier/more practical to use one bank for all aspects of banking
- 26% Say that they understand / provide for their needs
- 13% Feel they receive better customer service

Reasons for preferring a private bank offering wealth management services exclusively

For the 15% of HNWIs who prefer using a private bank exclusively providing wealth management services (no day-to-day banking):

- 53% Superior capabilities and expertise
- 40% Facilities - quality and ease of transactions
- 33% More specialised
Importance of the banking relationship

Majority have used a banker to make decisions on their behalf

% who say they rely on their banker to make investment decisions on their behalf

<table>
<thead>
<tr>
<th>Year</th>
<th>Always</th>
<th>Sometimes</th>
<th>Rarely</th>
<th>Never</th>
<th>Always / Sometimes</th>
<th>Always / Sometimes / Rarely</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>15%</td>
<td>32%</td>
<td>25%</td>
<td>28%</td>
<td>47%</td>
<td>72%</td>
</tr>
<tr>
<td>2016</td>
<td>11%</td>
<td>41%</td>
<td>31%</td>
<td>17%</td>
<td>52%</td>
<td>83%</td>
</tr>
<tr>
<td>2015</td>
<td>17%</td>
<td>36%</td>
<td>19%</td>
<td>28%</td>
<td>53%</td>
<td>72%</td>
</tr>
<tr>
<td>2014</td>
<td>11%</td>
<td>51%</td>
<td>23%</td>
<td>15%</td>
<td>62%</td>
<td>85%</td>
</tr>
</tbody>
</table>

Base: All answering
ABOUT EMIRATES INVESTMENT BANK

At Emirates Investment Bank, we provide our clients with a complete private banking experience, supporting them through every stage of their wealth journey. Our clients can depend on us to offer them bespoke solutions across all markets and a range of services, from Asset Management and Wealth Planning, to Investment Banking, to day-to-day banking.

Our flexible and personal approach enables us to proactively offer our clients innovative advice and cutting-edge services, tailored specifically for them in-house or sourced from all over the world, thereby helping them achieve their short- and long-term goals.

Emirates Investment Bank is independent and well-capitalised, with a strong, supportive shareholder base of prominent UAE business families. Having a global outlook, we apply the highest regulatory standards, aligned with internationally recognised best governance practices.
In total, 100 HNWIs were included in the GCC Wealth Insight Survey this year from the Kingdom of Saudi Arabia (n=26), the United Arab Emirates (n=26), Bahrain (n=12), Oman (n=12), Qatar (n=12), and Kuwait (n=12). Interviews were held in each country, and conducted face-to-face in Arabic or English among the national population as well as expatriates. Participants were asked for their views on a variety of topics linked to financial issues and investing, including:

- The current and future economic situation globally and in the Gulf region
- Allocation of assets – currently and in the short term future
- Selection of banking partner for managing wealth
- New in 2017: Views on estate planning
- New in 2017: Attitudes towards women in business in the Gulf region

The fieldwork took place throughout the GCC between September and December 2016. For this survey, Ipsos undertook the role of conducting face-to-face interviews and data collection. Brunswick Insight then led the data analysis and presented the conclusion of findings.

Note: Where responses do not add up to 100% this may be due to multiple responses, computer rounding or exclusion of “don’t know” responses.

Partner Profiles

Ipsos is a leading market research company operating globally with expertise in developing, managing and co-ordinating international research. Ipsos Observer is a division of Ipsos which specialises in field and tab projects and delivers high quality fieldwork, data delivery and omnibus research in the Middle East and internationally. Ipsos strictly adheres to the ESOMAR code on market and social research, which sets out global self-regulation codes for market research companies.

Brunswick Insight is the practice within Brunswick Group, a leading global advisory firm, which focuses on using opinion research to help clients better understand their relationships with stakeholders and communicate more effectively. Brunswick Insight use a range of qualitative and quantitative research techniques to help companies and organisations develop more effective communications strategies.