

# ADGM TIMES

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Monthly Newsletter

ADGM NEWS

## ADGM CONTINUES RAPID GROWTH WITH 226% RISE IN AUM'S DURING H1



**112 ASSET AND FUND MANAGERS**  
NOW OPERATE IN ADGM, MANAGING 141 FUNDS



WORKFORCE GREW BY OVER **2,500** AT THE END OF H1



ADGM AL REEM ISLAND EXPANSION FUELS A RESIDENTIAL SURGE WITH THE ISLAND'S OCCUPANCY RATE REACHING MORE THAN **92%**



THE NUMBER OF NEW LICENCES GREW BY **20.5%** COMPARED TO H1 2023



► The momentum of ADGM bolsters the financial sector's contribution to Abu Dhabi's non-oil economy, which grew to **9.7%** in Q1 2024. ADGM is increasingly becoming a global magnet for asset management firms, outstanding talent, and investments, and is a cornerstone in cementing Abu Dhabi's position as the 'Capital of Capital'

“ADGM's contribution to Abu Dhabi's stature as a global financial powerhouse and its sustainable economic growth will continue to capitalise on opportunities that will further elevate Abu Dhabi's Falcon Economy”

► **H.E. Ahmed Jasim Al Zaabi**  
Chairman of ADGM

### Surge in Operational Entities and New Licences Reflect Strong Growth

One of the factors that has supported ADGM's strong growth in H1 is the significant increase in operational entities, which have risen to 2,088, including 231 financial services entities – a 31% increase in operational entities compared to H1 2023. This growth is also complemented by the number of Financial Services

Permissions (FSP) granted in the first six months, equivalent to 42 – a growth of over 90% compared to the June 2023 numbers which stood at 22. Moreover, the number of licences issued at the end of June 2024 showcased **1,271** new licences – **20.5%** more licences than a year earlier.

"As a catalyst for Abu Dhabi's financial sector, ADGM's remarkable growth in the first half of 2024 fosters Abu Dhabi's position as a premiere hub and a destination of choice for global, regional and local corporations and financial institutions," said *H.E. Ahmed Jasim Al Zaabi, Chairman of ADGM*. "ADGM's strategies have been aligned with Abu Dhabi's visionary leadership to position the UAE's capital as a leading international financial centre. Through the establishment of a thriving

ecosystem and our pursuit of innovation, excellence, and strategic development, we are proud to have propelled towards the exceptional success of realising the ADGM Growth Strategy 2023-2027 targets, underscoring the accelerated growth of Abu Dhabi's financial industry."

As the fastest-growing financial centre and the only jurisdiction with the direct application of the English Common Law in the region, ADGM's consistent achievements and strategic initiatives

are a catalyst to the growth of Abu Dhabi's financial sector growth.

"ADGM's contribution to Abu Dhabi's stature as a global financial powerhouse and its sustainable economic growth will continue to capitalise on opportunities that will further elevate Abu Dhabi's Falcon Economy to unprecedented heights throughout this exceptionally successful year and beyond," Al Zaabi added.

## ADGM Growth in H1 2024: Asset Management Helps to Position Abu Dhabi as Region's Financial Hub

By the end of June 2024, the number of fund and asset managers operating in ADGM reached 112, managing 141 funds.

The asset management sector within ADGM continues to thrive, with a notable surge in AUM, global asset managers, firms and funds being anchored. In the first six months of 2024, AUM grew by 226% compared to the same period last year. By the end of June 2024, the number of fund and asset managers operating in ADGM reached 112, managing 141 funds.

Some of the major names within the asset management sector that have been granted an FSP include AXA IM, Eiffel Investment ME, GQG Partners, SS&C Financial Services, and Morgan Stanley. Furthermore, several entities within this space have also received their In-Principle Approval (IPA) including Aspen Digital, Blantyre Capital, Blue Owl, Fiera Capital, Infini Cap-

ital, I Squared Capital, Ninety One Gulf Capital, Peninsula, Token Bay Capital, Triton, and Vizier. The pipeline of entities within the asset management sector remains strong across hedge funds, private equity, institutional funds and venture capital firms set to be anchored in ADGM.

While asset management continues to lead the growth of ADGM, additional financial services entities across banking, payment services, wealth management and insurance sectors have also joined the ADGM ecosystem by receiving either an FSP or an IPA. The list of granted FSPs within these sectors includes Barrenjoey, Deutsche Bank AG, Fidelis OPCO, Laser Digital, and Paxos Issuance MENA. Prominent list of names that received an IPA includes

Oyster Reinsurance Brokers, and SMBC Bank International, among others.

In May 2024, ADGM hosted the second edition of the UAE-France Investors Meetup – an exclusive gathering, led by His Excellency Bruno Le Maire, the French Minister of Economy, Finance, and Industrial and Digital Sovereignty and attended by 24 French Asset Management firms with USD 1.6 Trillion AUM. The Meetup represented a unique opportunity for stakeholders in both countries to forge strategic alliances, identify new opportunities, and drive mutual growth. It reaffirmed Abu Dhabi's position as a global financial hub and underscored the enduring strength of the Franco-Emirati partnership.



## Bringing Abu Dhabi to the World: International Roadshows Meet Unprecedented Demand



In its efforts to continue expanding its international positioning, ADGM conducted a series of roadshows in the first half of 2024, covering multiple countries and regions including the USA, Europe, Hong Kong and the Chinese subcontinent.

In the USA, ADGM engaged in over 40 bilateral discussions

with hedge funds, private equity funds, and venture capital firms at the iConnections Global Alts 2024. In Europe, ADGM held over 100 bilateral discussions with senior leaders in the Private Banking, Wealth Management, Private Equity, VC and Hedge Fund sectors in France, Switzerland, and other European

hubs. These engagements occurred amidst the surge of global wealth into the UAE and included participation in renowned international events such as the 2024 IIF European Summit in Paris and the JP Morgan Global Markets Conference.

## ADGM's Workforce Booms Amid Abu Dhabi's Growing Appeal with more than 2,500 New Jobs

ADGM is further enhancing its attractiveness as a preferred destination for professionals and investors alike.

Sustained investments across various sectors in Abu Dhabi have led to a strong performance in the Global Liveability Index 2024 published by the Economist Intelligence Unit. Abu Dhabi is the highest-ranked city in the MENA region. This ranking highlights Abu Dhabi's strengths in factors such as stability, infrastructure and education.

ADGM is further enhancing its attractiveness as a preferred destination for professionals and investors alike. The workforce within ADGM's Al Maryah Island has increased by more than 2,500 individuals, compared to the end of June 2023, and are now part of ADGM's vibrant community. Furthermore, the workforce number is expected to

maintain strong growth in 2024 in line with the positive responses received from a comprehensive outlook survey conducted in the first half. A total of 70.81% of companies anticipate expanding their workforce in ADGM during 2024, with 29.93% expecting significant increases and 40.88% planning moderate growth in staffing.



## Leading the Path for Sustainable Finance and ESG in the Region



It also fosters demand for "green" products and services by aiming to provide investors with confidence that the risk of greenwashing has been addressed.

Following the introduction of the region's first comprehensive Sustainable Finance framework in 2023, the Registration Authority (RA) and the Financial Services Regulatory Authority (FSRA) of ADGM have proposed enhancements to these regulations. A discussion paper published in May

2024 invited input from industry experts including fund managers, asset managers and companies subject to the Companies Regulations 2020. These proposed enhancements provide greater clarity around the FSRA's requirements for ESG-labelled investment products that pursue broader sustainability objectives than only environmental. It also fosters demand for "green" products and services by aiming to provide investors with confidence that the risk of greenwashing has been addressed. Additionally, the consultation paper invites discussions around ADGM's role

in encouraging ADGM-based entities to identify and address climate-related risks to their businesses and develop their net-zero transition plans that support the UAE's Net Zero by 2050 Strategic Initiative.

The RA of ADGM has also taken several initiatives in its efforts towards promoting best practices in ESG in the first six months of 2024. It has successfully launched the ESG Disclosures Framework micropage as well as an ESG Questionnaire Survey to understand the preparedness of ADGM-licensed entities for the framework.

## UAE-China Summit Announced During ADGM's China Roadshow



The plans for the 'UAE-China Summit,' presented by HSBC, which is set to be a part of the upcoming ADFW in December, were unveiled during a series of more than 75 engagements with leading entities in Shanghai & Hong Kong.

Significant Chinese financial institutions are at a stage of advanced exploration to establish within ADGM.

In its ongoing commitment to bolster Abu Dhabi's global position and bilateral relations, ADGM, the international financial centre of the UAE capital, recently concluded a series of high-level engagements in China and participated in the Shanghai Investment Summit, organised by the Abu Dhabi Investment Office (ADIO) and attended by 200 industry and financial executives from China and Hong Kong.

The roadshow covered Shanghai and Hong Kong, fea-

ture the announcement of a new trade forum – 'The UAE-China Summit presented by HSBC,' slated to be one of the sub-events of the upcoming edition of Abu Dhabi Finance Week (ADFW) in December.

"The UAE-China Summit presented by HSBC" will mark 40 years of diplomatic relations between the UAE and China, which aim to explore bilateral trade and investment opportunities further and drive the cultural exchange between both countries.

The series of roadshows,

initially planned for three days, were extended to five days to accommodate the unprecedented demand for bilateral meetings and discussions. These meetings aimed to showcase Abu Dhabi's economic opportunities and investment potential as the 'Capital of Capital,' and ADGM's value proposition as the region's fastest-growing international financial centre.

Over 75 major financial institutions, including private equity firms, hedge funds, asset managers and family

offices from Hong Kong and China actively engaged in strategic discussions with ADGM's Leadership, including representatives from the Financial Services Regulatory



Authority (FSRA) of ADGM and other key ADGM executives. Discussions spanned cross-border regulatory cooperation with the Hong Kong Monetary Authority, expansion plans in Abu Dhabi for various Hong Kong and Chinese firms, and strategies to enhance liquidity in each other's capital markets.

"The enthusiastic response we received during the China and Hong Kong roadshows underscores Abu Dhabi's growing international recognition. Along with ADGM, ADFW has been playing a pivotal role in carrying Abu Dhabi's 'Falcon Economy' across global borders," said Arvind Ramamurthy, Chief of Market Development at ADGM. "The demand in the Chinese subcontinent is unprecedented, and both Abu Dhabi and ADGM are ready to embrace

these opportunities, further strengthening the 40-year diplomatic relations between our strategically important nations."

"Over the last decade, bilateral investment between the UAE and China has reached billions of dollars, with the UAE's non-oil trade with China reaching USD81 billion in 2023," said Mohamed Al Marzooqi, Chief Executive Officer, UAE, HSBC Bank Middle East. "As Abu Dhabi's multi-year transformation plans accelerate and China's pro-business policies bolster its status as a giant in international trade, and a global leader in renewables, we foresee a surge in both inbound and outbound business opportunities along the corridor. Our long-standing presence in both countries, extensive expertise and international network position us well to support businesses and institutions seeking to capture investment and financial flows along these two dynamic markets."

In addition to finance, other prominent sectors such as healthcare, infrastructure, and construction acknowledged the exponential growth opportunities within Abu Dhabi. Companies in these sectors expressed strategic plans to expand their business operations in the emirate, with several firms already confirming their expansion plans into Abu Dhabi's international financial centre.

## Accelerating Growth: ADGM Strengthens Position as Global Financial Hub

By Economy Middle East

"ADGM is experiencing unprecedented demand from major global asset managers in the hedge fund, private equity, and venture capital space seeking to establish a presence in Abu Dhabi"



Abu Dhabi Global Market (ADGM), the international financial centre (IFC) of the UAE capital, reported exponential growth in the first half of 2024.

A key catalyst in Abu Dhabi's economic expansion, ADGM continues to drive growth across its business, leading to a fruitful first half (H1) of 2024. By the end of H1, ADGM's AUM had grown by 226 percent compared to the

first half of last year. For this period, the number of funds and asset managers operating in ADGM reached 112, managing 141 funds.

"ADGM is experiencing unprecedented demand from major global asset managers in the hedge fund, private equity, and venture capital space seeking to establish a presence in Abu Dhabi," Arvind Ramamurthy, chief of market development at ADGM, shared in

an interview with Economy Middle East.

"With many major international players within the asset management sector choosing ADGM as their destination within the region, we have become the fastest-growing international financial centre of the region and achieved this goal in 2024," he remarked.

**Unprecedented expansion**  
In the first six months of

2024, ADGM welcomed and licensed several new firms, highlighting its appeal as a financial centre and a business hub for companies seeking to establish a presence here in the UAE and beyond.

The total number of entities that received their FSP (Financial Services Permission) in H1 is 42 – a growth of over 90 percent compared to the June 2023 numbers which stood at 22 FSPs issued. Moreover, the number of new licenses issued at the end of June 2024, showcased a total of 1271 – 20.5 percent more licenses issued this year by ADGM.

"We have a strong pipeline of entities within the asset management sector, including asset and wealth management companies and advisor and arranger firms, are currently in the pipeline," Ramamurthy revealed.

ADGM's expansion isn't just about the increase in the number of entities anchoring their presence in the IFC's jurisdiction. In H1 2024, the workforce also grew, with more than 2500 new talented individuals joining ADGM's ecosystem in H1 2024.

**Strategic global initiative**  
ADGM recently held roadshows in several countries where officials conducted strategic bilateral discussions with leaders in private banking, hedge funds, and wealth management.

According to Ramamurthy, "Bilateral meetings with leaders in private banking, hedge funds, wealth management, and asset management are part of ADGM's overall growth strategy. These sectors and sub-sectors are a focus for ADGM to further strengthen Abu Dhabi's position as the 'Capital of Capital' globally and build on its successes."

"The global entities we spoke with during the bilateral meetings in the US, Europe, and China recognized the growing value proposition of Abu Dhabi and its IFC for funds and elite wealth clients looking to expand in the region," Ramamurthy said.

**Sustaining the momentum**  
In the remaining months of 2024, ADGM is keen to sustain the momentum it has gained so far.

"ADGM remains committed to driving growth and innovation within the financial sector. Achieving the targets within ADGM's Growth Strategy in the first half of 2024 has opened doors to the opportunities that we were initially targeting to explore in 2027," Ramamurthy told Economy

# ADGM Growth in H1 2024: Academy Paves Career Paths for Emiratis in H1



The knowledge arm of the IFC, ADGM Academy (ADGMA), has been strategically contributing towards the UAE's National Agenda by partnering with leading players from various sectors. Since its inception, ADGMA has achieved 98% employment placement of 1020 Emirati nationals in professional job profiles across various companies in the UAE. Moreover, ADGMA signed numerous regional and international Memorandums of Understanding (MoU), to establish strategic partnerships and focus on developing Abu Dhabi's knowledge economy. Some of the recent important collaborations signed by ADGMA at a federal level for the advancement of financial literacy include an MoU with the Emirates Foundation in

the presence of H.H. Shaikh Theyab bin Mohamed bin Zayed, and an MoU with the GPSSA targeting the training of 10,000 current and soon-to-retire Federal employees across the UAE. Since its launch in 2023, ADGMA's Research Centre has been marching ahead by conducting strategic research and successfully published four groundbreaking articles covering the areas of Fintech, Digital Transformation, Quantum Computing and AI in the first half of 2024.

# UAE's CEPAs Ease Barriers of Trade, Creates Conditions for Growth of Non-Oil Sector



Experts as well as representatives from Abu Dhabi Global Market have told Aletihad that the UAE's Comprehensive Economic Partnership Agreements (CEPAs) with various nations are of great

benefit to the economy, lowering the barriers to trade and giving the country a competitive advantage. The CEPA programme began in 2022 with an agreement with India and has since

extended to several nations around the world. The Republic of Mauritius became the latest country to join the club, with an agreement to slash trade tariffs and streamline bilateral trade. According to Jordan-based Investment and Economic expert, Wajdi Makhamreh, the CEPA programme represents a pragmatic policy that will expand the relative competitiveness of the UAE economy. In Abu Dhabi, the tangible benefits of the CEPAs are already being felt in the city's chief financial hub, where the ease of transactions brought on by various agreements

with countries like India and Singapore are streamlining financial processes. "In recent years, ADGM has collaborated with Singapore and various commercial banks to establish a framework to facilitate the transfer of electronic records between jurisdictions that have adopted the UNCITRAL Model Law," a spokesperson from Abu Dhabi Global Market told Aletihad. "This harmonises the legal recognition of digital documents, such as electronic bills of lading, across jurisdictions, simplifying and enhancing the flow of trade. This very innovative digitalisation of trade

finance documentation will help simplify and facilitate the seamless flow of trade." "Cross-border trade finance, which is promoted in the UAE's CEPA programme and is still largely paper-based and vulnerable to fraud, will benefit from this new digital mechanism that will reduce costs and improve trust and efficiency." The team at ADGM believes that the CEPA programme perfectly aligns with their vision of boosting non-oil trade. They believe the stated goals of CEPAs to reduce customs duties and tariffs, remove technical trade barriers and

improve market access for UAE exporters will go a long way in stimulating financial services industry in Abu Dhabi and the broader UAE. "CEPA is helping to strategically design a network of global trading to propel its growth and economic autonomy, both domestically and internationally. Every new CEPA signed is another step towards exploring mutually beneficial opportunities to expand trade between nations," the spokesperson said.

Scan to full article:



# ADGM Licenses Wealth and Benefits Platform Aurem

Aurem is a pioneering platform delivering workplace wealth and benefits technology regionally and globally

Their technology will be a key component of the End of Service Benefits reforms, a \$100bn opportunity

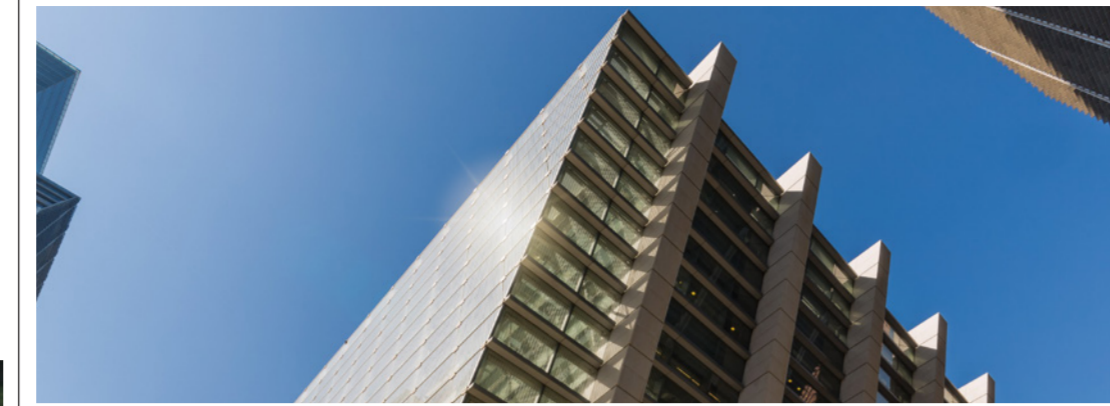
The ADGM license will support their continued efforts to transform workplace savings and investing in the UAE

Aurem, the UAE's first unified workplace wealth and benefits technology platform, announces its licensing by the Financial Services Regulatory Authority of Abu Dhabi Global Market, marking a significant milestone in the company's mission to connect the world for a better financial future. The company is spearheading a new emerging trend of offering long-term employee benefits and investment plans in the UAE, a \$100 billion market opportunity.

Aurem's solutions create value for providers and employers across the workplace benefits value chain. Their proprietary platform offers innovative technology and operational efficiency to deliver an unparalleled user experience. This bridges the gap between employers and employees, offering a set of comprehensive products and tools that scale effortlessly with a business's needs. "Securing the ADGM license marks another key

# Aurem.

milestone in Aurem's journey to deliver the future of workplace wealth and benefits technology regionally, and globally," said Michael Watkins, Founder of Aurem. "We're a focused, fast-moving company, with significant momentum going into our next phase of growth, and we're excited to deliver an exceptional product to our partners today and in the future. This license will support our continued efforts to innovate in the UAE from our HQ in Abu Dhabi. As always, we're thankful to our incredible team, and our investors, Further Ventures, and MEASA Partners for their continued support." Arvind Ramamurthy, Chief of Market Development



# The Registration Authority of ADGM Publishes Consultation Paper on Employment Regulations

The Registration Authority (RA) of ADGM has issued a Consultation Paper to explain and seek public feedback on proposed amendments to the Employment Regulations 2019.

The amendments enhance the Employment Regulations 2019 to reflect global changes in work practices, and to also provide greater clarity to employees and employers with respect to their rights and obligations. This Consultation Paper is of interest to all ADGM-licensed employers and individuals employed or engaged by such employers (or those seeking to be employed or engaged by such employers) and their legal advisors.

The key features of the RA's proposals are as follows:

- Amending the definition of 'employee' to enable employers to hire remote employees and to allow for more flexible working arrangements.
- Clarifying ambiguities related to employee entitlements, including part-time employees.
- Expanding the list of employees' duties to their employer, as well as expanding certain obligations employers have towards their employees.
- Clarifying certain requirements regarding obtaining and cancelling an employee's work permit and visa.
- Expanding obligations and responsibilities related to discrimination and victimisation in the workplace.



To view the Consultation Paper, please scan here:

# ADGM Pioneers Seamless Business Migration in Al Reem Island

In addition to regulatory amendments supporting existing Al Reem Island businesses



The first half of 2024 marks a significant phase in ADGM's Al Reem Island transition post-expansion and brings forward various factors that are facilitating this process. Several initiatives, along with periodic awareness activities, have been conducted. A recent initiative includes revisions to ADGM's licensing fee schedule, aligning with the transitional arrangements to Al

Reem Island. Major reductions of 50 per cent and more to obtaining non-financial and retail licences within ADGM's jurisdiction will take effect from 1st January 2025. In addition to regulatory amendments supporting existing Al Reem Island businesses, ADGM has launched an information centre in Shams Boutik Mall and organised two community events in 2024, one in

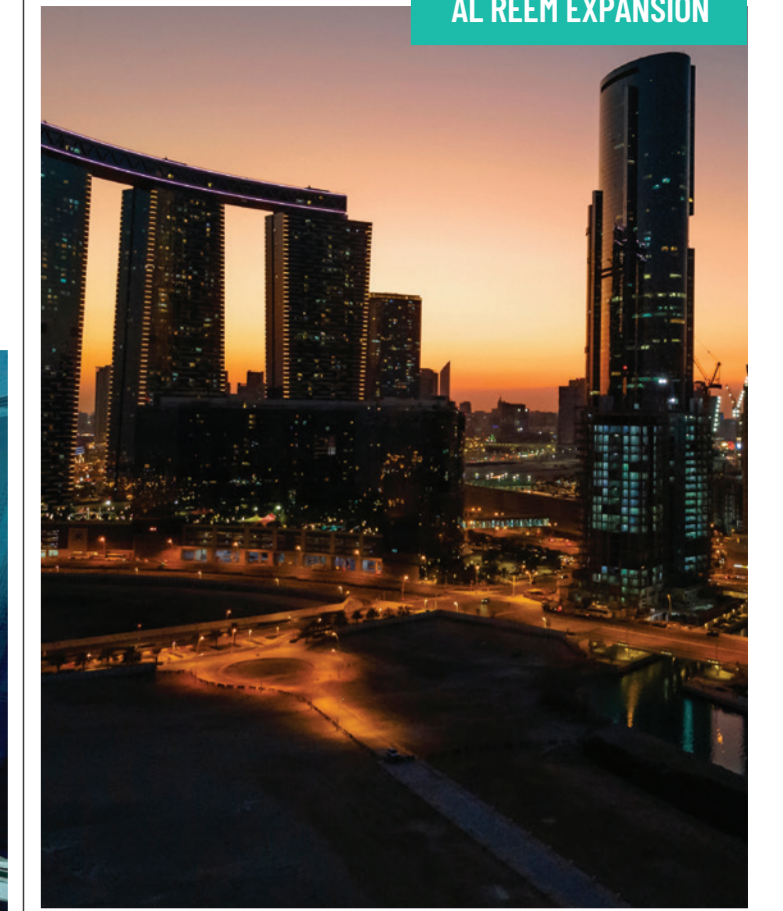
March and another in July. These initiatives were implemented to engage with the Al Reem Island business community, provide essential updates on licensing, registration fees, and transition processes as well as foster interactive dialogue and collaboration among stakeholders. ADGM also introduced an incentive initiative for existing non-financial and retail businesses

on Al Reem Island, exempting them from paying any fees for obtaining an ADGM commercial licence providing they apply before 31st October 2024. These initiatives are ensuring a seamless transition for Al Reem Island businesses and have been well received by the business community.

# ADGM's Al Reem Island Expansion Fuels a Residential Surge

Since the announcement of the expansion in April 2023, Al Reem Island has seen the introduction of 1,266 new residential units, bringing the total to 21,335 units. The growth in occupancy rates has remained steady, rising from 84.78% in March 2023 to 92.82% by the end of June 2024. Moreover, with ADGM's exceptional growth, many employees of the

new companies established within ADGM's jurisdiction are choosing Al Reem Island as their place of residence. ADGM's jurisdiction over both Al Maryah and Al Reem Island highlights its exceptional qualities, making it an ideal location to live, work, and conduct business.



# ADGM at the Forefront of Blockchain Innovation

ADGM has signed strategic partnerships with a couple of organisations in 2024.

Following the introduction of the Distributed Ledger Technology (DLT) Foundations Regulations, ADGM has signed strategic partnerships with a couple of organisations in 2024. The first one was with the Solana Foundation, a non-profit organisation dedicated to decentralisation, adoption, and security on the Solana

network to enhance DLT solutions and advance blockchain innovation. Another Memorandum of Understanding (MoU) was signed between ADGM and Hacken, a global leader in blockchain security auditing to collaboratively set new benchmarks for blockchain security and compliance as well as on-chain monitoring solutions in relation to

ADGM's DLT Foundations framework, positioning both organisations at the forefront of fostering a secure blockchain ecosystem. These initiatives align with ADGM's strategic vision of becoming a central hub for technology-driven financial services.

## Mediation in the Metaverse: Revolutionising Global Dispute Resolution

Step into the future of dispute resolution with the world's first "Mediation in the Metaverse" service, a groundbreaking initiative by the ADGM Arbitration Centre that is set to transform mediation globally.

The unique Metaverse service leverages Web3 technology to deliver a next-generation digital twin of the ADGM Arbitration Centre. Participants can host their mediation and interact via video imaging through a desktop device without additional hardware from anywhere, making it a sustainable and innovative approach to the future of dispute resolution.

The platform connects individuals worldwide with ease, providing a fully immersive environment, supported by state-of-the-art security protocols to ensure confidentiality and integrity. Parties can resolve disputes within a sophisticated 3D environment that mirrors the physical world. Features include private virtual reality rooms, bespoke mediator controls, as well as secure document presentation facilities.

ADGM continues to dominate in digital innovation with this game changing technology. Eliminating the need for travel, the service reduces carbon emissions associated with traditional dispute resolution methods. This pioneering approach not only expands access to mediation but also aligns with global sustainability goals.

Scan for more

## Abu Dhabi's ADQ Reportedly Plans to Acquire Bank Audi's Turkish Unit

Deliberations between ADQ and Bank Audi are reportedly ongoing, and no final decisions have been made.

ADQ, the smallest of Abu Dhabi's three sovereign wealth funds, is reportedly exploring the acquisition of the Turkish unit of Lebanon's Bank Audi as entities based in the GCC seek to expand their growth opportunities abroad.

Sources familiar with the matter told Bloomberg that the \$249bn fund ADQ has been in discussions to acquire Odeabank over the past few months.

Deliberations between ADQ and Bank Audi are reportedly ongoing, and no final decisions have been made. The sources added that there's no certainty that the fund will ultimately buy the bank.

Odeabank is a midsize lender in Turkey with assets

of \$2.6bn (TRL87.3bn). Bank Audi, which established the bank in 2012, is its largest shareholder with a 76.4 per cent stake.

Banks in the GCC region are exhibiting a strong appetite to grow their presence in major regional markets, particularly Turkey, Egypt, and India, Fitch Ratings said in July while citing improved economic conditions and growth opportunities in target markets.

GCC banks' main exposure outside the region is through subsidiaries in Turkey and Egypt, which held around \$150bn in assets in the first quarter of 2024.

Meanwhile, UAE's First Abu Dhabi Bank (FAB) was linked with a possible acquisition of Turkish conglomerate Koc Group's 61.2 per cent stake in Istanbul-based lender



Source: Gulf Business

Yapi Ve Kredi Bankasi (Yapi Kredi) in May.

However, a deal between FAB and Yapı Kredi was hampered by disagreements over price.

Dubai Islamic Bank, the UAE's biggest Shariah-com-

pliant lender by assets, acquired a 20 per cent stake in Turkey's TOM Group of Companies in September 2023. Similarly, Dubai's largest bank, Emirates NBD, acquired 99.85 per cent of Denizbank's shares for \$2.76bn in 2019.

## ADIA, CVC to Buy out UK's Largest Investment Platform Hargreaves Lansdown in \$6.9 Billion Deal

Source: Gulf Business



The takeover of the platform has the backing of co-founders and top shareholders Peter Hargreaves and Stephen Lansdown.

The UK's largest investment platform Hargreaves Lansdown on Friday agreed to a GBP5.4bn (\$6.9bn) takeover by an international consortium, which is betting on grabbing market share in the competitive UK wealth market.

The deal is the second largest by value struck this year by a London-listed company and is the latest in a string of takeovers of British companies.

It has the backing of co-founders and top shareholders Peter Hargreaves and Stephen Lansdown, who founded the company in 1981 and listed it in London in 2007.

The consortium, consisting of Europe's largest private equity firm CVC Capital Partners, Abu Dhabi's sovereign wealth fund (ADIA) and Swed-

ish private equity firm Nordic Capital, said the GBP11.4bn per share cash offer was final.

The buyers said in a statement that a "substantial transformation" of the company was required, including investment in technology, to keep up with rivals after its growth had lagged some competitors.

"Whilst this is not a huge price, it looks to reflect the investment required," Peel Hunt analysts said in a note.

Shares in FTSE 100-listed Hargreaves Lansdown rose 2 per cent to GBP11.02 pounds in early trade. As of Thursday's close, they had gained about 10 per cent since the takeover approach was made public in May.

Co-founder Hargreaves plans to re-invest half of his 19.8 per cent stake in the private company and will bank the remaining GBP535m according to Reuters calculations. Lansdown stands to

make GBP309m.

Foreign firms eye UK-listed companies

Britain's wealth market has seen competition intensify in recent years, with international financial groups muscling into the market and increased focus on wealth management by some UK retail banks, insurers and asset managers.

US investment giant Vanguard, for example, has been expanding its UK Personal Investor platform, and US retail trading platform Robinhood launched in Britain in March.

Plans by the buyers to invest in Hargreaves Lansdown's technology platform, along with any price cuts, could improve its competitive position, RBC analysts said in a note, while adding it was unclear how the investment would be funded.

Investors in Hargreaves

Lansdown are being offered an alternative to the cash offer, with the option to rollover their shares into a stake in the private company.

Not all investors are able to hold shares of an unlisted company, potentially excluding some existing shareholders.

Hargreaves Lansdown, which had rejected a 985 pence per share proposal from the consortium in May, also reported annual adjusted pretax profit of GBP456m, beating analysts' average estimate of GBP428m, according to LSEG data.

Net new business was down 13 per cent year-on-year at GBP4.2bn.

Hargreaves Lansdown was the largest UK-based investment platform in Britain by assets as of March, just behind the overall leader, Netherlands-based Aegon, according to Fundscape data.

## Middle East Trillions Force New Concessions From Wall Street

Source: Bloomberg



Within the moneyed circles of the Middle East, there's increasing talk of a shifting power dynamic in the upper echelons of high finance.

Gone are the days of private equity bigwigs and hedge fund honchos flying to the Gulf, shuttling between five-star hotels and gleaming office towers in Abu Dhabi, Doha and Riyadh, then leaving with massive checks for their latest funds.

Sitting atop nearly \$4 trillion and acutely aware of their importance to Western capital markets, the Middle East's biggest state-controlled funds are increasingly asking asset managers what they'll do in return for an investment. These firms are being urged — and at times required — to have more gatherings in the Gulf, set up local offices and bring more people to live and work in the area.

Listen and follow The Big Take on Apple Podcasts, Spotify or wherever you get your podcasts Apollo Global Management Inc., for instance, shepherded about 200 people to Abu Dhabi early this year, holding company events and senior-level meetings with Mubadala and other local partners. Blackstone Inc. has been allowing more investors from sovereign wealth funds to train on its teams within the firm.

Interviews with more than a dozen investors, lawyers and intermediaries in the region, who requested anonymity to discuss private conversations, show that a group of sovereign wealth funds in countries including Saudi Arabia, the United Arab Emirates and Qatar are flexing their financial might in a previously unseen way.

The growing heft of these Middle Eastern groups is set to disrupt the economics of what's traditionally been one of the most profitable corners of the investment industry. Firms are doing away with their typical management and performance fee arrangement in order to secure commitments for their latest funds. The largest sovereign wealth funds are also winnowing their relationships, focusing on fewer asset managers. That can be a boon to prominent financiers with longstanding ties, but can also amplify tensions in a part of the world where most decisions involve members of royal families and their top advisers.

Most notably, the start of the war between Israel and Hamas put financial diplomacy to the test. Some Middle Eastern fund managers were frustrated with US billionaires — including BlackRock Inc.'s Larry Fink and Apollo's Marc Rowan — for publicly expressing what were perceived as

pro-Israel views. While those comments haven't hurt their firms' ability to deepen financial ties with the region, they reflect the tough balancing act they face to keep expanding here.

Representatives for Apollo, Blackstone and BlackRock declined to comment. With the total pool of Middle Eastern sovereign wealth fund assets estimated to reach \$7.6 trillion by 2030, they want to co-invest, get a larger share of deal profits and, most crucially, bolster economies that have been largely built on copious amounts of oil.

"It's not just about a financial return, but what does it bring it back? Are you willing to set up in the region and are you willing to transfer technology?" said Ken Calleja, an adviser with Rothschild & Co. who helped lead a transaction late last year in which Saudi Arabia's Public Investment Fund bought a 49% stake in Rocco Forte Hotels. "We've seen a big change in the last couple of years." New Rules The early evidence suggests financial institutions are willing to play by these new rules.

PIF, which manages \$925 billion, is viewed as particularly aggressive in seeking a more prominent position on the world stage. When it bought a stake in London's Heathrow Airport, it saw an opportunity to get landing slots for its own planes and to study how a major international airport is run as it tries to develop Riyadh into one of the world's premier destinations.

While none of the world's largest asset managers have a regional headquarters in the country, pressure is growing for them to do so. Goldman Sachs Group Inc. recently received a license, and Moelis & Co., Lazard Inc. and JPMorgan Chase & Co. have all opened offices or added staff in Riyadh.

Sovereign wealth funds are also pressing managers to cut fees and change fee structures so they have an incentive to put money to work rather than just sit on cash during this period of elevated rates.

We've gone "from asking for a product to really wanting strategic partnerships," said Katie Koch, chief executive officer of TCW Group. "That's something that we've seen happen a lot more just in the last decade." Diversifying Economy Gulf powers put money into US funds for one primary reason: to diversify their economies away from depending on oil profits.

In Abu Dhabi, Mubadala is focused on bets that help open doors in a new part of the world or industry, like artificial

intelligence, life sciences and medical technology. Officials in the emirate are anticipating huge power needs coming from the AI boom and plan to attract businesses by offering access to cheap renewable power in the city.

Mubadala was the first of the Middle Eastern funds to start its own investment firm — and it's already sending shocks through Wall Street.

After it recently gave about \$700 million to private equity firm Aquarian Holdings, Mubadala is now discussing plans to farm out at least part of the investment, offering pieces of it to others and collecting fees for itself. Mubadala declined to comment.

The Qatar Investment Authority, for its part, has also been more aggressive when it comes to transactions, asking for fee breaks and recognition for participating in more complex aspects of dealmaking, such as underwriting. QIA encourages global firms to take in Qataris for training, sometimes pushing to improve skill levels of whole teams.

"We have negotiating power because we demonstrated to have a steady hand," Mohammed Al-Sowaidi, chief investment officer for QIA in the Americas, said at a conference in May. The fund has been trying to bring more events to Doha and favors investments with domestic connections. Putting money in a semiconductor fund raised by Ardian, a French buyout firm, was partly an effort to get introductions to businesses that could help develop the chips industry in Qatar.

Still, geopolitics looms large. Middle Eastern wealth funds have seen greater scrutiny on deals from the Biden

administration. The Committee on Foreign Investment in the United States last year reviewed several multibillion-dollar deals on concerns they could pose national security risks.

And in the wake of the Israel-Hamas conflict, fund managers across the Middle East bristled at comments from Apollo's Rowan toward his alma mater, the University of Pennsylvania. He urged the president and board chairman to step down after not forcefully condemning a controversial Palestinian writers festival and allowing antisemitism to persist on campus.

Fink, meanwhile, told Fox Business that "the world needs to get back its moral compass" and that he was "standing up against bigotry and hatred."

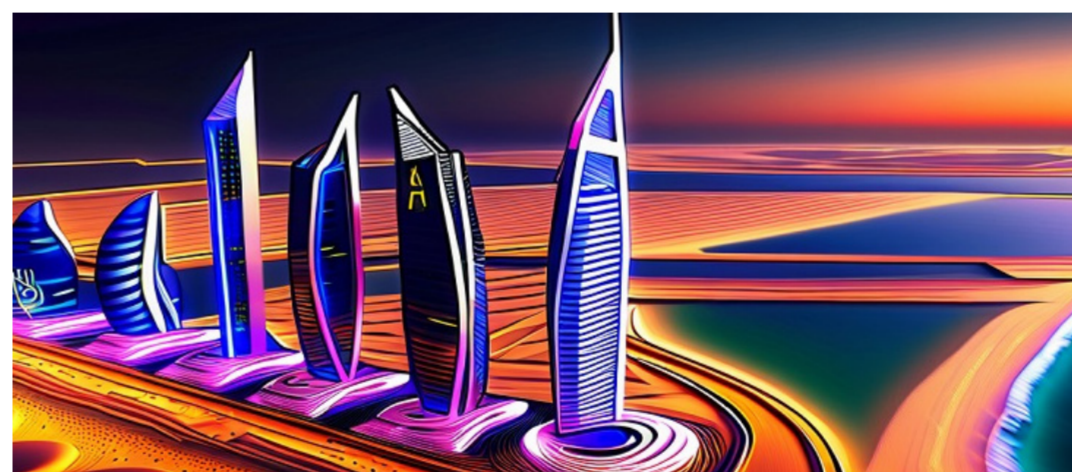
BlackRock continues to do big business in the region. The firm has long won the backing of Saudi Arabia's PIF, with Bloomberg reporting in April it was set to get as much as \$5 billion from the fund to invest in the Gulf and build a Riyadh-based investments team.

Around that same time, it hosted a gathering of top corporate executives and government officials in Riyadh, its first event of this scale in the Saudi capital.

A few months earlier, when PIF bought into the luxury Rocco Forte chain of 14 European resorts, it required months of negotiations and laying out the deal's potential domestic impact. The company pledged to expand in the Middle East as part of the PIF transaction.

"It's not just about spending money," said Calleja, the Rothschild adviser. "It needs to be strategic."

## KAIA Foundation Receives Approval in Abu Dhabi, Prepares for Mainnet Launch



Kaia has secured final approval to establish a Distributed Ledger Technology (DLT) foundation within the Abu Dhabi Global Market (ADGM), an international financial free zone in the United Arab Emirates. This crucial approval, granted on August 16, marks a significant milestone for Kaia, clearing the path for the official launch of its integrated blockchain platform, which has been developed collaboratively by Kakao and Line. The launch is scheduled to take place on August 29, marking a significant advancement in the blockchain space.

Integration of Klaytn and Finschia: A Technical Endeavor

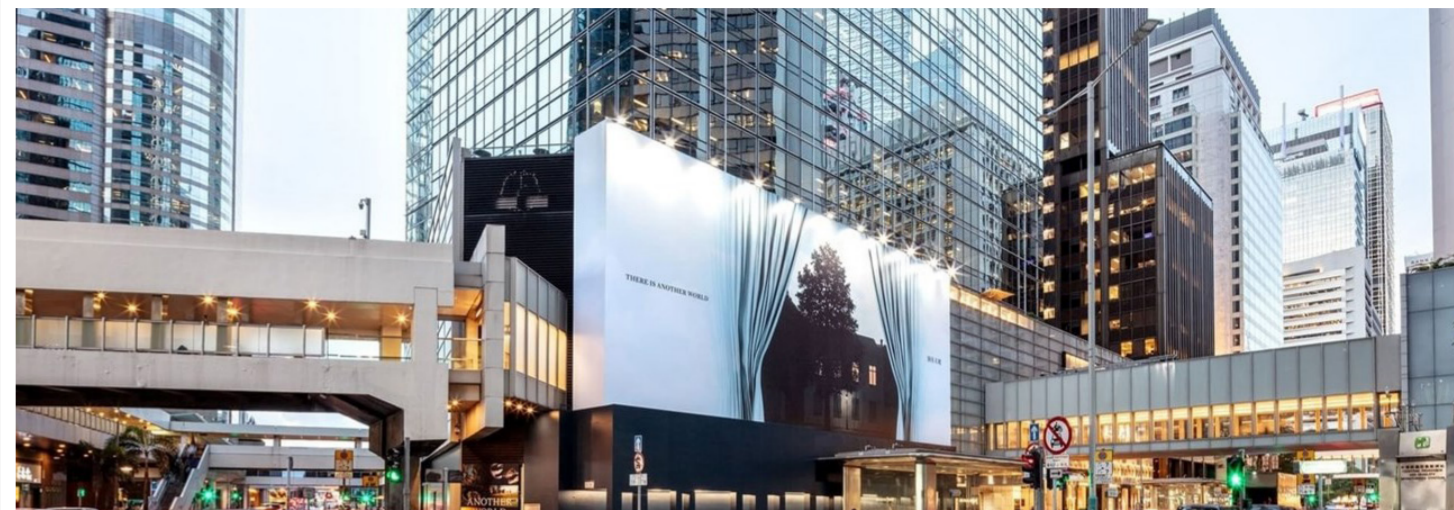
The newly established Kaia Foundation in ADGM will oversee the launch of Kaia's mainnet, an ambitious inte-

gration of Kakao's subsidiary Ground X's blockchain platform "Klaytn" and Line's platform "Finschia." The combined market capitalization of these platforms is approximately 1.5 trillion won, equating to roughly \$1.1 billion. However, integrating these two distinct mainnets, which operate under different technical and language ecosystems, poses considerable technical challenges. These challenges necessitate a series of significant technical adjustments, including on-chain parameter modifications and updates from node operators to new clients, ensuring that both systems can operate seamlessly within the unified Kaia platform.

Strategic Token Launch and Exchange Listing

## ADQ Signs Agreement to Acquire Strategic Minority Investment in Sotheby's

Source: Abu Dhabi Media Office



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