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Swiss private bank Lombard Odier seeks Mideast growth

Lender aims to raise Middle East assets to 20 percent of the bank's total.



BANK BOSS: Arnaud Leclercq, head of Lombard Odier's private clients business in eastern countries and the Middle East.

Swiss private bank Lombard Odier aims to more than double its business stemming from the Middle East and is considering local partnerships to that end, a senior executive said.

Lombard Odier has had ties to the oil-rich region since the 1970s but only opened a representative office in Dubai in 2007. Until recently, it was less aggressive than some of its competitors such as Credit Suisse and Julius Baer in targeting the region's wealthy individuals.

"We have not developed at the same pace over the last 10 to 15 years as some of our competitors," Arnaud Leclercq, head of the bank's private clients business in eastern countries and the Middle East, told Reuters.

"We have decided we wanted to widen our client base, it is not only wealthy sheikhs and people involved in oil and gas anymore, there are also very successful entrepreneurs."

The Geneva-based group, one of the world's oldest private banks, has 150 billion Swiss francs (\$149 billion) in assets under management, of which less than 10 percent comes from the Middle East -- a proportion the bank is trying to raise to 20 percent in the next three to five years, Leclercq said.

"We are quite bullish but we will do it at our pace, a mix between organic and sustainable growth," he added.

The bank, whose roots go back to 1796 and which is still an independent family house, is in early discussions with an unnamed local entity that would help the bank tap other lucrative markets in the region such as Saudi Arabia, Qatar and Abu Dhabi.

"We are in talks, in the early stages of discussing such cooperation, it tends not to be a JV (joint venture) but more a cooperation agreement," Leclercq said, declining to give more detail as the discussions were confidential.

In addition, the private bank is mulling a partnership with a sharia-compliant fund to start developing Islamic finance products in the region.

"Instead of building our own (sharia) board we would rather go to the people who are the best specialists," he said.

Lombard Odier's Swiss rival Sarasin in November 2009 became one of the first foreign private banks to launch an Islamic product offering.

Lombard recently hired two senior bankers in the Gulf region, one who worked for Credit Suisse and the other for Lloyds TSB. (\$1 = 1.005 Swiss francs) (Reuters)

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