

**TITLE**

A Banker's Journey; how Edmond J. Safra built a global financial empire

**AUTHOR**

Daniel Gross

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**M**ore than 20 years after his bizarre death in a fire at his home in Monaco, Edmond Safra remains possibly the most mysterious banker in a profession well-known for mysterious figures.

Countless tales have been written about him and he himself was more open about his business than he was often given credit for. (I once interviewed him in London and encountered no evasion.) Yet a measure of disbelief remains. How could he have created his great banking empire, built largely on the wealth of private individuals, trading in obscure markets, operating out of exotic centres, without dealing in the shade? His Republic National Bank, the Trade Development Bank, plus a string of other enterprises, came to be one of the world's largest banking groups.

By now, it is largely a matter of curiosity; any systemic issues disappeared soon after his death when most of the business was bought by HSBC in a \$10bn deal. This book comes rather late in the day, therefore, yet it is important. It is, if you like, the 'official version'. Gross was asked by Safra's widow, Lily, to go through the records and interview everybody involved. Then she suggested he write a book.

Gross says his aim is not to put the record straight, but to set down what is known and let it speak for itself. He is a financial journalist – more important, he is a Syrian Jew like Safra, so he understands the Safra milieu. It's all about personal connections, mutual favours, community support. (You need a Filofax to get a grip on this book: it teems with names). This immediately singles Safra out from the conventional banking world of management information systems and quantitative finance. His world is opaque, run on hunches and trust.

The defining chapter in the book describes Safra's cultural collision with the Anglo-Saxon world when he sold part of his business to American Express in

1984. The sale was a disaster. Safra could not connect with James Robinson, Amex's Chief Executive. He quit and bought much of the business back, only to be hounded by a malicious rumour campaign emanating from Amex's executive suite. Amex ended up paying damages.

The comprehension gap exposed by this tale must account for a good part of Safra's mystique. Business schools would say his banking model should not work. He took in rich people's deposits yet lent out relatively little, confining himself to people he knew, and to trustworthy governments and companies. At the same time, he had a sharp eye for opportunity, arbitraging the market in gold coins and shipping tens of millions of dollars into Moscow. It didn't fit any mould.

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Gross has certainly dug deeper than anyone before. His list of interviewees is impressive, his references fill 23 pages. There is a wealth of new detail, but little that reshapes the story. He offers no evidence that Safra dealt below the counter, which forces us either to ask him to go back and try harder, or to accept that unconventional banking models can be successful.

I doubt that this book will lay the Safra saga to rest. The world wants 'mystery' bankers to tilt at in its endless campaign against the managers of other people's money. There is no such thing as a philanthropic or untainted banker in many eyes.

The more interesting question is posed by the second point. In a world where we complain constantly about the facelessness of bankers, why is there mistrust of a bank built on close social circles and particular business cultures? It is often the smaller banks with their private networks that do best because their owners are on the line, pace Barings. I'm not sure I agree with Gross's comment that Safra plied a "courtly, Old World" style of banking, he was too ambitious and fast-moving for that. But he did it his own way, and it worked. ■

*David Lascelles* – a former Banking Editor of the Financial Times