



New money from old Lebanon

The Safra family can trace their roots to the ancient city of Aleppo, where they financed camel caravans before going on to head one of the world's most powerful banks. A new biography on the head of the clan, Edmond J Safra, shines fresh light on this intensely private man, says **Alex Brummer**

Edmond J Safra is an enigma, the scion of a banking family – often referred to as the Sephardi Rothschilds – who briefly occupied headlines in 1999 after he died in a mysterious fire in his Monaco apartment. Unlike other prominent Jewish financiers, Safra preferred to live his life in the shadows. He had his reasons. The intensity of his Judaism meant that the daily ritual of donning tefillin (small boxes containing Torah verses, that are tied across the head) for morning prayers was never forgotten. He was aware of the dangers of being too visible.

The original small Safra family bank remained open in Lebanon long after Jewish mercantile families had dispersed and the State of Israel was established. It was an anomaly – a Jewish-owned bank (a testimony to Aleppo's ancient Hebrew community) still operating in Arab lands.

There was also the recognition that Jewish bankers have been fodder for antisemites through the centuries. The Rothschilds have long been a target, portrayed infamously in an 1894 cartoon as “The English octopus. It feeds on nothing

but gold!” The illustration appeared in Coin's Financial School, a book by William Hope 'Coin' Harvey, an American lawyer, politician and notorious Jew-hater.

It is a trope that resurfaced in the 21st century when Rolling Stone magazine portrayed Goldman Sachs as a “great vampire squid” – a calumny that The Economist revived earlier this year in a piece on the company's disappointing financial performance that was illustrated with a cartoon of a squid hovering over Wall Street. No wonder Safra preferred less publicity. Yet traces of him are discretely woven into British life. The Edmond J Safra Fountain Court at Somerset House is one of few great piazzas in the centre of London. In the heat of summer children can be seen dodging the dancing spray, while the terrace is used for large outdoor art installations, festivals and summer

Clockwise from top left: Edmond J Safra in Switzerland, 1948; a page from Republic's annual report, 1966; Edmond (left) and his family in Beirut; Lily and Edmond at the dedication of Safra Platz in Amsterdam, 1993; Edmond and Lily with their grandchildren

concerts. In winter the space becomes an ice skating rink. Less recognised is the simple inscription on the back of the fountain in dedication to Safra, with uplifting words from the psalmist: “He is like a tree planted beside the streams of water, which yields its fruit in season, whose leaves shall not fade, in all that he does he prospers.”



FROM THE ARCHIVES OF THE EDMOND J. SAFRA FOUNDATION

More than two decades after his tragic death, the veil of secrecy over Safra's life has been lifted in a book by the financial writer Daniel Gross, who was granted access by The Edmond J Safra Foundation to a treasure trove of documents, letters and files, as well as taped interviews with the late banker's friends and associates. It reveals a great, unsung life that has been vital to the survival of Sephardi observances and culture.

We usually only hear about the ancient Syrian city of Aleppo in relation to the series of tragedies that have struck it in recent times. It was almost completely destroyed by the Russian-backed militias in the Syrian civil war and was hit again during the region's devastating earthquake in February. But it was once a town of great Talmudic scholarship and a thriving commercial centre where Jewish and Arabic cultures lived side-by-side.

Gross traces the path of the Safra clan from Aleppo to Lebanon, where the original small family lender, Banque de Crédit National, still operates, despite decades of strife. Jacob, the patriarch of the clan, sent his son, the 15-year-old Safra, off to Milan in the late 1940s, as the old

colonial order was breaking down in the Middle East. His mission was to service the needs of the Sephardi diaspora widely dispersed by the turmoil that followed World War II and the creation of Israel.

Using a network of Aleppo and Beirut kinsmen and friends, plus notations in a unique mixture of Arabic and Hebrew, Safra started out by trading gold coins and foreign currency. Eventually, he established enough capital to found the Trade Development Bank (TDB) in Geneva. From this base, he established a bridgehead to Brazil through his younger brother Joseph. In Geneva, Milan and across Europe, Safra offered financial refuge to the elite Jews of the Middle East. In Brazil, Joseph became banker to descendants of Spanish and Portuguese Jews escaping Lebanese exile, as well as Ashkenazi refugees from Nazism.

“A great, unsung life that has been vital to the survival of Sephardi observances and culture”



But while Safra quietly sought to build the downtrodden Sephardi Jewish institutions in Israel, building synagogues and schools, he steered clear of the Jewish state until late in life. He feared that if he ventured there his clients, ranging from the remnants of Aleppo and Lebanon to South American governments, could end up on the Arab League blacklists. His was a careful style of banking and philanthropy designed to be in the shadows.

That changed in 1972 when, with the help of the NM Rothschild company and Lord Jacob Rothschild in particular, the TDB floated on the London Stock Exchange in a public offering. The float opened the floodgates to the re-emergence of the City of London as a financial powerhouse.

Safra built a powerful Swiss/UK presence and had seen the Brazilian bank grow into a private behemoth, run by Joseph. He then embarked on his greatest project – an American venture – bringing European values of client care to the Republic National Bank of New York.

Among his innovations, designed to circumvent US banking rules on advertising, he attracted retail clients by offering free TVs. Republic was eventually sold to HSBC, Britain's most global bank, for \$10bn in the early 1990s.

Despite being intensely religious and preferring a peripatetic, quiet existence, Safra stepped out of the shadows after his marriage, late in life, to Lily Watkins in 1976. She was reputedly as rich as Safra and her influence led him to grand parties at financial gatherings and public charitable giving. The charity continues through the Foundation with gifting to Sephardi causes, lifting the living standards of Israel's Mizrahi community [Jews from the Middle East and North Africa] and funding research into Parkinson's disease (from which he suffered in later life). ■

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