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INVESTMENT BANKING

Citigroup loses billion dollar Middle East banker

James Rutter

The head of Citigroup's private banking business for ultra-wealthy Middle Eastern clients has quit to join a Swiss-based boutique, predicting a "revolution" in the way the region's wealthiest families manage their fortunes.

Shawn Mofidi will join Global Wealth Management, a Geneva-based multifamily office, on June 1 and said he had recruited a team of at least five advisers to focus on the Middle East, including former colleagues from Citigroup.

An investment specialist at the bank is understood to have resigned to join GWM. Citigroup declined to comment.

At Citigroup, Mofidi headed a team targeting clients with a net worth above \$250m (€186m). His book of business was worth billions, said a source close to the situation. Mofidi said the financial crisis had highlighted conflicts of interest at many large wealth management businesses that make money from selling in-house funds and structured products. \

He said: "Those in the industry have talked about being trusted advisers, but the reality was they were conflicted; they talked about unbiased advice, but the reality was that it was biased. This is not an evolution but a revolution in wealth management."

Faranak Foroughi, chief executive of Tharwa Management Consultancy in Dubai, which advises ultra-wealthy families in the region, said: "This is the time for smaller boutique firms and family offices to play a larger role in the region. Investors have had their fingers burnt by larger banks."

Local multifamily offices include The Family Office in Bahrain and MAF Trust in Dubai, which is owned by billionaire property developer Majid Al Futtaim. Mofidi will be chairman of wealth management and family office services at GWM, which manages €2bn (\$2.7bn) for 24 families.

The firm plans to open an office in the Middle East next year, with Abu Dhabi the preferred location for Mofidi.

Citigroup has more than 110 private banking staff focused on the Middle East, headed by Muwaffak Bibi. The region is understood to contribute a big portion of the private bank's \$65bn of assets in Europe, the Middle East and Africa.