

Published 28.07.05

French Jewish family setting up European group to make bid for controlling stake in Bank Leumi

By [Ora Coren](#)

The investment bank Cukierman & Co., owned by a family of French Jews, is putting together a group of European investors to bid for a controlling stake in Bank Leumi, bank chairman Edouard Cukierman said yesterday.

"At the minute, the potential investors are European, including Frenchmen," he said. "Finance Minister Benjamin Netanyahu met with some of them during his visit to London."

Cukierman declined to give details about his planned consortium, but many of the potential members are apparently institutional investors, since he said he hopes the government will allow up to 49 percent of each bidding consortium to be composed of institutions.

"Currently, there is permission only for 25 percent [of a consortium to be composed of] institutions, but we have received good indications that there is willingness to change this," he said.

The Cukierman family is believed to be one of the richest in France. The father, Roger Cukierman, was considered Edmond de Rothschild's right hand for more than 20 years, and served in the past as both CEO of the Edmond de Rothschild Group and CEO of the Israel General Bank. He currently heads CRIF, French Jewry's umbrella organization. Edouard Cukierman lives in Israel with his family, and in addition to running Cukierman & Co. - which specializes in helping Israeli firms raise capital in Europe and develop relationships with leading European institutions - he has also set up two venture capital funds, Catalyst 1 and Catalyst 2, which invest in Israeli high-tech.

Edouard Cukierman said that he believes business ties between France and Israel are due for an upswing, thanks to the general warming of relations symbolized by Prime Minister Ariel Sharon's current visit to Paris. Nicolas Sarkozy's commanding lead in the polls ahead of next year's presidential election is also a positive sign, he said, as Sarkozy is considered very sympathetic to Israel.

"Institutions in France are very influenced by the political leadership," he explained. And while President Jacques Chirac is already "trying to make a change" in French-Israeli relations, the possibility of Sarkozy's election "will create a huge turnabout in relations between France and Israel," he said, adding that Sarkozy recently told Roger Cukierman that he would come to Israel to attend a conference being organized by Cukierman & Co. early next year.

Other signs of the changed atmosphere, Cukierman said, include a commitment by the French company Dassault and other leading European firms to attend the conference, and recent contracts signed between Israeli and French defense firms. In addition, French institutions have begun to express interest in buying the Israeli provident and pension funds that are due to be split off from the banks under the Bachar reform, which was recently approved by the Knesset.

One of the French companies interested in investing in Israel's capital markets, Cukierman said, is CDC, which runs the French government's pension funds and has never before invested here. The French insurance firm Axa, which bid unsuccessfully for a privatized Israeli pension fund in August 2004, is also still interested in investing here, he said, as is Lazard Freres, the second largest investment bank in Europe.

To date, French Jewish investment in Israel has been largely confined to purchasing apartments. Cukierman said that about half of the apartment purchases his bank's real estate division has handled in Tel Aviv and Eilat in recent years were on behalf of French clients. Now, he said, French customers are also becoming interested in larger real estate deals. "I have one investor who gave me a mandate to buy \$150 million worth of productive property in Israel," he said.



Edouard Cukierman: Israel-France business ties due for an upswing. (Ofer Vaknin)