Just because someone has a Russian passport does not mean they should necessarily be discriminated against, a senior private banker says.

With the imposition of sanctions on Russian clients, it has become very difficult for private banks to separate the wheat from the chaff. The implementation of the sanctions also means an enormous compliance effort, several financial institutions complained.

Geneva-based private bank Lombard Odier is confronted with this problem as well, Stephen Kamp admits in an interview with the Spanish daily newspaper «El País» (in Spanish). The regional head for southern Europe and Latin America says «These are people we're not going to discriminate against just because they have a Russian passport.» At the same time, he stresses the proportion of Russian clients in the total portfolio of 310 billion Swiss francs ($330.1 billion) of assets under management is «small.»
High Reputational Risk

Kamp also considers investments in crypto assets a major reputational risk. «This is an area we are looking at. But we don't invest in it because it is a sector that is not fully transparent. We can't know what's behind it, and for us, it's a high reputational risk,» he told the Spanish daily.

Lombard Odier is also currently cautious about equity investments, and «we are slightly underweight in equities,» Kamp said. But should there be a desire to invest in equities, he recommends energy and healthcare companies in particular. With higher interest rates, fixed-income investments become more attractive, and Lombard Odier recommends increasing the portfolio's weighting in alternative investments such as private equity, not least against the current situation where the extent of a possible recession is unknown.

Still Too Early

«It's been decades since inflation has been this high. Central banks have acted to control prices, and we expect major sectors of the economy to go into recession,» Kamp said. But it is too early to say how severe and how prolonged it will be.