

BANKING ON GOODNESS

From computer programming in Sweden to banking in Cyprus – plus charitable work in Thailand along the way – it has been a long and adventurous journey for Sievert Larsson. The founder of Ancoria Bank tells Gold how he came to be living in Cyprus, why he donated all his shares in a successful insurance company to his scholarship foundation, and what good management entails.

By John Vickers, Photo by Jo Michaelides



For the founder of a bank, you began your professional career with what sounds like an unlikely start as a programmer and IT specialist in a Swedish ball bearing factory. That doesn't sound very exciting. Was it?

Sievert Larsson: Well, since I was dealing strictly with the computer, that part was exciting, yes, and it didn't really matter what business we were in. It actually took me quite a while to learn exactly what it was that SKF was doing because I was a programmer and, as such, rather

remote from the manufacturing and sales departments.

Gold: Computer technology must have been in its infancy then.

S.L.: Virtually nobody knew what a computer was when I became a programmer in 1962. I could never explain to my mother what I was doing! There was no such thing as IT being taught in schools or universities at the time.

Gold: So how did you come to be a programmer?

S.L.: When I was in High School, SKF set up a business school where you could learn accounting, English and basic

business administration on a two-year course where you were paid a salary to work and study at the same time. It was very efficient and it was actually the only studying I ever did because when I finished I was selected to work in the new department. The company had bought this enormously expensive computer and everything had to be written in machine language. The work could be very tedious but I found it fascinating and, after being sent to IBM to learn how to programme, it turned out to be something that I was very good at. I enjoyed it, which is why I stayed there for 13 years.

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Gold: What happened next?

S.L.: It was the start of quite a journey! During my time with SKF, I met my friend and business partner Roger Akelius, who worked for IBM, and we started a number of companies together. In 1977 I left SKF and we worked together full time. When one of our finance companies was successful in Sweden, we sold it and then we both moved to France, where he started writing books on the Swedish tax system, one of which became the definitive guide, very popular with professionals, which he subsequently updated and republished every year. At some stage he bought one of the first ever personal computers to do the writing and he suggested that I write a programme to make tax calculations for the Swedish market. I agreed so I bought a PC in America and I started work on it in May 1985. It turned out to be extremely successful. It was while Akelius was researching his next book that he discovered that Swedish citizens were entitled to invest up to 3,000 krona per person in a foreign life insurance policy. Currency controls at the time meant that, with this exception, they could not invest legally outside Sweden, so we thought that we should make use of this. We looked around to see where we might easily start an offshore insurance company and one of those places was Cyprus.

Gold: And what did you think?

S.L.: We decided that it was the perfect place for it and so we started Alpha Insurance here, together with a consultancy company for the Swedish tax calculation programme. We started that with two female programmers and I was very proud of the fact that we were up and running within one week. I am still proud to say that one of our first employees is still with us. At the time, we could get three programmers here for the cost of one in Sweden and Cypriot program-

mers were much better and better educated. We eventually employed 20 programmers in Larnaca so we were outsourcing before the term existed.

Gold: The offshore tax regime must have been attractive back then too.

S.L.: Yes, corporation tax was very low at the time but that wasn't the driving force behind

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our decision. What swung our decision was the fact that investment income on behalf of the policy holders was tax free so this gave us an advantage in the Swedish market. In the beginning, everything was being run from France, including the administration and customer service but eventually, Yiannis Loizou, (currently CEO of Ancoria Bank), moved the entire operation to Larnaca.

Gold: Alpha later became Akelius Insurance and then Ancoria Insurance. Did the name change signify other major changes?

S.L.: Yes. After Roger Akelius and I sold the tax programme and the book publishing companies, we started a property firm together in Sweden. That also became very successful and, in the end, the two companies together were becoming too big for us so we split them: I got the insurance company and Akelius the property company. In 2006 it was renamed Ancoria Insurance and I became the sole owner.

Gold: From what you have told me so far,

one might assume that you are just another successful businessman but a decade ago, you changed course yet again and set up the Sievert Larsson Scholarship Foundation. What was behind that?

S.L.: That story goes back to 1965 when I met my other half in Sweden. She was from Thailand and we were together for 40 years and we used to go to Thailand on vacation with growing frequency. On one occasion when we were there, I came across a book by an Englishman called Peter Robinson who had been ordained as a monk. In the book he mentioned that he took care of some underprivileged youngsters to whom he wanted to give an education. I sent him some money and later I met him, I bought him a computer and arranged for him to have an Internet connection. Eventually his charitable organisation evolved into the

SET Foundation, of which I am now the President, and Peter had to leave the monastery because he was so busy with it. So that was the reason behind the Thai connection.

Gold: And what does the Sievert Larsson Scholarship Foundation do?

S.L.: The Foundation's primary purpose is to facilitate the education of promising students from disadvantaged backgrounds. The parents of many children there are poor rice farmers so they don't have the means or the inclination to get those often very bright students to study. The Foundation has also started facilitating the education of high-calibre Cypriot students who have shown academic excellence.

Gold: Have you had a chance to see for yourself how your financial assistance has helped deserving students?

S.L.: Oh yes! We receive a lot of letters of appreciation from them. It's personally very rewarding and, of course, as a businessman, I see it as an investment: I am giving young people a completely different life which will

allow them to benefit their own families, themselves and broader society too much more than they ever could by staying on the rice farm.

Gold: There are many examples of successful entrepreneurs devoting time and effort to philanthropy, while continuing to enjoy the profits of their business. But in 2007, you decided to donate all your shares in Ancoria Insurance to the Foundation.

S.L.: Yes, so it is owned by the Foundation and all the dividends go there. I knew how much money I needed for my own expenses and I decided that I could make a good and rewarding investment in the work of the Foundation so I was happy to do so. I'm now 72 and I hope that the Foundation and its work will survive me many years into the future.

Gold: Recently the Foundation decided to expand its efforts to Cyprus, to support promising, high-calibre, students who wish to further their education at educational institutions here or abroad. How much interest have you had from Cyprus?

S.L.: This has been going on for about 4 years now. I decided that, since Ancoria Insurance and now Ancoria Bank are based here, we should do something for Cyprus and also, because many of our Ancoria Insurance customers are Swedish, something for Sweden too. We started a scholarship programme with the University of Cyprus and the University of Nicosia and we also started an Excellence Programme giving Cypriot students a chance to study abroad. In my home town of Gothenburg I arranged for the Technical University there to take

S.L.: Yes and no. It's a very personal choice. In my case it was perhaps easier because I have no children, but those who do naturally want to take care of their family. Of course, I know that many successful business people don't want to give everything to their children because they understand that it is important that we all learn to do things by ourselves. So I think that they should perhaps think about doing something with at least a part of their wealth. If it's done properly, they won't regret it.

Gold: Your most recent venture is the founding of Ancoria Bank Ltd. What made you enter a sector which, as you have seen for yourself as a semi-permanent resident of Cyprus, has been through a very tough few years?

S.L.: What happened in 2013 was a shock to everybody. It made me want to contribute to the recovery of the Cyprus economy especially the banking sector, which was severely affected. I have always been a strong believer in the strong human capital base of Cyprus and I wanted to offer my support with actions.

We were extremely lucky to find some very good professionals with previous banking experience but also wanted to give opportunities to recent graduates who were starting their careers. The Sievert Larsson Scholarship Foundation, Ancoria Insurance Public Ltd and I are the three major shareholders. Everything is transparent and things are working out well.

Gold: Ancoria Bank opened at the end of last year. What are your aspirations for it?

S.L.: We offer products and services for individuals and businesses. For businesses our objective is to promote entrepreneurial

definitely support previous generations too. Our aim is to provide personalised service. As we say, we are "Big enough for your peace of mind, small enough to care". We meet our clients, build trust and rewarding relationships by understanding what they need and provide transparently the right products and services for them. I would like to see our honesty, commitment, integrity and transparency in everything we do.

Gold: What has been the key to your business success over the years?

S.L.: Everything I've done has involved a lot of hard work. Transparency and integrity are aspects of business that have always been present in Sweden so I had them from the start. Also, in terms of management style, I have always tried to convince people of something rather than simply instruct them to do it. Managers and owners have to delegate, let people grow and take their own initiatives. This is the Swedish way and it seems to be successful. Also, despite our later success, we have always worked on a small scale. It's important to choose a business with the potential for expansion and then, of course, you need a bit of luck. A lot of start-ups believe that once they have a product or a design, the job is done. They need to know that 50% of the effort has to be put into selling the idea. Marketing is so important.

Gold: You mentioned earlier that you're now 72. Haven't you heard the word "retirement"?

S.L.: I've heard it but when you have your own projects, you can't retire unless you are not involved. On the other hand, there

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Thai students for Master's Degree. All the schemes have been very successful.

Gold: Would you encourage other successful businessmen to follow your example?

spirit and help Cyprus' economy to move forwards. This can be achieved through financing young entrepreneurs as there are many highly educated locals. We believe in supporting the younger generations so that they can create a better future and we

is so much regulation and specialisation in a bank that I am no longer qualified to play an active role in it – well, I might make a good receptionist! – so by default I am semi-retired already and, therefore, I don't need to think about it! ☺