

MONEY & MARKETS

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Equity in fresh talent hunt for investment unit

▶ **RECRUITMENT** Lender hires managing director as it searches for executives to boost subsidiary

BY JOHN GACHIRI

Equity Bank has joined the renewed industry talent hunt to staff its investment banking arm as lenders go flat-out to tap the high-return segment long dominated by less financially-endowed stockbrokers.

This is the second time the top bank is going for the much sought-after talent with the initial poaching spree having not made major financial impact on its struggling subsidiary.

The bank has appointed Irungu Nyakera as Equity Investment Bank managing director. He will be joined by a slew of associates shifting from rival investment banks.

Mr Nyakera comes from the Frontier Markets Fund Managers, a UK-based fund focusing on emerging markets, where he was regional director. Before moving to the station he was NIC Capital managing director.

Sources said that the new employees were specifically headhunted based on international and local experience that the bank needs for the diverse and complex deals that it aims to execute.

"The main areas of focus will be public private partnerships, corporate finance, project finance, wealth management, and regional deals," said a source privy to the deal.

In total, Equity is understood to be targeting 10 people from various rivals including one that it has previously heavily raided.

Infrastructure projects, corporate financing and investment companies looking for opportunities have resulted in firms going all-out to retain and attract top talent required to structure deals.

Only recently Kestrel Capital and CBA Capital raided African Alliance Investment Bank's trading and corporate advisory desks.

We are also seeing private equity and other advisory firms recruiting such people

ANDRE DESIMONE, CEO, KESTREL CAPITAL



Equity Bank Kimathi Street branch in Nairobi. The lender seeks to recruit top industry talent in race to boost its market share of the lucrative investment banking. DIANA NGILA

Executives in the industry said that this is expected as transaction advisers want to grow their deal books as companies expand and require the services.

"As many brokers and investment banks are trying to grow their corporate advisory and capital markets business, they are in need of qualified staff that can do the work," Kestrel Capital chief executive Andre DeSimone told the *Business Daily*. "We are also seeing private equity and other advisory firms recruiting such people. As you may have noticed, there has been a significant pick-up in capital markets and advisory activity since last year."

Equity first went into investment

Licensed Investment Banks

African Alliance Kenya Investment Bank Limited
Barclays Financial Services Limited
CBA Capital Limited
CFC Stanbic Financial Services Limited
Dyer and Blair Investment Bank Limited
Equity Investment Bank Limited
Faida Investment Bank
NIC Capital
Renaissance Capital (Kenya) Limited
Standard Investment Bank Limited
Genghis Capital
EBI Investment

Source: CMA

banking in 2008 when it bought a trading licence from Juanco Invest-

ment Bank. It went on a head-hunting mission which saw it appoint Maina Mwangi, once based in top global financial capitals, as chief executive.

He was poached from Renaissance Capital along with other staff from the Russian firm but by December 2009 Equity Investment Bank had closed shop after it failed to cut deals.

Faida Investment Bank and Standard Investment Bank had also gone for talent at African Alliance in July 2011.

It is not only investment banks and stockbrokers, however, struggling to retain top talent.

A survey by financial consultancy PwC found that talent retention is the biggest challenge facing Kenyan companies.

PwC's report released in January found that 97 per cent of CEOs surveyed said that a major worry was how to increase pay and add incentives to protect their talent pool from competition.

The competitive nature of the investment banking has not stopped eight other banks from seeking investment banking licenses.

The Capital Markets Authority, the industry regulator, has so far licensed Ecobank, KCB and Chase Bank to open investment banking divisions since January.

Commercial banks have been seeking investment banking licences to diversify income and complement some of their divisions. Some banks have used their subsidiaries to save them millions instead of hiring external consultants during fundraising.

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Drama as NBK secretary seeks to prosecute CEO, chairman

BY VINCENT AGOYA

The High Court was yesterday scene of drama as former National Bank of Kenya company secretary pushed for prosecution of the lender's managing director and chairman.

Tempers flared as lawyer Leonard Kamweti, who now wants permission to conduct private prosecution, accused the Director of Public Prosecutions (DPP) of "reluctance" to act against chairman Mohammed Abdirahman Hassan and managing director Munir Sheikh Ahmed and opposed a preliminary objection to his bid.

He claimed the DPP and the police have been "indolent" despite his successive complaints raised more than a year ago. The directors' lawyers Cecil Miller and George Oraro raised the objection to the proceedings on grounds that the court had no jurisdiction to entertain Mr Kamweti. It took the intervention

of the presiding magistrate to put to rest a raging legal argument that took almost 30 minutes. Senior principal magistrate Enock Cheroni finally ruled the objection took precedence over the complainant's case.

Mr Kamweti wanted the court to admit the three charges he had drawn against the bank directors claiming they conspired to defeat and obstruct justice, and that they "corruptly abused their offices to confer a benefit on one Abdullahi Maalim" by compelling him while in their employment, to drop a separate complaint he had lodged against Mr Maalim at the Law Society of Kenya (LSK) disciplinary committee.

The complainant wants the directors put on trial for sacking him after "improperly putting him under pressure to withdraw the accusations he had filed against Mr Maalim before the LSK disciplinary committee accusing him of obtaining confidential correspondence



National Bank of Kenya managing director Munir Ahmed. FILE

of the National Bank of Kenya?"

His effort to have the bankers summoned to court was thwarted in a barrage of counter arguments anchored on grounds that the preliminary objection against the intended prosecution be given priority.

The Ethics and Anti-Corruption Commission, which the complainant had enjoined in the suit as an interested party, withdrew on grounds that it had

no "prosecutorial powers".

A representative told the court that the DPP was best placed to deal with the case. However, the DPP has also raised a preliminary objection against the private prosecution. Deputy director of public prosecution Victor Mule supported the argument that the objection be heard and settled first.

"There is a preliminary objection filed before this court and that means

everything else is put on hold until it is dealt with...everything else must wait, the hearing of the preliminary objection will take precedence before Mr Kamweti is entertained," the magistrate ruled.

Mr Kamweti told the court in five instances the DPP and the police had "obstructed" him and were reluctant to hear him. "They have been seeking to gag me by raising the objection that the private prosecution is frivolous and an abuse of the court process," he said adding that the claim by the two lawyers that he had not taken steps to pursue his case was misleading.

"In fact the police have told me to remove the term corruption from the charge sheet and scrap the digital evidence I have against the intended accused persons until I get their consent," Mr Kamweti added.

The case was adjourned to September 17.