



The Banker Investment Banking Awards 2010

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MOST INNOVATIVE INVESTMENT BANK FOR GROWTH COMPANIES WINNER: JEFFERIES

JEFFERIES OFFICIALLY ENTERED the futures business in September, when it announced the hiring of a rival firm's CEO and the foundation of an entirely new division for the firm. This gutsy move, and its membership of upstart trade group the Swaps and Derivatives Markets Association, which has emerged as an opponent of big banks' dominance of the derivatives space, tells you all you need to know about Jefferies. It has big ambitions and will fight to achieve them.

The firm no doubt hopes that new regulations covering over-the-counter derivatives offer a unique opportunity to gain market share. But at such an uncertain time for the industry, this is still a risky strategy.

This does not faze chairman and CEO Rich Handler. "We have found it is usually smarter to invest more heavily in times of uncertainty because the opportunities are abundant and usually more reasonably priced," he says.

The audacious bid is typical of the firm, which has transformed itself in the past couple of years, rapidly adding product lines and headcount.

"We have never had headcount targets or business mix goals," says Mr Handler. "Instead, we strive for continual improvement and are constantly on the look-out for individuals, teams and businesses that can leverage our existing businesses, are high-integrity and client-oriented. We try our



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best to be focused, opportunistic and patient at the right times."

The firm is winning a lot of business. Since the start of 2007, Jefferies has executed more than 1300 transactions valued at more than \$397bn; including 516 advisory mandates, 136 equity transactions, 588 debt offerings and 69 lead arranged loans.

And, while it may focus on growth companies, it also works on some very big deals – including as financial advisor to energy company XTO in its \$41bn acquisition by Exxon Mobil and as sole financial advisor to Statoil in the \$3bn sale of 40% of the Peregrino field off Brazil to Sinochem.

As Jefferies continues to grow so aggressively, will the firm's collegiate culture – which it sees as a real differentiator – come under threat? Absolutely not, says Mr Handler.

"Even with 3000 people globally, individuals and small groups of people can still make a big difference. We work hard to make sure our new hires have the same values as our existing partners. There is no place for arrogance, gamesmanship, politics or bureaucracy at Jefferies."

Judges

Jeremy Amias, founding partner of Amias Berman & Co, based in Hong Kong.

Philip Alexander, finance editor, *The Banker*.

Zeshan Ashiq, partner of structured finance firm Shooters Hill Capital.

Saad Azhari, chairman of the board and general manager of Blom Bank.

Dr Freddie Baz, group chief financial officer and strategy director for Bank Audi.

Robert Binder, manager of the Criatec Fund, a seed capital fund in Latin America.

Benoit d'Angelin, founding partner of advisory boutique Ondra Partners.

Marcia Favale-Tarter, advisor to BTA Bank and Alliance Bank and a senior advisor to Kazakhstan's prime minister.

Dr Caleb Fundanga, governor of the Bank of Zambia.

Nassib Ghobril, chief economist and head of economic research and analysis at Byblos Bank Group.

Lado Gurgenidze, co-founder of Liberty Investments, which focuses on financial services institutions in frontier markets. In 2007 and 2008, Mr Gurgenidze served as the prime minister of Georgia.

Professor Roszaini Haniffa, professor of accounting at Bradford University School of Management.

Andrew Harrington, co-founder of corporate finance advisor AHV Associates.

Dawid Konotey-Ahulu, co-chief executive of investment consultancy Redington.

Geraldine Lambe, markets and investment banking editor, *The Banker*.

Hubert Pandza, non-executive director at several banks from eastern Europe.

Mark Richards, head of the global financial services sector team at Actis.

Zubyr Soomro, chairman of the Karachi Stock Exchange.

Alejandro Valenzuela, CEO of Banorte.

Anthony Williams, non-executive director of FBN Bank.

Brendan Wood, founder of capital markets consultancy Brendan Wood International.