

A SPEECH DELIVERED BY IKE CHIOKE,
GROUP MANAGING DIRECTOR OF



AT THE



9th COMMENCEMENT CEREMONY

THEME:

CHARACTER, VALUES AND LEADERSHIP:
LESSONS FROM MY LIFE JOURNEY

13TH OF MAY 2017

1.0 Salutations

The Founder, Your Excellencies, Members of the Board of Trustees, President Le Gene, Distinguished Faculty, Graduating Students, Ladies and Gentlemen...

It is, indeed, an honour and a privilege to address you today at this August Occasion – the 9th Graduation Ceremony of the American University of Nigeria.

Let me begin by extending my gratitude to the Chairman, AUN Board of Trustees, Mr. Akin Kekere-Ekun, for finding me worthy to step into the very large shoes of His Royal Highness, Muhammadu Sanusi II, The Emir of Kano who as you all know was originally billed to give this commencement address.

I will also like to extend my profound gratitude and congratulations to the Founder of AUN, the Turakin Adamawa, His Excellency Alhaji Atiku Abubakar (GCON), whose immense generosity and vision in establishing this world class institution we are all benefitting. In the Founder's words, "***an individual's success is deemed to be of limited social value if it does not lead to the success of others in the family, clan or community***". These words cannot be more true.

AUN has gone on not only to transform Yola and its environs educationally, socially and economically, but also put the town on the world map, becoming a beacon of hope and source of pride, particularly during troubled times of insurgency. I can relate with Alhaji Atiku Abubakar's generosity as I am also standing before you today, thanks to the philanthropy of another visionary, Cecil John Rhodes, whose scholarship sponsored me through post-graduate studies at Oxford.

Coming here to deliver this address evokes a feeling of nostalgia, particularly of my graduation at the University of Ife (now Obafemi Awolowo University) in 1987. I remember sitting under the sun for several hours to listen to the commencement address at the Amphitheatre – an uncovered 1000 seater hall styled after the Roman theatres. More than 30 years after graduation, I cannot remember the name of the speaker or the topic of discourse since I had only one thing on my mind that day - to quickly get to the end of the speech so I can collect my certificate and proudly show it to my parents and family. So, I cannot (and certainly will not even try to) restrain your excitement if you are in the same situation now as I was then. Your excitement is well earned and you should be proud of what you have achieved. I just want to crave your indulgence to pay as much attention as possible, and try to draw some lessons from the experiences I will be sharing with you.

I come from the financial industry and, hence, it would have been natural to wax lyrical about Nigeria's present economic and financial challenges and offer suggestions on how we might be able to solve them. However, as I considered the subject matter for this address, I felt that there is, perhaps, a deeper message to pass on than macroeconomic issues. You are young graduates who, for a number of years, have lived and studied here in North-East Nigeria – a region that has just experienced one of the most devastating security, social, religious and economic challenges Nigeria has ever faced - so I expect that you have a fair idea of some of these problems. Instead, I will be talking about things that you might - in time - find much more helpful in finding your place in life and succeeding in your chosen field of endeavour. I intend to do this by telling you my life story – something I have not done publicly before.

2.0 Growing up in a World of Collapsing Values

I was born in the mid-1960s and had the typical middle-class Nigerian upbringing. My Father, His Royal Highness Igwe Alexander Ene Chioke, KSM (of blessed memory), was a civil servant with the Enugu State Government, and my mother, Nono Elizabeth Ukamaka Chioke, LSM (God Bless her soul) was a trader who sold Vlisco fabrics in Ogbete Market in Enugu. Their combined income was meager but Nigeria's living standard was decent enough then for them to afford the "luxury" of seeing all their six children up to tertiary education level and equipping us with the essential tools of life. I attended Ekulu Primary School in G.R.A. Enugu before leaving home at age 12 for Federal Government College, Jos - a unity boarding school. Against the advice of my father who wanted me to select University of Nigeria, Nsukka as my first choice in JAMB - an institution he was familiar with and could wield influence to secure my admission if there was a "problem" - I indicated University of Ife as my preferred choice to study Civil Engineering. Now, rejecting my father's advice was not youthful rebellion. No! I just did not believe in his reality of Nigeria. As a 17 year old, I saw a Nigeria where competition was fair and opportunities were equal with neither walls of elite and ethnic protection nor formed stereotypes. I reasoned at the time that after completing my primary school in the Southeast and my secondary school in the North, it was time for me to discover Western Nigeria. In retrospect, I can say that my outlook of Nigeria, and life in general - was rather naïve!

I did get admission into Ife without knowing anybody in the University, and I also graduated with honours in Civil Engineering despite the challenges. But by the time I graduated in 1987, I had begun to see a different picture of Nigeria. While I was schooling, new found oil-wealth in the 1970s had given rise to a period of fiscal recklessness and the country had made a series of poor economic choices. These not only led to the abandonment of our thriving agricultural economy but also to the decimation of the dependent agro-based

industrial sector. Newly minted millionaires then entered the fray and catalyzed the destruction of our much-cherished societal values such as meritocracy, integrity and community development. It is hard to imagine that Nigerians - at that time - had a higher standard of living than China, Malaysia, Indonesia and, indeed, much of Pacific Asia while – today - we are worlds apart in almost all development indices you can think of.

The fact is that anybody fortunate enough to be graduating from Ife in 1987 as I was would definitely be considered among the privileged class. But in spite of that I found myself a victim of the realities of a declining society once I left my ivory tower. The first reality check for me came when I could not get a job as a Civil Engineer with any of the top ten construction companies at the time. Reason? Recruiters in those firms believed that with my First-Class degree I may be difficult to order around. Privately, I could see that I was probably more qualified than the people I would be reporting to. This was 1987 – 30 years ago, but sadly, this situation still exists today.

As you graduate today, you will all come face to face with the realities of growing up in a society with declining values. Within AUN, you have been taught that hard work, commitment, focus and diligence is all that is needed for you to succeed in your chosen field...and rightly so. Outside AUN, however, you will face significant new challenges that will impose a strain on your values and character.

For me, I realigned my career goals and chose instead to work at Arthur Andersen & Co. - a global accounting firm that recruited the brightest and the best graduates it could find.

What is the morale of this story? **The values you were taught in school and grew up with might not be the same in the world you are going to face. But even in a world of collapsing values, you have the personal responsibility to develop the strong character traits you will**

need to find your purpose whilst also trying to reshape the value system positively the best way you can.

3.0 The Rhodes Scholarship

In the process of finding my purpose in life in the late 80s while working at Arthur Andersen, I got to know about the Rhodes Scholarships for study at the University of Oxford from one of my lecturers in Ife.

The Rhodes Scholarships are widely regarded as the oldest and most prestigious scholarship programme in the world. Established in 1903, they are postgraduate awards supporting outstanding all-round students attending the University of Oxford, consistently ranked one of the top universities in the world. Cecil John Rhodes' Will outlined four criteria for the election of Scholars and, today, they remain the cornerstone of the selection process:

- 1) outstanding intellect,
- 2) character,
- 3) leadership, and
- 4) commitment to service.

Rhodes' vision was to develop young leaders who would be motivated to "fight the world's fight" and to "esteem the performance of public duties as their highest aim".

Given the very high standards, applicants are expected to have the highest graduate degree that their universities can offer. Applicants are also required to write a personal statement that demonstrates the other critical qualities of character, leadership and commitment to service.

In my personal statement, I wrote about my experience as an NYSC Civil Engineer working on an erosion control project in Ankpa located in the then Benue State. Anyone who is familiar with Ankpa will know that the town seats on a hillside and is perennially prone to erosion. After observing a major defect in the Local Government's design of roads and drainages, I wrote a paper on Controlling Erosion Menace in Ankpa and presented it to the Chairman and the contractor responsible for the job. The Chairman was impressed and I was given the responsibility of redesigning, quantifying and supervising the construction of the drainages, culverts and retaining walls in the entire town.

The lesson? **It is great to have excellent academic qualifications; they will open doors of opportunity for you. However, to truly succeed in life you must learn to adapt all the knowledge you have acquired from the university to solving practical socio-economic and development problems. It is this differentiation that earned me my Rhodes Scholarship amongst a group of other graduate all armed with degree certificates.**

4.0 Pursuing a Career in Investment Banking

My first dilemma on my way out of Oxford was what to do next. Should I continue in accounting and tax advisory with Arthur Andersen before Oxford or pursue a new career in investment banking or management consulting. I definitely wanted a career in finance and perceived from my new exposure in the U.K. that investment bankers were the cream of the crop in the finance profession. So, I told myself: "If you are going to eat a frog, eat a fat and juicy one with warts on the back."

I remember going through the entire application process for many London-based, blue-chip investment banking firms including UBS, Warburg Pincus,

Morgan Stanley and Goldman Sachs. Despite my outstanding credentials and the prestigious badge as Rhodes Scholar, I was told at the final stages of each of these that I could not be hired because I did not have a permit to work in the U.K. Eventually, Morgan Stanley offered me a 'Third Year Analyst' role in their New York office while some of my fellow M.Phil. classmates were offered 'Associate' roles in the same firm. Refusing to settle for such an "inferior and blatantly discriminatory" offer, I rejected it outright.

Upon graduation from Oxford - armed with an MPhil and little money - I travelled to the U.S. in June 1991 to continue my job search, eventually settling with a Nigerian friend, Sola Akingboye, who was then living in Hempstead, Long Island in the state of New York. From there, I listed all the investment banks, management consultancy and accounting firms in the U.S. and submitted applications to over 100 firms with offices in the New York area. Within weeks, I received just as many rejection letters which was extremely disappointing and demoralizing. However, as I scrutinized each of these letters I noticed two distinct patterns emerging. Many companies rejected me outright without offering any specific reason while a few, often among the best and more global firms, indicated that they could not hire me because I did not have a U.S. work permit.

So I changed my strategy. Firstly, I wrote Rhodes House at Oxford and asked for the latest edition of the American Oxonian yearly directory. When it arrived, this simple book became the equivalent of Internet and Google for me in those days as it had the name, company, work address and phone number of every American Rhodes Scholar. From my initial interaction with American companies, I had learnt that that I had a far better chance of getting past the switchboard receptionist if I knew the name of anyone working in the company when I called.

From that moment on, I began to penetrate the inner walls of these firms by calling and introducing myself to former Rhodes Scholars or friends of

scholars working in the banks or people whose names I had picked out from the *Wall Street Journal* who were associated with major investment banking deals. By that time, I had honed down my introductory phone script to a few lines that I could deliver within 10 seconds. The reactions I got from these unsolicited phone calls were amazing – ranging from furious anger, from people screaming insults at me and hanging up immediately, to respectful curiosity, from others who asked me how I got their name and number and subsequently making time to meet me. I took both the negatives and positives as part of the experience and remained focused on my objective of getting a job.

While all this was going on, I suddenly found myself homeless as Sola had to relocate out of New York. With nowhere else to go, I reached out to a fellow Rhodes Scholar, Kate Finkelstein, whose father gave me a loan to pay for three months of accommodations at the *92nd Street*, a Jewish residential center in Manhattan for young men. That singular act of generosity from a total stranger was a life saver! This was because while living for free in Hempstead, I could not get any casual jobs and I was 2hrs away by train from Manhattan where all the investment banks had their head offices. Hence, it was often difficult and expensive for me to make my way to and from their offices for interviews. However, from the YMHA, downtown Manhattan was only 10 minutes away by subway. In addition, given the density of commercial activity in New York City, I was immediately able to get a casual job which provided just enough income for me to survive. I started from washing dishes in the kitchen of an Italian restaurant. A month later I moved to the more prestigious job of selling kitchenware at Macy's department store and finally to a desk job as an accounts clerk at Madison Square Garden.

From the interactions with the new acquaintances I had met over the phone, I then got a deeper appreciation of how the labour laws work in the U.S. Essentially, a company cannot hire "an alien", a foreigner, unless they could

demonstrate that there was no American that could do that job. However, global companies are permitted to bring in staff from foreign offices for training. Within the investment banking industry, an Analyst was employed under a "Three Year Training programme" while an "Associate" was essentially a permanent job. That then explained why Morgan Stanley made me an offer as an 3rd Year Analyst while in Oxford!

Soon enough, the employment offers started pouring in. The first one was from Kidder Peabody & Co. to join their investment banking division as a 'Third Year Analyst'. The second came from Salomon Brothers to come in as a 'First Year Associate' also in investment banking. The last offer was from Goldman Sachs & Co., for the lowly position of a "First Year Analyst" in their corporate finance department. Without thinking twice, I gave up the superior financial packages at Kidder and Salomon to resume at Goldman Sachs in December 1991.

I chose Goldman because by then I had learnt that pursuing a career is a marathon not a sprint. I chose the firm that had the best reputation, the best training programme and the best internal culture to support and nurture a foreigner like me for long term success.

This episode in my life taught me the unforgettable dangers of "pride". I learnt that no matter how much success life throws my way, you must always remain humble and open minded in dealing with people and situations. Whereas at Oxford, Morgan Stanley had given me a job which I turned down because I thought it was not good enough. Here I was, a year later, begging to get a job below that level in order to start my investment banking career.

5.0 The Journey Home: From Global to Boutique Investment Bank

I spent six richly rewarding years with Goldman Sachs in New York. From that firm, I learnt and relearned the meaning of hard work, resilience, diligence, commitment, entrepreneurship, teamwork, professionalism, respect and humility. After Goldman, I spent a year at Smith Barney's New York office before transferring to London in 1998. By that time, the firm had become a subsidiary within the newly formed global financial services supermarket called Citigroup. I worked in Citi for another four years until I joined Afrinvest in London – in partnership with my friend, Phillip Iheanacho – in 2002. In 2003, I relocated to Nigeria with the remit to build Afrinvest's investment banking business within Nigeria and the sub-region. In 2004, I incorporated Afrinvest in Nigeria as a partly-owned subsidiary of SecTrust, a respected brokerage, investment research and asset management firm, led by Godwin Obaseki, who is now the Governor of Edo State. I had met Godwin in the early 1990s while working in New York City.

This partnership proved to be fortuitous because shortly thereafter, the CBN, under Chukwuma Soludo, announced the recapitalization of the Nigerian banking industry with each bank required to raise their capital to a minimum of ₦25 billion. This policy ushered in the biggest wave of capital raising and mergers and acquisitions transactions that the country had ever seen. In the course of an 18-month period, the capital markets industry recorded over \$5 billion of transaction value with 82 banks recapitalizing or merging into 25 banks by December 2005.

For the newly minted Afrinvest Nigeria, this was like manna from heaven. The firm advised on some of the largest transactions of that golden era such as the merger of UBA with Tony Elumelu's Standard Trust Bank which catalyzed the new UBA into becoming a pan-African bank. We also advised on the formation of Stanbic IBTC Bank Plc and Fidelity Bank's merger with FSB International. Subsequently in 2006, SecTrust combined with Afrinvest

Nigeria and renamed itself Afrinvest (West Africa) Limited with Godwin as MD and myself as DMD.

The enlarged Afrinvest which by then had three established business arms – securities trading, asset management and investment banking – went further to go where no Nigerian advisory firm had ever gone by taking GTBank to the London Stock Exchange to raise \$350 million in a Eurobond transaction in 2007. We capped that milestone by raising \$750 million for GTbank in 2008 from the listing of its shares as Global Depositary Receipts also on the London Stock Exchange. By that time, Afrinvest had effectively become the preeminent investment banking firm in Nigeria. Then, the Tsunami of the global financial crises hit Nigeria and wreaked untold havoc and ruin across the domestic financial landscape. By the time the dust settled, Afrinvest had lost all its capital and was owing billions of naira to several Nigerian banks.

6.0 Building a Legacy with Afrinvest

Just like that, in one afternoon in August 2008, I realized that I was penniless. All my money from nearly two decades of working in investment banking was tied up in Afrinvest. With the firm now effectively bankrupt, I practically had gone from being a millionaire to being broke overnight. What was worse, because the firm owed money to the banks, we first had to pay back all the billions we owed them before we could keep any money for ourselves in the form of profits or dividends.

My first instinct was to run. Yes, run very far away from Nigeria. However, because it was a global financial crisis, there was nowhere in the world that was not affected. Venerable firms such as Lehman Brothers and Bankers Trust which had operated for centuries had collapsed. Many other previously unassailable firms such as Goldman Sachs in the U.S., UBS in Switzerland

and Barclays in the U.K. were being bailed out by their respective central banks. I remember going to meet Tayo Aderinokun (God bless his soul), then MD of GTBank, to seek his advice. He told me in very plain English, "Ike – do not even think about turning your back on this problem. If you do, Afrinvest will go down. If Afrinvest goes down, your name will go down with it. As a result, you will never be able to work in the financial services industry because it operates fundamentally on trust. You would have lost your reputation and credibility".

That was the best advice I received during that very bleak period. The situation was further compounded by Godwin's desire to spend more time to help his friend Adams Oshiomhole reclaim his mandate in the courts following the 2007 Edo elections. Ultimately, in May 2009, I was appointed MD of Afrinvest and Godwin moved up to become Chairman. I was given the mandate of restructuring, recapitalizing and repositioning the Firm back to its former glory and even beyond that.

Those were very difficult days. I look back now and I still cannot believe that we made it. Indeed, there were many days when I felt like giving up. When weeks of hard work and toil on a mandate just evaporated either because of client disinterest or an unforeseen regulatory change. There were other days like when my entire investment banking team resigned *en masse* and decided to go work for a competing firm. That felt like someone punching you in the belly on an empty stomach. Yet, despite all those difficulties, I remained resolute on my goal. I recalled my early days in New York and how I had survived near starvation in another man's country. I reasoned that no matter how bad things got in Nigeria, I knew that I could always provide a roof over my head and food on the table for my family.

Suffice it to say that we applied every technique we had in our arsenal of transaction structuring methodologies to review, analyze, value, re-value, write-off, restructure and reposition the billions of

naira of exposure we had to multiple banks and clients. When those did not work, we begged, delayed, cajoled and prostrated to our creditors to understand and reason with us. It was a very humbling experience and it provided an invaluable lesson for me in the incredible capacity of the human body to take punishment.

Ladies and Gentlemen, I am very pleased to announce that over the course of the last 8 years, Afrinvest repaid, restructured or resolved all the problem loans arising from the global financial crises. Today, the firm has fully regained its right of place among the leading investment banking advisory firms in Nigeria.

As I look forward to the future for Afrinvest, I find myself reminiscing about some of the small and not so small companies we advised over the past two decades who have now reached unprecedented heights. GTBank, which revolutionized online retail banking in Nigeria, is today the most profitable bank in the country; UBA is now a Pan-African banking giant stretching its tentacles across the entire continent; Access Bank has gone from being a niche player in corporate banking to a top tier bank in Nigeria within a decade; Dangote Cement has become the biggest and most profitable manufacturing company in Nigeria with a market value representing one-third of the entire valuation of the Nigerian Stock Exchange. For me, investment banking has been a force for good, a force for change and a force for growth and transformation.

The main takeaway from this experience is that at one point on the other in your life, there will be problems which may seem insurmountable but you have to be forthcoming about these problems and earn the trust of all stakeholders involved. Key to earning this trust is displaying integrity and openness. Encourage yourself with your success stories and vow never to repeat the mistakes.

I have taken these lessons and gone full circle in my life journey – from unprecedented success through some unimaginable failure and back again. But for you, what does the world outside this ivory tower hold?

You will leave here today, armed with your freshly printed first class or 2:1 or 2:2 or even third class certificates. Some of you already know what you intend to do, others are yet on a voyage of discovery. Even so, always remember that building a career in the arena of life is a marathon not a sprint. As such there will be many ups as well as many downs. The important thing is to remain focused and committed and keep moving.

Think of your certificate as a ticket to enter the stadium to watch a football match. The first time you enter, you will notice that you are seated in the popular side of the stadium directly under the midday sun. Those are the toughest seats and that is where life will test you. Your task is to continue to build on your character, focus on your goals and sustain your values as earn the right to get a seat under the under the covered stand. With hard work and a bit of luck, you may one day find yourself able to buy a ticket in the air-conditioned VIP section of the stadium. Even so, that might not be enough. At some point you may ask yourself, how do I move from being a spectator to the owner of the stadium. It is at that point you know you are ready to make your own mark in the annals of time.

Ladies and Gentlemen, thank you all for listening.