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Hannam sets up advisory firm despite losing market abuse appeal

Ian Hannam has set up an eponymous advisory boutique firm only months after the buccaneering investment banker lost his appeal in a regulatory market abuse case. Strand Partners, the London-based advisory group Mr Hannam acquired two years ago, will be reorganised as a fully-fledged partnership and renamed Hannam and Partners, in changes that are set to be announced on Monday.

It comes just a few months after the dealmaker, known as the “king of mining” for advising on a host of high-profile deals in the sector, failed with his landmark appeal against UK regulators who fined him £450,000 two years ago for passing inside information to a foreign government official.

The case has split the UK financial community and prompted Mr Hannam to step down from his position as chairman of capital markets at JPMorgan Cazenove in 2012.

“It has been financially gruelling, it has been emotionally draining . . . I can’t say it has been a good experience,” Mr Hannam told the *Financial Times*.

He bought Strand shortly after resigning from JPMorgan Cazenove and has refocused it since from a small- and mid-cap-oriented UK venture into a merchant bank concentrating on natural resources and emerging markets.

Mr Hannam, a captain in the Territorial Army, will cede majority control over the partnership this year to his five partners, but will retain a blocking veto.

“Like the John Lewis partnership, which is my model, employees over time can take this over,” he said, referring to the department store chain which is owned by its employees.

His partners in the 40 people-strong firm include Tim Hoare, a veteran dealmaker and former head of Canaccord Europe, Giles Fitzpatrick, the former chief executive of Fox-Pitt-Kelton, and three ex-JPMorgan bankers.

John Manser, a former banker and current chairman of SABMiller, will continue to be chairman of Hannam and Partners after having had the same role at Strand. Mr Hannam said the rebranding would also be helpful for the firm’s wider focus on emerging markets. “Notwithstanding all the [bad] press, my name is far better known internationally than it is in London.”

The profitable firm is active in Asia and Africa with affiliates in Hong Kong and Southern Africa. Its sector expertise goes beyond mining to include oil and gas as well as financial institutions, real estate and infrastructure.

Mr Hannam wants it to follow an old-style merchant banking approach where the partnership is willing to invest its own money alongside clients.

He cited his personal investments in German copper fabricator MKM Mansfelder Kupfer und Messing as well as his joint investment with Tony Hayward, BP's former chief executive, in gas-to-liquids technology company CompactGTL.

Some of the highest profile dealmakers – ranging from former UBS banker Ken Moelis in the US to ex-Goldman Sachs and Morgan Stanley star advisers Yoel and Michael Zaoui in Europe – have set up their own often eponymous firms in the past decade.