

NEWS ANALYSIS: FirstRand's love affair with chartered accountants continues

Historical appointment of first woman CEO, Mary Vilakazi, fits into the pattern at SA's most valuable bank



The appointment of FirstRand's first woman CEO, Mary Vilakazi, while historical, is in line with the bank's consistent preference for appointing chartered accountants (CAs) to the helm of SA's most valuable bank.

The lender, valued at about R344bn on JSE, recently underwent a leadership overhaul. Vilakazi, a CA, will take over from Alan

Pullinger, also a CA, in April next year.

Pullinger succeeded Johan Burger as CEO in 2018, having served a stint as his deputy. Burger is also a CA.

Burger was preceded as CEO by another CA, Sizwe Nxasana, who served in the role for nearly a decade.

Nxasana, the group's first black CEO, succeeded a fellow CA and co-founder of the group Laurie Dippenaar.

The group's last five CEOs have thus been CAs, the odd one out being co-founder Paul Harris, who majored in economics and finance.

Vilakazi started her career at PwC, where she spent eight years specialising in auditing financial services companies.

Modise Makhene, client partner and country manager for SA at Dubai-headquartered executive search firm Pedersen & Partners, said banks in SA have traditionally preferred CAs for the top role.

He said this is because the qualification brings a sense of financial assurance different stakeholders including the investment community.

"One must bear in mind that this is also the case for other senior appointments in general across banks. So you have a proliferation of CAs overall within the senior structures of banks, who in time will compete for the top role. The likelihood is that when senior talent is head hunted it would tend to be CAs as well who can then be benchmarked against similar internal talent," Makhene said.

Key subsidiaries

"It stands to reason that one cannot ignore the rigour that comes with attaining the CA qualification. The qualification has always been inherently suited to a banking environment. The financial regulatory aspect has played a role. The regulatory environment has always been receptive to the CA qualification for obvious reasons. The CA has to comply with clearly stipulated standards which are designed to moderate behaviour and promote ethics for instance."

CEO roles of FirstRand's key subsidiaries, FNB and Rand Merchant Bank, are also held by CAs. Emrie Brown, who joined RMB in 2001 as a transactor was appointed CEO a year ago, while FirstRand's current CFO, Harry Kellan, will assume the role of FNB CEO in April.

Sim Tshabalala, CEO of the country's biggest bank by assets, Standard Bank, is a lawyer, while Absa boss Arrie Rautenbach has several business degrees.

Tshabalala previously served as the bank's joint-CEO with Ben Kruger, a CA. Rautenbach replaced Daniel Mminele, a banker, who served in the role for less than two years.

Mminele's predecessor Maria Ramos, an economist, served in the role for a decade after she replaced Steve Booysen, a CA, in 2009.

Investec boss Fani Titi is a trained mathematician and has a business degree, while Capitec head honcho Gerrie Fourie has a BCom.

Nedbank's mainstay CEO, Mike Brown, is a CA, having also served as the group's CFO before his promotion in 2010. Brown, the longest-serving CEOs of a listed bank, succeeded Tom Boardman, a CA, who served in the role for seven years.

Makhene said the preference of CAs as CEOs of banks is likely to change in the future due to the rise of fintech.

“In terms of skills, CAs tend to be analytical, problem solvers, detail orientated, forensic and consultative, as they seek answers that are embedded in the numbers. As a result they touch all aspects of the business which can be an advantage in gaining rapid upward mobility in an organisation,” he said.

“However, as financial services converge with technology in the form of fintech, insuretech and so on, and the financial regulatory framework evolves accordingly, it would be interesting to see what CEO succession will look like going forward.”

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