

AWARDS / INVESTMENT BANKING AWARDS

The Banker's Investment Banking Awards, 2018

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The results of *The Banker's* Investment Banking Awards for 2018 reveal an industry undergoing a period of transformation, not least because it has uncovered a new mix of thought leaders



For more than a decade, *The Banker's* Investment Banking Awards have recognised the industry's leading and most influential financial institutions. The winners of the 17 product, three coverage, six regional and four global categories are selected based on the innovation, client utility and market impact of their deals and advice over a 12-month period – in this case, from June 2017 to June 2018.

Winners

Most innovative investment bank

Winner: HSBC

Most innovative investment bank from western Europe

Winner: HSBC

Most innovative independent investment bank

Winner: Rothschild

Most innovative team

Winner: NatWest Markets

Most innovative investment bank for corporate social responsibility

Winner: Citi

Most innovative investment bank from Africa

Winner: Rand Merchant Bank

Most innovative investment bank from Asia-Pacific

Winner: DBS

Most innovative investment bank from central and eastern Europe

Winner: Sberbank CIB

Most innovative investment bank from Latin America

Winner: Bradesco BBI

Most innovative investment bank from the Middle East

Winner: First Abu Dhabi Bank

Most innovative investment bank from North America

Winner: Bank of America Merrill Lynch

Most innovative investment bank for bonds

Winner: HSBC

Most innovative investment bank for climate change and sustainability

Winner: Natixis

Most innovative investment bank for equity derivatives

Winner: BNP Paribas

Most innovative investment bank for equity-linked products

Winner: UBS

Most innovative investment bank for fixed income, currencies and commodities trading

Winner: Société Générale

Most innovative investment bank for infrastructure and project finance

Winner: Macquarie Capital

Most innovative investment bank for IPOs and equity raisings

Winner: UBS

Most innovative investment bank for Islamic finance

Winner: CIMB

Most innovative investment bank for leveraged finance

Winner: Credit Suisse

Most innovative investment bank for mergers and acquisitions

Winner: Rothschild

Most innovative investment bank for private placements

Winner: Bank of America Merrill Lynch

Most innovative investment bank for restructuring

Winner: Moelis & Company

Most innovative investment bank for risk management

Winner: Société Générale

Most innovative investment bank for securitisation

Winner: Credit Suisse

Most innovative investment bank for structured investor products

Winner: BNP Paribas

Most innovative investment bank for syndicated loans

Winner: Bank of America Merrill Lynch

Most innovative investment bank for emerging markets

Winner: Renaissance Capital

Most innovative investment bank for financial institutions group

Winner: Barclays

Most innovative investment bank for sovereigns, supnationals and agencies

Winner: Citi

It is a platform for the oft-misunderstood sector to showcase its best work, be it the restructure of a flailing corporate, advice to an emerging market central bank, or helping a borrower make its capital markets debut. The awards have also, however, become a litmus test for the state of investment banking. The winners and their most impressive work reveal the developments being prioritised by

bank management and the client issues being tackled by bankers. It offers a peek inside the industry's future.

The 2018 results reveal an industry undergoing a period of transformation, not least because it has uncovered a new mix of thought leaders. While HSBC deservedly collects top honours, some nimble new entrants have entered the ranks. Renaissance Capital has won the emerging markets award, Singapore's DBS is the most innovative investment bank in Asia, and Moelis & Company has taken home the restructuring prize. It may not show in the winners list, but in many other categories judges ranked African, Middle Eastern and Asia-headquartered investment banks on par with the historically dominant US and European bulge brackets.

The most competitive categories are also telling, as they reveal where banks are doing their most impressive work. Those receiving the most submissions in this year's awards include climate change and sustainable finance, corporate social responsibility, bonds and project finance. It is consistent with the developments bankers' claim are changing the direction of their industry, such as the acceleration of sustainability-linked dealflow, finding ways to embrace disintermediation, and the landmark infrastructure projects pursued by emerging and frontier market governments.

While sophisticated structuring and technical expertise will always be prized, other credentials have arguably been more prominent in this year's awards. These include the ability to introduce new types of credits to different financial markets, deals and advice that have a long-term real world impact, collaboration between various business lines to deliver holistic advice and solutions, and the use of digitisation and other technology advancements to improve client service. Investment banking is changing, and this year's award winners reveal how.

Most innovative investment bank

Winner: HSBC

Most innovative investment bank from western Europe

Winner: HSBC

When it comes to working on the most transformative deals and capitalising on the best growth opportunities, few investment banks are as well positioned as HSBC Global Banking and Markets (GBM). Its sprawling operations encompass the world's most promising and fastest changing markets, giving its bankers an unrivalled opportunity to provide advice and perform work that has a tangible, on-the-ground impact.

It is a major factor that differentiates HSBC from many other leading investment banks. "We have a true network stretching from Asia, through Europe and into the Americas," says Samir Assaf, chief executive of HSBC GBM. "We are not dependent on a domestic market from which we go international. Instead, we have a balanced and inter-connected business that helps our clients all over the globe."

Indeed, one of GBM's key success stories is its continuing ability to connect with clients around the world. "It's not only in transactional banking where we have seen great success over the past few years, but also in financing and increasingly in advisory," says Mr Assaf. The judges in this year's Investment Banking Awards agree. HSBC was strong across the full spectrum of categories, taking home the bonds award and putting in solid performances in everything from infrastructure and Islamic finance to climate change and sovereign advisory.

HSBC has played an instrumental role in projects of national importance, such as the Nacala Railway and Port Corridor Project in sub-Saharan Africa, Dubai airport's expansion and the modernisation of Peru's Talara Refinery. It has also been one of the most prominent advisers and financiers of China's Belt and Road Initiative, which is arguably the biggest overseas investment drive ever launched by a single country.

Late in 2017, HSBC solidified its presence in China, which is at the heart of its strategy and pivot to Asia, by opening the mainland's first joint-venture securities company to be majority owned by a foreign bank. It is the latest proof that HSBC's depth in, and commitment to, emerging markets is second to none. Public sector entities have taken note. "Over the past few years, our knowledge of the emerging markets has enabled us to really stand behind some of our sovereign clients," says Robin Phillips, co-head of global banking at HSBC GBM. "As we have been in these countries for some time, we do understand the market and these governments." HSBC was joint bookrunner on the first century bond launched by a sub-investment grade credit, a \$2.75bn sale by Argentina in mid-2017. Its structured repurchase agreements with Egypt's central bank have played a pivotal role in the country's recovery from its 2016 currency crisis.

HSBC's bias towards emerging markets – particularly the Middle East and Asia – reflects its conviction that growth and advancements in these regions will continue apace. "We still believe this isn't a temporary situation but that the world really is shifting economically, demographically and from a wealth perspective to this part of the world," says Mr Assaf. "We are privileged to be positioned very well in these markets and we will continue to invest to accelerate our advantage."

Further evidence that HSBC is at the vanguard of issues reshaping the global economy is its success extending sustainability linked asset classes to new types of issuers. It had leading roles on the world's first sovereign green sukuk (a \$1.25bn issuance by Indonesia), Hong Kong's first green loan and the first benchmark corporate bond aligned to the UN's Sustainable Development Goals.

In addition to its structuring and execution capabilities, the bank's thought leadership in this area is also of note. There is now a growing recognition among investors that their portfolios will lose value over time if they do not incorporate sustainability criteria. But there are other reasons why Mr Assaf expects climate-friendly business to accelerate. "In addition to the financing of risk, there is also the possibility of these assets becoming stranded and repayment being jeopardised if their underlying businesses don't evolve," he says. This creates potential problems not only for investors, but also those engaged in businesses that could find themselves in decline.

HSBC's forward-thinking strategy puts it ahead of the curve in seizing revenue-generating opportunities, but it does not make the bank immune to industry-wide challenges. This includes the knock-on effects of a potential trade war following the tariffs being imposed by China and the US. "We aren't worried about the direct impact, for example, on our trade or foreign exchange business," says Mr Assaf. "But if the situation escalates, or if there is a misunderstanding in the conversations, that could affect asset class valuations and therefore the global economy."

Most innovative independent investment bank **Winner: Rothschild**

Rothschild's recent advisory work upholds its reputation as the world's leading independent bank. It does not shy away from challenging sectors, corporates in deep distress or ambitious acquisitions that require the most complex of structures.

"Our exclusive focus on advisory and long-term client relationships, combined with our unparalleled transactional volume and entrepreneurial culture, empowers our senior bankers to deliver the best innovative solutions to meet our clients' objectives," says Robert Leitão, managing partner and head of global advisory at Rothschild. Its strategy has paid off. Rothschild's recent highlights include many follow-on mandates from the most sought-after clients.

Throughout the awards period, Rothschild's mergers and acquisitions team helped seal Intel's \$15.3bn purchase of Mobileye, Westfield's \$61bn combination with Unibail-Rodamco to form the world's premier shopping mall group, and Bain and Cinven's long-running €5.4bn take-private of Frankfurt-listed Stada. Its financial sector capabilities were put to good use in the wind-down and disposal of two of Italy's troubled regional banks, Banca Popolare di Vicenza and Veneto Banca.

Rothschild also proved its worth in some of the corporate world's most complex distress scenarios. It advised the board of Premier Oil on its \$3.8bn restructure, which affected retail bondholders and required the conversion of Schuldschein into a UK loan. In the US it was sole adviser to renewable energy firm SunEdison on its \$8.7bn Chapter 11 restructure, which required debtor-in-possession financing and \$2.3bn-worth of asset sales. The judge overseeing the proceedings said the reorganisation was "a remarkable feat".

The firm should also be commended for its work for sovereigns, an area in which it has seen significant growth in recent years. Rothschild was instrumental on a broad range of deals for governments in emerging and developed markets throughout the awards period. These include the €3.4bn listing of Allied Irish Bank, which put the lender back in private hands seven years after it was bailed-out by the government, and a euro-denominated bond for the government of Côte d'Ivoire – the first out of sub-Saharan Africa (excluding South Africa). Rothschild also had key roles on the privatisation of Abu Dhabi National Oil Company's retail fuel business and the Ukrainian government's \$3bn return to international debt markets in September 2017.

Most innovative team

Winner: NatWest Markets

The awards period was a pivotal 12 months for Greece's return to international markets. It started in July 2017, when the government priced a five-year, €3bn transaction, its first international bond for nearly three years. Exactly one year later, a covered bond sold by National Bank of Greece (NBG) became the first Greek bank bond to receive an investment grade rating since the country's financial turmoil began. NatWest Markets, Royal Bank of Scotland's renamed investment banking business, was instrumental in bringing that deal to market back in October 2017.

It started with a non-deal roadshow which revealed there was significant investor interest in seeing a deal from a Greek bank. The result was a €750m, three-year conditional pass-through covered bond – the first ever out of Greece – which attracted more than €1.9bn in orders.

The deal priced 85 basis points inside the sovereign and received significant support from UK real money. These factors, combined with NBG's primus inter pares status among Greek institutions, meant that the deal became a benchmark for other banks, according to Konstantinos Diamantopoulos, a managing director in NatWest Markets' financial institution origination and solutions, told *The Banker* in April.

Indeed, Eurobank soon announced a covered bond transaction of its own while Alpha Bank, the country's largest lender, launched a deal in February 2018. NatWest Markets was the only bank to act as bookrunner on all three deals.

Eurobank's €500m transaction was closely modelled on NBG's. It was a three-year conditional pass-through deal, with a roadshow that covered the same geographies. Alpha Bank's deal followed a slightly different format. It had a soft bullet rather than a CPT structure, motivated in part by the desire to appeal to more traditional covered bond investors. Alpha also chose a one-week execution strategy and opted for a five-year maturity. The €500m deal was nearly five times oversubscribed.

After being laid low by the group-wide restructuring and re-emphasis, NatWest Markets' debt capital markets (DCM) team has spent the past two years increasing its market share. Throughout 2018 the bank has been an active bookrunner on DCM issuances by financial institutions spanning no less than six jurisdictions – Canada, France, Greece, the Netherlands, Spain and the UK.

Most innovative investment bank for corporate social responsibility

Winner: Citi

The breadth and impact of banks' corporate social responsibility (CSR) initiatives has quickly made this one of the awards' most competitive categories. For many banks, CSR means not only adding

value to society at large, but also using its position as a corporate citizen to take a stand on developments that impinge on its values. Citi's efforts in both these areas makes it this year's winner.

"As one of the world's leading financial service companies, Citi is well positioned to help address complex societal challenges, such as rising wealth inequality, rapid urbanisation and climate change," says Brandee McHale, the bank's head of corporate citizenship. "Whether we are funding and facilitating environmental finance projects to advance the UN's Sustainable Development Goals or lending to small business owners, we see these activities as potential solutions to global issues that matter to our clients and that will improve our communities."

A pillar of Citi's environmental policy is its commitment back in 2015 to facilitate \$100bn in activities to combat climate change. Citi has already invested more than half this amount, leading to, inter alia, a reduction in carbon dioxide equal to 668,489 cars taken off the road for one year, and 41.3 million people being served by water-quality projects.

"Over the past year, we have also used our corporate voice for good to speak out and take action on several occasions about issues that matter to us as a company and to our communities," says Ms McHale. In March, following well-known acts of gun violence in the US, Citi became the country's first large bank to update its commercial firearm policies to do its part as a company to prevent firearms from getting into the wrong hands. The year prior it updated policies for consulting indigenous populations regarding the effect of the bank's financings. This was in response to lessons learned from its involvement in financing the Dakota Access Pipeline, which faced protests and opposition due to its potential impact on Native American land.

Citi's internal and external gender initiatives should also be commended. Alongside the UN it published a best practice guide to help companies increase their procurement from female-owned businesses, which today account for just 1% of procurement contracts globally.

Most innovative investment bank from Africa

Winner: Rand Merchant Bank

Standout debt mandates across sub-Saharan Africa (SSA) clinches this award for Rand Merchant Bank (RMB) for the second year in a row. Reflecting on the bank's win, CEO James Formby says: "What's particularly pleasing is the continued innovation we delivered to our clients and the broad base of dealflow that supported this performance, both in South Africa and across the continent."

He praises his team's ability to unlock innovative and unique solutions for clients. The judges did similar. They were particularly impressed with RMB's loan and project finance work. For instance, late in 2017 the bank arranged a dual-currency, multi-tenor international syndicated term loan and revolving credit facilities to finance South African hospitals operator Life Healthcare's acquisition of Alliance Medical Group. The deal was heavily oversubscribed, revealing significant bank appetite for high-quality South African corporates entering the developed markets.

RMB was also involved in SSA's largest and most complex infrastructure financing, a \$2.73bn debt package to fund the landmark Nacala Railway and Port Corridor. The project involves the construction and rehabilitation of a 912-kilometre single railway line, linking Mozambique's Moatize coal mine with a new deep-sea export terminal at Nacala. While Nacala is on the Mozambique coast, the line passes through part of Malawi.

Its debt capital markets highlights include Africa's first accredited green bond. The proceeds from the R1bn (\$68m) issuance by Cape Town were used to fund water, sanitation and transport projects at a time when the city was suffering its worst ever drought. In May, RMB was joint lead manager on a \$2bn bond sold by the South African government against a tough market backdrop. It also helped microfinance firm Letshego improve its liquidity thanks to a bond exchange that extended its maturity profile.

Mr Formby says RMB will continue to focus on its clients, growing its business across the financial services spectrum in South Africa, and collaborating more closely across the group. “The rest of Africa also remains a key growth strategy for us and we are committed to building strong, in-country businesses in our markets,” he adds. “One of the keys to unlocking this strategy is our ability to service international institutional clients and providing access to global liquidity pools and risk appetite for SSA through predominantly electronic channels.”

Most innovative investment bank from Asia-Pacific

Winner: DBS

Over the years, DBS has made a name for itself as one of the world's most forward-thinking and tech-savvy lenders, having built up an enviable private banking business and digital bank franchise. Investment banking is not core to the Singapore-based firm's strategy, but it is committed to providing these services to its client base. This is an area in which DBS has excelled during the awards period.

“DBS has continually delivered unrivalled insights and knowledge of Asia's key markets, alongside established know-how in product structuring and a track record of linking Asian investors with issuers. These traits allowed us to secure roles as sole financial adviser and underwriter in multiple transactions throughout the year where we supported Singapore-listed entities in equity fundraising for cross-border acquisitions and other expansion plans,” says Piyush Gupta, chief executive officer, DBS Group.

Judges were particularly impressed with DBS's equity capital markets work. For instance, the \$1.7bn initial public offering of fibre-optic network provider NetLink NBN Trust was Singapore's biggest since 2011. It is a rare and much-needed multi-billion-dollar listing in an equity market suffering from a dearth of liquidity. DBS justified its reputation as Asia's leading bank for real-estate investment trusts (REITs) by bringing to market a S\$640m (\$466m) follow-on equity fund raising by Mapletree Logistics Trust. It is one of the biggest follow-on offerings (excluding rights issues) by a Singaporean REIT to date.

On the debt side, DBS had a lead role on Lenovo's liability management in March 2017, which saw the computer maker sell \$750m in five-year bonds alongside a tender offer for outstanding notes due 2019 and 2022. Lenovo is one of the many clients DBS helped extend their debt maturity during the awards period. Others include the Land Transport Authority of Singapore, whose S\$1.5bn offering in March included a 30-year tranche – the longest dated Singapore dollar bond in seven years. Another is Star Energy Geothermal, whose \$580m green bond due 2033 features the longest tenor for an Indonesian corporate high-yield note on record.

The latter is just one example of DBS's strong sustainability credentials. Other notable mandates include a \$500m debut green bond for the DBS group itself, and a first-of-its-kind instrument known as a Women's Livelihood Bond, the proceeds from which provide loans to social enterprises and microfinance institutions which benefit women in Cambodia, Vietnam and the Philippines.

Most innovative investment bank from central and eastern Europe

Winner: Sberbank CIB

Economic growth in central and eastern Europe (CEE) has picked up over the past 18 months and it has created some interesting dealflow. The region's biggest investment bank, Sberbank CIB, has been front and centre of these developments.

According to Olga Gorokhovskaya, co-head of debt capital markets (DCM) at Sberbank CIB. DCM is one of the bank's most notable strengths is its combination of strong local expertise and solid experience in the international markets. “In many cases we can provide a unique contribution to the success of the deal which international investment banks are not able to offer due to local touch and focus,” she says. “On the other hand, we are extremely flexible and adaptive to the changes in the investment banking world.”

In September 2017, the Moscow-headquartered bank had a lead role on a \$3.9bn refinancing by the Russian government. The transaction pushed out the sovereign's repayment schedule and, despite many other emerging market issuances launching around the same time, was attractively priced for the issuer.

In the same month Sberbank CIB helped RusHydro return to international debt markets with a Rbs20bn (\$297m) issuance. More than three-quarters of the bids came from foreign investors spanning Asia, the UK and US. Five months later, it worked on a subsequent issuance by RusHydro – a Rbs3bn deal which, due to heavy demand, priced lower than initial guidance. Meanwhile, in October 2017 Sberbank CIB helped bring to the international markets a highly successful Rbs15bn, seven-year bond for Russian Railways. The deal was more than two times oversubscribed, thanks to strong demand by foreign and local investors.

Also in 2017, Sberbank CIB played a pivotal role in opening the international bond markets to Belarus's private sector. The bank was global coordinator and bookrunner on a \$350m issuance by the country's leading supermarket chain, Eurotorg, making it the country's first corporate to tap the Eurobond market. It was also the first dollar-denominated Eurobond from a European emerging market retailer.

Sberbank CIB has also proven itself to be at the forefront of technological advancements. In May it was sole lead manager on the first Russian bond sale to be executed via smart contracts on a blockchain platform. The Rbs750m private placement by telecom firm MTS could kick-start a more digitised, and efficient, issuance process.

Most innovative investment bank from Latin America

Winner: Bradesco BBI

Among Latin America's homegrown investment banks, Brazil's have established themselves as the most innovative and forward thinking. And based on our awards research, Bradesco BBI is the leader of the pack. The São Paulo-headquartered firm's leadership on complex deals that span the full spectrum of asset classes sees it take home the regional award for the third year running.

According to Leandro Miranda, Bradesco BBI's head of investment banking, the firm's business model is based on three pillars: an in-depth understanding of markets, products and clients; an integrated and holistic approach that generates breakthrough deals and unlocks significant value for clients; and being a trusted adviser.

Equity highlights include the initial public offering (IPO) of Brazil's biggest reinsurer, IRB Brasil RE, and Banco Inter's IPO, which was the first full-service digital banking platform to list on the Brazilian stock exchange. In 2017, Brazilian beauty brand Natura capitalised on Bradesco BBI's debt capabilities, mandating the bank as lead arranger on the 3.7bn reais (\$957m) financing of its takeover of The Body Shop. The bank also continued its pioneering work with certificates of real estate receivables, better known as CRIs, which are a tax-exempt Brazilian instrument for real estate collateralised debt obligations.

Bradesco BBI's mergers and acquisitions (M&A) team had a standout 12 months, working on some of the region's most notable combinations. Last year it concluded the sale of a controlling stake in Brazilian dairy company Vigor Alimentos to Mexico's Grupo Lala. The bank also advised on the R\$3.5bn sale of J&F's controlling stake in Alpargatas, which makes Brazil's iconic Havaianas flip flops, to Itaúsa, Cambuhy Investimentos and Brazil Warrant. The M&A team was instrumental in Casa dos Ventos's sale of 100% of Ventos do Araripe III – one of Latin America's biggest windfarms – to a joint venture formed by Brazil's Votorantim Energia and Canada Pension Plan Investment Board.

“We see our client relationships as mutually beneficial, where their success becomes our success,” says Mr Miranda. “In order to continue to grow with our clients in Brazil, the Latin American region and

beyond, we need to continue supporting our clients in different market conditions, especially considering the high volatility due to upcoming [Brazilian] presidential elections.”

Most innovative investment bank from the Middle East **Winner: First Abu Dhabi Bank**

When it comes to corporate finance, First Abu Dhabi Bank's (FAB's) value proposition is to be regionally dominant, and through that to be internationally relevant. Its performance over the awards period suggests this strategy is bearing fruit. FAB's highlight transactions show that not only is it a top choice for clients in the Middle East and north Africa (MENA), but also corporates and financial institutions further afield who want to tap into the region's liquidity.

“The past year has been notable for the balance of business FAB has achieved across corporate finance. We have made meaningful progress in equity capital markets and advisory, complementing our leading regional position in syndicated finance and debt capital markets,” says Andy Cairns, senior managing director and head of global finance at FAB.

Among both regional and international banks, FAB's Middle Eastern operations are unrivalled. It has a dedicated, on-the-ground debt syndicate and medium-term note desk, plus the region's biggest sales force. It is no surprise, therefore, that FAB has been mandated on the region's most important debt transactions of late. It had a pivotal role on a string deal for Abu Dhabi National Oil Company (Adnoc), including a cleverly structured \$3.04bn bond (issued by one of its subsidiaries) and a \$6bn debut syndicated loan. FAB also had a lead role on the Dh3.1bn (\$844m) initial public offering of Adnoc's retail fuel business – the Abu Dhabi Securities Exchange's first in six years.

Elsewhere FAB was sole bookrunner and mandated lead arranger on the Middle East's largest acquisition financing to date. The dual-tranche \$1.43bn term loan for Adeptio AD Investments was used to take out a bridge facility put in place for the 2016 purchase of Kuwait Food Company. The bank is at the vanguard of the Middle East's upswing in private placements and Formosa (bonds issued in Taiwan but denominated in a foreign currency) throughout 2017. Further afield, FAB was sole bookrunner on a \$100m bond sale by the Republic of Maldives, which was the first foreign sovereign bond to have a primary listing on any stock market in the MENA region.

“As the largest and best rated bank in the MENA region, our proposition emphasises FAB's scale and reach as well as our balance sheet strength and intellectual capital. We are investing in people and systems, which has translated into the sophistication of products, market access and know-how that we provide clients,” says Mr Cairns.

Most innovative investment bank from North America **Winner: Bank of America Merrill Lynch**

It may have missed out on the global prize in this year's awards, but Bank of America Merrill Lynch (BAML) has left no doubt about its leading position across the full spectrum of asset classes. It won the private placement and syndicated loan categories, and posted strong performances in areas as diverse as mergers and acquisitions, equity and securitisation.

“Over the past year, our franchise has once again led some of the industry's most defining and complex transactions, underscoring our firm's proven track record of performance and its ability to deliver for clients against the backdrop of changing market dynamics and cycles,” says Christian Meissner, BAML's head of global corporate and investment banking.

One of BAML's key competitive advantages, according to Mr Meissner, is its ability to deliver the bank for clients by providing them access to its extensive products and customised solutions. “From traditional banking capabilities to personal wealth management and retirement services, we build holistic and integrated strategies that address the financial goals of our clients,” he says. *The Banker's* judges agree. The end-to-end solutions BAML has provided for investors, borrowers, sponsors and

acquisitive corporates across the globe clearly makes it 2018's most innovative investment bank from North America.

It helped finance some of the year's landmark acquisitions, including British American Tobacco's \$49.4bn acquisition of American Reynolds, AT&T's drawn-out takeover of Warner, and Amazon's purchase of Whole Foods. Meanwhile BAML was instrumental in debt management exercises taking place in Greece, Mexico and Thailand.

Judges praised the bank's equity capital markets work, including the \$3.4bn initial public offering (IPO) of Allied Irish Bank, which put the lender back in private hands seven years after it was bailed out by the government. A very different transaction that caught the judges' attention was Naspers' \$9.8bn accelerated bookbuild in Tencent, a rare cross-border transaction between South Africa and China/Hong Kong. BAML also led notable IPOs in Argentina, China and Brazil.

Meanwhile in Canada, it was lead adviser to Potash Corporation of Saskatchewan on its tie-up with smaller national rival Agrium. The all-stock deal is a rare example of a true 'merger of equals' and created Nutrien, a dominant force in the fertiliser industry with a \$30bn-plus market capitalisation.

Most innovative investment bank for bonds

Winner: HSBC

With a broader range of borrowers now tapping the capital markets, competition for this award gets fiercer every year. But in 2018 it was impossible to overlook one of the asset class's stalwarts. HSBC was mandated by issuers in every corner of the globe looking to capitalise on the bond markets' most innovative advancements.

"Our capital markets strategy aligns with HSBC's position as the leading international bank, leveraging off a global network that provides unique financing and strategic opportunities for our clients," says Alexi Chan, HSBC's global co-head of capital markets.

For financial institutions, HSBC has been instrumental in advancing the burgeoning market for senior non-preferred bonds. During the awards period it also led on first-of-their-kind Solvency II-compliant deals for the UK's Direct Line and ASR Nederland. Meanwhile its sustainability credentials were boosted by its work on the first social bond to be issued by a financial institution, and ICBC's green bond, which was the first to comply with both China's and global green bond principles.

"The fact we operate in as many debt markets and debt capital markets [DCM] formats as we do is a major competitive advantage for HSBC – it gives us unique insight and perspective – and that's what clients want," says Jean-Marc Mercier, global co-head of DCM at HSBC. "It gives them ideas, choice and best execution."

Indeed, HSBC has stamped its authority on local currency bonds sold by foreign issuers. During the awards period it worked on the biggest maple bond to date (Apple's C\$2.5bn [\$1.9bn] sale) and Maybank's Rmb1bn (\$144.6m) panda bond – the first from east Asia and the first to use the Bond Connect infrastructure that links China and Hong Kong's bond markets.

The bank was also present on the most notable sovereign deals, including Argentina's \$2.75bn century bond, first-of-their-kind deals by Uruguay's and Peru's governments, and South Africa's first bond after being downgraded by Standard & Poor's.

HSBC is also at the vanguard of digital advancements. "We are increasingly innovative in helping issuers access financing, for example by harnessing technology and digital to bring efficiency to the new issue process through platforms such as our new *Schuldschein* system 'Synd-X', our sponsorship of Investors Direct Access and, most notably, HSBC's unique fintech innovation, MyDeal," says Mr Mercier. "Each one is likely to be transformational to the issuance process."

Most innovative investment bank for climate change and sustainability

Winner: Natixis

As the sustainable finance universe grows, so too does the number of debut, benchmark and first-of-their-kind deals. The number of banks active in this space is following a similar trajectory. Natixis may be smaller, and therefore can commit less balance sheet than some of its bulge-bracket competitors, but its efforts to integrate environmental factors into all its financing activity – plus its genuine thought leadership in the area – makes it this year's winner.

“We benefit from a very firm commitment from the top management to fulfil our strategic objectives, environmental social responsibility being one of the key enablers of the [group-wide] New Dimension plan,” says Orith Azoulay, head of Natixis's green and sustainable hub.

In 2018, the bank has laid the groundwork to implement a so-called green incentive mechanism that will integrate environmental risks into its overall risk assessment for financings worldwide. It incentivises transactions that support the transition towards a low-carbon economy and penalise those that take environmental risks. Regulators could soon require all banks do something similar, in which case Natixis's example could become the market benchmark.

“Fostering innovation and cross-asset fertilisation is at the heart of our green and sustainable business strategy at both the corporate and investment bank and group level,” says Ms Azoulay.

Among its deal highlights are the world's first green commercial mortgage-backed securitisation, which was issued to partially refinance an acquisition financing provided by Natixis to Ivanhoe Cambridge for its purchase of a building in New York. It included a \$72m tranche that was independently certified as complying with the green bond principles, and received significant interest from sustainable-focused investors. In Europe, Natixis transformed a regular mortgage into the region's first 'green' real-estate loan, which is being used to finance the development of the Duo Towers in Paris.

Also in its home market, Natixis was behind the world's first green fixed-income structured note, a repack of the €7bn green bond sold by the French government in early 2017. Further afield, the bank was instrumental in sourcing and structuring financing for Latin America's first concentrated solar power project, while in Dubai it led financing for the world's biggest single-site solar park to use the independent power producer model.

Most innovative investment bank for equity derivatives

Winner: BNP Paribas

The complex world of equity derivatives has historically been dominated by French banks, and this year's awards continues that tradition. In 2017, BNP Paribas' market share increased some 15% year on year, according to data firm Coalition. But what sees it take home the trophy for equity derivatives is its structuring track record, embrace of digitisation, and expansion of the equity derivatives investor base.

“We have been in the equity derivatives business for more than 20 years and our business model is based on long-term client relationships. Our strong performance in the past year, coupled with good market share gains, have enabled us to attract some of the best minds in the sector. As the go to European bank, we are known for our prowess in building customised equity derivatives solutions for our clients and as a market maker with strong market share on leading exchanges. We look forward to continuing to serve our clients globally through our innovative solutions,” says Nicolas Marque, global head of equity derivatives at BNP Paribas.

BNP Paribas helped institutional clients navigate – and capitalise on – February's choppy markets when the VIX benchmark, which measures the implied volatility of the US stock market, hit a six-and-a-half-year high. For those looking for greater granularity when trading the forward volatility of equity indices, the bank spearheaded a new solution known as pre-set premium options. BNP Paribas has

also been at the vanguard of the pick up in dispersion trades and has adapted its electronic platform – Smart Derivatives – accordingly.

For distributor clients, BNP Paribas has launched a new index that gives exposure to the biggest companies in mainland Europe's two economic powerhouses – France and Germany. In response to investor interest in factor investing, the bank has pioneered a smart beta strategy that provides exposure to four equity factors: value, quality, momentum and low volatility. BNP Paribas has also had a key role in introducing basic equity derivatives structured products to Spanish insurers.

All evidence suggests BNP Paribas' equity derivatives success is set to continue. A joint initiative between the equity derivatives and prime brokerage businesses is starting to see results. While Europe is still its core market, the group's recent revenue growth has been fuelled by business in the US and Asia-Pacific. Finally, throughout the awards period it made key hires across structuring, sales and quantitative strategy.

Most innovative investment bank for equity-linked products

Winner: UBS

UBS's equity capabilities have been on full show recently, which sees the Swiss bank pick up this award as well as the initial public offering category. "UBS offers our issuer clients a truly differentiated proposition for equity capital markets [ECM] access," says Javier Martinez-Piqueras, global head of ECM at UBS. "The combination of our unique equities business and wealth management platform with strong sector advisory input leaves UBS uniquely positioned to offer innovative, product-agnostic advice and execution."

The bank tops the year-to-date equity-linked league tables for Europe, the Middle East and Africa, but what clinches this award is UBS's bespoke structuring. It was the top-line bookrunner for a landmark Asian convertible bond in early 2018 – a \$2.3bn sale by China Evergrande, which is the biggest ever convertible out of Asia-Pacific (excluding Japan) and the real estate industry's biggest in a decade. The property developer's stocks had surged over the 12 months prior, allowing for an attractive conversion price for the issuer.

Two other highlights were in UBS's home market. Earlier in 2018 the bank structured a first-of-its-kind \$500m note for Swiss Re, which received plaudits from the market. It is the first public optional convertible bond to include a mechanism that allows the issuer to equitise the notes at any time. The note is a flexible and low-cost option for insurers, and could pave the way for a new type of instrument for financial institutions.

One month earlier, UBS's work on a convertible bond for Sika affirmed its ability to execute large, complex transactions on a sole basis. The chemical firm's SFr1.65bn (\$1.65bn) issuance is the largest Swiss convertible ever and was used to refinance the purchase of its own shares from Saint-Gobain. The transaction included a clawback structure that allowed existing shareholders to participate in the deal.

"In a world where realised volatility is likely to remain elevated, offering clients a broad range of innovative financing options will be critical," says Mr Martinez-Piqueras. "Core to our strategy is a bespoke menu that delivers innovative non-vanilla solutions. With ongoing interest rate normalisation alongside volatility, the equity-linked market is another key focus area."

Most innovative investment bank for fixed income, currencies and commodities trading

Winner: Société Générale

Société Générale has quickly stamped its authority on this relatively new category. After picking up the inaugural award, its win this year makes it two out of two for the French bank. The markets division has invested heavily in its fixed-income, currencies and commodity (FICC) trading businesses in recent

years, not least to remain relevant at a time when non-banks are gaining a bigger slice of the foreign exchange market and clients can trade bonds directly on third-party platforms.

Advancements in two areas warrant Société Générale's win in this year's awards.

First, it is at the vanguard of the digitisation of FICC trading. The functionality of its electronic client portal SG Markets – which offers clients pre-trade, execution and post-trade services – becomes more advanced every year.

“Société Générale made major strides in improving electronic service quality in the fixed-income markets, ranging from our rates option trade builder to the addition of 300 single-name [credit default swaps] to our credit derivatives e-trading, and a US dollar swap algorithm that helps clients to reduce their costs,” says Bruno Benoit, head of fixed income and currencies at Société Générale.

The bank was also an early mover in providing fixed-income solutions to hedge against the increase in market volatility, including Italian political instability and the surge in the VIX volatility index at the start of 2018.

Digitisation is a pillar of the division's strategy. “We are encouraging the fixed-income markets to go fully electronic by anticipating change, rather than resisting it,” says Mr Benoit. “As an early adopter of digital innovation, we have been able to make an impact on FICC trading service for clients that is vastly disproportionate to our balance sheet size, and to import valuable equity market lessons to improve fixed-income solutions.”

The second advancement that warrants Société Générale's win is its commitment to improving pricing and trading opportunities. For instance, the bank created an algorithm that uses, inter alia, listed futures, US treasuries, forwards and exchange-traded funds to hedge interest rate swap exposure at the lowest cost at any point in time. Clients have taken note. Société Générale is now winning more work from some of the most sought-after names, including the US mortgage agencies.

Most innovative investment bank for infrastructure and project finance

Winner: Macquarie Capital

In one of this year's most hotly contended categories, it proved difficult to overlook the incumbent. Macquarie's signature infrastructure capabilities go from strength to strength, with judges agreeing that the Australia-headquartered bank has been instrumental in providing project developers with access to capital.

“Our deep sector expertise, global presence and flexible balance sheet empower us to help our clients, partners and investors both as advisers and principal investors,” says Mark Dooley, global head of green energy at Macquarie Capital. “This, combined with our ability to think beyond individual transactions to become a trusted adviser to our clients, sets us apart from other financial services firms in the space.”

In Mexico, it orchestrated the turnaround of one of the government's flagship projects – the 907-megawatt Norte III power plant. It spearheaded the sale of the uncompleted project, financing to finish construction and a 25-year agreement with General Electric to operate the plant. Meanwhile, in its home market, Macquarie advised on the New Grafton Correctional Centre, a public-private partnership that will be Australia's biggest prison, and uses state-of-the-art rehabilitation technology.

A key theme that runs throughout Macquarie's winning submission is renewable power. It advised on the funding of Markbygden ETT wind farm in northern Sweden, which is set to become Europe's biggest single onshore wind farm. The project secured long-term, low-cost financing despite the single offtake agreement being with an unrated corporate. Meanwhile, in Taiwan, Macquarie secured project financing for the island's first utility-scale offshore windfarm.

After acquiring the Green Investment Bank from the UK government, Macquarie renamed the business as the Green Investment Group (GIG) and intends to use it as a platform to make principal investments in green infrastructure. In 2017, GIG entered a joint venture with Covanta, an energy-from-waste (EfW) projects operator, following which Macquarie led the €272m refinancing of one of its EfW plants in Dublin, which drastically reduced its funding costs and extended its debt maturity.

Going forward, the bank also wants to be at the forefront of new markets around the world. “This not only includes emerging infrastructure markets but also new business models such as project development, unsubsidised renewable energy and disruptive new technologies,” says Mr Dooley.

Most innovative investment bank for IPOs and equity raisings

Winner: UBS

After the global, multi-year slump, equity markets bounced back in 2017, and UBS was front and centre of some of the most interesting dealflow. “UBS has taken leadership positions in most of the marquee transactions in European capital markets during the June 2017 to June 2018 timeframe,” says Javier Martinez-Piqueras, global head of equity capital markets at UBS. “Our track record demonstrates an ability to deliver the most innovative and sizable transactions in the region across products.”

In its home market, UBS was joint global coordinator and bookrunner on Switzerland’s biggest initial public offering (IPO) in 11 years. Smart meter maker Landis & Gyr’s SFr2.3bn (\$2.3bn) listing on the SIX Swiss Exchange followed a dual-track process. Notably, 100% of the equity was listed – which is almost unheard of – and there was no greenshoe option, which is unusual for a deal of its size. The success of this bold transaction was in no small part down to UBS’s slick marketing and execution. Another home market highlight was speciality pharma firm Polyphor’s SFr165m listing in March; it was Switzerland’s biggest primary biotech IPO in more than a decade.

Judges were also impressed by UBS’s work on J2 Acquisition’s IPO in London. The \$1.25bn transaction was not only the biggest IPO of a special purpose acquisition company since 2011, but it also gave J2 more flexibility for future acquisitions. UBS was also a joint global coordinator on Santander’s highly successful €7.1bn rights issue in July 2017. Spain’s biggest ever, it was prompted by Santander’s rescue of flailing national rival Banco Popular.

UBS was involved in some notable accelerated bookbuilds (ABBs) around the world, too. These include Israel Chemicals’ \$700m ABB – the country’s biggest in four years – and Barclays’ R37.7bn (\$2.9bn) secondary sell-down in its African subsidiary. The latter was South Africa’s largest ever equity deal in local currency, and appetite for the stock was such that Barclays could complete its disposal programme in one go, rather than in multiple transactions as originally planned.

In Asia-Pacific, UBS was joint global coordinator for online insurer ZhongAn’s \$1.75bn listing in Hong Kong, which is regarded as the first sizeable Chinese fintech IPO. The bank also put in its characteristically strong performance in Australia, including the A\$3.5bn (\$2.53bn) sell-down of Royal Dutch Shell’s holding in Woodside Petroleum.

Most innovative investment bank for Islamic finance

Winner: CIMB

Given Malaysia is one the world’s leading hubs for Islamic finance, it is no surprise that one of its banks has become a dominant force in the area. CIMB consistently leads global sukuk league tables and is understood to have arranged more sukuk issuance than any other bank. But volumes are not what sees it clinch this award. Rather, it is CIMB’s recent credentials in ground-breaking deals that are transformational for either the issuer, the sector or the Islamic finance industry at large.

Judges praised the bank’s solutions-driven approach. A good example is its work earlier in 2018 in helping the Indonesian government sell \$3bn-worth of wakala sukuk. This included a \$1.25bn green

tranche, which represents the world's first sovereign green sukuk. It was also the first to comply with Indonesia's new green bond and green sukuk framework.

In its home country, CIMB was adviser, manager and bookrunner on a RM1bn (\$243.5m) sukuk by Quantum Solar Park, the proceeds from which were used to fund the construction of three solar power plants. When issued, it was the world's biggest green sukuk. Together, these deals pave the way for more deals to bridge two subsets of global capital markets: sustainable and Islamic finance.

Continuing this momentum in championing the growth of green and responsible project financing, CIMB successfully arranged and marketed Southern Power Generation's RM3.66bn wakalah sukuk to fund the development of a combined-cycle gas turbine electricity generating facility, the first to be installed in Malaysia, with an aggregate net capacity of 1440 megawatts.

Another notable sustainable and responsible investment (SRI) mandate was a RM100m sukuk sold by Ihsan, a special purpose vehicle set up Malaysia's sovereign wealth fund. Thanks to its RM5m exchange-traded tranche, individuals could buy SRI sukuk for the first time and Malaysian citizens were given the opportunity to make a social impact via their investments. Still in its home market, CIMB helped Edra Energy raise RM5.08bn via sukuk wakalah to help fund what will be the country's biggest power facility.

CIMB was also involved in pioneering work involving China. For instance, in July 2017 it helped Beijing Enterprise Water Group make its debut in the debt capital markets, raising RM400m-worth of sukuk.

Most innovative investment bank for leveraged finance

Winner: Credit Suisse

Credit Suisse's unwavering commitment to its leveraged finance business – even throughout its group-wide restructure – is paying off. The unit has become the Swiss bank's calling card in the US.

“We are, and will continue to be, at the forefront of delivering complex solutions with consistent best-in-class execution. You can see that in the variety of transactions we manage, ultimately reflected in our top-spot market share rankings,” says David Miller, Credit Suisse's global head of credit and global head of credit products. The franchise is truly global, he notes, providing access to both the US and European markets with a specialty in bringing bespoke, cross-border, multi-currency transactions to market.

The bank has a well-deserved reputation for best-in-class execution. In February, when the VIX volatility index hit a six-and-a-half-year high, the bank managed to price financial services firm SS&C's \$7.4bn term loan tighter than anticipated during the underwriting stage. At the time, it was the largest non-investment grade term loan B placed in the market.

In terms of structuring, Credit Suisse played a lead role on some of the most innovative high-yield bonds and leveraged loans during the awards period. It was behind a \$600m notes offering by Spanish retailer Cortefiel in September 2017, which included a bespoke redemption feature. The bank continued its pioneering work for telecom firm Liberty Global, acting as bookrunner on a multi-tranche loan to its subsidiary Virgin Media, which included the longest tenor for a non-investment grade loan since the financial crisis. Another landmark transaction was Blackstone and CVC's buyout of UK digital payments firm Paysafe. The \$2.6bn-equivalent financing of the UK's biggest public-to-private transaction in a decade was led by Credit Suisse, which managed to optimise pricing for the sponsors.

Going forward, there are opportunities presented by the stabilising global macroeconomic backdrop, and the possible acceleration of global growth for the remainder of 2018. “Increasing interest rates have shifted issuance from refinancing towards merger and acquisition activity and we expect that trend to continue, supported by \$1000bn of private equity dry powder that must be invested over the

next five years – which, of course, we finance,” says Mr Miller. “Our strategy remains unchanged: originate, syndicate, distribute and trade that paper.”

Most innovative investment bank for mergers and acquisitions Winner: Rothschild

For years, independent investment banks have been stealing market share from the bulge-brackets in mergers and acquisitions (M&A). Rothschild's work throughout the awards period justifies such a shift. It had leading roles on deals demanding the most complicated and innovative structures, as well as those in difficult sectors or involving delicate regulatory and policy considerations.

“The size and scale of our business means that we have an unparalleled volume of transactional experience, a deep understanding of financial markets, and a network of specialists across the globe integrating both our M&A and financing advisory services,” says Robert Leitão, managing partner and head of global advisory at Rothschild.

Rothschild was mandated on transactions that required truly global expertise. For instance, it advised Intel on its \$15.3bn acquisition of Mobileye, the biggest Israeli tech deal to date. The structure had to accommodate the target being headquartered in Israel, incorporated in the Netherlands and listed in the US. Strategic and financial analysis was complicated by the driverless car market – in which Mobileye operates – being relatively nascent.

Rothschild also has valuable experience in troubled sectors. Throughout the awards period it worked on the sale of UK high street retailer Hobbs and helped French utility Engie achieve a strong valuation on its disposal of liquefied natural gas assets to Total.

As for transformational deals, Rothschild was lead adviser to Australia's Westfield on its €61bn combination with Unibail-Rodamco to form the world's premier shopping mall group. The M&A deal, which was Australia's biggest ever, involved a simultaneous merger and demerger and encompassed assets around the world. In Europe, the firm helped Bain and Cinven with their pursuit to takeover Frankfurt-listed Stada; the €5.4bn price-tag made it the largest ever take-private of a pharmaceutical company. Another public M&A highlight was Melrose Industries' £10bn (\$12.67bn) takeover of engineering firm GKN, the UK's biggest hostile takeover since Kraft/Cadbury in 2009.

Further east, Rothschild proved instrumental in sealing investments in Russia and complex joint ventures involving China. To cap things off, the closely watched \$66bn combination of Germany's Bayer with the US's Monsanto – the biggest all-cash M&A deal ever – closed in June, nearly two years after it was announced. The transaction, in which Rothschild advised Bayer, was closely scrutinised by regulators around the world.

Most innovative investment bank for private placements Winner: Bank of America Merrill Lynch

For the past few years, Bank of America Merrill Lynch (BAML) has placed a close second in the private placement category. This year, a combination of inaugural offerings, bespoke structuring and fundraisings of critical importance sees it take home the trophy.

“BAML takes an agnostic approach when helping clients view various capital markets alternatives,” says Stephen Monahan, managing director and global head of US private placements at the bank. “Where flexibility is needed by the issuer, either with respect to structure, funding, repayment or currency, often a private placement transaction is an appropriate solution.”

BAML is a pioneer of the asset class, having helped borrowers raise nearly \$300bn via private placements in 21 years, and it continues to push the instrument's boundaries. “BAML has customised closing and funding schedules to allow multiple drawdowns in a deferred funding construct,” says Mr

Monahan. "This has been particularly helpful for companies seeking to fund an acquisition or to refinance an upcoming bond maturity."

The flexibility of the US private placement market and the investor base is unparalleled relative to other fixed-income markets around the globe, notes Mr Monahan. BAML has played a pivotal role in helping foreign issuers tap into this liquidity and in transforming private placements into a global asset class.

During the awards period it was particularly active in the Australian infrastructure sector. In March, BAML led on a \$375m-equivalent capital raise by NSW Ports Finance Co, which included a rare Australian dollar tranche executed in the US private placement market. Earlier this year it helped Ausgrid, which manages the country's biggest electricity network, raise \$1.8bn via the biggest ever cross-border US private placement. BAML has also helped US firms raise funds in euros to overcome their lack of access to European foreign exchange markets.

The bank maintained its edge in the real estate sector, too, often finding liquidity for issuers that do not have access to public markets. One critical ingredient in BAML's success in this asset class is the continuity of the team's leadership; the top brass in the bank's private placement team have worked together at the bank for more than two decades.

Most innovative investment bank for restructuring Winner: Moelis & Company

Moelis & Company may have made its name in mergers and acquisitions, but over the past 12 months the firm has shown that its restructuring capabilities deserve just as much kudos. The New York-based independent investment bank has played a pivotal role in the world's most demanding restructures, acting for creditors and distressed debtors in frontier markets, underperforming economies and troubled sectors.

Matthew Prest, the firm's co-head of Europe, notes that over the past year it has increased synergies across products and regions. "We found innovative ways to provide tailored advice and captured the increased appetite for independent restructuring advisors globally – particularly in emerging markets," he says. "In 2017 and 2018, we led several marquee recapitalisations and restructurings in Latin America and the Middle East, all of which are expected to have a lasting impact on both the companies we advised and the countries where they are located."

It advised bondholders in Brazilian telecoms operator Oi's \$20bn restructuring, which is claimed to be Latin America's biggest to date. In addition to the company's management and bondholders, stakeholders in the restructure included state-owned banks, telecoms regulator Anate, the Brazilian government (keen on a rapid solution), the Oi board and shareholders. Importantly, a Brazilian activist investor had acquired an equity stake, increasing his influence over the board. Nonetheless, an agreement was brokered which was approved by almost 100% of creditors.

On the other side of the world, the firm played the same role on Mongolia Mining Corporation's \$900m restructure, the country's first restructure of an offshore bond. Despite advising the bondholders, Moelis initiated a novel capital solution that was critical to deal's success. This involved a bond structured to be part payment in kind and part cash coupon, with the latter being linked to the price of coal.

Moelis was also instrumental in the \$3.4bn restructure of Premier Oil, which affected retail bondholders, required parallel schemes of arrangement and involved the conversion of Schuldschein into a UK loan. In the Middle East, Moelis helped recapitalise construction firm Arabtec via a reverse stock split and Dh1.5bn (\$408m) rights issue. Another debtor mandate saw it advise Singapore's Global A&T Electronics on its \$1.1bn restructure, which, rather unusually for an Asian company, was implemented via an expedited, pre-packaged Chapter 11 proceeding.

Most innovative investment bank for risk management

Winner: Société Générale

Société Générale's derivatives capabilities are beyond question, and its consistent track-record of innovating solutions for clients hoping to protect their balance sheets or investment portfolios sees it pick up this award for the third year running.

“Our key strength is our cross-asset expertise and the holistic approach of our own risk management challenges, which enables us to provide unique, innovative and cost-effective solutions to our clients – often featuring ideas that improve liquidity in a given sector,” says Kokou Agbo-Bloua, global head of flow strategy and solution, financial engineering, at Société Générale. “We are also breaking down barriers between flow and exotic markets in ways that materially improve our service to clients.”

In terms of navigating political shocks, Société Générale responded quickly to the fallout from Italy's populist election victory in March by reducing concentration risk for clients with exposure to Italian government bonds. In order to address the risk arising from highly leveraged companies in a context of higher rates, the bank designed a new solution that hedges credit risk via equity dispersion trades.

Throughout the awards period, Société Générale pioneered different ways for corporates to hedge their foreign exchange risk at a lower cost. This included an index-based solution that was incorporated into a tailored risk management programme for a large European corporation.

Further afield, the bank created risk management solutions for clients in Mexico, Finland and Africa. One example saw it enter a cross-currency financing repurchase agreement transaction with a Nigerian bank, providing US dollar liquidity against local currency government bond collateral. Internally, the French bank transferred several billion dollars of notional risk arising from Asian structured products for the benefit of European and US investors looking for new trade ideas.

Société Générale also has some impressive event-driven mandates. For instance, in 2017 it helped British American Tobacco pre-hedge interest rate risk arising from its \$50bn acquisition of Reynolds American.

Going forward, Mr Agbo-Bloua says Société Générale is committed to making further progress in managing risk on a holistic basis both for its client and the bank. “As rates begin to rise globally and the equity bull market shows signs of strain, there will be inevitable challenges for investors and corporates in managing cross-asset risks, including credit and foreign exchange exposures,” he adds.

Most innovative investment bank for securitisation

Winner: Credit Suisse

Credit Suisse beat off fierce competition from other bulge brackets to claim this category for the third consecutive year. “In addition to our market-leading credentials in structuring lead assignments and inaugural issuers, Credit Suisse continues to develop and build new asset classes,” says Jay Kim, global head of securitised products at Credit Suisse.

For instance, following its success kick-starting of the market for the securitisation of mortgage servicing rights in 2017, the bank has continued to break new boundaries in the residential mortgage space thanks to first-of-their-kind deals by the US mortgage agencies. “We continue to build on new iterations of the government-sponsored enterprise credit risk market, a market Credit Suisse first developed in 2013, by structuring Freddie Mac's inaugural credit risk transfer deal backed by Harp loans,” says Mr Kim. Harp loans help struggling homeowners refinance their mortgages.

“We also continue to challenge industry norms in traditional asset classes,” he adds. Indeed, Credit Suisse's auto client mandates include American Car Center's \$213m debut securitisation, which was the world's first auto-lease asset-backed securitisation (ABS) to include subprime collateral and to be backed entirely by used vehicles. The bank continues to help electric car pioneer Tesla finance its

ground-breaking operations, bringing to market its first solar-backed securitisations following the firm's acquisition of SolarCity. Credit Suisse was also behind inaugural deals in the solar power market for Dividend Solar (the notes from which were designated as green bonds) and Vivint.

Another example of Credit Suisse raising the bar within existing asset classes is its work on DLL Finance's issuance of the world's first agricultural securitisation to include residual values. Meanwhile, a \$238m issuance by Trinity Industries reopened the dormant rail ABS sector after a 15-month lull.

The bulk of Credit Suisse's most impressive work took place in the US, but there were some notable highlights in Europe. For instance, it provided financing for a long-term partnership between Intrum and Intesa Sanpaolo, which creates the second biggest servicer of Italian non-performing loans. "In an ever-changing market landscape, we continue to be committed to the securitisation market by providing liquidity and delivering innovative capital and funding solutions for our clients," says Mr Kim.

Most innovative investment bank for structured investor products

Winner: BNP Paribas

BNP Paribas is at the forefront of the trends driving the market for structured investor products. These include the rise of simpler products in response to new regulations, growing appetite from insurers, sustainable-linked products and digitisation.

"In structured products, our strategy is to meet client needs across all asset classes while ensuring clients benefit from our strong structuring expertise. As interest rates have remained low in the past year, this has given us more opportunities to demonstrate innovation to our clients who are interested in products with more diverse underlyings. We have also had notable successes in incorporating digitalisation and sustainability into our structured product solutions, which bring strong added value to our clients," says

Renaud Meary, global head of equity derivatives distribution sales at BNP Paribas.

In the retail space, BNP Paribas launched 'Power YOUunit BNL', an innovative insurance product distributed via a value-added digital platform developed with its insurance unit Cardif and fintech FNZ. It offers customers an unprecedented level of customisation, allowing them to focus on different investment themes and protection strategies. Among institutional clients, the bank has developed a suite of products to help UK and French insurers generate returns in a low-yield environment, while maintaining their regulatory capital and solvency requirements.

Outside of its home market of Europe, the bank has made inroads in the US insurance market, both in terms of hedging and product design. Throughout Asia, BNP Paribas has helped iron ore mines and steel mills manage their exposures, while in Latin America the bank has strengthened its relations with third-party distributors. Regulatory changes paved the way for BNP Paribas's structured certificate offering in Brazil to take off during the awards period.

The bank has also ramped up the digitisation capabilities of its markets division in recent years, to improve efficiencies, pricing and client service. For instance, its electronic platform, Smart Derivatives, has been updated to allow clients and sales staff to quickly generate documents required by regulations that took effect in January.

Most innovative investment bank for syndicated loans

Winner: Bank of America Merrill Lynch

Throughout the awards period, Bank of America Merrill Lynch (BAML) left no doubt about why it consistently hovers around the top of syndicated loan league tables. "Our veteran bankers and product partners, with years of experience, bring together powerful ideas, a strong balance sheet and a desire to help our clients each and every day," says Peter Hall, its global head of investment grade loans.

BAML's loan platform has recently been behind innovative deals stretching the entire globe, many of which helped transform the borrower's business. In its home market, BAML played a leading role on the multi-faceted financing of pharmacy chain CVS Health's circa \$77bn acquisition of health insurer Aetna. This included a \$49bn bridge loan – one of the biggest bridges on record – and \$5bn-worth of senior unsecured term loan facilities. The bank was also involved in the bridge's takeout via the capital markets. Transactions such as this demonstrate BAML's ability to advise and provide end-to-end financing solutions on blockbuster deals.

The bank regularly helps foreign borrowers tap into US liquidity. In EG Group's first foray into the US debt markets, BAML helped the UK-headquartered firm secure €3.5bn-equivalent of financing for acquisitions in Italy and Germany. Further south, BAML was one of 20 banks on Cemex's multi-currency refinancing in July 2017, which was upsized from \$3.65bn to \$4.05bn due to strong demand.

A few months later, and on the other side of the world, BAML was joint-mandated lead arranger (MLA) on Chinese e-commerce giant JD.com's debut in the international loan markets. The deal was oversubscribed and the MLAs received commitments from 18 lenders, including international names with no prior history with JD.

During the awards period, BAML also led transformational deals for Broadcom, Comcast, Keurig and JM Smucker. "By reacting quickly and uniquely to each situation, BAML continues to prove to be the trusted partner for issuers seeking the right financing advice," says Mr Hall. Going forward, he says the bank will continue its lead in the marketplace by continuing to customise a unique approach specific to each ask and situation, and adapting where and as needed to best serve its clients."

Most innovative investment bank for emerging markets

Winner: Renaissance Capital

Over the past few years, Renaissance Capital (RenCap) has quietly built up an enviable track record in emerging markets. Since 2013, the Moscow-headquartered firm has raised more capital in sub-Saharan Africa (excluding South Africa) than any other bank. With five offices across the continent, RenCap is well positioned to maintain its African credentials. Early in 2018, it led a N10bn (\$27.6m) fundraising by Viathan Funding, which was Nigeria's first corporate infrastructure bond and first 10-year issuance by a non-financial corporate. In 2017 it worked on Fidelity Bank's \$400m Eurobond, which was part of the same country's biggest combined new issue and liability management offering.

"RenCap is an independent, financially robust, agile investment bank, with an entrepreneurial heart and passion for what we do," says Dmitry Gladkov, its global head of financing. "We offer unique capabilities through our diversified product line and broad geography, and always seek new opportunities to improve our reach and client offering."

It may lack the scale of bulge-bracket banks, but RenCap's expertise in emerging and frontier markets – to which it is solely dedicated – has clearly caught the attention of potential clients. Finance professionals have also taken note. Earlier in 2018 the bank appointed ex-World Bank senior economist Gregory Smith as a sovereign debt strategist, while some of its bankers are regarded as among the world's most impressive emerging market specialists.

RenCap has excelled in its home region of central and eastern Europe. In February it helped Gazprom sell a SFr750m (\$751m) Eurobond whose 1.45% coupon was the lowest ever from a corporate in emerging Europe, the Middle East and Africa. It was mandated on supermarket chain Eurotorg's \$350m bond, the first international bond sale by a Belarusian corporate. Further west it was mandated on Bulgarian insurer Eurohold's €70m Eurobond, which significantly reduced its funding costs and Waberer's international listing on the Budapest Stock Exchange, its biggest debut in nearly two decades.

Other highlights noted by Mr Gladkov include Obuv Rossii's listing, which was Russia's first small-cap initial public offering since 2013, and Tinkoff Bank's \$300m additional Tier 1 Eurobond issue. "Looking ahead, we aim to further strengthen operations across target markets and diversify revenue in core geographies, to remain the leading emerging and frontier markets player," he adds.

Most innovative investment bank for financial institutions group

Winner: Barclays

During the awards period, Barclays displayed genuine innovation in helping financial institutions groups (FIGs) raise funds and meet their regulatory requirements. "We dominated the FIG landscape in Europe with franchise-defining capital markets and advisory mandates from some of the most prestigious financial institutions in the region on their most innovative corporate finance projects," says Peter Mason, head of FIG debt capital markets (DCM) for Europe, the Middle East and Africa at Barclays.

Some of its most impressive work was for Nationwide. In September 2017, Barclays was joint bookrunner on the building society's issuance of a bespoke instrument known as core capital deferred shares (CCDSs). Pioneered back in 2013, CCDSs have debt- and equity-like characteristics and count towards common equity Tier 1 (CET1). Nationwide's latest deal provides a model for other building societies that need to raise inorganic CET1, but cannot due to their ownership structure. Six months later, Barclays helped Nationwide become the first UK firm to sell senior non-preferred debt, a new type of instrument that helps banks meet their obligations under the EU's minimum requirement for own funds and eligible liabilities framework.

Still in the UK, Barclays helped the government raise more than £1.7bn (\$2.15bn) via a first-of-its-kind securitisation backed by student loans. The transaction, which was more than four years in the making, was oversubscribed despite the country's challenging economic backdrop.

Barclays' treasury has made the most of the group's investment banking credentials. Late in 2017, the bank sold a €500m green bond, the first from a UK bank and the first to be backed by UK mortgages. The deal was oversubscribed, and could offer a model for other banks and property companies looking to raise funds for residential properties. In June, Barclays helped reinsurer Swiss Re sell first-of-their-kind exchangeables notes. It has the flexibility to settle the notes with shares, making it a tool to help manage its solvency ratios.

Credentials such as these bode well for the pick up in activity expected by Mr Mason. "We anticipate further growth in FIG DCM as European banks refinance their European Central Bank and Bank of England funding schemes in the bond markets," he says. He also predicts a continuation of the asset financing wave as European banks offload non-core lending portfolios.

Most innovative investment bank for sovereigns, supranationals and agencies

Winner: Citi

Many banks lead impressive transactions for sovereigns, supranationals and agencies (SSA) over the awards period. What sets Citi's public sector group (PSG) apart is its work as a trusted adviser to the full range of SSAs, from non-government organisations in Africa to central banks in Asia. The bank is also a strategic partner to global multilateral development banks and supranationals through their on-the-ground presence in 98 countries, which collectively cover some 160 nations.

"Being on the ground, beside clients, helps us to anticipate their needs and challenges, to consistently offer and implement innovative, bespoke solutions and to assist them in delivering on their assigned mandates through ideas, capacity building and focused research covering the public sector space," says David Walker, head of PSG for Europe, the Middle East and Africa at Citi.

Some of Citi's most impressive work has seen it help SSAs on-board new technologies such as artificial intelligence, big data analytics and blockchain, showing that these advancements are not solely the

province of the private sector. In 2017, Citi launched its ‘Technology for Integrity’ competition, which encourages tech innovators to create new solutions that fight corruption and promote accountability and transparency within the public sector.

Public sector clients are under pressure to make optimal use of their limited resources. This is made even more difficult by, inter alia, growing threats to cyber security. “We see it as our role to stay closely attuned to our clients’ ever-evolving needs, providing solutions to help them adapt to the changing environment and also to adopt relevant new technologies that promote security, efficiency and transparency,” says Mr Walker.

Citi’s deals are, of course, also of note. In September 2017, it helped Tajikistan sell its inaugural Eurobond, a \$500m transaction in which the proceeds were earmarked to complete a landmark hydropower plant. The structure provides a model for other governments looking to raise funds for projects of strategic national importance. Elsewhere, Citi was mandated on the world’s first green sukuk (a \$1.25bn sale by the Indonesian government) and \$1.36bn first-of-its-kind catastrophe bond that provides earthquake protection for Chile, Colombia, Mexico and Peru. The bank has also been instrumental in the construction and funding of public assets, including airports in the capitals of Panama and Mexico.

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