

AWARDS / INVESTMENT BANKING AWARDS

The Banker's Investment Banking Awards, 2019

The Banker Editorial | 4/10/2019 12:01 am

Those banks that have been nimble and adapted to clients' needs have come out on top in *The Banker's* Investment Banking Awards for 2019



Polls are closed, the votes have been counted, the judges have deliberated and the results are in for *The Banker's* Investment Banking Awards. Banks from across the globe, from bulge bracket to boutique, vied to be crowned the most innovative in 29 categories, spread across different products, regions and coverage.

Winners

Most innovative investment Bank of the Year

Winner: BNP Paribas

Most Innovative Investment Bank of the Year from Western Europe

Winner: BNP Paribas

Most innovative Independent Investment Bank

Winner: Evercore

Most innovative investment bank for corporate social responsibility

Winner: Bank of America

Most innovative investment bank from Africa

Winner: Rand Merchant Bank

Most innovative investment bank from Asia-Pacific

Winner: Axis Bank

Most innovative investment bank from central and eastern Europe

Winner: Renaissance Capital

Most innovative investment bank from Latin America

Winner: Bradesco BBI

Most innovative investment bank from the Middle East

Winner: NBK Capital

Most innovative investment bank from North America

Winner: Citi

Most innovative investment bank for bonds

Winner: BNP Paribas

Most innovative investment bank for climate change and sustainability**Winner: BNP Paribas****Most innovative investment bank for equity derivatives****Winner: Bank of America Merrill Lynch****Most innovative investment bank for equity-linked products****Winner: Citi****Most innovative investment bank for equity raisings****Winner: Standard Bank****Most innovative investment bank for FICC****Winner: Sberbank****Most innovative investment bank for infrastructure and project finance****Winner: Société Générale****Most innovative investment bank for IPOs****Winner: UBS****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: Barclays****Most innovative investment bank for restructuring****Winner: Rothschild****Most innovative investment bank for securitisation****Winner: Credit Suisse****Most innovative investment bank for structured finance****Winner: Santander****Most innovative investment bank for syndicated loans****Winner: Bank of America Merrill Lynch****Most innovative investment bank for emerging markets****Winner: HSBC****Most innovative investment bank for financial institution groups****Winner: Natixis****Most innovative investment bank for Islamic finance****Winner: HSBC****Most innovative investment bank for SSA****Winner: Crédit Agricole**

In the submissions, banks detail their accomplishments, deftness in providing client solutions and showcase how they have moved the needle for their industry or sector. The awards cover a 12-month period, from mid-2018 to mid-2019, which was a particularly challenging time for investment banking. After record years, activity plunged in the awards period because of increasing geopolitical tension and macroeconomic turmoil.

The 2019 winners stood out for their ability to adapt to the more volatile conditions, for their resilience in the face of difficulty and for the innovative way in which they steered their business through choppy waters. Some entries offer a sneak preview of the direction in which a certain product is headed, as the industry is likely to follow their example. BNP Paribas, which takes home the main prize this year, revealed itself to be a leader in some of the hottest categories, particularly in their sustainability and climate change policies. The French bank also showed that wobbly bond markets need not scupper business by driving forward the use of technological advancements and being at the forefront of green financing.

Big names in banking dominate the field, but plenty of smaller players are creeping up the scoreboard year by year. South Africa's Standard Bank impressed with its track record of equity offerings, creating blueprints for further deals in sub-Saharan Africa. In the fixed-income, currencies and commodities category, Russia's Sberbank stood head and shoulders above competitors thanks to innovative use of artificial intelligence and tech advancements in its trading strategies.

Some of this year's most hotly contested categories are, as expected, based around climate change, bonds and project finance, but there were a few surprises. Competition grew in private placements, financial institutions groups and emerging markets. Green and social finance in particular is a hot topic. In practically every category, banks were keen to stress how they have incorporated environmental, social and governance policies, both in external products and in internal processes. One notable category is equity derivatives, which saw Bank of America Merrill Lynch grab the prize from a French bank for the first time in five years.

In difficult and fickle markets, it has been more important than ever for banks to be nimble and adapt to clients' needs. Those that were able to demonstrate how they innovated or adapted structures and processes, or even invent entirely new product categories, have come out on top.

Most innovative investment bank of the year

Most innovative investment bank of the year from Western Europe

Winner: BNP Paribas

The 12 months up to June 30, 2019 were much more challenging for investment banking than the preceding year. Geopolitical turmoil as shown by the UK's ongoing Brexit crisis, sanctions against Iran and diplomatic spats between the US and several of its trade partners made investors nervous and issuers cautious. While the dip in capital markets activity was felt across the world, Europe was hit worse than other regions.

These are less than ideal circumstances to vie for awards, it could be argued, but it is exactly in this type of environment that real innovators and ground-breaking banks can show their true merit. In all of the winning bids, the banks showed how to circumvent adversity and even make it work for good.

This year's overall winner, BNP Paribas, is reaping the benefits of its decision four years ago to move to an integrated model, according to Yann Gérardin, the lender's deputy chief operating officer and head of corporate and institutional banking. As structural changes in the industry are accelerating, the bank is pushing to adjust faster and remain relevant. "In this challenging market context we see many clients looking for fewer but more meaningful relationships with their banks; in this context our integrated model is a core asset," says Mr Gérardin.

BNP Paribas has leveraged its strengths, such as its European corporate banking franchise and prolific bond desks, to strive for greater market share across many investment banking categories, according to Mr Gérardin. It moved up two places for overall wallet share in Europe, the Middle East and Africa during the review period, with leading positions in high-yield bonds, investment-grade corporate credit and syndicated loans.

The bank was undeterred by a plunge in the bond market late 2018. It led the charge in the recovery in 2019 by issuing the first callable minimum requirement for own funds and eligible liabilities (MREL) transaction in euros and dollars in January. A wave of new regulations for financial institution groups (FIG) created an opportunity to develop key asset classes, such as the aforementioned MREL and subordinated insurance. BNP landed a large number of firsts for FIG issuers, including structuring the first ever euro contractual covered bond for a Japanese issuer – Sumitomo Mitsui – and the first benchmark-sized German preferred senior transaction for Commerzbank.

What nailed the French bank's victory in the crowded bond award category is its impressive push into digital developments. By automating some elements of the trading and pricing mechanisms, the bank increases efficiency while minimising the dangers of human error. "With a selective approach that focuses on innovations that really benefit our clients, we have developed new added value services and we have enhanced the user experience," says Mr Gérardin. For example, BNP offers access to electronic platform Ipreo to allow investors to place orders directly without the need for an intermediary.

The past year was also a watershed for green and sustainable investment. In every category, banks from across the globe demonstrated that their commitment to the green agenda goes beyond casual lip service. BNP Paribas took the climate change and sustainability prize in what turned out to be one of the most hard-fought categories. "Since 2018, we have taken a leading role in financial innovations that deliver a tangible positive impact," says Mr Gérardin, pointing to the launch of BNP's first social business: voluntary climate offsetting platform ClimateSeed. "The platform works like a marketplace and combines technology and sustainability to enable organisations to offset their unavoidable greenhouse gas emissions by contributing to global sustainable projects."

In all of its submissions, the bank impressed judges by going one step further than many of its peers in pushing the boundaries of innovation. Combining creativity, bright ideas and technical knowledge, BNP has moved the goalposts for investment banking. "Our approach to excellence is definitely a collective one, and we are convinced that is the only way we can remain relevant," says Mr Gérardin. "We may be not always be the loudest voice in the room, but we are always honest and solid experts, focusing on our clients' long-term interests."

Most innovative independent investment bank

Winner: Evercore

In 2018, according to deal tracker Dealogic, independent advisory firms achieved their largest ever market share of global merger and acquisition (M&A) deals. Not one to rest on its laurels, Evercore continued to forge ahead of its peers, posting record-breaking financial results for the fourth consecutive year while luring business away from the bigger banks to advise on several of the review period's largest and most complex transactions.

The New York-based firm boasts an impressive growth story. It reported year-end 2017 revenues of \$1.6bn, a 20% increase from 2016 and the third consecutive year the firm achieved revenues greater than \$1bn. Evercore maintained its upward trajectory to deliver another banner year in 2018, with revenues jumping by 26% to surpass \$2bn for the first time, in part due to large increases in fees for both M&A advisory and capital markets underwriting.

Tim LaLonde, chief operating officer, global investment banking at Evercore, says that nurturing and acquiring talent is at the heart of the firm's success. "We are focused foremost on providing highly confidential, objective, creative and thoughtful advice to our clients," he says. "In that spirit, we have strived to hire and develop internally the best possible advisers across a broad array of disciplines. Though we have experienced significant increases in market share in recent years, that is simply a by-product of the quality of advice and service we seek to provide to our clients."

Evercore's transactions during the review period feature some of the world's most notable big-ticket deals. In the US, Evercore was pivotal in advising Anadarko Petroleum on its \$60bn sale to Occidental Petroleum, one of the largest oil M&A deals of the past few years. Working on the other side of a transaction, the firm helped Japanese drug manufacturer Takeda seal its \$70bn acquisition of Shire.

Another stand-out transaction in the healthcare space was Bristol-Myers Squibb's \$90bn acquisition of rival Celgene. As financial debt adviser, Evercore was assigned the role of providing advice on the design, negotiation and execution of Bristol-Myers' \$35.5bn bridge financing. Evercore's activism defence team helped to prevent attempts by activist hedge funds to derail shareholder approval of the deal, allowing the successful completion of the largest healthcare M&A transaction in history.

Most innovative investment bank for corporate social responsibility

Winner: Bank of America

Green and sustainable principles have truly taken hold in global investment banking communities, not only in the products on offer, but also through internal corporate and social responsibility (CSR) agendas. This year, Bank of America Merrill Lynch (BAML) deserves the win for its advanced and multifaceted approach to CSR principles.

Capital deployment is an important staple in a bank's environmental, social and corporate governance (ESG) arsenal. BAML set up an internal sub-group within its ESG committee to look for ways to proactively put funds towards the UN Sustainable Development Goals, without compromising the risk framework or acceptable returns. The bank set up the Blended Finance Catalyst Pool, which can support deals that would ordinarily fall outside the risk framework, but offer significant opportunities for impact. The initiative included an investment programme of more than \$70m for affordable housing in BAML's headquarters in Charlotte, North Carolina, delivered in partnership with local financial services firms, and representing the largest private-public investment of its kind in the city's history. Another theme on the team's agenda is energy transition. Throughout 2018, BAML deployed \$21.5bn to support low-carbon and sustainable business activities.

In terms of environmental impact, BAML has adopted the adage of 'practice what you preach'. The bank is set to meet operational goals, including becoming carbon-neutral and buying 100% renewable electricity in 2020.

Another big CSR theme for BAML is the economic empowerment of women. The bank has supported numerous grants and educational tools for women to build businesses, as well as acquire further training and mentoring. Some of the bank's most senior women have assumed expanded leadership roles in Europe over the past year. Vice-chair Anne Finucane is now chair of the European bank and Sanaz Zaimi, head of global fixed-income, currencies and commodities sales, has assumed the additional roles of CEO of BofASE (the EU broker dealer) and country executive for France.

These efforts are not confined to women, as the bank focuses on driving economic mobility by partnering with local non-profit organisations. In 2018, it invested \$48m in charities addressing workforce readiness including education, skills building and jobs for youths, young adults and those with barriers to employment. BAML's regional grants support 50 not-for-profit organisations in Europe, the Middle East and Africa, and have helped 1650 young people gain employment in the past year.

Most innovative investment bank from Africa

Winner: Rand Merchant Bank

Investment banking activity has boomed in Africa over the past 12 months, which has created big opportunities for banks with a large presence on the continent. With an extensive deal footprint across

more than 35 countries, Rand Merchant Bank (RMB) stood out for delivering creative solutions across various sectors and business areas for its clients.

The bank has adopted what it dubs “Solutionist Thinking – a can-do mindset with a passion for possibilities that consistently challenges the conventional and embraces the power of collective thinking to unlock opportunities for our clients,” according to CEO James Formby.

RMB has shown itself to be a versatile bank, with strong capabilities across debt financing, mergers and acquisitions (M&A), capital markets and infrastructure transactions. For instance, RMB was involved in Vasari Beverages’ \$100m capital raising transaction, which required manoeuvring to overcome certain complex hurdles and support its expansion strategy into the rest of Africa. Furthermore, in late 2018 it served as the financial adviser and sole bookrunner on African Banking Corporation of Botswana’s P296m (\$27m) initial public offering. Despite turmoil in global equity markets, RMB reached a final order book for 20.5% of the company’s shares, satisfying the free float and shareholder spread requirements.

On the debt side, the bank was instrumental in Africa Finance Corporation’s (AFC’s) plans to extend the maturity of its existing debt portfolio by issuing a \$650m seven-year Eurobond alongside a \$375m tender offer for bonds due in 2020. “By applying Solutionist Thinking, the team executed a funding solution that lengthened AFC’s maturity profile and raised new, competitively priced debt to fund ongoing infrastructure projects in Africa,” says Mr Formby.

RMB also distinguished itself in Africa’s buzzing M&A market by providing an end-to-end solution, including financial and debt advisory, equity underwriting and debt funding, for CIVH’s acquisition of Vumatel in South Africa. The bank was a driving force in one of the most remarkable transactions in the region over the past year: Vodacom’s \$1.24bn equivalent black economic empowerment (BEE) transaction.

“The deals we have been involved in over the past year are evidence of [the Solutionist Thinking] approach and demonstrate the trust our clients place in us to help unlock major strategic initiatives and deliver solutions,” says Mr Formby.

Most innovative investment bank from Asia-Pacific

Winner: Axis Bank

This year’s winner may appear to be a left-field choice at first glance, but a look under the hood at Axis Bank, India’s third largest private sector bank, reveals an impressive track record on mergers and acquisitions (M&A), equity capital markets (ECM) and private equity deals.

Joint managing director and co-CEO of Axis Capital (Axis’s investment banking subsidiary) Chirag Negandhi says of the bank’s victory: “Our experience of evaluating businesses over the years has enabled us to judiciously strategise and advise our corporate clients and institutional investors. We continue to make our mark as India’s leading investment bank by innovating and progressing in this competitive industry.”

Ranked first in India for ECM transactions and featuring consistently in the top three for the domestic M&A market, Axis has a strong track record. Though still a leading player in primary capital markets, the bank noticed a sharp decline in activity there from the second half of 2018 and re-focused its energies towards the more stable secondary offerings market, namely rights issues and qualified institutional placements.

Axis was a lead manager on Bharti Airtel’s Rs249.4bn (\$3.48bn) rights issue, one of the largest ever in the Indian market. The bank was involved in most of the notable initial public offerings (IPOs) in the domestic market over the year, including the first sizeable IPO of 2019, Chalet Hotels; the hugely

anticipated listing of HDFC Asset Management Company; and the Rs12bn offer for sale of Endurance Technologies.

On the M&A side, Axis put up a strong showing in both public and private markets. In March 2019, Axis acted as a broker for Larsen & Toubro (L&T) on its acquisition of a 20.3% stake in Mindtree. L&T also tasked the bank with an on-the-market purchase of up to 15% of the share capital as well as an open offer for an additional 31% shareholding.

“Our in-depth knowledge and learning from multiple market cycles has made us adaptable to challenging market conditions, leading us to successfully complete transactions across a variety of products,” says Mr Negandhi.

Most innovative investment bank from central and eastern Europe

Winner: Renaissance Capital

Tough market conditions have made deal making in central and eastern Europe (CEE) more challenging over the past few quarters. Nevertheless, Renaissance Capital has remained a favourite among regional issuers, particularly for those making their debut on local capital markets.

Dmitry Gladkov, acting global head of investment banking and global head of the financing group at Renaissance Capital, says: “We are exceptionally proud to be named the most innovative investment bank from CEE. With our unparalleled track record and expertise in these markets, we have implemented a number of unique transactions, including the first ever rouble issue in the local market by a Belarus issuer, the first ever Eurobond transaction out of Moldova, and the first issuance of debut and innovative debt instruments for Georgian banks, in addition to many others.”

As Mr Gladkov points out, RenCap is particularly strong in the Eurobond market and was part of the bulk of the past year's landmark transactions. It led the first ever Eurobond out of Moldova by Trans-Oil, successfully pricing the deal despite the lack of a sovereign benchmark.

In Georgia, RenCap helped local bank TBC launch its first two Eurobond offerings, one senior and one additional Tier 1, establishing its first point on a yield curve at attractive levels. Also of note was the debut Rbs5bn (\$2.4bn) bond issue for Belorussian Eurotorg on the Moscow Exchange, where RenCap was instrumental in bringing an unprecedented number of international investors to a local deal.

RenCap has a rich history, being one of the top banks in the Commonwealth of Independent States region for initial public offerings and equity transactions, with a particular strength in secondary market trading.

What made RenCap truly stand out was its geographical spread, mainly into emerging and frontier markets, offering one of the largest distribution platforms for these types of issuers. Its global, but specialised, footprint has allowed the bank to diversify away from over-reliance on the CEE and Russian markets, which have been rocked by geopolitical turmoil and economic sanctions in recent years.

Most innovative investment bank from Latin America

Winner: Bradesco BBI

Bradesco BBI has made a name for itself as one of Brazil's most dynamic investment banks. Despite a sluggish economy at home and market volatility across the wider region, the São Paulo-based firm managed to execute 190 deals throughout 2018, with a combined value of more than 162bn reais (\$39.4bn).

Alessandro Farkuh, Bradesco BBI's head of investment banking, says it is the value of a unique business model that gives the firm its competitive edge, which centres on "an in-depth understanding of markets, products and clients and adopting an integrated holistic approach, resulting in breakthrough innovative structures that drive value creation".

During the review period, Bradesco BBI was mandated on several standout equity deals. In April, it led sporting goods retailer Centauro to a successful 705m reais initial public offering (IPO), kick-starting Brazil's IPO market after a stagnant first quarter.

Two months later, BTG Pactual benefited from the bank's intimate market knowledge by mandating it as a joint bookrunner on its 2.54bn reais secondary share offering. Bradesco BBI helped the independent investment bank attract 209 institutional investors in a five-day marketing blitz. The deal was concluded as the largest ever follow-on in Brazilian capital markets history, just ahead of the region's largest reinsurer, IRB's, 2.52bn reais follow-on – another deal in which Bradesco BBI played a pivotal role.

In mergers and acquisitions, Bradesco BBI advised Brazilian cement company Brennand Cimentos on its 50% sale to Italy's Buzzi Unicem. Although the 700m reais deal was signed during a turbulent period for Brazil's cement market, Bradesco BBI's team proved its worth by achieving a greater than local industry average enterprise value/earnings before interest, tax, depreciation and amortisation valuation multiple.

Judges were also impressed with the firm's work on its parent company's \$500m acquisition of US lender BAC Florida Bank, which focuses on high-net-worth individuals. The purchase is a potential game-changer for Banco Bradesco, as it will expand the offering of investments in the US to its affluent and private banking clients and increase opportunities in the country for its corporate and institutional business.

"We see our client relationships as mutually beneficial, where their success becomes our success," says Mr Farkuh. "Bradesco BBI relies on Bradesco's core value to focus on long-term relationships with our clients, while providing the most transformational advice on all investment banking fronts."

Most innovative investment bank from the Middle East

Winner: NBK Capital

Throughout the awards review period, NBK Capital has advised on mandates exceeding \$7.9bn in value, reinforcing its position as a leading investment bank in Kuwait and the wider Middle East.

NBK Capital's investment banking division provides clients with a suite of merger and acquisition advisory, equity capital markets, debt capital markets and financing advisory services. The bank is able to leverage a combination of local knowledge and international best practice, leading to a solid track record of successful transactions.

One of NBK Capital's highlights of the past year was its successful execution of three-year local bond issuance for Burgan Bank, the first tenor of its kind in Kuwait since 2010. The Kd100m (\$328.2m) bonds were positioned in the market among investors as an alternative to fixed-term deposits, with the short-term nature of the issuance not requiring additional liquidity premiums from investors. The issuance was priced at 4.125%, reflecting a 5-basis point (bps) discount to the yield on the bank's equivalent US dollar bonds, an unprecedented achievement.

NBK Capital's other achievements include working with Kuwait Petroleum Corporation (KPC) on the oil major's landmark five-year optimum financing transaction, which envisages multi-currency and multi-tranche debt facilities to finance KPC's five-year capital expenditure requirements through term loans, export credit agencies and debt capital issuances. NBK Capital was KPC's adviser of choice on

its first ever debt financing, driving significant economic impact through KPC's 90% contribution to the state of Kuwait's revenues.

The bank also acted as the exclusive financial adviser to Kuwait Telecommunications, better known as Viva, on its 100% acquisition of Kuwait-based ISP Qualitynet General Trading and Contracting. The full-stake acquisition, a rarity in the regional telecoms sector, was cross-border by nature, involving three blue-chip companies based in Kuwait and Bahrain, and required continuous coordination between stakeholders to overcome regulatory hurdles. The transaction is expected to improve the provision of internet services in Kuwait by leveraging Viva's scale and Qualitynet's market position.

"The past year has marked a number of achievements for NBK Capital's investment banking group, as we continued to push the boundaries of our clients and the market," says Rani Selwanes, NBK Capital's managing director of investment banking. "We owe this achievement to our clients, who continue to place their trust in our ability to unlock value and achieve results."

Most innovative investment bank from North America

Winner: Citi

Though there has been a global decline in capital markets and investment banking activity over the past 12 months, the US market has been left relatively unscathed. For mergers and acquisitions (M&A), US dealflow is booming, but the nature of transactions has changed. The number of cross-border deals has gone down dramatically, but there has been a simultaneous surge in domestic tie-ups.

US banks have had to shift tactics to deal with shifts in the market as well as short-lived, but unpredictable and sharp, volatility. Citigroup stands out for its march up the US league, particularly in US M&A and leveraged finance.

"We continue to make strategic investments in the North American franchise of our banking, capital markets and advisory group and have begun to see the return on those investments as we increase our market share among our target clients," says Kevin Cox, co-head of North American banking, capital markets and advisory at Citi.

This year, Citi has won the equity-linked award, but comes in second or third for the vast majority of its other entries, only narrowly missing out on several wins. The bank has an impressive track record and was consistently a part of the most notable deals across the full range of debt capital markets, equity capital markets, M&A and leveraged finance in the US.

On the M&A side, Citi was involved in the \$90bn takeover of Celgene by Bristol-Myers Squibb and Occidental's \$60bn bid for Anadarko, among other high-profile North American deals. In terms of securitisation, Citi tops the 2018-19 year-to-date asset-backed securities (excluding collateralised loan obligations) league table in the US.

Furthermore, Citi was a bookrunner on seven of the 10 largest US offerings over the past year, including Uber's \$8.1bn initial public offering (IPO) and Lyft's \$3.3bn IPO. John Chirico, co-head of North American banking alongside Mr Cox, says: "Our global platform enables us to advise both emerging growth companies as they scale up and established clients adapting to their rapidly changing marketplaces."

Most innovative investment bank for bonds

Winner: BNP Paribas

Market conditions have been challenging from the second half of 2018 onwards and bond markets have endured quite the beating. Activity fell off a cliff towards the end of 2018 and although early

2019 saw a decent recovery, bond markets have been jumpy ever since. But a volatile environment can also create opportunities for quick-thinking banks.

In 2019, BNP Paribas stood out for its focus on tailor-made deals for the green finance market and its push into new technologies. “The past 12 months have brought significant challenges to bond markets in the form of trade tensions, record low rates and global political uncertainty,” says Fred Zorzi, global head of primary markets at BNP. “Yet, we have continued to push the boundaries in terms of what a bank can do for its bond issuer clients. We supported an unprecedented number of firsts in high yield, financial institution groups [FIG], investment-grade corporates and in sustainable bonds – showing that every desk is at the top of its game.”

In the sustainable finance field, BNP outpaced its rivals, being involved in \$46bn equivalent transactions. Highlights include Société du Grand Paris’ inaugural €1.75bn green bond, the world’s first 100% green euro medium-term note programme; and Korea Housing Finance Corporation’s €500m bond, the first social covered bond out of Asia.

BNP has shown its commitment to driving digital change in bonds by pledging a €3bn investment in digital development. Data flows and parts of the pricing process are being automated to boost efficiency. It is one of only two banks offering investors access to Ipreo, an electronic platform that enables investors to place orders directly without going via an intermediary.

A third area where BNP came out on top is its focus on FIG issuers, who have had to contend with a slew of new and complicated regulations. Two key asset classes in the midst of development are subordinated insurance and new minimum requirement for own funds and eligible liabilities, or MREL, requirements for European banks. BNP Paribas was bookrunner on Aegon’s inaugural RT1, and the first insurance or bank transaction to include a par call six months prior to the first call date. Many of its transactions in this area have opened new markets and become templates for future issuance.

Most innovative investment bank for climate change and sustainability

Winner: BNP Paribas

Green and sustainable finance has been all the rage for some time now, but particularly over the past 12 months, becoming a household asset class. As a result, the number of new products has grown exponentially, in line with a surge in demand from investors. In an increasingly crowded space, it pays to think beyond the omnipresent green bond and to innovative ways to incorporate sustainability goals in investment banking.

In the mostly hotly contested category this year, French banks showed themselves to be ahead of the curve in general, but BNP Paribas nabbed the top spot thanks to its impressive deal record and its push to go beyond vanilla green issuance. The UN Sustainable Development Goals (SDGs) have been put squarely at the centre of the bank’s strategy and translated into four action points: innovating products; growing social finance; enhancing environmental, social and governance measurements and management capabilities; and broadening community engagement.

“BNP Paribas is actively committed to embedding the UN SDGs at the core of its business model and strategy. We support our clients to create positive impact through innovations in sustainable finance products, and partnerships with organisations including the UN,” says Constance Chalchat, corporate and institutional banking head of company engagement at BNP Paribas.

Globally, BNP has identified five core areas for the integration of sustainability: sustainable capital markets; sustainability-linked loans; green structured products; carbon solutions; and sustainability research. For instance, the bank has broken new ground in the green and sustainable Schuldschein market, providing private placement-type financing for finance projects promoting a positive environmental or societal impact. Ultimately, tackling society’s greatest environmental and social

challenges calls for a new vision of banking, where capital is allocated towards the most sustainable opportunities, according to Ms Chalchat.

What gave BNP another edge over competitors is its commitment not only externally to clients, but to also internally implementing progressive policies. For example, BNP was at the forefront of implementing the Tobacco Free Pledge. In terms of conservation, the bank's UK branch signed up to the United for Wildlife Financial Taskforce. It has fostered collaboration with experts outside of finance to promote sustainability, asserting that a collective effort from all sectors, institutions, companies and society is required to achieve the UN SDGs.

Most innovative investment bank for equity derivatives

Winner: Bank of America Merrill Lynch

In a category often dominated by French banks, it is perhaps unusual to see a winner hailing from across the Atlantic. However, in a year of market upsets, it has been impossible to deny Bank of America Merrill Lynch's (BAML's) meteoric expansion in the field of equity derivatives. Traditionally an asset class for and by European players, interest and demand have shifted increasingly to the US, a fact which BAML was quick to spot and capitalise on.

At a time of turbulent equity markets and volatile interest rates, creative solutions for risk management are more important than ever. BAML focused its drive for innovation on several topical issues, such as risk management of exotic options; forward skew; volatility risk premium programmes; the impact of the Federal Reserve's U-turn on equity rate correlation; the challenges faced by risk premia strategies; and the optimisation of 'intraday' delta-hedging.

"Our ability to innovate relies on our unique global client network, execution capabilities and research expertise. The effective combination of creative financial engineering with these three pillars continues to be key to successfully meeting the growing demand for innovative solutions," says Hichem Souli, head of global equity derivatives sales and structuring at BAML.

The bank has been at the forefront of the development of new technologies to help manage risk and iron out long-standing issues with historic models. Fifty years after the Black-Scholes financial model was published, which is often used in option pricing, BAML introduced 'Fast Convergence' technology, which compresses the volatility risk premium (VRP) – or implied-to-realised volatility spread – by making volatility a known and quasi-constant parameter. Buyers get cheaper options and sellers avoid being bitten by volatility spikes.

Another tricky issue in equity derivatives is the forward skew risk embedded in cliquet options, of which BAML has a dominant market share. The introduction of the forward skew agreement with clients simplifies what is often a set of opaque, mathematically complex payouts. BAML has been at the forefront of a third area of innovation: investable indices. Its Synthetic Uncorrelated Volatility strategy aims to minimise losses in bear markets, while offering protection against upside risk in strong rallies. The Podium index looks to monetise rich single-name VRPs with a tail hedge overlay.

Most innovative investment bank for equity-linked products

Winner: Citi

Convertible bonds have had a rocky ride in recent times. Over the past year, the US has enjoyed a booming market, as aggressive interest rate hikes made the asset class more attractive to issuers. But it has been a lopsided story, with volumes down dramatically in Europe and periods of issuance drought in Asia. In 2019, the US Federal Reserve adopted a much more dovish stance.

Citi stood out from the crowd in such equity-linked products thanks to its focus on long-term themes and innovative solutions tailored to clients' needs, which minimised the effects of short-term volatility.

“We harness our global platform, local expertise and cross-regional connectivity to provide innovative strategies and bespoke execution to meet our clients’ needs in dynamic market conditions,” says Doug Adams, co-head of equity capital markets for the Americas at Citi.

Traditional issuers have been less thirsty for convertible bonds financing, but the asset class has been enthusiastically adopted by tech companies and businesses servicing millennials. Equity-linked issuance has come out of several of Citi’s innovation themes, such as enabling the future of mobility by financing electrical car manufacturers and developing structured private converts to combat volatility during the energy transition.

In May 2019, Citi arranged the largest simultaneous convert and follow-on for Tesla for a total of \$2.7bn. Citi organised a one-day public marketing effort ahead of launch, which paid off: the order book ended up three times oversubscribed with demand topping \$6bn across the two tranches.

In January, the bank had already raised \$750m, post-initial public offering for Chinese electric vehicle pioneer Nio. In March, EQM Midstream funded the acquisition of a 60% interest in Eureka Midstream and a 100% interest in Hornet Midstream through a \$1.1bn private convertible preferred offering.

“The breadth and depth of our equities products and capabilities is complemented by our sharp focus on client solutions,” says Mr Adams. Citi’s equity-linked desk has thrived thanks to its ability to find innovative ways to service clients’ precise needs. This is particularly apparent in the use of convertible bonds to finance mergers and acquisitions.

Fortive closed a \$2.7bn acquisition of Johnson & Johnson’s sterilisation business line in April 2019. Citi raised a whopping \$1.4bn of the required financing through a convertible bond two months earlier.

Most innovative investment bank for equity raisings

Winner: Standard Bank

This marks the first time *The Banker* has included a separate equity raisings category in the Investment Banking Awards. Equity capital markets have expanded over the past few years and equity offerings have become integral to raising capital, whether to finance merger and acquisition transactions, repair balance sheets or gather funds for organic expansion.

Equity raisings are also a powerful tool for increasing free float in low-liquidity companies and markets. Our inaugural winner, Standard Bank, demonstrated nifty capital markets solutions for clients throughout sub-Saharan Africa, where close engagement with often less experienced regulatory authorities is required.

“Standard Bank remains at the forefront of the development of the African equity capital markets, bringing companies large and small from across the region to the market,” says Simon Matthews, Standard Bank’s head of equity capital markets. It is the number one bank in sub-Saharan Africa for equity raisings and the leader in the region’s two largest markets of South Africa and Nigeria.

In 2018, Standard Bank helped clients raise \$2.3bn in South Africa and \$153m in Nigeria, continuing the trend into 2019. The transactions completed successfully against a backdrop of poor global and emerging market sentiment, increased volatility, distressed equity issuance environment and political instability.

Outstanding deals include PSG Group’s R7.1bn (\$581m) and Growthpoint Capital’s R4.3bn accelerated bookbuild (ABB) offerings in South Africa. In Nigeria, Standard Bank lead the rights issues for Flour Mills of Nigeria, raising N40bn (\$111m), and United Africa Company of Nigeria, raising N15.4bn.

“Our holistic service offering and unrivalled product expertise enables us to guide our clients and deliver outstanding results time and again,” says Mr Matthews.

This was especially true for KAP Holdings, a wholly owned subsidiary of beleaguered Steinhoff International, which placed a R4.76bn ABB to meet various obligations for the restructuring of its debt. The block trade marked Steinhoff’s full exit from KAP.

Most innovative investment bank for FICC

Winner: Sberbank

European banks are rapidly losing ground in the field of fixed income, currencies and commodities (FICC) trading to third-party platforms. Towards the end of 2018, revenues had plummeted in this segment, exacerbated by exceptionally weak trading in December 2018, to the lowest levels since the financial crisis, according to data from Coalition. Commodities trading had a strong year, but this growth was overshadowed in absolute terms by the drag of fixed-income trading.

Winner Sberbank managed to shine in spite of this dismal backdrop thanks to hi-tech foreign exchange (FX) algorithms and the development of new derivatives products for the Russian interest rates market. “The increased use of algorithms and electronic solutions have enhanced the reliability, speed and quality of client services. This has allowed us to raise the bar in the foreign exchange business,” says Andrey Shemetov, vice-president of Sberbank and head of the global markets department.

Over the past year, Sberbank has nearly doubled FX ‘algoritmisation’, with plans to push for near full implementation by the end of 2019. This has brought about improved service quality, quicker and cheaper transactions and access to FX liquidity via transparent, fully digitised and highly efficient channels. “We plan to employ a number of cutting-edge technological tools to strengthen our leadership in FICC trading,” says Mr Shemetov.

Russia experienced a serious spike in interest rates in 2014, prompting the Central Bank of Russia (CBR) to change the monetary policy to the standard of inflation targeting, moving away from currency exchange rate controls. As a result, floating rate loans increased in the domestic market, which has been dominated by fixed-rate loans.

Rather than simply following trends, Sberbank has been targeting the under-developed derivatives market by creating ruble interest rate products based on the CBR’s key rate indicator, according to Mr Shemetov. For instance, Sberbank developed a CBR key rate swap, allowing for the switch of any linear cashflow linked to the key rate into a fixed rate and vice versa.

“Among the priorities are reaffirming the bank’s position as the world’s leading ruble market-maker, further enhancing an already dominant position in the ruble rates market and continuing to develop the commodities business,” says Mr Shemetov.

Most innovative investment bank for infrastructure and project finance

Winner: Société Générale

As has been the case in previous years, the award for infrastructure and project finance attracts many strong entries. There is no lack of big and ambitious infrastructure projects across the globe, requiring a tailored and unique approach over the long term to bring satisfactory results. As the energy transition gains momentum, many of the projects are focusing on tapping renewable energy sources.

Société Générale has a long history of investing heavily in infrastructure franchise, and this has traditionally been closely linked to another pillar of the French bank: energy and natural resources. Its deep roots in emerging markets cement its position as a global player in this field.

“Our 2018 transactions demonstrate the growing integration and alignment among the energy, metals/mining and infrastructure sectors as we rally to face the challenges of climate change and the energy transition,” says Federico Turegano, global head of natural resources and infrastructure at SocGen. For instance, the bank has been involved in the \$1.2bn Nachtigal hydroelectric power plant project in Cameroon, which will represent 30% of the country’s electricity generation capacity on completion.

SocGen also delivered a complex, first-of-its-kind liquefied natural gas-to-power project in Indonesia called Jawa-1. The bank served as contingent hedge provider on the deal, which allowed the project to mitigate its interest rate risk in the period between signing and first drawdown. To determine the most appropriate risk allocation, lenders had to design a new funding structure to abide by Indonesian shipping regulations.

Shifts in the sector have also led to the emergence of new asset classes and markets that require banks and clients alike to move at a dramatically faster and more innovative pace than just a few years ago, according to Mr Turegano. SocGen acquired a pioneering renewable energy crowdfunding platform called Lumo in 2018, which creates an economic link with residents.

“Innovation is key if we are to serve our clients and meet the expectations of investors in this constantly evolving, extremely competitive environment,” says Mr Turegano.

Most innovative investment bank for IPOs

Winner: UBS

It has not been a stellar year for the stock market, which has had a knock-on effect on primary equity capital markets. Issuers have been nervous about pulling the trigger on initial public offerings (IPOs) for fear of market turmoil during the weeks-long bookbuild period. In this environment, it is important to have a steady left-hand adviser to guide companies through the listing process.

There is little evidence of a slump in IPO deals in UBS’s entry, however. For the second year in a row, the Swiss bank outdid the competition. As uncertainty around the UK’s upcoming exit from the EU put a damper on London listings, activity in the Dach region – Germany, Austria and Switzerland – picked up. UBS dominates in its home market, having worked on the IPOs of Stadler Rail, raising SFr1.53bn (\$1.54bn); on orthopaedics company Medacta, raising SFr629m; and on Alcon, the SFr26.2bn spin-off from Novartis.

In Germany, UBS was one of the lead left bookrunners on the first ever D-share listing of a Chinese company on the Frankfurt stock exchange via the newly minted Ceinex D-Share Market. Qingdao Haier raised €278m and the deal gave it access to funds in euro, and a whole new universe of shareholders. Investors got easier access to Qingdao Haier’s shares at a handsome 37.7% discount.

UBS is at the forefront of the pre-IPO convertible funding trend in Europe, a transaction more common to the US market. In April 2019, it was the sole global coordinator on Portugal’s VIC Properties’ six-year €250m pre-IPO secured convertible bond.

Javier Martinez-Piqueras, global head of equity capital markets at UBS, says: “Being recognised as the most innovative bank in our field represents a tremendous success for us. We are firm believers that in a fast-changing world, innovation is the key for current and future success; it has become a key pillar of our strategy.”

Most innovative investment bank for leveraged finance

Winner: Credit Suisse

For an impressive fourth year running, Credit Suisse takes the top spot for leveraged finance. Thanks to years of unwavering commitment to and investment in its leveraged finance business, the Swiss bank has also maintained its dominant position in league tables across products, including high-yield bonds and leveraged loans.

“At Credit Suisse, we have an experienced, dedicated team across origination, capital markets and sales and trading. In a period marked by increased volatility and lower overall global leveraged finance issuance, the team remained nimble and adapted to the dynamic market conditions,” says Jeff Cohen, global head of leveraged finance capital markets at Credit Suisse.

Much of Credit Suisse’s leveraged finance work comes from its US business, a difficult market to successfully break into for most European banks. Standout deals in this space include the \$1.4bn senior secured credit facilities for PCI Gaming Authority to finance its transformational acquisition of Sands Casino Resort Bethlehem. Credit Suisse achieved tight pricing on the loans and saw the final order book oversubscribed twice over.

“Credit Suisse has been at the forefront of innovation, acting as a thought leader in the market and delivering bespoke complex solutions for our clients,” says Mr Cohen. This was reflected in many of the bank’s deals over the past 12 months. It supported Pacific Drilling, which is currently in bankruptcy, in pre-funding its exit through the issuance of \$750m senior secured first-lien notes and \$250m senior secured second-lien payment-in-kind toggle notes.

Credit Suisse demonstrated its ability to access capital for clients in transition through non-traditional credit metrics, as Pacific Drilling is not expected to deliver meaningful earnings before interest, taxes, depreciation and amortisation until 2021. The order book ended up about five times oversubscribed, leading to tight pricing and an upsize of the issue.

The bank’s leveraged finance work is not limited to the US market. It led several high-profile cross-border deals in Europe. Moreover, the bank specialises in tailoring leveraged finance structures. One such innovative deal was a £350m (\$436m) payment-in-kind toggle note offering for UK-based mortgage loan provider Together in September 2018. The deal included a hybrid covenant package to allow for dividend flexibility in times of limited currency liquidity.

Most innovative investment bank for mergers and acquisitions

Winner: Rothschild

Armed with an extensive global network and a breadth of local expertise that rivals the bulge-bracket firms, it is no surprise that Rothschild has cemented its reputation as a premier mergers and acquisitions (M&A) house. Its capacity to execute complex transactions across a diverse array of markets and sectors sees the firm clinch the M&A award for the second year running.

Robert Leitão, managing partner at Rothschild, says: “Our advisory-only business model, the breadth and scale of our business and the longevity of our bankers drive our success in M&A. When combined with our preeminent equity, debt and restructuring and investor advisory businesses, we are able to provide exceptional and innovative solutions for our clients.”

The Anglo-French firm’s international expertise proved instrumental in advising French lens manufacture Essilor on its merger with Italian eyewear group Luxottica. The Å47bn deal was one of Europe’s largest ever cross-border mergers and led to the creation of a global leader in the fast-growing eyewear sector. Another high-profile transaction was soft drinks giant Coca-Cola’s \$5.1bn purchase of Costa Coffee from UK-listed Whitbread. Acting as exclusive financial adviser to Coca-Cola, Rothschild’s on-the-ground knowledge of UK regulation and the coordination of its London and New York offices were key to sealing the landmark acquisition, which industry commentators say is poised to rewrite the dynamics of the global hot beverages market.

Judges were also impressed by the firm's work on Rio Tinto's \$3.5bn sale of its interest in Grasberg, the world's second largest copper mine, to state-owned Indonesian mining company Inalum. The sale was part of a complex deal involving counterparties based within the US, the UK, Indonesia and Australia. Rothschild provided advice across these disparate regulatory and political environments to ensure a smooth conclusion.

As for deals that have set precedents in their local markets, Rothschild advised Chevron on the disposal of 75% of its South African business, the major portion of a \$1.04bn package that also included Chevron's business in Botswana, initially to investment holding company OTS56 and ultimately to Anglo-Swiss mining company Glencore. The firm leveraged its long-standing local presence in negotiations with South Africa's competition authorities to achieve an unprecedented securing of two separate regulatory approvals for Chevron's South African assets, carrying the hard-fought deal over the finish line.

Most innovative investment bank for private placements

Winner: Barclays

Private capital markets have quietly been gaining traction for years, but have reached critical mass over the past 12 months as several banks have put in place dedicated teams specialising in these transactions. As the number of private placement deals has increased, so has their complexity in order to meet client demands. Barclays excelled in meeting their needs through intricate deals, regardless of the currency, sector or geography. Moreover, its performance in global real estate investment trust (REIT) issuance outpaced all of its European peers.

When US-based Cleveland Clinic required funding for a hospital project in the UK, it turned to Barclays to meet specific capital expenditure requirements. Engineered through a reverse enquiry from a high-quality UK investor, £665m (\$829m)-worth of notes with maturities varying from 30 to 50 years were issued by Cleveland Clinic UK Holdings, guaranteed by the parent company. Many UK investors bought the paper, allowing Cleveland Clinic to diversify its investor base.

Not only did Barclays successfully close this substantial cross-border and cross-currency funding, this was achieved without swap breakage, marking the largest such sterling-denominated transaction. The long maturity of the notes, up to 50 years, at attractive pricing is perfectly suited to long-term infrastructure projects such as this.

Barclays' head of private capital markets, Angus Whelchel, says the bank has been at the forefront of consistently delivering innovative and strategic solutions for clients around the world in the private capital markets. "The variety of transactions executed this year is a testament to this – from the largest sterling offering without swap breakage, to a range of US project finance, REIT, private investment in public equity, and growth equity offerings. Irrespective of industry, sector, currency and product, Barclays is unique in its ability to offer the full suite of both private debt and equity products to clients and we look forward to continuing this into 2019 and beyond," he adds.

The bank has also been driving innovation in private placements by incorporating green investment principles in several deals. Notably, Barclays led the first green US private placement out of the Netherlands for TenneT, which raised €500m.

Most innovative investment bank for restructuring

Winner: Rothschild

Rothschild is perhaps best known for its merger and acquisition advisory business, but the firm has built up a strong track record in corporate restructuring over the years. In 2018, it was ranked number one by value of announced deals globally. With defaults at low levels, Rothschild has increasingly

looked beyond its historical heartland of leveraged buyout restructuring to listed companies, private corporates and the public sector entities.

Quieter times require versatility and creativity, which the firm complements with technological advancements to aid the restructuring process. Since June 2018, Rothschild has been on 68 transactions, 37 of which have closed, both on the debtor and on the creditor side. The firm's deals covered 33 different market sectors across 22 jurisdictions and required a coordinated effort from about 200 bankers across 13 offices worldwide. Rothschild took the lead on larger restructuring transactions, with average deal size increasing to \$4.4bn of debt from an average of \$1.2bn in the previous three years.

Rothschild advised on the unusual case of listed company Edinburgh-based Johnston Press, which entered administration because of insolvency. It had a large and diverse stakeholder base, including a pensions regulator, sophisticated bondholders and activist shareholders. Rothschild helped deliver the company to bondholders, saving 2000 jobs by implementing 42 simultaneous asset-level pre-pack administrations across three jurisdictions.

In the US, Rothschild facilitated a 'double equity foreclosure' process for US-based Outcome Health, meaning the first-lien lenders set up a new entity that accepted the company's equity interests. The company was fully recapitalised with a 90% reduction in interest payments and debt halved.

If the restructuring proceedings include talks with the government, the process can quickly become even more complicated. Unprecedented low steel prices, high debt gearing and too little cash at hand to keep the business going forced Canadian steelmaker Algoma Steel to start restructuring proceedings. Rothschild advised the company throughout the process, including negotiations with the Canadian government to pass pensions regulations. Without the new legislation, it would have been difficult for Algoma to secure the required \$250m exit funding. After a complicated three-year-long process, virtually all Algoma jobs were saved and \$1.14bn-worth of debt was extinguished.

Andrew Merrett, co-head of European restructuring at Rothschild, says: "Being able to deliver holistic solutions across the full spectrum of stressed and distressed situations is crucial in a world of low default rates, covenant-light documentation and buoyant high-yield bond and leveraged loan markets. Rothschild's global restructuring team has been particularly resilient to these conditions in the past year through using innovative restructuring technologies and leveraging the firm's resources across sectors and geographies."

Most innovative investment bank for securitisation

Winner: Credit Suisse

After years of asset inflows into packaged securities, the market for investment products such as asset-backed securities and residential-mortgage-backed securitisation (RMBS) has become more sophisticated. Not one to rest on its laurels, Credit Suisse – which has run away with the award for four consecutive years now – has continued to up its game in this field.

"Our securitised products team at Credit Suisse continued to raise the bar in 2018 and the first half of 2019. We focused on our core strengths – and did not settle for large repeat cookie-cutter transactions," says Jay Kim, Credit Suisse's global head of securitised products. The bank has innovated existing structures, while developing new securitised products for clients where required. Consistently topping the charts for various securitised products, with particular dominance in the US market, landed it this year's win.

Green finance has become a big priority for issuers and investors alike. In the US, the market for residential property assessed clean energy (PACE) has boomed, but Credit Suisse has taken this type of issuance a step further. In 2018, it structured the first commercial PACE deal for Clean Fund for \$115m.

Credit Suisse has been a dominant force in the RMBS market for years. In 2017, the bank developed a mortgage servicing rights asset class, for which it maintains 100% market share, and added new clients in this category. “No stone was left unturned as the team continued to develop new clients and structures, and to think outside of the box for our existing clients. We won deals based on our ideas, depth of relationships and distribution capabilities,” says Mr Kim.

In the US, the auto securitisation market has boomed over the past year. Credit Suisse was at the forefront of this wave, through the debut American Car Center subprime leasing transaction in 2018 and by introducing three new debut issuers to this market: Tricolor, US Auto and Carvana. Carvana’s inaugural securitisation was a highly anticipated and ground-breaking transaction, offering the first Moody’s AAA rated notes for a debut auto issuer since the financial crisis.

Most innovative investment bank for structured finance

Winner: Santander

Structured investment products remain a popular solution for corporations and investors alike. They are tailored to target specific and often complex financing needs that are difficult to solve through conventional loans. Moreover, they allow issuers to manage the risk involved in the complex discretionary products to investors, who get handsome risk premia in return. The products are a very useful and versatile financing tool for infrastructure projects and sectors such as power and natural resources.

“Santander’s broad global footprint and deep knowledge of our 10 core markets allows us to adapt our structured finance expertise to local needs, providing our clients with innovative solutions that are tailor-made,” says Benoit Felix, global head of structured finance at Santander Corporate Investment Banking. The bank operates mainly in Europe and Latin America, but enjoys a prominent position globally in structured products and project finance.

In March 2019, Santander helped raise \$400m for the construction of a new airport in Quito, Ecuador, the largest to serve the country. This transaction was the first non-government-related corporate issuance in the history of Ecuador.

Structured products have at times suffered reputational setbacks, but regulators have done much to put in proper guardrails in recent years. Santander’s entry stood out for its focus on higher transparency and capital protection in a low-rate environment. Its dynamic investment and capital protection product differs from mutual funds in that it offers full capital protection, subject to credit risk, at maturity. The investment basket is rebalanced annually with the direct input of research analysts. The new features are available in Spain for insurance investment products.

“Additionally, our unique access to institutional investors and renowned private debt mobilisation capabilities bring value to our clients and contribute to consolidating our leading position in areas such as renewables finance (including offshore wind), making Santander one of the most active participants in the global energy transition,” says Mr Felix. The bank consistently tops renewables league tables.

Over the course of 2018, Santander headed Octopus Investments’ £300m (\$374m) onshore wind farm portfolio refinancing and Beatrice Offshore Windfarm’s £2.5bn existing debt refinancing.

Most innovative investment bank for syndicated loans

Winner: Bank of America Merrill Lynch

Over the course of 2018, Bank of America Merrill Lynch (BAML) was never far from the top spot in the global league tables. The bank has carried its good streak into 2019, topping the global chart by

number of issues so far. It has been part of landmark transactions across the world over the course of the past 12 months.

BAML was involved in many of the most eye-catching deals over the past year, often to finance cross-border acquisitions, including the largest sterling term loan of all time – £7bn (\$8.73bn) for Comcast to acquire Sky – as well as the \$13.5bn six-part cross-border loan for the Refinitiv acquisition by Blackstone in September 2018.

A few months later, BAML solidified its position as a dominant player in the US market, particularly in investment-grade loans. It was an active bookrunner on the \$18bn term loan, 50% underwritten by BAML, for Broadcom, followed by a global coordinator role on the company's \$11bn of permanent financing. Spin-off financings, which are on the rise, were also on BAML's agenda: it advised Dow on its \$55bn spin-off from Dow-Dupont in April.

September 2018 was a busy month as BAML worked on the \$3bn-equivalent senior secured credit facilities to finance the privatisation of Chinese Belle International by Hillhouse Capital, CDH Investments and Belle's management.

Peter Hall, global head of investment-grade loans at BAML, says that the bank “had another strong year in global syndicated loans, executing numerous high-profile transactions, despite today's marketplace being challenging given regulatory uncertainty and concern over the global macroeconomic tone”.

Activity has slowed down from previous years in the face of trade tensions and rising concerns about the stability of the credit market. However, in this type of environment, issuers require an experienced adviser with a steady hand to uncover opportunities and circumvent possible pitfalls. “BAML is able to be consistent in its advice and messaging to clients during these turbulent periods to remain a trusted financing partner,” says Mr Hall. “The banking teams all speak with one voice, which clients appreciate.”

Most innovative investment bank for emerging markets

Winner: HSBC

HSBC is one of the few truly global universal banks and its extensive footprint in numerous emerging markets, particularly in the Asia region, gives it unparalleled local expertise and capabilities. It comes as no surprise that HSBC has scooped the award for the most innovative investment bank for emerging markets, as it continues to help its clients navigate the complexities unique to these economies.

The bank has firmly established itself as a leader in high-growth market segments in Asia, including sustainable financing, international access to China's onshore markets and complex corporate risk solutions. It has stood out during a choppy period for Asian capital markets against a backdrop of macro uncertainty.

“Over the past 12 months, we have seen strong growth in our emerging markets franchise, most notably around Asia and into the Association of South-east Asian Nations,” says Greg Guyett, head of global banking at HSBC. “We expect this trend to continue with the continued opening of capital markets in China and the ongoing shift to a more consumption-led economy in the region.”

The bank has pulled out all the stops on the innovation side and stands at the forefront of emerging market developments and sustainable finance, clocking up several firsts in the past year. For example, it was joint global coordinator on Hong Kong-based Link's issuance of the world's first green convertible bond in the real estate sector.

In addition, HSBC was joint bookrunner on the first multi-tranche green bond for protected agriculture in both Mexico and globally, illustrating its strength in developing sustainable finance solutions outside the Asia region.

Other highlights include the roll out of its most advanced foreign exchange (FX) platform, HSBC Evolve, in the United Arab Emirates, Qatar, Oman and Kuwait in 2018. HSBC Evolve allows businesses to access FX liquidity in onshore and offshore markets with one click, including more than 1500 currency pairs, real-time pricing and execution.

Across Asia, the Middle East and Latin America, HSBC has proven its value as a trusted partner on some of the biggest deals, including Engie's sale of its 69.1% stake in Glow Energy to GPSC, Public Investment Fund's sale of its 70% stake in Sabic to Saudi Aramco and the local debt issuance of Mexico's Fondo Nacional de Infraestructura.

Most innovative investment bank for financial institution groups

Winner: Natixis

After years of big rights issues and asset disposals among European banks, activity has been very quiet on this front since 2018. Though a global wave of consolidation among banks has been mooted for a long time, the market had to wait until early 2019 until US regional banks BB&T and SunTrust announced their plans for a merger of equals. Incoming new regulations on capital buffers in Europe mean banks are looking at their capital structures, but this type of issuance is only in its initial stages.

As a result, most of the activity in financial institutions groups (FIG) in the period under review has revolved around other types of financial players, such as insurance companies and asset managers. Natixis impressed with the breadth of its solutions for FIG clients, its innovative use of products to fit investment requirements and its commitment to a green agenda.

In the past year, Natixis has undertaken an overhaul of its global markets activities, adopting a fully product-agnostic approach to optimise client coverage, strengthen the focus on innovative solutions and in turn answer clients' needs best, regardless of the asset class. Financial institutions became a core segment in the reorganisation with the goal of increasing Natixis' wallet share.

"By defining comprehensive, valuable propositions for each investor, be that insurance companies, banks or asset managers, we are able to provide tailor-made advisory services and design innovative investment, hedging and financing solutions," says Selim Mehrez, managing director and global head of equity derivatives and fixed income at Natixis.

Natixis is one of Europe's leading banks in terms of green and sustainable investments and has lent this expertise to the FIG sector. It partnered with Groupama to launch the first full green structured note that is entirely supportive of the energy transition in terms of the green wrapper and green underlying in France. The bank also executed the very first euro 'blue bond' to protect the world's oceans.

Natixis has worked with asset managers to develop new thematic 'quantitative investment strategies' (QIS) to diversify bond portfolios towards lower leverage companies, and to provide efficient access to overlays for option trading.

"In a challenging environment, Natixis teams came up with innovative pay-offs, unique access to real assets, new market-neutral strategies, efficient QIS and a special access to environmental, social and corporate governance-scarce resources," says Mr Mehrez.

Most innovative investment bank for Islamic finance

Winner: HSBC

Islamic finance is a booming business. Muslim-majority countries are increasingly tapping the sukuk market and issuance is being enthusiastically received by a growing investor community. As a result, investors are becoming more discerning and sophisticated about where they choose to put their money. HSBC won this year's award not only because of its impressive deal volume, but also because it led several transformational transactions.

"We are seeing steady and persistent growth in global Islamic assets, which is fuelling demand for increasingly sophisticated financing solutions," says Mohammed Dawood, managing director for debt capital markets at HSBC. The bank runs Islamic finance operators from three hubs, Dubai, Kuala Lumpur and Riyadh, which are the most important centres for this type of issuance.

HSBC has been working hard to innovate within the Islamic finance field and has spearheaded several remarkable deals over the past 12 months. In Saudi Arabia, the bank enhanced the sukuk market through the R750m (\$50m) offering of the first ever fixed-rate non-sovereign sukuk by the Saudi Real Estate Refinance Company.

What sealed HSBC's bid for the crown this year was its drive to incorporate sustainable and climate change impact financing. "Having been at the forefront of the institutional Islamic finance market for nearly three decades, HSBC is proud of its unrivalled product depth and global reach, which has enabled us to deliver a number of innovative Islamic financing solutions over the past 12 months, including the world's first corporate Sustainable Development Goal [SDG] sukuk and the world's first benchmark corporate green sukuk," says Mr Dawood.

In October 2018, HSBC Amanah issued a world premiere RM500m (\$120m) sukuk linked to the SDGs. Investors lapped it up, posting a final order book of more than RM1.4bn. This was followed in May 2019 by the first ever green sukuk from the Middle East: Majid Al Futtaim Holdings' \$600m RegS only 10-year corporate bond. The proceeds will be allocated to investments in green buildings, energy efficiency, water and wastewater management and renewable energy.

HSBC's drive to innovate Islamic finance and promote fundraising that benefits global efforts for sustainable development and climate change was unparalleled this year.

Most innovative investment bank for SSA

Winner: Crédit Agricole

The award for sovereigns, supranationals and agencies (SSA) bonds is always one of the most hard-fought categories and this year was no exception. In a bumper year for sovereign issuance, many banks led impressive transactions, but Crédit Agricole corporate and investment bank (CIB) stood out for its commitment to a green and sustainable finance agenda and for bringing issuers to the long end of the curve.

Over the years, the French bank has built SSA expertise in the euro market, coming in second to JPMorgan in the league tables until mid-2019. It has been at the forefront of the trend for increasingly longer dated bonds issued in euros. Société du Grand Paris (€1bn 30-year), the Flemish Community (€750m 20-year and €500m 15-year) as well as the European Investment Bank (€500m euro co-operation bond 20-year and €500m climate awareness bond 23-year) were looking to take advantage of the current low interest rate environment and simultaneously extend their maturity profiles.

Crédit Agricole CIB is second to none in structuring green, social and sustainability bond programmes for SSA issuers. The bank has advised the largest and most sophisticated issuers of this type of paper, including France, the Netherlands and South Korea. It has pushed innovation in this space with the very first 100% green euro medium-term notes for Société du Grand Paris.

The bank also played a pivotal role in German state-owned development bank KfW's €3bn green bond, the largest ever issued by a non-sovereign SSA issuer. With this transaction KfW has set the tone

for the further development and growth of the green bond market.

Finally, Crédit Agricole CIB has further honed its expertise in the thematic private placement market for SSA. The bank brought a SKr500m (\$51.46m) sustainable development bond for the World Bank on the back of specific investor appetite from the Japanese life insurance company Fukoku. This deal not only exemplifies Crédit Agricole CIB's strong environmental, social and corporate governance agenda, the bond was linked to reducing plastic waste in oceans while providing a bridge between the needs of a Japanese long-term investor and an international issuer.

“Being named the most innovative investment bank for SSAs for 2019 by *The Banker* is a strong and prestigious recognition of the SSA business that we have successfully developed over the years across currencies and products, leveraging in particular on our leadership and innovation capacity in the sustainability bond market,” says Pierre Blandin, head of debt capital markets SSA at Crédit Agricole CIB.

JUDGING PANEL

Jerome Booth is chairman of New Sparta Asset Management and author of *Emerging Markets in an Upside Down World*.

Richard Brown is a corporate finance partner at Baker Botts in London.

Lee Coney is a partner at Clifford Chance and a specialist on strategic M&A, capital raising and regulatory issues.

Robert Gray is a member of the international committee at the Chartered Institute for Securities and Investment

and a director at the Arab-British Chamber of Commerce.

Andrew Kelly, a high-yield specialist, is a partner at Clifford Chance in London.

Brian Lawson is a senior consultant for IHS Markit and a former head of fixed income for ABN Amro.

Noel Lourdes is a former executive director at Islamic finance boutique Amanie Advisors and has previously served in an advisory role to the Central Bank of Ireland.

Internal judging panel

Brian Caplen is editor at *The Banker*.

John Everington is Middle East and Africa editor at *The Banker*.

Katrien Van Hoof is investment banking and capital markets editor at *The Banker*.

Kimberley Long is Asia editor at *The Banker*.

Silva Pavoni is economics editor at *The Banker*.



More stories from this section

[The Banker's Investment Banking Awards 2022](#)

[The Banker's Investment Banking Awards 2021](#)

[The Banker's Investment Banking Awards 2020](#)

[The Banker's Investment Banking Awards, 2018](#)

[The Banker's Investment Banking Awards, 2017](#)

[The Banker's Investment Banking Awards, 2016](#)

The Banker and its journalism are subject to a self-regulation regime under the FT Editorial Code of Practice.
© 2023 **The Banker** | A service from the Financial Times Ltd.