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Lead Left Interview – Kevin Alexander and Michael Moravec

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This week we chat with Kevin Alexander, the deputy chief executive officer, Americas, and Michael Moravec, the head of investment banking, Americas, for Natixis. Natixis is the international corporate and investment banking, asset management, insurance and financial services arm of Groupe BPCE, the 2nd largest banking group in France.

The Lead Left: *Kevin and Michael, thanks for joining us. So, full disclosure, Churchill has had a long, excellent relationship with Natixis. You helped get us up and running back in 2006 with a $1.25 billion middle market CLO. But a lot has happened since then. Give us an update.*

Kevin Alexander: Thanks Randy. Great to be able to catch up. So yes, we have long been a lender to other lenders utilizing CLO technology, but we haven't consistently been a final lender. Over the last few years, we've been working to develop capital market solutions . Now we're doing it in three ways. We are set up with three primary divisions.

First, our global markets business, which includes fixed income, equities and commodities to primarily support our primary business. Secondly, our investment bank, which includes all of our private side origination businesses focusing heavily on debt capital markets and our expanding content offering which in large part is underpinned by the controlling interest we bought in Peter J. Solomon. And thirdly, we have strategic sectors that focus on specific industry groups. For example, real assets, which includes real estate, aviation and infrastructure as well as energy & natural resources. All these divisions work in tandem.

TLL: *How big is your balance sheet in the US?*

KA: We are a New York branch regulated by the Fed. Whether the issuer is in the US or Europe, our underwriting is handled through investment banking. For example, we recently underwrote $1 billion as part of a $4 billion financing, coordinating our sell-down with the rest of the syndicate.

TLL: *Where does your loan syndication business reside?*

Michael Moravec: It sits within leverage finance but is a partnership between Global Markets and Investment Banking to create both coordination on underwrites and proper market risk management. All of our investment banking origination and structuring, syndication and advisory teams work in partnership with global markets. We rely heavily on coverage to remain product neutral and navigate all our business lines. We cover more than sponsors, we also cover clients globally with a full product offering in our strategic sectors

TLL: *I know you've hired Edith Aviles de Kostes, who's a good friend and experienced banker.*

KA: Yes, Edith is head of US coverage that includes corporates, insurance, and financial sponsors. Plus, she is also responsible for our Multinationals effort and is the Global Co-head of Financial Sponsor Coverage with

Imed Ben Romdhane.

TLL: *And Kevin, as deputy CEO, what does that cover? And how many employees in New York?*

KA: I report to the CEO of the Americas and am responsible for all businesses in this region. In New York, we have 715 employees. And we are actively hiring. We expect to have 750 employees by year end.

TLL: *What type of bankers are you looking for?*

KA: We're hiring in the leveraged finance and investment banking groups, particularly looking for skilled industry expertise. We are opportunistic. We're looking for really strong athletes with an entrepreneurial spirit.

TLL: *Michael, you're new to Natixis, only being here three months. What did you see as the opportunity?*

MM: On a global basis, in Europe we have dominant market share in France, our home market, and strong franchises across Western Europe. We have good presence in Asia where we are strategically investing, particularly in M&A. In the US there's been good and consistent top-line CAGR, and management is fully committed to expanding this business with investments in both human and financial capital. I've enjoyed building franchises in my career – there's a great entrepreneurial opportunity here, providing creative, bespoke client solutions.

Our goal is to drive client relationships and unlock value. Historically there's been a litany of failed attempts of European banks expanding into the US market. We have ample capital to deploy to support our clients strategies but we will continue to be relentless on ensuring we earn appropriate returns.

We're also looking to expand and deepen our strategy and offering into the financial sponsor community and we see a strong opportunity here considering that, with our parent company being France's second largest bank, capital will not be an issue.

Further, we've expanded our content offerings with a number of recent senior hires in energy, utilities, telecom and healthcare and as mentioned earlier our partnership with PJ SOLOMON gives us access to very experienced senior bankers. The way Natixis was initially described to me is … we are big enough to matter and small enough to care. After three months I think that phrase is spot on.

To be Continued the Week of Sept 10

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