

EUROMONEY AWARDS FOR EXCELLENCE 2016

REGIONAL AWARD

BEST INVESTMENT BANK BARCLAYS

Overall, Dealogic's revenue league table in western Europe makes the fall of previously pre-eminent regional investment banks painfully obvious in the 12 months covered by these awards. Examples of European firms that are not losing market share to US rivals, even in their national home markets, are rare.

That fact makes the progress at Barclays, which wins the best investment bank award, particularly remarkable. Its ambitions in investment banking, perhaps, were always going to take time, even after its 2009 acquisition of Lehman Brothers. Its mantra now is that its goals should be realistic. Outside the UK, that means recognizing that trying to outrun French banks in France, for example, would be foolhardy.

The post-crisis economic and regulatory environment has also forced a reprioritization of capital and returns over revenues; concerns that come into every deal and hire it does. The result of those sometimes pain-

ful lessons is already evident in the investment bank's return on equity, which doubled during the awards period at group level, while profit before tax rose 16%.

The bank has also demonstrated momentum in its investment banking revenues. In the year since it named Sam Dean and Crispin Osborne as co-heads of the EMEA banking franchise in April 2015, its place in the western Europe league table rose to within a whisker of the top five – ahead of any European firm except Deutsche Bank, which slipped from first to third.

In equity capital markets, in particular, Barclays' efforts are paying off; it had an especially good run in the UK, being the only UK bank on Worldpay's IPO, for example. It is also winning more IPO mandates in continental Europe, such as the IPOs of Scout24

"Barclays is the European investment bank with real momentum right now. We think they've executed very well on their strategy over the last 12 months"

Clive Horwood, editor

and ADO in Germany.

Sometimes it has had to make do with junior roles, but that too is changing, with an important privatization mandate in Italy, for example, where it was also sole global coordinator on the IPO of Banca Sistema. One part of its strategy is to build its equity advisory business, which now counts 50 corporate broking mandates in the UK, including 20 FTSE100 clients.

The momentum is also evident in M&A. This is not a traditional area of strength for Barclays, but one in which it is notching up some high-profile assignments that tie in with its financing capabilities, such as Shire's combination with Baxalta and AB InBev's SABMiller takeover.

Barclays has been careful not to diminish its fixed income franchise, making sure it leverages its US presence to help European firms tap US capital. Deals this year included BHP Billiton's triple currency \$6.4 billion offering, a slew of debt issuance, hybrids, and numerous ground-breaking bank capital deals. Finally, despite retreating from more capital intensive markets businesses before rivals, it remains top of European credit and rates trading, according to Greenwich Associates – more encouragement for group CEO Jes Staley.

COUNTRY AWARD

UK



BEST INVESTMENT BANK BARCLAYS

Barclays' strong progress in investment banking across Europe is especially evident in the UK, where it takes the award for best investment bank. Although even in the UK, Barclays appears careful not to over extend itself, it is working its way up the UK league tables, with top 10 positions in M&A and equity, and strong second places in bonds and loans.

In equity, Barclays is particularly proud

of its success in winning corporate broking mandates, which it now puts at 50, including 20 of the FTSE100. One such client is Equiniti, which brought in Barclays as global coordinator for its £322 million IPO shortly after its private equity owner (Advent) sold out of World Pay in a £2.5 billion IPO, in which Barclays was the only UK bookrunner.

Corporate broking work was also instrumental to Barclays' involvement in Just Retirement's all-share merger with Partnership Assurance, with Barclays leading the £101 million placing and open offer. It was

also involved in IPOs including Ibstock, Hastings and Gym Group, in which it acted as global coordinator.

In debt capital markets, it solidified its natural strengths in sterling, notching up 13 deals for the European Investment Bank, as well as a string of debut issuers during the period. It was also active in the sterling high-yield market for names like Iron Mountain and Virgin Media, as well as financial institution deals drawing on the bank's own experience as an issuer, such as Santander UK's inaugural holding company senior and additional tier-1 bonds.