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Natixis's Breakthrough in Crowded Saudi Market Is Just the Start

By Matthew Martin

(Bloomberg) -- Natixis SA is coming off its first initial public offering in Saudi Arabia with a blueprint for how to navigate a market dominated by rivals that are more entrenched in the kingdom.

The Paris-based bank, which aims to boost its investment banking revenues by 7% every year until 2024, is looking to get a "substantial increase" in how much it generates out of Saudi Arabia, according to Barbara Riccardi, regional head for the Middle East corporate and investment banking business.

"Saudi is a crowded place where a lot of people have been very active, and obviously we're not going to try and compete with the likes of the American banks," Riccardi said in an interview in Riyadh. "But where we can really add value is in the sector where we have been present consistently as a lender and as an adviser."

Top Tier

Natixis made it into the top 10 Saudi IPO advisers for the year to date

	Adviser	Market Share (%)	Credit (USD)	Deal Count
1	HSBC	10.72%	322.14M	2
1	SNB Capital Co	10.72%	322.14M	2
1	Morgan Stanley	10.72%	322.14M	1
4	EFG-Hermes	10.44%	313.93M	3
5	Banque Saudi Fransi	8.25%	247.95M	4
6	Emirates NBD PJSC	6.82%	205.06M	2
7	Gulf International Bank BSC	6.65%	199.95M	2
7	Bank Albilad	6.65%	199.95M	2
9	Natixis	5.76%	173.16M	1
9	JP Morgan	5.76%	173.16M	1
9	Citi	5.76%	173.16M	1
9	Riyad Bank	5.76%	173.16M	1
9	First Abu Dhabi Bank PJSC	5.76%	173.16M	1

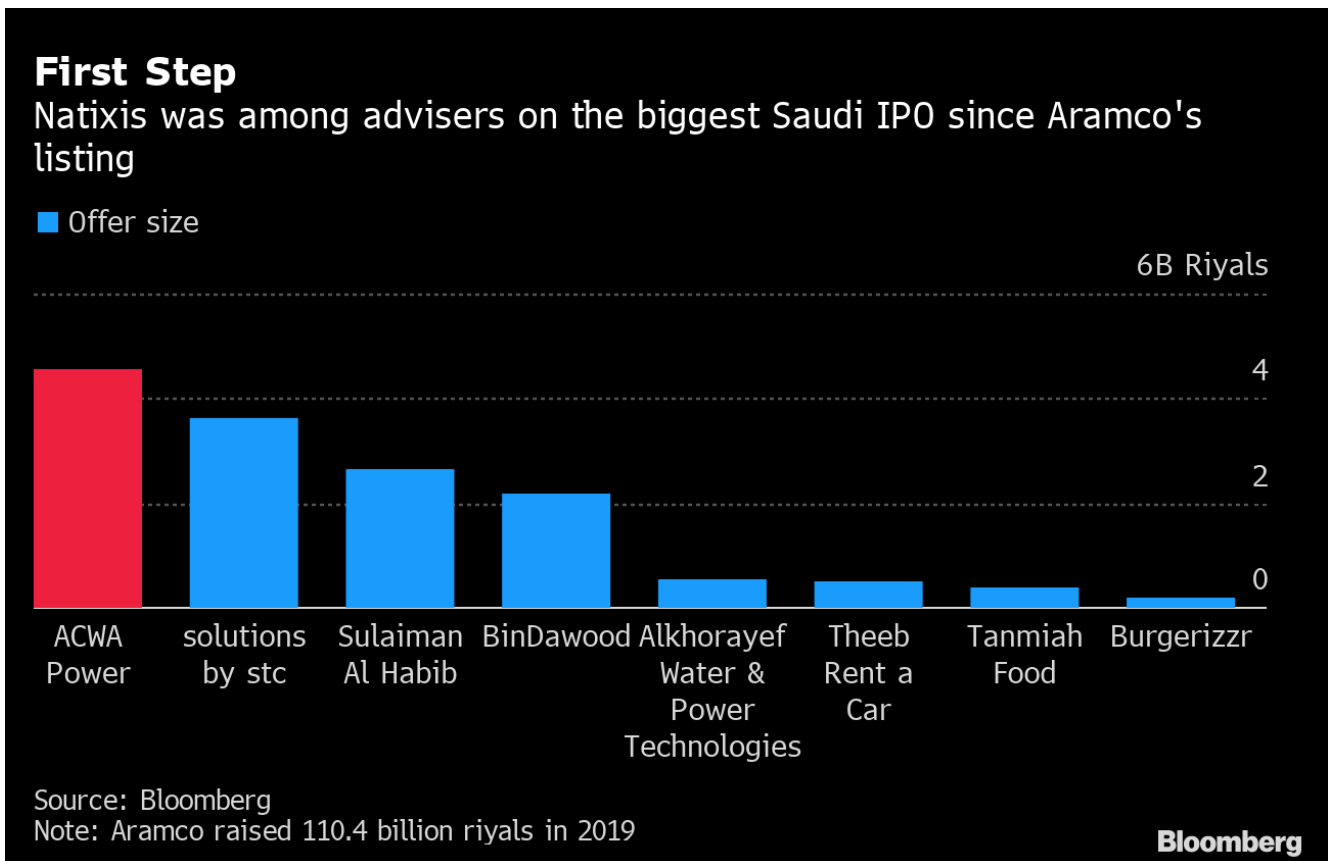
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Natixis, which opened its Riyadh office last year, was one of the advisers on ACWA Power International’s \$1.2 billion IPO that attracted over \$300 billion in orders in October and was the largest in the kingdom since Saudi Aramco’s share sale. ACWA has long been a client of Natixis, with the French firm often lending to finance its energy projects.

“ACWA sits right in the middle of where we have that expertise and is a good example of what we want to repeat in Saudi Arabia, and across the GCC, with other clients,” said Riccardi.

Natixis’s parent company BPCE SA took it private in July as part of a plan to create the largest private banking group in Europe.



The opening of Saudi Arabia’s stock market, coupled with plans to sell off stakes in dozens of state-owned companies, has already led many of the West’s biggest banks to open offices or grow their presence in the country.

Newcomers such as Natixis are focusing more on specialized areas rather than competing for the biggest deals with U.S. banks like JPMorgan Chase & Co., Citigroup Inc. and Goldman Sachs Group Inc. Still, its role on ACWA’s share sale meant the French bank ended up working alongside many of its U.S. rivals.

Size Matters

“Under our strategic plan for this region we aim to substantially increase the proportion of revenues coming from Saudi Arabia,” Riccardi said. “That doesn’t mean we don’t pay attention to other countries, where we continue to invest and grow, but reflects the sheer scale of what’s happening in Saudi Arabia.”

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A year ago, the French firm named Ammar Bukhamsin as chief executive officer of Natixis Saudi Arabia Investment Co. and country head for corporate and investment banking.

It also hired Jody Moore, a former managing director at HSBC Holdings Plc, to lead its strategic equity capital markets unit for the U.K. and the Middle East in April, and relocated Kevin Begue from Paris to Dubai earlier this year as vice president of strategic equity capital markets for the Middle East.

The bank is actively pitching for more IPO deals in the Middle East, Moore said in an interview.

Tickers connexes:

3358410Z FP (BPCE SA)

ACWA AB (International Co For Water & Power Projects)

C US (Citigroup Inc)

HSBA LN (HSBC Holdings PLC)

JPM US (JPMorgan Chase & Co)

KN FP (Natixis SA)

MS US (Morgan Stanley)

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