

Delivering an Entire Solution

An Interview with Louise Kitchen,
Global Head of Commodities Sales and Structuring, Deutsche Bank



Louise Kitchen

EDITORS' NOTE Prior to assuming her current post, Louise Kitchen was Managing Director and Head of Distribution and Structured Products, Energy, at UBS. Kitchen was named one of Fortune's "Most Powerful Women in Business" and, in 2004, a member of the "10 Year Hall of Fame" by Energy Risk magazine. She holds a BA from Kingston University in Kingston upon Thames (United Kingdom).

COMPANY BRIEF Deutsche Bank (NYSE: DB) is a leading global investment bank with a strong and profitable private clients franchise. A leader in Germany and throughout Europe, the bank (www.db.com) is continuously growing in North America, Asia, and key emerging markets. It has more than 78,000 employees in 76 countries, including more than 12,000 in the United States.

Can you give a brief overview of the role of your department at Deutsche Bank?

The function divides into two defined groups: sales and structuring. The sales team, or the client coverage group, is composed of commodities specialists who have direct interface with the bank's clients. There are two types of coverage we provide to our clients. First, there is the daily coverage of our clients – our sales team ensures that our clients have access to what's going on in the marketplace, such as fundamental analysis, research news, pricing, and market activity. Second, the rest of the sales group is dedicated to providing more

complex multiproduct structures to our clients. This team aims to enter into dialogue with our clients to gain an understanding of their business and the challenges and key risks they're facing. The team provides a customized solution for the client in many forms, such as an investment prospect, capital raising, or risk mitigation through hedging. Our sales teams are also able to access all of the other products the bank offers and embed them in our client solutions. The structuring team provides dedicated analytical, structuring, and overall support for the business, providing the sales team with new products, market information, and trade ideas.

How closely do the various segments of the bank work together, and is that a key differentiator for the bank?

Yes. Our global network and our presence in each country allow us to access more clients and provide a more comprehensive service. This is a critical differentiating factor for Deutsche Bank.

How broad is your target market?

Very broad. Everybody has some requirement for commodities in his or her own business – corporates who produce or have direct requirements for their own use, market participants such as financial institutions, through to private equity companies with exposure to the sector.

What growth have you seen in the business over the past year, and what do you expect for the coming year?

In the past 12 months, Deutsche Bank has expanded its commodities platform to ensure that we're in a position to offer products to our clients across the entire commodities complex on a global basis. For the future, we see upward pressure on commodity markets continuing, providing opportunities for Deutsche Bank to provide our clients with risk management tools. I firmly believe we are going up to \$150 a barrel for oil and will see continued upward movement across the softs – not only are we at all-time lows from an inventory perspective but when adjusted for inflation, there remains a significant gap to the all-time highs. Other opportunities are opening up across the complex – the natural gas market will globalize through the technology, allowing liquefaction of natural gas, and the carbon market continues to develop rapidly in response to the global pressure to recognize the impact of carbon on the environment. The Deutsche Bank network is able to ensure our

clients are able to leverage opportunities in all these markets. For example, if you are a Chinese corporate who can, under the Kyoto Protocol, create carbon credit, your ability to sell it to the compliant buyers in Europe is somewhat limited without the product offering and access to the client base that Deutsche Bank can give you.

Are you most focused on growth from specific markets or countries?

We have focused on the newer global markets, such as liquefied natural gas and the emissions market, but we are also very focused on regional growth. We see increasing demand for commodity products in emerging market nations, so these regions have become a focus point for us. We have doubled our team in Asia over the past 12 months, we're transacting in twice as many countries, and we're creating new products specific to these marketplaces. A substantial portion of the growth is coming from our ability to leverage the Deutsche Bank teams on the ground globally.

Have you been happy with the way you've been able to find and retain talent for the bank's commodities division?

Commodities is a very hot market for talent. Over the past four or five years, nearly all of the banks have been building up their commodities franchises. Our ability to retain and attract talent is based on a differentiated business plan that leverages the full Deutsche Bank franchise.

What are your key areas of focus in the coming years?

We want to ensure that, as a bank, we are able to maintain the leading edge we have in certain products and offer that competitive advantage to our clients in areas such as environmental finance. We must continue to build up in Asia and develop our strength to innovate in new marketplaces.

Is this an industry that provides exciting career opportunities for women?

Yes, absolutely. There are many opportunities for women in the financial industry. I think companies have to maintain active retention policies for women employees, because there are so many choices today in the commodities market. The job market has huge prospects for men and women alike, and we have to ensure that we are offering the flexibility that our employees require. I seek out junior women within the organization to ensure they see it is possible to have a work/life balance in the financial industry. ●