

Talent and People

**An Interview with John S. Koudounis,
President and Chief Executive Officer, Mizuho Securities USA Inc. (MSUSA)**

EDITORS' NOTE Prior to his current appointment, John Koudounis served as Executive Managing Director and Head of Fixed Income for MSUSA, where he was responsible for the firm's fixed income activities in trading, sales, and debt capital markets. He is a member of the firm's Board of Directors and Executive Committee and serves as Chairman of its Management, Risk and New Product Committees. He joined the firm in May 2008. Earlier, Koudounis was Managing Director and Head of Fixed Income for ABN AMRO North America. He began his career at Merrill Lynch in 1988. Koudounis received his Bachelor's degree from Brown University, where he studied International Diplomacy & Foreign Affairs and Economics.



John S. Koudounis

COMPANY BRIEF As part of Mizuho Financial Group, one of the world's largest financial institutions, MSUSA (mizuho securities.com) benefits from its parent's strong balance sheet and global presence. Trusted service delivered by experienced professionals gives clients the confidence to navigate changing conditions and provides access to opportunities around the globe. For issuers and investors alike, MSUSA is a full-service investment bank that offers a seasoned team of specialists dedicated to delivering the best execution in all market conditions. Today, they offer clients a broad range of products and market access across divisions: Fixed Income, Equity, Futures, and Investment Banking. MSUSA is registered as a Broker-Dealer with the U.S. Securities and Exchange Commission and a Futures Commission Merchant with the U.S. Commodity Futures Trading Commission. MSUSA is a member of the Financial Industry Regulatory Authority and the National Futures Association. The firm's London office is regulated by the U.K. Financial Conduct Authority.

What is Mizuho's history in the U.S. and why isn't the brand better understood in the U.S.?

The brand isn't better understood because we're not a retail bank in the U.S. We are a wholesale bank and we deal with mostly Fortune 100 companies.

The people who know us are the CEOs, the CFOs, and the Treasurers of the big corporates. It's the same thing within securities with

our investor base, which is composed of institutional clients.

The fact is the investment bank hasn't been around that long. Our parent, Mizuho Financial Group, is a successor of three major banks before it.

The predecessor banks have been around a long time, some of them up to 400 years in Japan. But the name Mizuho has only been around since the year 2000, when the merger of these institutions created one of the largest banks in the world.

What excited you about the opportunity to lead this company and what made you feel it would be the right fit?

When I joined in 2008, it was the largest bank in the world with the smallest investment bank, which I felt made for a great opportunity. The credit standing was fantastic.

In 2008, counterparty risk was really important. I figured I'd go with this really strong credit and large balance sheet and, if I could replicate what I did at ABN AMRO and build capital markets, I could have a great deal of success doing that on this kind of platform.

How important was it to bring in talent that you knew would fit into the culture, and how hard is it to maintain the culture when you're growing at a rapid rate?

We have to balance inorganic and organic growth. Most of the growth we've had was organic until our recent purchase of the RBS corporate loan portfolio, after which we brought on many of their people. We have to mix it and make sure the culture stays the same.

People are everything. Getting great talent is the most important part of the business. I can attribute part of my success to not being afraid to hire people who are better than me. We keep hiring the best people.

We're fortunate because in this environment, from 2008 until now, many other banks have had problems. There is a lot of talent available out there and we offer a positive growth environment while the rest of Wall Street has been shrinking.

Most of my management team has been with me 15 to 20 years or more.

How important has it been to build out the service offerings and is this a full service company today?

We try to service where we have strength. We don't want to be everything to everybody,

but we have to maintain a critical mass where we're important to the right people.

This doesn't mean that we have to be a huge supermarket. It does mean we have to be involved in a good number of things where we're meaningful to our counterparties and our big institutions or corporate clients.

Is there a sweet spot when it comes to clients for this company?

We still have a lot of strength as a counterparty. There has never been a client that has turned us down. We're highly rated with a huge balance sheet. Depending on where the yen is trading, we're anywhere from the 10th to the 15th largest bank in the world by assets, and that is important to all of our customers.

Where we lend, and we have a huge balance sheet where we lend, we also try to do a lot of the investment banking business. We try to look at the client holistically.

How critical has technology been as the bank has grown and is that a differentiator?

We have to keep up with the times, with things like cybersecurity in particular. But at a more basic level, it's about talent and people. It's still a face-to-face business. We still have to know our client and we still have to service our client.

To the extent that we can service them better with technology, it guides what we strive for, what we do, and how we incorporate it. But we lead the old-fashioned way by getting the best people in front with relationships that they've had for a long time.

What do you tell young people about the type of career that Mizuho Securities can offer?

Top talent is still coming in, and the culture and the way we pay people is somewhat different than the other houses. Typically, we have an environment of pay for performance, and we try to correlate it closely to how much business people bring in.

People know that if they do well here, they will get paid, and that is not always the same at some of the bigger shops. It may be with some of the smaller shops, but those shops don't have the resources, capital, and credit we have.

We're a bit of an outlier where we have that entrepreneurial spirit. We're one of the last shops on Wall Street where people still prefer to work because they feel they can do well here. ●