

SOCIETE GENERALE AND MARINER INVESTMENT GROUP COMPLETE A \$3.4B IMPACT INVESTMENT RISK TRANSFER TRANSACTION

Press release

Paris, London, New York, 16 October 2019

The Bank commits to redeploy part of the freed-up capital to Positive Impact financings

Societe Generale, one of the leading European financial services groups, and Mariner Investment Group, LLC today announced the completion of Jupiter a \$3.4 billion credit risk transfer transaction related to the Bank's diversified lending portfolio. **The transaction is first-of-its kind, incorporating an innovative factor to incentivize additional Positive Impact Finance¹ lending.** Mariner Investment Group, the global alternative asset manager and a majority-owned subsidiary of ORIX USA, has purchased a junior tranche of notes through its credit-risk transfer strategy, the IIFC platform.

The Jupiter portfolio corresponds to more than 250 loans in over 40 countries around the world, with credits sourced from Societe Generale's leading structured finance franchise in a variety of sectors, including Energy, Infrastructure, Shipping, Aircraft, Metals & Mining, Real Estate, and Telecom, Media & Technology.

While this transaction is one of the largest synthetic risk transfer for these asset classes, it also distinguishes itself thanks to an innovative capital allocation factor for Positive Impact projects.

The Bank has committed to dedicate 25% of the risk weighted asset reduction to spur new [Positive Impact financing](#) over the next three years. By reallocating the released capital from the legacy loan book and dedicating it to enhance the capacity to finance new Positive Impact projects, the parties aim to strongly advance the United Nations Sustainable Development Goals.

Additionally, if the Bank is able to redeploy 50% of the risk weighted assets towards the Positive Impact capital allocation factor by the fourth anniversary of the transaction, Mariner has agreed to a reduction in the coupon, creating a positive pricing incentive for additional Positive Impact Finance investment.

"This transaction allows us to increase our capacity to fund socially responsible projects and to enrich our Sustainable and Positive Impact Finance offering developed across our wholesale activities." said **Pierre Palmieri, Head of Global Banking and Advisory at Societe Generale.**

Jérôme Jacques, Head of Asset Backed Products, added: *"Mariner Investment Group through its IIFC platform has brought us its industry-leading investment capabilities to close that sophisticated risk transfer securitization transaction while complementing our Positive Impact Finance approach. Based upon solid origination expertise of Societe Generale, this collaboration enables us to build an interesting solution to distribute a material portion of the underlying credit risks and to reinforce our Originate-to-Distribute business model."*

"We are very pleased to partner with Societe Generale on this innovative transaction," said **Molly Whitehouse, lead structurer for the Mariner Investment Group investment team.** *"This deal again illustrates the extent to which credit risk transfer transactions have become an efficient tool for lending*

institutions. Now, the power of credit risk transfers is also being harnessed for critically important socially responsible investments.”

“Societe Generale is one of the global leaders in structured finance as well as a significant player in sustainable finance, and we congratulate them on this exciting transaction,” added **Andrew Hohns, Lead Portfolio Manager for the IIFC platform at Mariner Investment Group**. *“We are proud of our track record of originating innovative risk transfer transactions, such as this new one, that supercharge lending capacity for socially responsible projects.”*

Jupiter adds to Mariner Investment Group's track record of impact investing through the IIFC platform, now reaching a total of over \$7 billion in impact-related initial deal notional. These include a landmark \$1 billion synthetic securitization in cooperation with the African Development Bank [announced](#) in the fall of 2018, pioneering the use of credit risk transfer strategies to a new and previously unexplored segment of the financial markets.

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Note to Editors:

¹ **Positive Impact Finance** is the one which serves to deliver a positive contribution to one or more of the three pillars of sustainable development (economic, environmental and social), once any potential negative impacts have been duly identified and mitigated.

Know more about Societe Generale “Sustainable and Positive Impact Finance” offering:

- November 2017: [Societe Generale launches a “Sustainable and Positive Impact Finance” offering within the global banking & investor solutions’ activities](#)
- June 2019: [Societe Generale continues to expand its “Sustainable and Positive Impact Finance” offering](#)
- [Click here](#) to access the dedicated page on Societe Generale wholesale website

Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 149,000 members of staff in 67 countries and supports on a daily basis 31 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** which encompasses the Societe Generale, Crédit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services to Corporates**, with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index.

For more information, you can follow us on Twitter [@societegenerale](https://twitter.com/societegenerale) or visit our website www.societegenerale.com

Mariner Investment Group, LLC

Mariner Investment Group, LLC is an alternative asset management firm with approximately \$10.2 billion of assets under management as of 30 September 2019, across single manager hedge funds, multi manager hedge funds, and other alternative investments, including CLOs. Founded in 1992, Mariner and its affiliates employ over 140 people in New York, London, Tokyo, Philadelphia, Dallas, Harrison (NY), Rowayton (CT), and Summit (NJ). For more information, visit www.marinerinvestment.com.