



The Banker

Investment Banking Awards 2016

MOST INNOVATIVE INVESTMENT BANK FOR STRUCTURED INVESTMENT PRODUCTS

Société Générale

Derivatives are at the heart of Société Générale Corporate and Investment Banking (SG CIB), and over the past 12 months it has expanded its range of structured product solutions and made changes to improve the overall client experience. SG CIB has added new services to its online client portal SG Markets and strengthened its cross-asset structure by bringing together its flow and structured engineering teams.

“Clients are facing unprecedented complexity, which creates the need for a partner that is able to understand and translate their challenges into solutions. Our fully integrated platform enables us to adapt to and anticipate the needs of our clients,” says Marc Saffon, SG CIB’s global head of engineering. “Transfer of know-how from one asset class to another is just one way of finding new and innovative solutions.”

One example sees the bank export equity-type structures to the fixed-income space. By applying an equity reverse convertible to products that use interest rates as the underlying, investors can make the most of record-low rates but receive a pay-off structure they are familiar with.

SG CIB has been at the forefront of European bond repacks, adding callability features to enhance yield. These products



Marc Saffon,
global head of
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have proved popular among insurers, which are searching for ways to generate enough return to meet their member obligations. Going a step further, last year SG CIB designed a new product for French insurer CNP Assurances, and now many distributors have similar deals in the pipeline.

Earlier in 2016, SG CIB created a highly customised, fixed-income product for Italian investors. Italian investors are looking for top-rated, non-bank issuers to avoid exposure to Europe’s new bail-in rules. SG CIB responded by designing a dollar-denomi-

nated, callable seven-year note with a structured, step-up coupon issued by the European Investment Bank. This gave it access to an AAA rated issuer but with yield pick-up, and was bought by all of Italy’s major distributors.

SG CIB has also seen success further east. It recently created the first lightly structured Formosa bonds sold to retail and listed on Taiwan’s Taipei Exchange. In South Korea it led on the first structured Arirang bond (a won-denominated bond issued by a foreign entity), the pay-off for which relies on the spread between long-term and short-term US interest rates.



TRANSFER OF KNOW-HOW FROM ONE ASSET CLASS TO ANOTHER IS JUST ONE WAY OF FINDING NEW AND INNOVATIVE SOLUTIONS

Marc Saffon ●●