



The Banker

Investment Banking Awards 2018

MOST INNOVATIVE INVESTMENT BANK FOR RISK MANAGEMENT WINNER: SOCIÉTÉ GÉNÉRALE

Société Générale's derivatives capabilities are beyond question, and its consistent track-record of innovating solutions for clients hoping to protect their balance sheets or investment portfolios sees it pick up this award for the third year running.

"Our key strength is our cross-asset expertise and the holistic approach of our own risk management challenges, which enables us to provide unique, innovative and cost-effective solutions to our clients – often featuring ideas that improve liquidity in a given sector," says Kokou Agbo-Bloua, global head of flow strategy and solution, financial engineering, at Société Générale. "We are also breaking down barriers between flow and exotic markets in ways that materially improve our service to clients."

In terms of navigating political shocks, Société Générale responded quickly to the fallout from Italy's populist election victory in March by reducing concentration risk for clients with exposure to Italian government bonds. In order to address the risk arising from highly leveraged companies in a context of higher rates, the bank designed a new solution that hedges credit risk via equity dispersion trades.

Throughout the awards period, Société Générale pioneered different



OUR KEY STRENGTH IS OUR
CROSS-ASSET EXPERTISE AND
THE HOLISTIC APPROACH OF
OUR OWN RISK MANAGEMENT
CHALLENGES *Kokou Agbo-Bloua*

ways for corporates to hedge their foreign exchange risk at a lower cost. This included an index-based solution that was incorporated into a tailored risk management programme for a large European corporation.

Further afield, the bank created risk management solutions for clients in Mexico, Finland and Africa. One example saw it enter a cross-currency financing repurchase agreement transaction with a Nigerian bank, providing US dollar liquidity against local currency government bond collateral. Internally, the French bank transferred several billion dollars of notional risk arising from Asian structured products for the benefit of European and US investors looking for new trade ideas.

Société Générale also has some impressive event-driven mandates. For instance, in 2017 it helped British American Tobacco pre-hedge interest rate risk arising from its \$50bn acquisition of Reynolds American.

Going forward, Mr Agbo-Bloua says Société Générale is committed to making further progress in managing risk on a holistic basis both for its client and the bank. "As rates begin to rise globally and the equity bull market shows signs of strain, there will be inevitable challenges for investors and corporates in managing cross-asset risks, including credit and foreign exchange exposures," he adds.

JUDGING PANEL

Iain Barbour is a partner at Bishopsfield Capital and a former head of Commerzbank's global securitisation business.

Roberto Bonsignore is a corporate and finance partner at Cleary Gottlieb Steen & Hamilton in Milan.

Jerome Booth is chairman of New Sparta Limited and author of *Emerging Markets in an Upside Down World*.

Symon Drake-Brockman is a managing partner of Pemberton Capital Advisors.

Philippe Espinasse is an independent consultant and former capital markets banker at Macquarie and Nomura.

James King is Middle East and Africa editor at *The Banker*.

Stefanie Linhardt is Europe editor at *The Banker*.

Noel Lourdes is executive director of European advisory at Islamic finance boutique Amanie Advisors.

Danielle Myles is investment banking and capital markets editor at *The Banker*.

Silvia Pavoni is economics editor at *The Banker*.

Adam Plainer is a restructuring partner at Weil Gotshal & Manges, and president of the Insolvency Lawyers' Association.