

Paris, June 25<sup>th</sup>, 2021

## **Natixis breaks new ground with placement of first-ever green catastrophe bond sponsored by Generali**

**Natixis achieves a successful placement for a pioneering EUR200 million green catastrophe bond sponsored by Generali**

Joint Bookrunner and sole Green Coordinator Natixis has successfully placed the landmark Lion III Re DAC Notes Green Catastrophe Bond. The EUR200 million bond was well-received with a final pricing of 350 bps and was oversubscribed. The transaction is sponsored by Assicurazioni Generali S.p.A. (Generali) and represents its first-ever green catastrophe bond.

Following the growing ESG risk-transfer market for banks, the deal is even the first-ever green catastrophe bond sponsored by an insurance company, as well as the first capital management product, whose freed-up capital benefit is to be allocated to Eligible Projects.

The transaction contains a highly innovative structure, in accordance with Generali Green ILS Framework. First, the collateral is invested into assets with a positive environmental impact. Second, the transaction allows an amount equal to the freed-up capital benefit to be allocated to Eligible Projects, being Generali's own green Eligible Assets in the form of project bonds or equity investments and/or green Eligible Products in the form of insurance contracts of P&C business<sup>1</sup>.

The ILS market is an alternative asset class that allows for the transfer of insurance risk to institutional investors. Generali is one of the main European sponsors in this market, having sponsored two previous catastrophe risk bonds (Lion I Re, 2014 and Lion II Re, 2017) and one motor third-party liability risk bond (Horse Capital I, 2016).

**Nicolas Merigot, Head of GSCS France and Global Head of Bank, Insurance and Pensions Solutions at Natixis, adds** "Natixis has always been very creative in the ILS world, so we are very proud to bring to the market this landmark transaction. I would like to thank Generali for their trust and support. Due to the mix of expertise within our teams - ESG, Insurance, structured finance - we have a unique positioning: enabling us to answer to our insurance clients' and our investors' needs by taking into account the growing interests for ESG and Green solutions. This was a highly successful placement in an extremely active market, with eight deals at the same time as the Lion III Re DAC, so we thank all those that helped make this a great achievement. We are sure this green cat bond is the first of many more."

**Julien Duquenne, Co-Head of Green and Sustainable Hub Origination EMEA, adds** "This transaction is highly innovative and opens interesting leads for "green or sustainable" capital and risk management for the insurance industry. The deal links extreme climate risk mitigants with concrete allocation of capital to 'green' projects".

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<sup>1</sup> For more details, please refer to Generali Green ILS Framework, available on Generali's website ([www.generali.com](http://www.generali.com)).



#### About Natixis

Natixis is a French multinational financial services firm specialized in asset & wealth management, corporate & investment banking, insurance and payments. A subsidiary of Groupe BPCE, the second-largest banking group in France through its two retail banking networks, Banque Populaire and Caisse d'Épargne, Natixis counts over 16,000 employees across 36 countries. Its clients include corporations, financial institutions, sovereign and supranational organizations, as well as the customers of Groupe BPCE's networks. Listed on the Paris stock exchange, Natixis has a solid financial base with a CET1 capital under Basel 3<sup>(1)</sup> of €12.3 billion, a Basel 3 CET1 Ratio<sup>(1)</sup> of 11.6% and quality long-term ratings (Standard & Poor's: A+ / Moody's: A1 / Fitch Ratings: A+).

<sup>(1)</sup> Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in  
*Figures as at 31 March 2021*

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