

## *Press Release*

22nd March 2016

### **Securities lending: CACEIS supports institutional investors in their implementation of the Solvency II directive**

The Solvency II Directive, in force since 1 January 2016, enables French institutional investors to expand their securities lending activities. CACEIS provides customised, secure and legally-sound solutions so that mutual insurance societies, pension providers and insurance companies can benefit from the performance opportunities offered by the securities lending market.

Lent securities were limited to 10% of the total assets, but this no longer applies under Solvency II. Securities lending transactions must, however, be included in the institutional investor's solvency capital requirement (SCR).

In the current climate of low yields and strengthening regulation, CACEIS is adapting and innovating by offering customised securities lending programmes. CACEIS acts as either principal or agent. The securities to be lent may be held in custody by CACEIS or another account holder. CACEIS works alongside clients to implement an appropriate strategy designed to achieve the target yield on the securities, while also complying with applicable regulations and adhering to the client's risk profile.

CACEIS recently assisted mutual insurance company LA MUTUELLE D'IVRY (la Fraternelle) – MIF – in reviewing its securities lending programmes in the framework of Solvency II.

Ferréol Baudonnière, Deputy Chief Executive Officer at MIF, said: *"Securities lending is an additional source of yield for our portfolio. We appreciate the efficiency with which CACEIS informs us of market opportunities. Their interaction with our teams enables us to work together to identify the most appropriate lending programmes for our profile."*

Dan Copin, Head of Equity Finance at CACEIS, added: *"In a demanding and low-yield market context, we believe that secure securities lending activities represent the performance driver that investors such as MIF are seeking. With our asset servicing expertise and long-standing institutional client relationships, CACEIS offers a customised securities lending programme tailored to each risk profile, as well as innovative solutions to generate additional revenue."*

Securities lending is a temporary transaction on financial instruments. The borrower agrees to return securities of the same nature, quantity and quality to the lender, with or without a set repayment date, and to pay a previously agreed fee based on the value of the securities lent.

**About CACEIS**

CACEIS is the asset servicing banking group of Crédit Agricole dedicated to institutional and corporate clients. Through offices across Europe, North America and Asia, CACEIS offers a broad range of services covering execution, clearing, depositary and custody, fund administration, middle office outsourcing, forex, securities lending, fund distribution support and issuer services. With assets under custody of €2.3 trillion and assets under administration of €1.5 trillion, CACEIS is a European leader in asset servicing and one of the major players worldwide (figures as of 31 December 2015).

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