

 Early Warning System

FMO-63866

BFV-SOCIETE GENERALE



Quick Facts

Countries	Madagascar
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2024-07-08
Borrower	Société Générale Madagascar (SGM)
Sectors	Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 10.00 million
Project Cost (USD)	\$ 35.00 million



Project Description

According to the Bank's website, FMO is an anchor investor in the sustainability-linked bond issuance of Societe Generale Madagascar ('SGM'), which is aligned with the ICMA Green Bond Principles. FMO's USD 10mIn financing is earmarked exclusively for renewable energy use of proceeds, providing essential capital to advance the Green agenda in Madagascar.

Through this funding, FMO is providing SGM with needed long-term funding for renewable energy projects, addressing a scarcity in the country. This transaction is the first sustainability-linked bond issued in Madagascar. It is a local currency-denominated bond of up to USD 35mIn overall, also involving local investors. It serves local capital market development and qualifies 100% for both FMO's Reducing Inequalities and Green labels, under the MASSIF banner.



Early Warning System Project Analysis

SGM is classified as E&S Category A in accordance with FMO's Sustainability Policy. The E&S risk classification reflects SGM's exposures to the corporate segment.



Investment Description

- Netherlands Development Finance Company (FMO)

Total FMO financing: USD 10.00 MLN

A local currency-denominated bond of up to USD 35mln overall, also involving local investors

Funding: MASSIF

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Societe Generale Madagascar](#) (Financial Intermediary) **is owned by** [Société Générale S.A.](#) (Parent Company)



Private Actors Description

Société Générale Madagascar ('SGM'), a new client to FMO, is the largest bank in Madagascar (an LDC). As a subsidiary of the globally operating Société Générale S.A., SGM started its operations in Madagascar in 1998 after acquiring a formerly state-owned local bank. SGM supports its clients as a universal bank by leveraging the group's global reach and wide range of products and services to individuals, SMEs, and corporates. SGM has an extensive network of agents, branches, and ATMs spread across Madagascar, enabling access to finance to end-clients.



Contact Information

No contacts available at the time of disclosure.

Website customer/investment: <https://societegenerale.mg/fr/>

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>