

# 7 MAJOR FINANCIAL INSTITUTIONS JOIN FORCES TO DEVELOP BLOCKCHAIN INFRASTRUCTURE FOR SME POST-TRADE



**Paris – 21 June 2016** – BNP Paribas Securities Services, Caisse des Dépôts, Euroclear, Euronext, S2iEM and Société Générale, in collaboration with Paris EUROPLACE, today announced that they have signed a Memorandum of Understanding to explore together the development of a post-trade blockchain infrastructure for SMEs in Europe.

Open to other international partners, this pilot agreement aims to improve SMEs' access to capital markets while facilitating secure and transparent post-trade operations. It is part of the development of a new regulatory environment in France that allows the issue and circulation of securities using blockchain technology.

The partnership's main objective is to combine its members' financing capacity and expertise to promote innovation through a new, independent company whose mission will be to harness blockchain technology in the design, development and deployment of innovative solutions for post-trade. By reducing transaction costs while maintaining a high level of security, the company would help SMEs raise funds more easily on capital markets. Blockchain technology has the potential to significantly enhance and streamline post-trade operations by facilitating securities registration for the European market and allowing fast execution of trades with clearing & settlement in real time at T+0.

The new partners issued a joint statement noting: *“We wanted to engage collaboratively in order to mount an innovative project with the potential to drive the transformation of the post-trade market. By pooling our strengths in this ground-breaking area, we are focusing on new solutions that will give small and mid-sized companies -- key actors for growth in Europe – easier access to the financing they need. With this project, we are securing the means to seize opportunities that blockchain distribution can offer: speed of execution, low cost and security.”*

Blockchain technology is based on a virtual ledger that assembles data for shared distribution between many different users. To appear in the ledger, data must be organized in blocks, each bearing a digital signature verified by users. New blocks can only be added to the chain if they are approved by the majority of users, and if the new unit is in keeping with existing blocks. Once added to the chain, the block is linked to these validated, unalterable blocks. The resulting decentralised security mechanism makes blockchain a pioneering technology that is widely used for data transmission.

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### **About de BNP Paribas Securities services**

BNP Paribas Securities Services, a wholly-owned subsidiary of the BNP Paribas Group, is a leading global custodian and securities services provider backed by the strength of the BNP Paribas Group. It provides multi asset post trade and asset servicing solutions for institutional participants in the investment cycle, from the buy-side and sell-side to corporates and issuers. Covering over 100 markets, offices in 34 countries, the BNP Paribas network is one of the most extensive in the industry. We bring together local insight and a global network to enable clients to maximize their market and investment opportunities worldwide.

### **About Caisse des Dépôts Group**

Caisse des Dépôts and its subsidiaries together form a State-owned group that is a long-term investor serving France's public interest and local and regional economic development. This role was reaffirmed by the French Law on modernisation of the economy of 4 August 2008.

The Group has renowned expertise in managing public service mandates and it has earmarked four priority sectors for creating jobs and partnering industrial development and innovation: business development, the energy transition, housing, and infrastructure and mobility. <http://www.caissedesdepots.fr>

### **About Euroclear**

Euroclear group is the financial industry's trusted provider of post trade services. At the core, the group provides settlement, safe-keeping and servicing of domestic and cross-border securities for bonds, equities and derivatives to investment funds. Euroclear is a proven, resilient capital market infrastructure committed to delivering risk-mitigation, automation and efficiency at scale for its global client franchise.

The Euroclear group includes Euroclear Bank which is rated AA+ by Fitch Ratings and AA by Standard & Poor's as well as Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK & Ireland. The Euroclear group settled the equivalent of EUR 675 trillion in securities transactions in 2015, representing 191 million domestic and cross-border transactions. By December 2015, the group held EUR 27.5 trillion in assets for clients.

### **About Euronext**

Euronext is the primary exchange in the Euro zone with more than 1,300 listed issuers worth close to €3.0 trillion in market capitalization as of end March 2016, an unmatched blue chip franchise consisting of 25 issuers in the EURO STOXX 50® benchmark and a strong diverse domestic and international client base.

Euronext operates regulated and transparent equity and derivatives markets. Its total product offering includes Equities, Exchange Traded Funds, Warrants & Certificates, Bonds, Derivatives, Commodities and Indices. Euronext also leverages its expertise in running markets by providing technology and managed services to third parties. Euronext operates regulated markets, Alternext and the Free Market; in addition it offers EnterNext, which facilitates SMEs' access to capital markets.

### **About Paris EUROPLACE**

Paris EUROPLACE is the organization in charge of promoting and developing the Paris financial marketplace.

As a privileged intermediary of the European and French authorities, with which it develops a constructive and permanent dialogue, Paris EUROPLACE promotes reforms for improving the attractiveness of the Paris financial centre.

### **About S2iEM**

S2iEM is a European market infrastructure investment company created in 2014, at the initiative of AF2i, upon the initial public offering on EURONEXT NV. This specialised umbrella SICAV (investment company with variable capital) for professional investors is governed by Article L. 214-154 of the French Monetary and Financial Code. Its shares are held by professional and institutional investors with a long-term investment outlook. The SICAV is managed by OFI Asset Management and the custodian is BNP PARIBAS Securities Services.

### **About Société Générale**

Societe Generale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

Societe Generale has been playing a vital role in the economy for 150 years. With more than 145,000 employees, based in 66 countries, we accompany 31 million clients throughout the world on a daily basis. Societe Generale's teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- Retail banking in France with the Societe Generale branch network, Credit du Nord and Boursorama, offering a comprehensive range of omnichannel financial services on the leading edge of digital innovation;
- International retail banking, insurance and financial services to corporates with a presence in developing economies and leading specialised businesses;
- Corporate and investment banking, private banking, asset management and securities services, with recognized expertise, top international rankings and integrated solutions.

Societe Generale is included in the main socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (Europe, Eurozone and France), ESI Excellence (Europe) from Ethibel and 4 of the STOXX ESG Leaders indices.

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