



# BLOCKCHAIN & DIGITAL ASSETS

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La tokenizzazione di strumenti finanziari



# FORGE

SOCIETE GENERALE GROUP

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Money**

# BRIDGING THE GAP BETWEEN CAPITAL MARKETS AND DIGITAL ASSETS

**Societe Generale-FORGE** is a fully **integrated and regulated subsidiary of Societe Generale Group**, incorporated in France, and providing end-to-end solutions to issue and manage native digital assets and financial products registered on blockchain

- **Twin agreement** as an **Investment Firm** (ACPR) and as **Digital Asset Service Provider** (“PSAN” - AMF)

## STRUCTURING

### Advisory for structuring new security tokens

- Pricing & Development
- Efficient trade ideas
- Building the most efficient issuance and execution frameworks

## POST-TRADE

### FLEXIBLE SETTLEMENT OPTIONS



## ISSUANCE

**Issue, allocate and transfer** security tokens on behalf of issuers and investors



## ASSET SERVICING

### DIGITAL CUSTODY SOLUTION





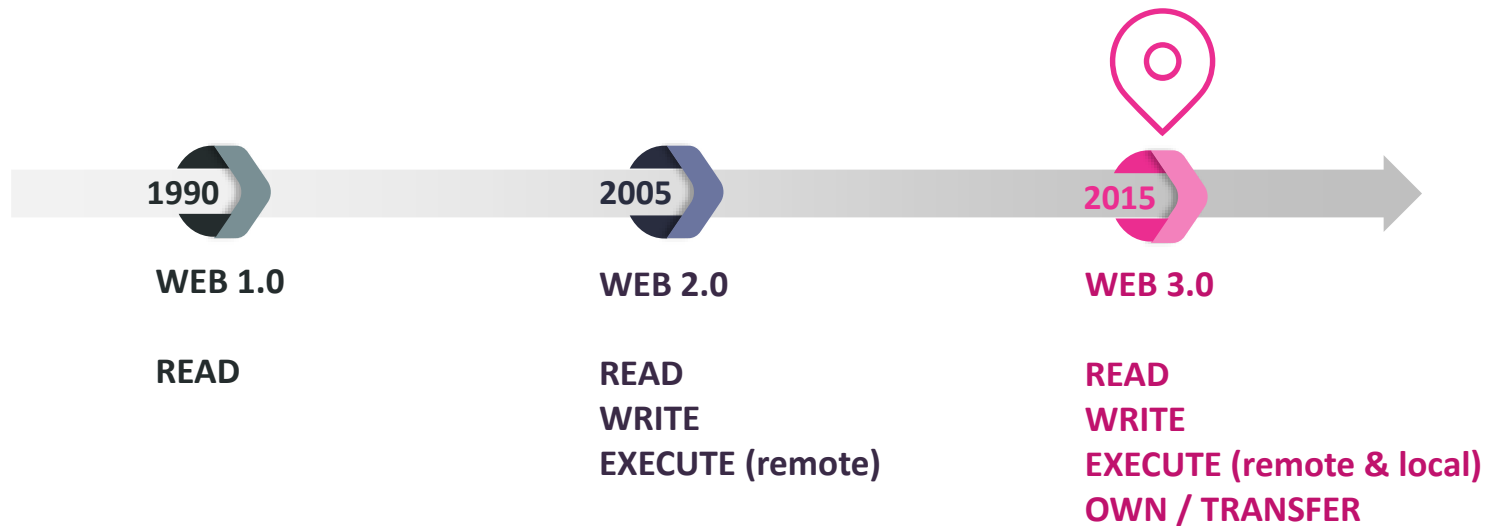
# PANORAMA OF TOKENIZATION

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**THE FUTURE  
IS YOU**  **SOCIÉTÉ  
GÉNÉRALE**

# MOVING TO WEB 3

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# WHAT ARE THE ISSUES AND WHAT OPPORTUNITY DOES IT CREATES ?

Enhance efficiency, transparency, and security while reducing costs by leveraging decentralized and immutable ledger technology



## What is the issue?

- **Financial markets remain prone to various risk and inefficiencies** stemming from rigid infrastructure and operational schemes and are not capturing the full potential of digital solutions. Role and responsibilities are highly fragmented across different operators.



## Why does Blockchain address it?

- **Transparency, Traceability and Trust:** Blockchain solutions provide a WW tamper-resistant and transparent ledger of financial transactions. This transparency fosters trust among market participants, reducing the need for intermediaries, data duplication and potential for fraud.
- **Efficient Settlement and Clearing:** Blockchain streamlines the settlement and clearing processes in financial markets, allowing for near-instantaneous, cost-effective, and error-free transactions. Traditional systems often involve multiple intermediaries and delays.
- **Reduced Counterparty Risk and Operational Costs:** Blockchain mitigates counterparty risk by enabling real-time reconciliation and reducing the need for manual processes and multiple databases. This results in lower operational costs and increased efficiency compared to legacy systems that are susceptible to errors and operational overhead.



## Can't traditional infrastructure address it?

- **Blockchain enables a more profound systemic overhaul,** leveraging its unique features for addressing financial market challenges unattainable by centralized systems. Building aside current solutions a new web3 infrastructure reduces operational risk of a big bang shift while allowing innovation ambitions to reveal themselves.
- **Programmability and traceability at financial instrument / trade level** open new opportunities.

# NEW REGULATORY FRAMEWORKS SUPPORT THE CONSOLIDATION OF DIGITAL MARKETS

## A fragmented landscape...

Today's landscape is fractured, with strong divergences amongst jurisdictions on :

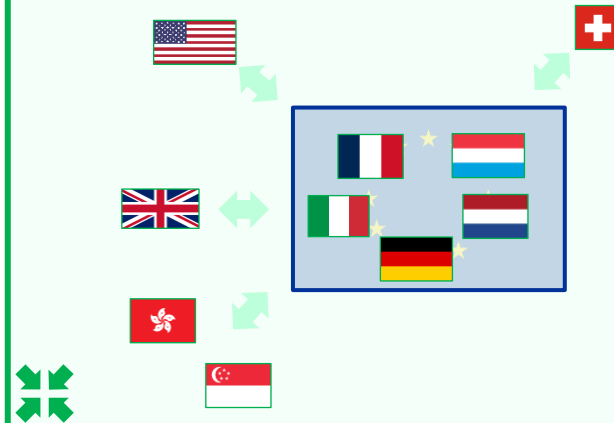
- **Acceptability of protocols** (private versus public)
- **Definition of security tokens**
- Rules for **exchangeability/trading of tokens**
- Applicability of **existing securities law** to tokens
- Modality on the use of **settlement tokens**








## ...progressively converging

Numerous **initiatives are currently underway to streamline market development**, both at a regional & supranational level.

In **Europe**, an **all-encompassing framework is being established through a series of directives** that will gradually take effect in the coming years. Other jurisdictions are also gravitating towards more exhaustive approaches, though interoperability of models remain an open topic.



# LEGAL STANDPOINT : A DUAL APPROACH IN THE EU

	SECURITY TOKEN	SETTLEMENT TOKEN	CRYPTOCURRENCY	UTILITY TOKEN, NFT
DESCRIPTION	Securities in the form of security tokens	Cash in the form of cash tokens, being CBDC (for banks) or stable coins (AM, Corporates)	Digital currency operating independently from any financial institution	Digital asset providing access to products and services or Digital asset being a self-certificating & unique instrument
EXAMPLES	<ul style="list-style-type: none"> <li>▶ Bonds</li> <li>▶ Structured Products</li> </ul>	 	  	
REGULATION	<b>MiFID (EU)</b> <b>Pilot Regime (EU)</b>		<b>PSAN (France)</b> <b>MICA (EU)</b>	
BLOCKCHAIN	<ul style="list-style-type: none"> <li>▶ Public</li> <li>▶ Private</li> </ul>		<ul style="list-style-type: none"> <li>▶ Public</li> <li>▶ Private</li> </ul>	





# WHERE WE ARE IN THE DIGITAL JOURNEY (FOCUS EU)



## BLOCKING POINTS TO BE TACKLED

- **Low liquidity** on secondary market (digital marketplace) and **almost no repo market** (CB repo, triparty repo)
- **Technical fragmentation** between key actors : public vs. private chains, each bank pushing its own platform, non regulated fintechs trying to surge
- **Buy-side access complexity** (KYC) as onboarding procedures take time
- US banks very careful while massive contributors to the euroBond market



# BUSINESS CASES

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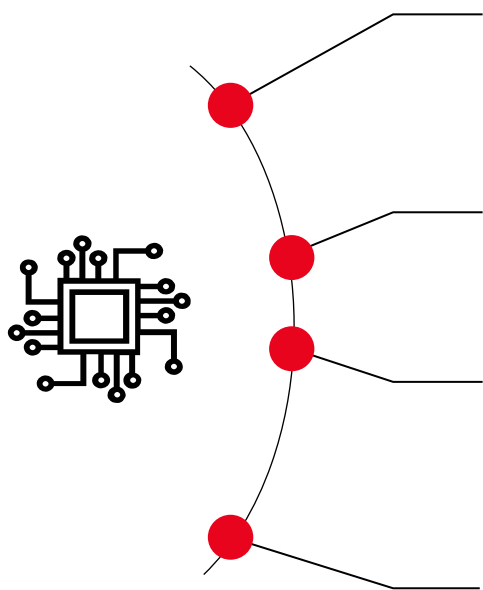


# SECURITY TOKENIZATION

Digital Bond Business Case

# HOW CAN ESG BENEFIT FROM DIGITALISATION ?

## Blockchain can help bridge between the physical world and the financial/digital world



**Traceability** : underlying projects need to be identified and tracked, the blockchain helps providing a universal and worldwide technological stack to automatized the tracking.

**Impact** : the impact calculation is key to assess the materiality of ESG gains and tilt up/down the performance.

**IOT** : dealing with material world means capturing data WW the same way and store it ; blockchain could be the bridge between real world and a structured data referential.

**Structuring** : developing new products valorizing above concepts cannot be done via legacy systems and need the Web 3 technologies to execute automated contracts.

# SOCIETE GENERALE EUR 10M 3Y DIGITAL GREEN PP

**Weaving Digital & Positive impact : the 30th of Nov. 2023 Societe Generale issued its first digital green bond onchain (ETH)**



## Natively issued on Ethereum

The bonds were issued natively in the form of security token registered on the Ethereum public blockchain

Issuance press release : [FR](#) | [EN](#)

**0.64 Kg CO<sub>2</sub> equivalent / year**

(<3km by car)

## Carbon footprint of issuance

Provide a **general methodology for calculating the carbon footprint of a financial product issued in the form of a token** on the Ethereum public blockchain infrastructure

Press release & full report : [link](#)

A SG positive-impact green **digital issuance on Ethereum public blockchain**, including an estimate of the **carbon impact of the blockchain infrastructure**, and opening the door to **settlement through digital assets**



## EUR CoinVertible

Digital asset that purports to **maintain a stable value**, issued by SG-FORGE, and used as a mean of order payment by one of the investors on the transaction

Press release : [launch](#) (April 2023); [listing](#) (December 2023)  
Whitepaper: [link](#)



# CoinVertible

Institutional stable coin



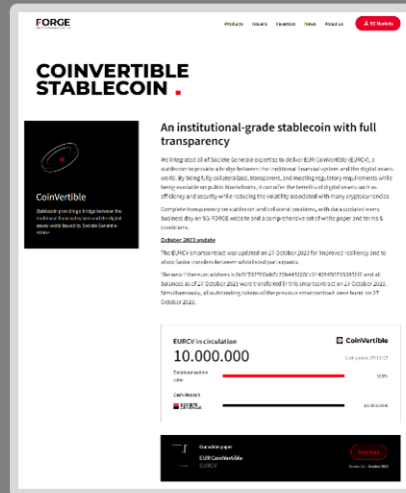
## Institutional-grade stablecoin

- A digital asset **issued by SG-Forge** that **purports to maintain a stable value of 1 EUR**.
- **Constructed in compliance** with the French “**PACTE**” law and the European 5th Anti-Money Laundering Directive. **EURCV qualifies as digital asset under French law**.
- **Available to any counterparty in France, UK, Netherlands and Luxemburg**. Other countries subject to prior legal analysis. Not available to US Persons and Retail Investors.
- **Token holders must be onboarded by SG** (KYC/AML-CFT / S&E procedures) **but are not required to have a SG Cash account**
- **Listed on Bitstamp**
- **Available on Ethereum public blockchain**
- **Interoperability and compatibility with traditional systems & financial practices**

### KEY INFORMATION

Find all the relevant information on CoinVertible website:

- **White Paper** available
- **Daily transparency on collateral** available
- **Ticker code:** EURCV
- **Ethereum address:**  
[0x5F7827FDdb7c20b443265Fc2F40845B715385Ff2](https://www.coinvertible.com/0x5F7827FDdb7c20b443265Fc2F40845B715385Ff2)



# LEVERAGING ON NEW INFRA TO TRANSFER VALUE

## AS AN ALTERNATIVE TO TRADITIONAL NETWORKS

- Cryptocurrencies demonstrated the possibility to transfer value P2P.
- Regulators, Central Banks, Financial institutions decided to leverage this new technology to adapt it to financial services.



Etherscan

Home Blockchain Tokens NFTs Resources Developers More | Sign In

Token EUR CoinVertible (EURCV)

↓ A total of 50 transactions found

Advanced Filter First < Page 1 of 2 > Last

Txn Hash	Method	Age	From	To	Quantity
0xf32203ffe42654e65...	Mint	5 days 23 hrs ago	Null: 0x000...000	0xs2b127...F20A3F56	45,000
0x4bad60df1e3b0cbb4...	Transfer	28 days 15 hrs ago	0x67E13f...FFD6fEC5	0x3C10F8...4737C5A9	250,000
0x2227a94d1c50e3a9...	Mint	28 days 15 hrs ago	Null: 0x000...000	0x67E13f...FFD6fEC5	250,000
0xfcf37dcca20a3a60...	Send Multi Sig.	35 days 13 hrs ago	Bitstamp 2	Bitstamp: Wallet	3,920.04704389
0xd2946ecef52270214...	Send Multi Sig.	35 days 19 hrs ago	Bitstamp 2	Bitstamp: Wallet	196,002.35219411

Transaction performed on 1  
Source: [Etherscan](#)

## KPIs

# 5 min

Transfer time of EURCV onchain  
from wallet A to wallet B

# 10-20 EUR

Transfer cost, equivalent to  
0.005 to 0.1 ETH  
(blockchain transaction  
processing cost).

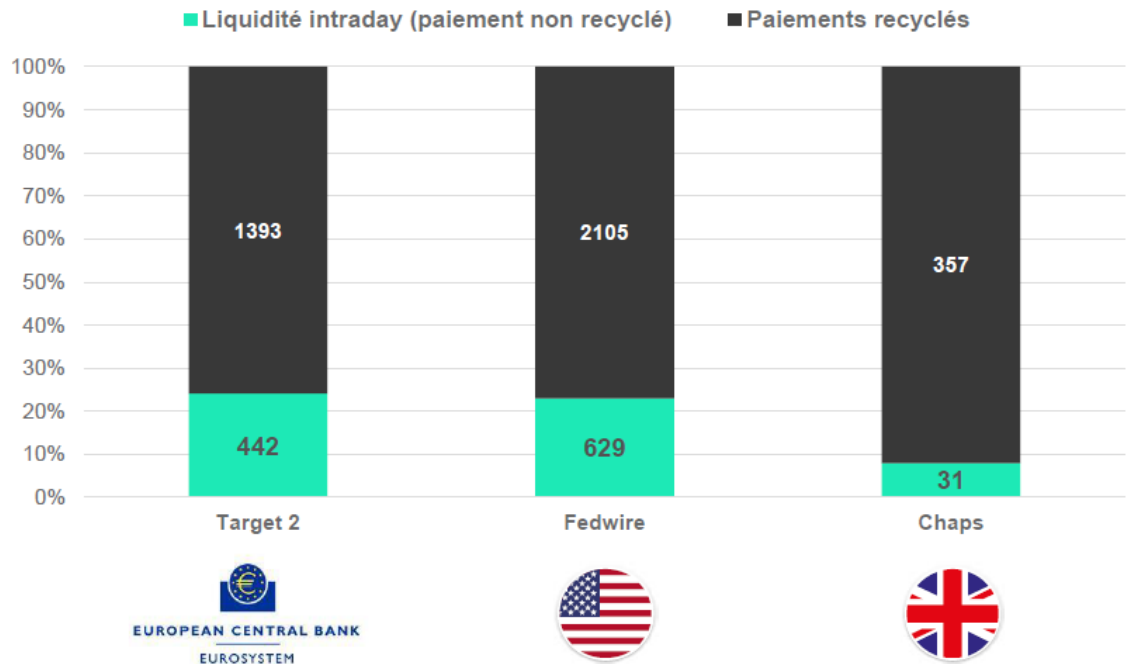




## **REFINANCING & REPO**

Improving liquidity

# INTRADAY LIQUIDITY OPTIMIZATION



- **15% of payments do require intraday liquidity pools**
- **Those pools are comparable to 2,8% GDP of their economic zones**

Source : BIS

- **Tokenization at a large scale can speed up refinancing processes and reduce cash breaks via platformization**
- **Better refinancing market can improve banks' balance sheets management significantly**

# WHAT ARE THE NEXT STEPS ?

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## WHAT WE HAVE

- UE is ahead the market with its favourable regime (UE Pilot / MICA)
- ECB trials will boost interoperability
- Digital Euro will give foundations for wholesale market
- Issuers and banks are there
- Stable coins regulation



## WHAT WE NEED

- Cross UE countries transactions
- Buy-side & custodians engagement
- Full fledged regulation (CB repo, marketplaces, derivatives)
- Platforms and standards



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