Societe Generale SFH, the covered bond vehicle of Societe Generale, issued the first covered bond (EUR 100m) as a security token on a public blockchain.

On 18 April 2019 Societe Generale SFH, a subsidiary of Societe Generale Group, issued EUR 100m of covered bonds ("obligations de financement de l'habitat" or "OFH") as a security token, directly registered on the Ethereum blockchain. OFH Tokens have been rated Aaa / AAA by Moody’s and Fitch and have been fully subscribed by Societe Generale.

This operation is the first pilot project developed by Societe Generale and Societe Generale FORGE, one of the 60 internal startups launched via the Internal Startup Call, the Group’s intrapreneural programme. This startup experiments disruptive business solutions using blockchain technology to develop new digital capital market activities.

This live transaction explores a more efficient process for bond issuances. Many areas of added value are predicted, among which, product scalability and reduced time to market, computer code automation structuring, thus better transparency, faster transferability and settlement. It proposes a new standard for issuances and secondary market bond trading and reduces cost and the number of intermediaries.

The operation was made possible thanks to the teams of the Finance, Legal, Compliance and Operations departments of the Bank. Gide Loyrette Nouel was appointed as legal advisor to the OFH Token issuer and PwC France and francophone Africa was involved as blockchain advisor.

Innovation is at the core of Societe Generale’s DNA and a priority of its Transform to Grow strategic plan. The Group’s digital transformation speeds up using new technologies to innovate and better serve its clients.

In the field of blockchain and Distributed Ledger technologies, Societe Generale has been involved for several years in numerous initiatives, such as we.trade, the first blockchain-based trade finance platform now available to all its corporate clients in France, or the launch of komgo SA to digitalise the trade and commodities finance sector through a blockchain based open platform.
Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 147,000 members of staff in 67 countries and supports on a daily basis 31 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking**, which encompasses the Societe Generale, Crédit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services to Corporates**, with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index.

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