

BNP Paribas participated in Eurosystem trials of wholesale settlement DLT solution

Eurosystem accelerates innovation and experiments with wholesale settlement solutions for DLT transactions with BNP Paribas.

BNP Paribas is at the forefront of financial innovation, testing all three solutions in the Eurosystem's wholesale digital settlement trials. By engaging in real and test transactions with Banque de France, Deutsche Bundesbank, and Banca d'Italia, the Bank utilised its Neobonds™ and AssetFoundry™ platforms to push the boundaries of digital asset technology. This initiative is set to deepen insights into the interaction between Eurosystem payment infrastructures and market DLT platforms, playing a crucial role in modernising European markets, developing the economy and bolstering financial stability.

Yann Gérardin, Chief Operating Officer and Head of Corporate & Institutional Banking, BNP Paribas, states: *"BNP Paribas' active participation in the ECB's experimentation programme demonstrates the Group's commitment to driving the digitalisation of European financial markets and supporting financial stability."*

Advancing European market modernisation with new technologies for wholesale settlement

In 2024, the Eurosystem, comprising the European Central Bank (ECB) and national central banks, has been exploring the benefits of digital asset (tokenized financial instruments) and cash settlement on distributed ledger technology (DLT) along with market participants. The programme explored three payment solutions – full DLT interoperability solution from Banque de France, Trigger Solution from Deutsche Bundesbank and TIPS Hash-Link from Banca d'Italia.

Digital assets represent a transformative technological advancement and open new perspectives for capital markets. Tokenized financial instruments can be traded and settled more efficiently, offering programmability, transparency, and instant settlement on the blockchain.

Unlocking the benefits of the blockchain with wholesale central bank digital currencies

As part of this experimentation programme, BNP Paribas tested the three available solutions via ten use cases, conducting real transactions with Neobonds™, BNP Paribas' private tokenization platform leveraging Canton blockchain, and test transactions with AssetFoundry™, its Ethereum-based platform. It also performed tests with external DLT platforms.

BNP Paribas was market DLT participant and market DLT operator, leveraging its integrated and diversified model across business lines, including ALM Treasury, BNP Paribas Asset Management, FIC Official Institutions Coverage/FIC Investors Coverage, Global Markets, and Securities Services, to build expertise across multiple roles, along with other market participants, both issuers and investors.

Main transactions using Banque de France's full DLT interoperability/DL3S solution

As part of the programme BNP Paribas arranged and placed the [first Eurozone sovereign digital bond for the Republic of Slovenia](#) as DLT market operator on the Neobonds™ platform. This EUR30 million issuance was followed by secondary market activity with investors AXA IM – on behalf of AXA France, Banque de France and the European Investment Bank (EIB).



Marjan Divjak, Director General of the Treasury Directorate, Slovenia's Ministry of Finance, notes: *"We are very happy to have taken part in the ECB's DLT experiments as the first EU sovereign issuer. We welcome this initiative, along with future similar efforts by the ECB. These initial transactions and trials with wholesale tokenized central bank money mark a significant step toward enhancing transparency and efficiency in financial markets through broader adoption of innovative technologies. While the current value issued and traded remains modest, we anticipate distributed ledger technology will play an increasingly pivotal role in financial markets in the coming years."*

Emmanuelle Assouan, Director General of Financial Stability and Operations, Banque de France, adds: *"I am thrilled by the success of this first operation, where the Banque de France stepped in as an investor in the secondary market for tokenized debt. This achievement builds on the numerous pioneering experiments that the Banque de France has actively driven since 2020, providing market participants with a cutting-edge settlement solution in central bank digital currency. It demonstrates our commitment to embracing all perspectives, particularly those of investors, and to fostering the development of decentralised finance while safeguarding financial stability."*

BNP Paribas was joint lead manager of the European Investment Bank's EUR100 million 3-year euro digital bond issuance. The bond was registered and settled on HSBC's ORION platform. Similarly, Caisse des Dépôts issued its first digitally native notes on Euroclear's tokenization platform (D-FMI) where BNP Paribas acted as issuing and paying agent.

Cyril Rousseau, Director General of Finance, European Investment Bank, states: *"The EIB is proud to support the ECB's pioneering work in the exploration of new technologies for wholesale central bank money settlement. Our participation in these trials reflects our mission to drive innovation and efficiency in capital markets while ensuring the highest standards of transparency and trust. We believe that digital technologies can play a key role in strengthening Europe's financial infrastructure and advancing the digital transition."*

Additionally, BNP Paribas participated in a trial for the **subscription of tokenized fund shares** managing the wallets and cash flows of the investor and fund house.

Settlement of BNP Paribas bond with Deutsche Bundesbank's Trigger solution

BNP Paribas extensively and successfully tested Deutsche Bundesbank's Trigger solution for the cash settlement of a BNP Paribas bond, issued and settled on the Neobonds™ tokenization platform as market DLT operator. Issuance was followed by secondary market transactions. In addition, an experiment was also performed using the AssetFoundry™ tokenization platform.

According to Julian Reischle, Director General Payments and Settlement Systems, Deutsche Bundesbank: *"The Eurosystem exploratory work has been a great success thanks to the huge collaborative efforts of all involved parties when testing the three available technical solutions. Therefore, I am very glad that BNP Paribas has intensively explored the Bundesbank Trigger Solution in the form of an experiment and a trial and thus contributed to gaining valuable experiences for the settlement of DLT-based wholesale financial transactions."*

Successful exploration of Banca d'Italia's TIPS Hash Link Solution

BNP Paribas conducted thorough testing of Banca d'Italia's Hash-Link solution with the issuance and settlement of a simulated bond. This solution relies on a dedicated instance of TARGET Instant Payment Settlement (TIPS) and on an API-based lightweight protocol (Hash Link); all its functionalities were explored with success.



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About BNP Paribas

BNP Paribas is the European Union's leading bank and key player in international banking. It operates in 63 countries and has nearly 183,000 employees, including more than 145,000 in Europe. The Group has key positions in its three main fields of activity: Commercial, Personal Banking & Services for the Group's commercial & personal banking and several specialised businesses including BNP Paribas Personal Finance and Arval; Investment & Protection Services for savings, investment and protection solutions; and Corporate & Institutional Banking, focused on corporate and institutional clients. Based on its strong diversified and integrated model, the Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, BNP Paribas has four domestic markets: Belgium, France, Italy and Luxembourg. The Group is rolling out its integrated commercial & personal banking model across several Mediterranean countries, Turkey, and Eastern Europe. As a key player in international banking, the Group has leading platforms and business lines in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific. BNP Paribas has implemented a Corporate Social Responsibility approach in all its activities, enabling it to contribute to the construction of a sustainable future, while ensuring the Group's performance and stability.

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