

PRESS RELEASE

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OPEN INNOVATION: A KEY DRIVER OF SOCIETE GENERALE'S DIGITAL TRANSFORMATION

Societe Generale continues to embrace innovation, which has been a cardinal value for the Group for the past 150 years, drawing on the creative force of its employees and increasing connections and bringing together its internal communities with those of the digital ecosystem.

Technological developments have shifted practices towards greater mobility and created new ways of interacting. Societe Generale has welcomed these technological changes as opportunities to transform and enrich its relationship with customers and employees alike in all Group business lines, and to reinvent the bank of tomorrow.

Societe Generale sees these new practices and the advent of new players (GAFAs, start-ups and fintechs) as opportunities to rethink financial and banking services through the use of technology.

Already a leader in innovation and digital services, Societe Generale has made digital media and innovation a priority in its 2014-2016 strategic plan, with the aim of ramping up its digital transition to better serve its customers.

For Françoise Mercadal-Delasalles, Head of Group Resources and Innovation, *"The digital era is changing how the Bank innovates: from "product"-oriented innovation to a relationship-focused innovation based on the customer experience, from inward innovation to open innovation in order to capture changes around the world by remaining open to the outside world, from incremental innovation to groundbreaking innovation. Innovation has an essential role to play in the Bank's digital transformation, as an acceleration driver at the heart of Societe Generale's strategy. The Group draws on dynamic forces both within and outside the company to ramp up its digital transition and better meet its customers' needs."*

Drawing on and encouraging the creative force of its employees

In 2010, the Bank launched a groupwide discussion through the company's social network. This discussion was centred on the bank of tomorrow and it called for employees to submit ideas on issues relating to customers, the group and technology. This initiative highlighted their interest in the company's digital transformation.

A year ago, Societe Generale also launched the **"Digital for All" programme** aimed at promoting collective knowledge by providing employees with the tools they need. Today, the majority of the Group's employees worldwide have the latest productivity and collaborative tools installed on their

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desktops, 70,000 tablets have been distributed and almost 90% of the branches are equipped with WIFI.

Digital media have also ushered in the development of **new tools and working methods, fostering creativity and driving the digital transition**. From a training standpoint, four MOOCs have already been or are currently being rolled out, and the volunteer-based work-from-home trial programme initiated in 2014 has been expanded with a target of around 4,000 work-from-home participants by the end of 2016. In addition, a flex office programme will be tested in early 2016. Another example: the "Les Dunes" office complex in Val de Fontenay will be operational in autumn 2016, offering a dedicated, fully connected, scalable operating environment promoting the development of innovative and more collaborative working methods. Innovation also contributes to the company's acculturation, for example through the hackathons held since 2014, notably with Ecole 42, or Meet-ups such as Fintech Night (25 start-ups in attendance, 150 employees) held in spring 2015.

Opening to external communities to boost innovation capacity

Societe Generale is connected with the driving forces of digital creativity. As the digital transformation gains momentum, the Bank's goal is to increase contacts and bring together its internal communities with those of the digital ecosystem.

Societe Generale has opted for a **differentiating approach and system in terms of open innovation and relations with ecosystem players**: rather than limiting itself to a corporate venture initiative, Societe Generale favours active equity investments and partnerships with ecosystem players, dividing up its presence across several locations and prioritising operational cooperation. This approach relies on cooperation with service providers, partnerships and acquisitions (Boursorama's acquisition of Fiducéo was the first acquisition of a fintech by a bank in France). Finally, Societe Generale is gradually building up investments in venture capital funds specialising in high-tech (or not).

Societe Generale's open innovation strategy rests on three pillars:

1) Connecting digital ecosystem players and the Bank's business line needs

The main objectives of the Societe Generale Group Innovation team are to monitor the digital ecosystem and to identify and connect ecosystem players with the needs of the Bank's business lines.

Accordingly, the number of contacts with the digital ecosystem have increased in France, both in Paris and the regions (French Tech Paris, France Fintech, Montpellier, etc.), and internationally with contacts in the United States, London and Israel, and with more integrated projects in India and Africa. The Innovation team identifies potential business cases and sets up cooperation initiatives with the business lines (operational entities). Over the last 6 months, 600 start-ups have been identified, 170 qualification meetings organised and 50 pitches presented to the business division teams.

Several experimental projects are already under way at the Group's operational entities: over 50 POCs (proofs of concept) are in progress, focusing on topics as diverse as fraud detection, biometric solutions, etc.

2) Open sharing throughout cross-business communities

The Group has set up cross-business communities working on and observing 12 strategic trends, such as new payment instruments, financing and SME crowdlending, (cyber)security, new working and interaction methods, big data and artificial intelligence.

3) Promoting new work spaces and working methods

Another role of innovation is to promote alternative working methods. To innovate, the idea is to draw inspiration from the working methods adopted by start-ups, such as "pizza teams", design thinking, the Test & Learn method and the user experience. At the same time, the Group encourages start-up mode projects and immersing teams in new locations designed to compare and contrast their ideas and have them challenged by experts.

The first of these locations is [Player](#), a business incubator for community innovation that Societe Generale has supported since its inception in May 2015. In six months, over 750 employees have been sent there, and the first several-day extramural project acceleration sessions were held this summer. All in all, over 50 immersion events, ecosystem discovery experiences or visits have been organised at Player, which is located at the heart of the Sentier district in Paris.



Societe Generale Insurance immersion experience at Player

Building on this success, Societe Generale has decided to pursue similar partnership initiatives with other innovative players. The Bank recently entered into partnerships with [Le Tank](#), [SenseCube](#), [InProcess](#) and [Plaine Coworking](#).

In a world of technological and interpersonal change, Societe Generale is drawing on the strength and innovation capacity of a multitude of internal and external players to reinvent the banking industry. Open innovation gives the teams an opportunity to open up to new worlds and experiences, to learn from the digital ecosystem, in order to capitalise on their agility and expertise.

To know more about Open innovation at Societe Generale (French version only): [Press pack Open innovation](#)

Societe Generale

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 148,000 employees, based in 76 countries, we accompany 30 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 multichannel financial services on the leading edge of digital innovation;
- **International retail banking, financial services and insurance** with a presence in emerging economies and leading specialised businesses;
- **Corporate and investment banking, private banking, asset management and securities services**, with recognised 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 (Global, Europe, Eurozone and France), ESI Excellence (Europe) from Ethibel and 4 of the STOXX ESG Leaders indices.

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