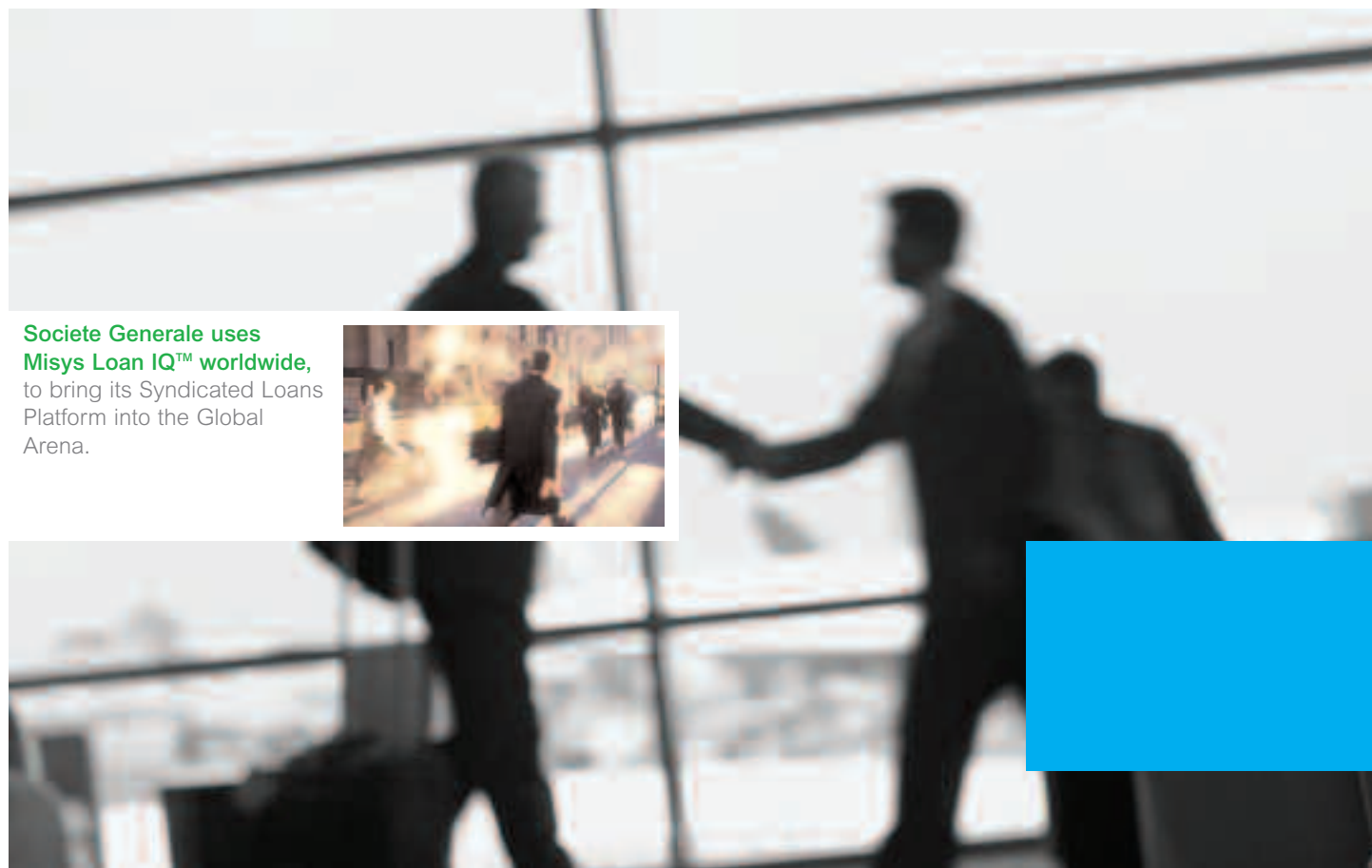


Misys Loan IQ

## Societe Generale Corporate & Investment Banking

Societe Generale uses Misys Loan IQ™ worldwide, to bring its Syndicated Loans Platform into the Global Arena.



## Societe Generale Corporate & Investment Banking

**Société Générale (SG) has been in business for almost 150 years, and has successfully grown to be the fourth largest bank in the Euro zone, with €64billion market capitalisation. With 22.5 million customers in 77 countries, it is a major global bank with a solid track record for its specialist services across three main business units: Retail banking and specialised financial services, global investment management services, and corporate and investment banking.**

“We have established a formidable reputation for our retail banking services in Europe, and recent acquisitions in Eastern Europe have bolstered that,” says Martin Lelong, Loan IQ Asia Project Manager, Société Générale. “Plus we are well-known for our worldwide leadership in derivatives and our expertise in structured finance and euro capital markets.”

SG saw business boom in the Asian syndicated loan sector, but in the early 2000s the company was feeling growth pains. The size and complexity of the loans it was servicing were increasing, the regulatory and governance demands were becoming stricter all the time, and the need for bank management to take a global, ‘helicopter view’ of its entire business was becoming more and more necessary. All these factors added to the strain on a range of existing systems that had grown organically to service individual markets in each financial centre.

“We used lots of different (syndicated loan) systems scattered across the regions,” says Lelong. “We had many legacy systems that urgently needed replacing, some of which were 10 to 20 years old, so we knew we had to update to provide our users with a richer, more homogenous data stream - one that would give consistent results as well as satisfy the need for compliance and regulatory constraints.”

Additionally, many of the existing loan management systems were difficult to maintain. Most were less than ideal when it came to risk minimisation, and some branches still depended on manually formatted spreadsheet data to track performance, syndications, accruals, and repayment schedules.

This meant there were almost as many different, internally developed systems as there were branches; SG needed a new solution that could deliver standardisation, increased efficiency, better quality and automation for many of its standard tasks.

“What we needed was simply a better system,” says Lelong.

### Summary

Société Générale (SG) is a major global bank with €64billion market capitalisation and 22.5 million customers in 77 countries. Following an assessment process in 2004 it chose to rollout Misys Loan IQ to achieve cost savings, and lower maintenance through leveraging a single solution within its syndicated lending business globally.

### Website

[www.sgcib.com](http://www.sgcib.com)

### Business situation

- + Size and complexity of loans being serviced increasing
- + Regulatory and governance demands becoming stricter
- + Need to take global ‘helicopter’ view of entire business
- + Strain on existing systems that had grown organically

### Project objectives

- + Replace legacy systems to give users a richer, more homogenous data stream
- + Satisfy compliance and regulatory requirements
- + Minimise risk across loan management solution
- + Increase automation in performance tracking, accruals, repayment schedules
- + Deliver standardisation and increased efficiency through automation

### Solutions & Services

Misys Loan IQ is a proven and customisable solution to provide the high level of automation and STP required by leading financial institutions.

### Implementation highlights

- + Pilot installation in New York operation
- + Following successful pilot, solution rolled out globally
- + In Asia, rollout delivered across all markets between 2005 and 2007
- + Misys Professional Services and SG only implementation team

### Key benefits

- + Easier, cost-efficient maintenance
- + Four-year ROI
- + Long term product stability (up to 20 years)
- + Seamless global data access
- + Rationalised organisation for processing
- + Increased capacity
- + Increased data consistency and accuracy
- + Better real-time data handling capability

“We used Misys for two reasons. First, Misys Loan IQ is an established and proven product, and second, Misys was the most motivated to work with us to customise the product, and fit it to our requirements.”  
*Martin Lelong, Loan IQ Asia Project Manager, Société Générale*

### Solution

Following an assessment process, SG opted for Misys Loan IQ, a best of breed commercial lending solution from Misys Treasury & Capital Markets. Originally developed in 1992 from a joint initiative between Bankers Trust and IBM, Misys Loan IQ now boasts 48 major banking clients from around the world, and has established a high reputation for security and stability, together with a flexibility that makes developers happy to work with it on complex projects.

“We looked at several other products in the same market. But we went with Misys for two basic reasons. First, Misys Loan IQ is an established and proven solution, and second, Misys was the most motivated to work with us to customise the product, and fit it to our requirements,” says Lelong.

SG put costs savings, lower maintenance and higher quality at the top of its wish-list, along with the ability to run its new system out of centralised hubs in Paris, New York - and for Asia, Hong Kong. It targeted improvements in efficiency and in the accuracy of data as its main goals, along with expandability. SG also wanted to ensure that the new Misys Loan IQ system would be able to accommodate the expected surge in Asian business. “We knew we could need 2, 3, 10 times the capacity in future, so we had to make sure the system could handle that as well,” adds Lelong.

Lelong points out that the other important aspect in SG’s selection procedure was longevity. “We wanted an extended lifespan stretching over several years; we knew this was going to be a long term investment.”

SG ran a pilot installation of Misys Loan IQ in its New York office. An upgrade to new hardware and servers was

required to handle the increased capability of the new implementation, but as Lelong notes, this was offset by the improved data consolidation and the noticeable improvement in real-time data processing efficiency.

Once the pilot had proved successful, the rollout proceeded globally, first in Europe, and then in Asia with Hong Kong, Singapore, Tokyo and other Asian locations being upgraded in turn. The installations were handled exclusively by SG staff and Misys technicians. In Asia, a core team of five full time SG implementers worked on the core installations, with around 30 extra technicians to handle ancillary and integration issues on a case-by-case basis.

“We started the Asian rollout of Misys Loan IQ in January 2005, first with Hong Kong and then progressively through all our centres, finishing with Taipei and Seoul by the end of 2007. We did not use any partners at all for the work; this is a very specialised area, which means there are very few partners that could help us. So it was just us and Misys - we prefer that approach in SG,” notes Lelong.

As the system was rolled out, user training was executed in parallel. “We needed to do some staff retraining as the installations were progressing. This is a very complex and comprehensive system, and we did not want to see any unexpected outcomes when it went live,” Lelong points out. Once training was completed at each centre, the system was implemented incrementally, with simple loans being processed initially, moving to increasingly complex transactions over a period of one to two months.

### Why Misys Solutions

- + Misys Treasury & Capital Market has 17 years of market experience and unrivalled software development expertise
- + Misys Loan IQ is a proven solution with more than 15 years of experience in the lending arena
- + Misys Loan IQ team motivated to customise solution for SG’s requirements

**Best of all**, SG can now look forward to at least 10 to 20 years of working with the new system. It now has a syndicated loan system that can keep up to date with all foreseeable (and some unforeseen) demands, and offers a projected ROI in a mere four years.

### Benefits

One of the key business objectives for SG is to increase its position in the loan syndication market in Asia – one which is growing rapidly in both size and complexity.

The introduction of Misys Loan IQ into its banking systems, feeding high quality, highly secure real-time data into its accounting, regulatory, deal profitability, and risk systems has proved a key element in realising this objective.

“The value Misys Loan IQ brings is in providing good data to all users, and in helping in the process of the change management to be market leaders. It allows us to use consistent data no matter which global office the user is in, but it also allows us to customise and adapt the system to the individual country markets,” adds Lelong.

Misys Loan IQ also allows all of SG’s loan data to be consolidated in a single database (in Paris) yet viewed from any regional centre. It offers a dramatically better upgrade and maintenance path than the old, disparate systems it replaces, it has demonstrated much higher data processing efficiency, and has fostered better internal relationships between departments too. Its 250 end-users are, in Lelong’s words, “much more motivated” now they are working with a state of the art tool.

Best of all, SG can now look forward to at least 10 to 20 years of working with the new system. It now has a syndicated loan system that can keep up to date with all foreseeable (and some unforeseen) demands, and offers a projected ROI in a mere four years.

“This upgrade was a huge effort for us. It has taken three years to implement across all the Asian branches,” says Lelong. “But now, we have a feeling of much higher professionalism, of time savings, of a better fit for our business. This solution is a great improvement over what we were using before, and Misys helped us adapt their software precisely to our environment and our needs. “Our next step is to look at future developments with Misys, maybe in other key areas of our business.”

For more information on  
Misys Loan IQ, please visit:  
[www.misys.com](http://www.misys.com)

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