



# APPLYING DATA AND AI: OUR FLAGSHIP USE CASES

**D**ata and Artificial Intelligence are more than just technologies, they are transformational opportunities revolutionising the financial sector with a major impact on customer experience, service delivery and operational efficiency. As this movement gains momentum, at Societe Generale we are accelerating the change. We are using the best elements of these advances to take our bank still further into the digital age. To make Societe Generale a more accessible, seamless and more personalised bank. Within the Group, these tools are already being adopted and applied by our customers and our staff. They are a formidable source of value creation as they allow us to better serve our customers with even more personalised products and advice, to better understand their expectations, to respond rapidly and to develop our activities and improve operational efficiency. As of 2024, the Group's portfolio has around 700 Data and AI Use Cases (UCs), of which 60% are AI-based, all working to best apply our strategy with an expected value creation of €500 million.

This publication gives you the opportunity to discover 17 of our most emblematic UCs. Our aim is to continue to accelerate the deployment of Data and AI within the Group, capitalising on our expertise for the benefit of our 25 million customers around the world.

We hope you enjoy discovering these UC

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## **A MORE ACCESSIBLE BANK**

Offer a comprehensive and efficient digital service; ensure greater availability through new modes of interaction; improve access to all our services, from the simplest to the most innovative.

All of these challenges are part of the same commitment: adapt ourselves to the rhythms of our customers, and not the other way around.

So many challenges that we can answer with effective and customised solutions by using the full potential of Data and Artificial Intelligence.

In this chapter, you will find all the Data and AI.

Use Cases currently helping to make Societe Generale a more accessible bank.

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# ELIOTT A CALLBOT PROVIDING EVEN GREATER SUPPORT TO OUR CUSTOMERS

Launched in 2019 as a Chatbot, extended to voice processing in 2020, the conversational engine Elliott manages 4 million client conversations per year and over half of the conversations between the French online bank Boursobank and its 6 million clients. This Chatbot plays a central role in client interactions, allowing greater efficiency and freeing up client advisors for more added-value expert advice and assistance.

## INITIAL ANALYSIS

- Clients of an online bank expect to be **autonomous and benefit from services available 24/7**.
- The time required for **qualifying clients' requests or treating simple questions is a source of inefficiency**.
- The increasing volume of customer calls, in the context of a growing client base and further enhanced by customer habits from the Covid crisis would lead to overloading existing call centres.

## INITIAL OBJECTIVES

- Provide a seamless customer experience with services available 24/7 and convince prospective clients.
- Reduce inbound call flows by **automatically processing the lowest added-value conversations**.
- Faster referral of clients to expert services.

## THE DATA AND AI SOLUTION USED

**Natural Language Understanding** (NLU) combining Natural Language Processing (NLP) techniques with Machine Learning.

## Added value:

- Fully and correctly interpret client requests.
- **Understand the intention of the sentence** before the sentence is completed to enhance the Chatbot's performance.

## CHALLENGES FACED

- **Technical challenge:** the conversational engine is based on **3 different technical solutions** (NLU and Speech to Text and Text to Speech). Each of the components must be maintained at state-of-the-art level by following all technical evolutions.
- **Human challenge:** setting up a **new commercial team organisation** due to the new inbound call flow processing **while also managing the customer base increase** (over 800,000 new customers in 2021) as well as the contact rate per customer.

## OPPORTUNITIES FOR THE GROUP

- Deliver a seamless customer experience to conquer new customers.
- Provide services 24/7.



## IN BRIEF

### What

A Chatbot, a vocal assistant

### Business area

Boursobank

### Added value

- Client service available 24/7
- Free up client advisors from repetitive and time-consuming tasks to concentrate on more added-value requests



## KEY FIGURES

- 1 // Client service available 24/7 with 15% of calls handled during non-working hours, 92% of our customers go through Elliott before contacting the Customer Service
- 2 // 277K calls per month with 89% response rate, 25% requests processed automatically end-to-end by the callbot
- 3 // Chatbot: 500k conversations/month on average
- 4 // Callbot: 280k calls/month on average, of which less than 10% are made during non-working hours



# SOBOT

## A VIRTUAL ASSISTANT ENSURING ENHANCED INTERACTIVITY

Initially launched in 2018 as a simplified version, today the Chatbot SoBot applies a database of over 1,200 information sets for the retail market and 300 knowledge for the professional market, replying to client questions on banking and insurance topics, navigating banking operations and helping customers complete their end-to-end transactions. SoBot manages over 5,000 conversations per day for retail banking and professional.

### INITIAL ANALYSIS

- **Customer expectations are evolving fast regarding the experience offered on our digital channels** leading us to **constantly improve the customer journey**, notably by reducing the number of clicks and providing a high-quality chat interface.
- **Navigation of an app or web interface sometimes considered complex** when searching for a specific functionality, document or product, **leading to client dissatisfaction**.

### INITIAL OBJECTIVES

- **Simplify and improve the customer experience.**
- Gain time for our customers, especially on everyday banking operations.
- **Support 24/7 all customers** using digital channels (apps and web interfaces) outside the bank's normal opening hours.

### THE DATA AND AI SOLUTION USED

- **AI used:** Natural Language Processing (NLP).
- **Added value:** Capacity of NLP to understand natural language to identify the user's intention and link the question to the multitude and diversity of formulations and words present in the Chatbot's database information sets.

### CHALLENGES FACED

- **Significant amount of human work** to identify and cover all the different possible formulations to include in the database information sets.
- Ensure **continuous improvement** of the Chatbot's ability to understand user questions.
- A **solid infrastructure and powerful tools** to manage the Chatbot and improve its quality and increase use.

### OPPORTUNITIES FOR THE GROUP

- Simplify and improve the customer experience.
- Ensure gain of time for our customers, especially on everyday banking.
- Support 24/7 all customers that use digital channels, apps and internet outside the bank's opening hours.
- Reduce the number of requests processed by advisors.

“

I've had an appropriate answer every time and help is always available. ”

*Sofia, professional client of SG, Retail Banking in France*

“

I very easily settled an opposition to my credit card by following the instructions given, very simple and very precise. ”

*Fatoumata, individual client of SG, Retail Banking in France*

### IN BRIEF

#### What

A Chatbot, an intelligent virtual assistant

#### Added value

- Instant reply 24/7 to customers' banking and insurance questions
- Assist customers with the navigation of their banking operations
- Support customers with the end-to-end treatment of their operations

#### Business area

SG, Retail Banking in France

3

### KEY FIGURES

- 1 // Over 5,000 conversations per day
- 2 // 90% response rate (direct and reformulation)
- 3 // 3 interactions on average per conversation





## **A MORE SEAMLESS BANK**

Offer a seamless experience to all our customers; provide those who want them the right tools to ensure greater autonomy; combine simplicity and transparency through integrated and efficient processes.

All these challenges are part of the same commitment: simplify customer relations to offer an ever more efficient experience with greater pertinence and enhanced security.

So many challenges that we can answer with effective and customised solutions by using the full potential of Data and Artificial Intelligence.

In this chapter, you will find all the Data and AI.

Use Cases currently helping to make Societe Generale a more seamless bank.

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# ACTIVE SHELL BETTER SUPPORT OUR CLIENT BY PREDICTING THEIR FINANCIAL FRAGILITY

Nearly 4 million individuals are identified as financially fragile within the French banking ecosystem, with almost 1 million receiving specific banking offers\*. Deployed in 2022, the financial fragility early warning system aims to enhance customer protection by identifying each month clients at risk of financial fragility, allowing the bank to take preventative actions.

## INITIAL ANALYSIS

- In 2020, new banking regulation required banks to perform regular assessments of all personal client portfolios to identify those at risk of financial fragility and provide adapted solutions.
- Manually assessing 10 million clients monthly would be labor-intensive and resource-consuming.

## INITIAL OBJECTIVES

- **Digital Innovation:** Develop an AI-based system to detect clients at risk of financial fragility, ensuring efficient service and cost effectiveness.
- **Monthly Assessment:** Compute a risk score for the entire eligible perimeter each month, which evaluates the probability the client will become fragile in the next 3 months.
- **Proactive Client Engagement:** Use the score to trigger automatic mails inviting clients for meetings with their financial advisor in order to anticipate and manage difficult situations.

## THE DATA AND AI SOLUTION USED

- Multiple data sources used to obtain a 360° view of clients, constructing over 250 variables.
- AI implementation: **cutting edge AI scoring algorithm based on XGBoost.**

- **End to end data processing** using 70 data pipelines.
- **Performance monitoring:** integrated system computing the performances of previous predictions and decision fairness assessment each month.

## CHALLENGES FACED

- **Evolving Criteria:** Adapting to the evolving concept and criteria of financial fragility.
- **Model Monitoring:** ensuring of the performance of the model according to different axis of analysis to detect any drift and improve decision-making.
- Maintaining data quality at scale.
- **Model Transparency:** Ensuring the model is auditable, interpretable, and fair.

## OPPORTUNITIES FOR THE GROUP

- **Blueprint reuse:** the technical and organisational patterns of the solution had been used as a blueprint to develop a Financial Fragility Early Warning System for professional clients deployed in production in 2024.
- **New Scope:** the technical components are being reused to develop a solution to new regulatory requirements.
- **New features:** new methods to further improve performances and transparency are under development.

“

In 2020, new banking regulation asked the bank to perform regular overview of all personal client portfolio to identify people at risk of financial fragility. Performed manually, the task would be fastidious and necessitate tremendous number of resources to assess our 10M clients on monthly basis. We wanted to create a digital process where AI would detect which client is a risk of becoming fragile with the objective to better serve them. ”

Jean-Baptiste, Product owner



## IN BRIEF

### What

Automation of client's financial situation assessment

### Added value

- Improved client service
- Regulatory compliance.

### Business area

SG, Retail Banking in France

3

## KEY FIGURES

- 1 // 4 million individuals identified as financially fragile within French banking ecosystem
- 2 // 250 variables
- 3 // 200 million scores computed since deployment

\*Source: Banque de France 03/04/2024



# INTRADAY LIQUIDITY STEERING ANTICIPATE INTRADAY FLOWS TO REDUCE CASH CONSUMPTIONS

Launched in 2023, Intraday Liquidity Steering aims to help to better handle intraday risk cash consumption by including anticipation capacities to treasurers and flow pilots for monitoring. A machine learning model forecasts in real-time the expected balances of bank's EUR accounts within the day. These forecasts enable Societe Generale treasury to smooth payments over the day. The initiative contributes to reduce by -10% of EUR intraday liquidity usage and of related reserves costs.

## INITIAL ANALYSIS

- As a bank, **intraday liquidity is key to controlling the usage, providing the fluidity and comfort in payments management**, and respecting commitments to clients and the market.
- **Daily challenge is to make sure that all accounts are sufficiently provisioned to honor on time all the payments.**
- To minimize the liquidity consumption within the day, **Societe Generale treasury seeks to anticipate as well as possible received payments (counterparties, amounts and time)** and overall expected intraday balances.

## INITIAL OBJECTIVES

- **Develop real-time forecasting capabilities to accurately anticipate liquidity levels avoids stress situations and risk of harming confidence in the bank:**
  - **Identify stress** to adapt the liquidity management in any circumstances
  - **Limit high costs** associated with intraday liquidity buffers as it is a scarce resource
  - Optimize cash allocation between different accounts held in each currency
- **Provide a dedicated internal graphic view of real time predicted intraday balances.**

## CHALLENGES FACED

### Human challenges:

- Obtain **strong sponsorship and commitments** from executives.

- Build trust from the implementation phase to **ensure involvement of stakeholders and daily usage** by all members of back-office teams in charge of EUR.

### Technical challenges:

- Develop **early warning / forecasting capacity** based on real-time patterns monitoring.
- **Benefit from enough data** and adapt to the formats and their change as necessary.
- Build a **real-time application** for all components.
- Since the application is live, maintain an **100% uptime every business day.**

## THE DATA AND AI SOLUTION USED

- AI used: **model mixture** using machine learning gradient boosting models with dynamic statistical distribution to identify intraday outliers consumption and make prediction on intraday hours consumption and flows.
- Added Value: complementary approach as statistical model is used as an input of machine learning models (more than 20 to do all the predictions).

## OPPORTUNITIES FOR THE GROUP

- **Extend forecasting and monitoring** to GBP, USD and JPY currencies.
- **Develop an automatic optimization engine** of cash management based on the forecasting model.
- Add new forecasting capabilities.

“

By enabling the liquidity early warning indicators and alerts we can limit the high costs associated with intraday liquidity buffers, a scarce resource for Societe Generale, thus 'frugality' is necessary. ”

Vincent, *treasurer*



## IN BRIEF

### What

An intraday liquidity management tool with real-time forecasting capabilities

### Business area

Global Markets

### Added value

- Improve intraday liquidity management
- Reduce costs related to liquidity buffers
- Avoiding stress situations which could harm the bank's operations
- Limit reputational risk

3

## KEY FIGURES

- 1 // Real-time intraday balances predictions within 30 minutes, 1 hour, and 2 hours.
- 2 // Smoother intraday liquidity steering by SG treasury.
- 3 // 10% reduction of EUR intraday liquidity usage and related reserve costs.



# CAST

## A UNIQUE SOLUTION TO ENSURE REGULATORY COMPLIANCE

Cast automates the analysis of audio and electronic communications by regulated persons in order to detect potential regulatory misconduct. Deployed and used within the Group to proactively detect breaches or fraud to raise alerts on non compliant activities thanks to the automation of the analysis and reporting of alerts.

### INITIAL ANALYSIS

- To ensure transparency and accountability in the capital markets, global regulations by financial authorities (MiFID II, MAR, etc.) **require the communication surveillance of regulated persons. Failure to properly comply with these regulations** exposes the bank and its regulated staff to heavy sanctions and measures and could seriously damage the Group's reputation.
- **High volumes of data to analyse and monitor** (millions of hours of audio recordings and hundreds of millions in electronic communications).
- **Random sampling methods and human checks augment the risks** of failure to detect and prevent potential misconduct.

### INITIAL OBJECTIVES

- **Proactively detect breaches or fraud** to raise alerts on noncompliant activities thanks to the automation of the analysis and reporting of alerts.
- **Reduce search time and manual errors.**
- **Move from a random sampling manual-based analysis to a holistic AI-driven communications surveillance process** to better meet regulatory requirements.

### THE DATA AND AI SOLUTION USED

- **AI used:** Natural Language Processing (NLP), Machine Learning, Natural Language Understanding (NLU), sentimental analysis.

#### • Added value:

- **Automate transcription and analysis of communications** and transformation of images into text.
- **Decrease the number of false positive alerts** using NLP and Machine Learning.
- Help decision-making and provide **forward-looking intelligence** for each communication flow.

### CHALLENGES FACED

- **Strong pressure from regulators** with no external solution available on the market, leading to the in-house creation of CAST in only 3 years.
- **Transcribe numerous languages** in a specific context (banking/trading) and in multi-language conversations.
- **Broaden the range of communication channels and devices under surveillance** (a range of 30 communication channels, including mobile phone calls, instant messaging and social media), notably in the context of working from home related to the Covid crisis.

### OPPORTUNITIES FOR THE GROUP

- The cognitive services built for the solution have been made available through a service offer at Group level and are now used by the majority of the Group's Business Units and Service Units (SG, Retail Banking in France, Societe Generale Insurance, etc.) to perform many use cases (speech analysis, process automation, document analysis, etc.).
- Packaged off-the-shelf services are opened and re-billed to other entities.

“

Cast gives the user the ability to perform surveillance on all audio and electronic communications through a unified platform. Cast has deployed a fully reconciled end-to-end surveillance tool, which is critical given the number and volume of communications and channels.”

Ian, Project Head, Conformity department



### IN BRIEF

#### What

A platform to automatically analyse the audio and electronic communications of regulated persons

#### Business area

Global Internal Audit, Compliance and the General Secretariat

#### Added value

- Global analysis of communications by regulated persons
- Alerts on noncompliant activities
- Move from random analysis to a holistic surveillance process
- The cognitive services built for the solution have been made available through a service offer at Group level and are now used by most of the BU / SUs (SGRF, ASSU...) to perform many use cases (speech analysis, process automation, document analysis, etc.). Packaged off-the-shelf services are opened and re-billed to other entities.

3

### KEY FIGURES

- 1 // From 9K hours of audio communications analyzed annually before CAST to 2,5M hours
- 2 // 347M emails analysed annually
- 3 // Workload gain by reduction of false positive alerts

# CHANGE LIÉ

## BUILDING NET BANKING INCOME

Launched in 2017 to deal with the erosion of gains on Foreign Exchange-linked payments and in response to competition by new Payment Service Providers (PSPs), Change Lié has evolved into a powerful new customer development solution leading to strong growth in Net Banking Income.

### INITIAL ANALYSIS

- **Fragmented data** between numerous noncommunicating IT systems and large volumes of difficult-to-use data coming from various entities within the Group.
- **Difficulty in proposing accurately targeted offers** to clients due to perfectible customer knowledge.
- **Multiplicity of new entrants** as a result of the opening of the Payment Service Providers (PSPs) market due to the new DSP2 European regulation. Traditional banks' offers were challenged on Foreign Exchange-linked payments.

### INITIAL OBJECTIVES

- Create and use **common Golden Source data** between SG, Retail Banking in France and Global Market activities.
- Better **detect customers' needs to respond more accurately and increase satisfaction** levels thanks to new client tiering based on client behaviour analysis.
- Adopt a **global approach** based on client data:
  - Defensive mode: **detect as early as possible those clients testing new Fintech solutions** (PSPs) before adoption in order to contact them as a priority;
  - Offensive mode: **new client development through the comparison of already active clients** to identify a list of interested prospects.

### THE DATA AND AI SOLUTION USED

- **AI used:** Natural Language Processing (NLP) and Machine Learning.
- **Added value:**
  - Analyse client transactions to detect as early as possible those clients interested in Fintech offers;
  - Identify the clients to be approached in priority;
  - Behavioural analysis to build a tiering of Foreign Exchange clients.

### CHALLENGES FACED

- Create a Golden Source of data: adoption of a **data product management approach** with a transversal organisation at each step of the project from targeting to Data Science modelling and product testing.
- Change management: engage the client-facing teams by appointing a **Data Correspondent in each commercial team** to ensure co-building of the final product.

### OPPORTUNITIES FOR THE GROUP

- A better knowledge of clients through the use of data tools such as NLP or ML is replicated to other kinds of business (detect new investment solutions between corporate client SGRF and MARK) to be more relevant in our product offer in order to create new NBI and increase client satisfaction.
- A data squad organisation which can also be re-used.

“

The use of data has significantly changed and enriched our view on the customer spectrum, which has enabled us to significantly improve our commercial organisation based on the identification of several categories of customers according to their commercial potential. ”

Isabelle, Product Manager Change Lié



### IN BRIEF

#### What

A new customer development solution

#### Business area

SG, Retail Banking in France and Global Market activities

#### Added value

- Creation of common Golden Source data between the two different business areas
- Enhanced detection of customers' needs
- Application of a global client approach

3

### KEY FIGURES

- 1 // Reduced time to data thanks to the setup of a data squad: pooling Data Science skills of SGRF and MARK to facilitate cooperation and be more accurate on data collection and data usage
- 2 // 10% of customers acquired at campaign launch: a global approach that considers erosion and the acquisition of new customers (250 new clients)
- 3 // Defend several millions of NBI



# INSTANT-KYC OPTIMISED CUSTOMER KNOWLEDGE THROUGH THE AUTOMATION OF DOCUMENTARY CHECKS

Initially developed in 2016 to perform the Know Your Client (KYC) remediation of 8 million individual clients of SG, Retail Banking in France in a very short timeframe, Instant-KYC is now used as part of these banks' automated KYC review processes. It has also been used for Global Banking and Investor Solutions' KYC remediation and scaled up to perform new client KYC onboarding. The solution has been further extended to other use cases with reusable off-the-shelf modules available.

## INITIAL ANALYSIS

- Reduce cost and complexity of KYC remediation and meet regulators deadline.
- Normalise and automate processes to better perform post onboarding KYC checks (reviews,QA/QC).

## INITIAL OBJECTIVES

- Access the "ground truth" document samples held by the businesses to train the AI models.
- Ensure the use of Instant-KYC is considered during any opportunity/scoping studies for KYC automatisisation and analysis.

## THE DATA AND AI SOLUTION USED

- **AI used:** Natural Language Processing (NLP).
- **Added value:** Ensure a high accuracy rate in document treatment (document type recognition, automated document tagging and content extraction).

## CHALLENGES FACED

- **Reduce the cost and complexity** of KYC remediation and meet the regulator's deadline.
- **Normalise and automate processes** to better perform ongoing KYC checks (reviews, quality control, etc.).
- **Better Time-to-Market** for KYC new client onboarding thanks to controls in quasi real-time.
- **A Self-Care user experience** designed to enable remote onboarding.

## OPPORTUNITIES FOR THE GROUP

- Instant-KYC is a digital solution based on **reusable off-the-shelf modules**. With a catalogue of over 160 types of documents, the solution is a powerful tool to help accelerate the digitalisation of the Group's Business Units and Service Units.
- **Examples of potential reuse scenarios:**
  - Customer document handling modules can be applied to other value chains within the Bank (for example, client scoring by the Group's Risk department);
  - Different modules of the solution can be reused for Business-as-a-Service (SGRF/PAY, Treezor...);
  - Data quality checks for fund documents (SGSS).



“

The solution performs classification, data extraction and controls on documents with a minimum of 95% accuracy on standard documents (for example, ID cards). Although the solution is designed to work in a man/machine environment, only 40% of treated cases are approved by Compliance analysts, the remaining 60% do not require human intervention. ”

*Amal, KYC Manager*

## IN BRIEF

### What

The automatic treatment of client documents

### Business area

SG, Retail Banking in France, Global Banking and Investor Solutions

### Added value

- Automate the KYC controls in real-time
- Accelerate the digitalisation of the Group's Business Units and Service Units
- Improve data quality thanks to simple regular check-ups

## 4 KEY FIGURES

- 1 // **½ to 1 hour per file** in time savings on KYC remediation (vs. 1 to 2 second per file required for Instant-KYC treatment), time reallocated to customer relation management and the analysis of more complex files
- 2 // **Over 500,000 customer files** remediated per month for SG, Retail Banking in France with Instant KYC
- 3 // **Over 95% data accuracy in 2020** on standard documents (for example, ID cards, official documents, addresses etc.)
- 4 // **+200 FTE saved on KYC remediation** (document analysis) thanks to automation (SGRF)

# LEGAL ASSISTANT ACCELERATED TIME-TO-MARKET THROUGH THE IMPROVED REVIEW OF LEGAL DOCUMENTS

Initially designed to ease the processing of Loan Agreements, Legal Assistant has since been reused and extended to include the review of Non-Disclosure Agreements, Master Agreements and Collateral Agreements, reducing costs and development cycles for Operational efficiency with better allocation of scarce resources, better time to market and lower operational risk as a result of increased data quality.

## INITIAL ANALYSIS

- Many Wholesale Banking transactions need legal documentation (Non-Disclosure Agreements, Loan Agreements, Master Agreements, etc.).
- **Reviewing the clauses of these contracts is time consuming** for the Front Office, Legal and Back Office teams, which can significantly slow down Time-to-Market and be a source of errors.

## INITIAL OBJECTIVES

- Improve operational efficiency with **better allocation of scarce resources**.
- **Better Time-to-Market**.
- Lower operational risks as a result of **increased data quality**.

## THE DATA AND AI SOLUTION USED

- **AI used:** Natural Language Processing (NLP).
- **Added value:** Detect and extract legal clauses, even those with different wording and positioning within the document.

## CHALLENGES FACED

- **Strong user involvement required** to train the model and ensure an effective user experience.
- **Progressive and exponential performance and value creation**.

## OPPORTUNITIES FOR THE GROUP

- Solution as-a-Service enables any process owners to start training the NLP model on their own specific legal documents.

“

The speed with which we can review certain contracts such as the Non-Disclosure Agreements that precede the negotiations and signing of a deal is key. This not only helps to begin discussions with the client smoothly and demonstrate our operational efficiency, but it is also beneficial to the deal itself as the Front Office saves time which they can instead devote to the heart of their activity: the commercial relationship. ”

Stéphanie, Sponsor of Legal Assistant



## IN BRIEF

### What

The automatic review of legal documents

### Business area

Global Markets, Wholesale Banking, General Secretariat, Global Banking and Investor Solutions

### Added value

- Reduce time-consuming and source-of-error tasks for the Front Office, Legal and Back Office teams
- Improve data quality
- Accelerate Time-to-Market

2

## KEY FIGURES

1 // Client satisfaction thanks to faster processing

2 // Time saved per contract: 1 to 3 hours



# MOSAIC FIGHTING EXTERNAL FRAUD

Mosaic consists of several in-house applications developed in a multi-market, multi-brand and multi-device configuration using innovative Data & AI techniques. Launched in 2015 as a Proof of Concept (POC), it was quickly industrialised and progressively deployed within SG, Retail Banking in France, Global Transaction Payment Services and Societe Generale Private Banking in France.

## INITIAL ANALYSIS

- Phishing, identity fraud, payment fraud... **external fraud** on banking transactions is **a constantly evolving domain**.
- According to the Bank of France's Observatory for the Security of Payments Methods, in 2012 payment fraud reached over €1.2 billion.
- Fraud affects various client segments, including Retail Banking (individuals, professionals, enterprises) as well as Wholesale Banking (corporates).

## INITIAL OBJECTIVES

- **Help detect and reduce fraud to protect our clients and the Bank**, reduce financial costs and prevent reputational risk.

## THE DATA AND AI SOLUTION USED

- **AI used:** An AI system based on **Machine Learning algorithms and behaviour modelling to identify patterns of fraud**.
- **Added value:** the identification of different types of fraud.

## CHALLENGES FACED

- Detection of **new fraud scenarios** and the new capacities of fraudsters.
- Exploitation of **multiple raw data sources**.
- High level of **availability** (24h/24 and 7days/7).

## OPPORTUNITIES FOR THE GROUP

- The solution is based on an **Application Programming Interface (API)** and **Microservices Architecture** allowing for agility and flexibility.
- **The next steps** are to expand to other markets, other brands.

“

The capabilities of Artificial Intelligence allow us to use behavioural analysis to detect complex frauds and rapidly adjust the solution to new fraud scenarios. ”

Jeremy, Data Science Leader



## IN BRIEF

### What

Detection system for different types of fraud

### Business area

SG, Retail Banking in France, Global Transaction Payment Services and Societe Generale Private Banking in France

### Added value

- Help detect and reduce fraud to protect our clients and the Bank
- Reduce financial costs
- Limit reputational risk

## 5 KEY FIGURES

- 1 // An anti-fraud approach for enhanced and proactive detection used within SGRF with 9 application domains (Instant Payment, Paylib offer, DSP2 APIs, mass payment, etc.) with:
- 2 // An alerting system issuing alerts to teams of analysts
- 3 // Automatic blocking/timing system for operations
- 4 // Protect the bank and its clients: more than 80% of fraud automatically blocked and avoided (Instant Payment)
- 5 // At least 30M€ of avoided loss yearly

# NACRE

## AN AUGMENTED ADVISOR FOR BETTER CUSTOMER SERVICE

Nacre enables enhanced customer service and autonomy while supporting the work of financial advisers based in bank branches by automating simple and time-consuming tasks. Largely deployed within SG, Retail Banking in France, the solution processes more than 40,000 transactions daily, saving up to 40 minutes per day for the financial advisers, who can then focus on more added-value services for their clients.

### INITIAL ANALYSIS

**Transactions exceeding authorised overdrafts represent more than 40,000 transactions per day.** As part of the service offered to our individual clients, checks on these overruns was part of the daily routine of financial advisers in the branches:

- A **manual and fastidious task** that could take up to 40 minutes **and could be a source of human error**;
- Depending on the situation of their client, branch financial advisers could be required to contact clients directly to regularise the situation.

### INITIAL OBJECTIVES

**A complete review and digitalisation of the overdraft overruns process** with the objective to **better serve clients, facilitate the work of the branch-based financial advisers and better manage risk** through:

- Automatic payment of transactions with a high probability of regularisation, thus reducing unrequired contact with clients;
- Autonomy with warnings via SMS and suspension for 72 hours for transactions showing an overrun and systematic control of provisions;
- Automatic rejection for some operations after 72 hours of suspension.

### THE DATA AND AI SOLUTION USED

- **AI used:** A system based on a complex Decision Tree Method (Gradient Boosting Machine) amplifying the impact of the digitalisation of the overall process.
- **Added value:** An improved client experience, greater operational efficiency and a reduction in risks.

### CHALLENGES FACED

- **Daily data quality controls** of the inputs and outputs of the model.
- **Daily monitoring of the performance** of the model according to different axis of analysis to detect any drift and improve decision-making.
- Transparency of the model: auditable and interpretable.

### OPPORTUNITIES FOR THE GROUP

- Covering the entire Societe Generale retail network.
- Scope extension since December 2020: professional clients' personal operations and cheque processing.



### IN BRIEF

#### What

Automatisation of time-consuming tasks concerning the treatment of authorised overdraft overruns

#### Business area

SG, Retail Banking in France

#### Added value

- Improved client service
- Better management of risks
- Increased autonomy for financial advisers in bank branches

## 2 KEY FIGURES

**1 // Over 80% of transactions processed** by AI without the intervention of the branch financial advisers, nearly 15% of transactions paid automatically

**2 // Less than 5% of transactions wrongly accepted** versus 22% in the old system



# SG MARKETS – MY CASES

## ENHANCED DATA MANAGEMENT FOR GREATER CLIENT SATISFACTION

Launched in 2016 to ease the processing of requests and incidents for Wholesale clients, SG Markets – My Cases provides case management capabilities and automation to organise processes, structure communications and data as well as pilot some resolution workflows. Data are aggregated to offer powerful dashboarding capabilities via the SG Markets Dashboard tool.

### INITIAL ANALYSIS

- Email is still an important communication channel used by clients to contact the bank (over 1 million emails were sent by Global Banking and Investor Solutions clients on Post-Trade operations yearly).
- **Necessity to prioritise work and identify critical cases to manage**, especially for Tier 1 clients.
- **Unstructured communication chains** with clients require a **high degree of manual processing time and are not easily exploitable**.
- The Group's **Know Your Client integration process** is slow compared to Fintech and Insurtech processes.

### INITIAL OBJECTIVES

- Improve the client experience and satisfaction levels by **better processing of issues and incidents** to reduce response time.
- Improve case management by **centralising emails in one single request** for greater efficiency when dealing with customer cases.
- Optimise the workflow organisation of specific teams and automate task allocation according to specific rules (classification, monitoring).

### THE DATA AND AI SOLUTION USED

- **AI used:** Natural Language Processing (NLP).
- **Added value:** categorisation of cases, client intention detection, data extraction to automate processes and reduce non-added-value manual actions (example: copy/paste of data).

### CHALLENGES FACED

- **Change management** to support the case management approach and ensure user buy-in and acceptance of the data-driven pilotage.
- Technical challenges related to data preparation (treatment of emails to consider only the functional content, e.g. removal of HTML, signatures, disclaimers, etc.).

### OPPORTUNITIES FOR THE GROUP

- Case management features are all **standardised and re-usable**.
- NLP models are developed on demand depending on the value chain (margin calls, settlement prematching, etc.).
- **Next steps**
  - Extend NLP capabilities for case categorisation per business activity.
  - Workflow module to help answer simple client requests with minimum human intervention.



“ On certain operations (Over the Counter or Collateral for example), SG Markets - My Cases has revolutionised the management of our clients' workflows for all our counterparties managed out of market standards/ platform standardisation, assignment, tiering, interoperability (vertical workflow vs. collateral system, monitoring, etc.) to allow us to serve better our clients. ”

Edouard, *Product Owner OTC Collateral*

### IN BRIEF

#### What

Automatic treatment of client requests

#### Business area

Global Banking and Investor Solutions, Societe Generale Securities Services (SGSS) and Global Transaction Payment Services

#### Added value

- Automates and accelerates the treatment of customer requests
- Optimise the work of the teams
- Improve overall customer satisfaction levels



### KEY FIGURES

- 1 // 30%-time reduction to answer Tier 1 clients (2020)
- 2 // Improvement of operational follow up and 360 view with structured data aggregation (SGDashboard)
- 3 // Improvement of “Margin call” request processing time (x2 faster, 1,500 – 2,000 cases treated per month)
- 4 // 85% reduction of time required to create SG Markets platform credentials on PostTrade services (down from 70 to 10 minutes)

# SMART ANALYTICS ENSURE THE EFFICIENCY OF OUR PROCESSES

Launched in 2018, Smart Analytics is used by 100 process and value chain owners and operational managers of Capital Market Post-Trade chains to monitor and manage process efficiency: trade capture, event management, confirmation, settlement and collateral.

## INITIAL ANALYSIS

- **A manual and silo-based approach** for monitoring, generating costs and limiting service quality.
- **The need for facts-based monitoring and management** of the processing chains in a context of fragmented and complex applications.
- **Missing and inconsistent views across value chains**, preventing the ready identification of routes towards process improvements.

## INITIAL OBJECTIVES

- **Industrialisation and automation** of reporting to reduce costs and improve service quality to better meet the strategic objectives of Global Banking and Investor Solutions business lines.
- **Monitor and improve performance of Post-Trade** value chains by identifying bottlenecks and breaks in real-time through the use of dashboards with key metrics.
- **Identify process improvement areas and engage resolutions** with the teams based on facts, data and the benefit of automation.

## THE DATA AND AI SOLUTION USED

- **Data benefit:** industrialisation of data processing (capture and standardisation).
- **Added value:** Data capture and normalisation building the Post-Trade lifecycle data landscape as a common data asset.
- Dashboarding, KPI overview and the ability to drill-down in detail.
- Leverage other usages (for example, using the automatic completion tool NEPHELAI to improve data quality).

## CHALLENGES FACED

- Align the ambition with the available means to optimise the roadmap.
- **Maintain the transversal taxonomy and methodology** to have consistent indicators across the different value chains (over 20 applications and data sources).

## OPPORTUNITIES FOR THE GROUP

- The solution is transversal across multiple value chains leveraging common definitions, standardized data model and set of indicators.
- The “spirit” of Smart Analytics is replicable each time we have a need to steer the efficiency of a chain (e.g., Structured Finance Processing chain).
- Ready to be used APIs & widgets in SG | Dashboard.

“

Smart Analytics is at the corner stone of our industrial management capabilities, used both to track performance and guide decision-making. ”

Cécile, former COO of Societe Generale Global Banking & Investor



## IN BRIEF

### What

A monitoring and management solution for Post-Trade processes

### Business area

Global Banking and Investor Solutions business lines

### Added value

- Reduce reporting costs
- Identify process improvement areas and implement their resolution
- Improve service quality



## KEY FIGURES

- 1 // Automation rate, STP rate, quality, timeliness and volumes are the key indicators produced for a large scope of the Capital Market posttrade chains
- 2 // Steering 15 value chains
- 3 // Ability to drill down and build ad-hoc analysis using Power BI or Excel
- 4 // Providing better means to chain owners to identify optimisation's areas (estimated gains between 200k€ and 1m€) and to steer their OKR/ operational objectives

# TRADING ASSISTANT

## A CHATBOT TO ANSWER CLIENT REQUESTS ON DERIVATIVE MARKETS

Designed in 2017 to process Request for Quotations with low probability of execution sent to Front Officers (Commercial team and Traders) in the Europe Equity desk, the Trading Assistant Chatbot has been reused and scaled to work on different asset classes (Commodities, Fixed income, Foreign Exchange etc.) and geographies (America and Asia) allowing for improved client service and generating further revenues.

### INITIAL ANALYSIS

- Capital Markets use a lot of chat and phone trading workflows on the Derivative markets. Front Officers have to input the information into Societe Generale's systems for operational (pricing) and compliance (reporting) reasons before execution.
- **Manually entering the requests in the various IT systems is slow and time consuming.** As a result, requests with low probability of execution are never inputted into the system.

### INITIAL OBJECTIVES

- **Improve the customer experience** of the Group's Capital Markets activity by answering a greater amount of client requests and collecting more market data on trading activities.
- **Enhance operational efficiency** by assisting the Capital Markets Commercial team and Traders enter requests into the Group's IT systems.
- **Greater responsibility** by using this data for the Fundamental Review of the Trading Book observed price database and informing Compliance communication surveillance tools.

### THE DATA AND AI SOLUTION USED

- **AI used:** financial markets specific Natural Language Processing and Machine Learning algorithms.
- **Added value:** algorithms trained to recognise the various types of Request for Quotations.

### CHALLENGES FACED

- **Voice recognition capacity:** A double challenge as this requires user involvement to register their voice as well as a User Interface to make it happen.
- **Scarce resources:** very few skilled resources available to take part in the conceptualisation as a hybrid profile of Trader and Data Scientist is required.

### OPPORTUNITIES FOR THE GROUP

- An AI system based on financial markets specific NLP and Machine Learning algorithms trained to recognise the various types of RFQ.
- Europe, US and Asia already use a common framework for Chat Parsers with specific lingo to adapt to each product which requires customization (2/3 months to develop).

“

We lose sales if we can't respond quickly to our customers, so it's very helpful to have a tool that can interpret and respond rapidly. ”

Kevin, Data Scientist



### IN BRIEF

**What**  
A Chatbot,  
a virtual assistant

**Business area**  
Capital Markets in France,  
America and Asia

- Added value**
- Increase operational efficiency by assisting with the entry of requests
  - Improve customer service by responding faster to requests
  - Generate revenue and process more requests

### 3 KEY FIGURES

- 1 // Accelerated Time-to-Market (from 10 to 1 min) and client satisfaction thanks to reduced processing and execution time
- 2 // 2 -3 months to customise voice recognition for a new product
- 3 // Augmented PnL





## A MORE PERSONALISED BANK

Anticipate needs; offer tailor-made services; strengthen and improve satisfaction levels by creating closer relationships with our existing customers and attracting new ones.

All these challenges are part of the same commitment: ensure a truly client-centric approach with a more personalised, consistent and comprehensive value proposition.

So many challenges that we can answer with effective and customised solutions by using the full potential of Data and Artificial Intelligence.

In this chapter, you will find all the Data and AI Use Cases currently helping to make Societe Generale a more personalised bank.

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# PREDICTIA FACILITATE PRICING OF USED CARS TO BOOST SALES PERFORMANCE

Deployed in 2022, PredictIA provide on-demand predictions and marketing channel recommendations for used cars to Ayvens pricing experts. The solution supports over 100,000 used car sales per year in 4 major countries of operation: Spain, France, Belgium, and Netherland, reducing in average time spent pricing by 50%.

## INITIAL ANALYSIS

- Every year, more than half a million used vehicles are sold worldwide by Ayvens, following the end of their leasing contracts. To illustrate, that represents **1 car sold every minute by Ayvens**.
- Selling those used cars is a **critical part of Ayvens business**.
- **Channeling and pricing used cars is complex**, due to:
  - The sheer number of prices to be produced (some cars requires multiples prices)
  - The diversity of vehicles to be sold, both in terms of model and damage level when returned
  - The diversity of available marketing channels (B2B, B2C, direct and indirect sales)
- Used Car sales is also a real race against time, as each returned car costs in average **10€ each per day it stays in stocks**.

## INITIAL OBJECTIVES

- **Rationalize time spent on price setting and channeling** of used vehicles with high turnover (ie the vehicles we sell most).
- **Facilitate the allocation** of each used vehicles to the marketing channels where the best results will be achieved in terms of profitability and time to sell.
- **Adapt pricing faster** to market changes via the automatic detection of price evolution signals.

## THE DATA AND AI SOLUTION USED

- The solution is based on Machine Learning models (Catboost) **running on both internal cleaned data and market data purchased** from an external provider. Predictions are shipped to the systems where they are used by pricing expert via API.
- To facilitate usage, each prediction comes with a confidence index ranging from 1 to 10, highlighting to the user the level of confidence the AI has in its own prediction.

## CHALLENGES FACED

### Human challenges:

- **Creating bridges between pringing experts & data scientists**. Data & AI are better explained in their parking lots in a data lab!
- **Support the cultural change** to convince that the solution aims to facilitate the pricing expert life and not to replace them.

### Technical challenges:

- Find the **relevant trade-off between standardization and specification** to local needs and diversify of cars and marketing channels (B2C & B2B).
- **Secure adequate quantity of clean / fresh data** to train the model (retraining done once or twice day depending on the country).

## OPPORTUNITIES FOR THE GROUP

- **Expand PredictIA to the remaining 38 countries** where Ayvens operates.



“

PredictIA has already been introduced in four of the largest AYVENS markets (France, Netherlands, Belgium, Spain) for B2B, covering more than 100,000 used car sales per year. Imagine the potential, with 40 more AYVENS countries to go, and twice the number of cars following our Lease Plan integration! ”

Maxime, Product Manager, Ayvens

## IN BRIEF

### What

An AI application that provides on-demand predictions for used car pricing to remarketing and channeling experts.

### Added value

- Less time spent to price vehicle
- Better accuracy on sale price
- Better turnover on the used cars stocks

### Business area

Worldwide sustainable mobility

## 3 KEY FIGURES

- 1 // Daily time spent on pricing reduced by 75% in the first country of operation.
- 2 // 4 major AYVENS countries covered so far (France, Netherlands, Belgium, Spain) for B2B operations.
- 3 // Over 100,000 used car sales priced per year.

# INVESTOR APPETITE

## A PREDICTIVE MODEL FOR AN ENHANCED ISSUANCE JOURNEY

Initially designed to predict market appetite for new bonds issuance and provide quicker and more accurate advice to issuers, the Investor Appetite prediction model has been available on the SG Markets platform to offer a first-class issuer experience.

### INITIAL ANALYSIS

- The **quality of the advice** provided to issuers is a **key differentiator** in the competitive debt capital market. Staying on top of any changes in investor behaviour provides further added value for clients.
- Origination teams need to **manually analyse** thousands of past orderbooks to anticipate market appetite. **This is time consuming and open to optimisation.**

### INITIAL OBJECTIVES

- **Improve the customer experience and satisfaction levels** with high-value advice.
- Enhance our image as a Best-in-Class bank with a firstclass service offering available on the SG Markets - My Capital Markets platform.
- **Increase Net Banking Income for the bank** through more precise recommendations.
- **Greater operational efficiency** with less time spent on manual tasks such as simulations and recommendations.

### THE DATA AND AI SOLUTION USED

- **AI used:** Machine Learning
- **Added value:** A recommendation system trained to analyse past bonds issuances data and predict the probability of each investor participating in a bond issue.

### CHALLENGES FACED

- Obtain accurate and relevant recommendations.
- A readily understood explanation of the model to ensure adoption by the Front Office.
- Capture more data to cover investors' evolving expectations.

### OPPORTUNITIES FOR THE GROUP

- The prediction model can be applied to other asset classes. It inspired 2 other use cases within GLBA:
  - bonds' buyback to predict a buyback success rate (the proportion of investors participating to the operation) and enhance its structuring,
  - syndicated loans to anticipate investors' appetite on a new syndicated loan.
- It has been reused within MARK to push recommendations of most probable clients interested by an Interest in the credit market with Credit recommender solution (in production).
- An AI framework built with standard building blocks (Application Programming Interfaces), code and a production process which can inspire re-use in other contexts.

“

With the Investor Appetite solution, the projections provided to investors are much more precise, and much quicker to produce. ”

Cécile, ex-sponsor of Investor Appetite

### IN BRIEF

#### What

A prediction model for faster and more accurate advice

#### Business area

Wholesale banking and Market activities

#### Added value

- Strengthen the Group's image
- Improve the customer experience and satisfaction levels
- Enhance operational efficiency

3

### KEY FIGURES

- 1 // Over 85% recommendation accuracy rate
- 2 // Up to 1M€ additional economic NBI per year for Bond Buyback
- 3 // 200/300 issuers served by Investor Appetite





# STELLA

## STRENGTHEN THE TREATMENT OF CREDIT ANALYSIS

Designed in 2020 for major corporate clients within the Group's Global Banking & Advisory activity to relieve analysts from manual low value-added tasks, Stella digitalises the credit analysis process by transforming non-structured data extracted from annual reports into structured, reliable and ready-to-use data for Analysts. Thanks to this new data-oriented approach, Analysts are free to spend more time on more in-depth analyses rather than simple data manipulation.

### INITIAL ANALYSIS

- **300 to 500 pages of Annual Reports** to be manually imported into Excel by Credit Analysts limiting the ability to reuse and share data.
- **Credit analysis is a very manual process and represents around 35% of the Analysts' time.**
- Credit Analysts are in particular demand at times of crisis and are under **growing regulatory requirements.**

### INITIAL OBJECTIVES

- **Provide ready-to-use and easily shared data** by extracting, structuring and rendering data from corporate Annual Reports.
- **Free Credit Analysts from low value-added and time-consuming tasks** to strengthen their role as business partners for Front Office and Coverage activities.
- **Build a data patrimony and unlock new analysis capacities** (peer comparison, change detection, non-financial data, etc.).

### THE DATA AND AI SOLUTION USED

- **AI used:** A succession of algorithms and a solution to visualise the data, called Data Viz.
- **Added value:** Structuring, transforming and normalising raw data into organised and ready-to-use data.
  - A data model approach to ensure scalability, consistency and accuracy of the Stella model.
  - Data Viz to provide digitalised, accurate reports.

### CHALLENGES FACED

- **Build a new Data Engineering team** to break the silos between the business and the IT teams.
- **Involve Analysts to guarantee the take up of the new data-driven approach.**
- Define standardised processes within the Credit Analysis team of Global Banking & Advisory.
- **Ensure auditability and traceability** to meet regulatory requirements.

### OPPORTUNITIES FOR THE GROUP

- Financial statements structured per SG data model fed Group central system.
- A data acquisition and analysis pipeline ready for new needs: Loan Tape, EarlyWarning System, Leverage Lending.
- Extend the solution to others BU/SU: 2023 GBSU, 2024 SGRF & SGEF.

“

This project is a quantum leap towards digitalisation within the Credit team, not only does it bring greater efficiency but above all it opens up new opportunities and perspectives on Credit Analysis. It's day one. ”

Médéric, Project Manager, Global Banking & Advisory

### IN BRIEF

#### What

An innovative platform to improve the quality of client data

#### Added value

- Structure data extracted from Annual Reports
- Deliver reliable, ready-to-use, shareable data
- Reduce time-consuming tasks for Credit Analysts to spend more time on in-depth analysis

#### Business area

Global Banking & Advisory

3

### KEY FIGURES

- 1 // From to 8 to 34 hours/analysis before STELLA to 2 to 20 hours/analysis: an average gain of around 50%
- 2 // Scaling from an original scope of ~2000 entities to ~15 000 third parties
- 3 // Agility to address regulators requests for ad hoc reports



# THE FUTURE IS YOU



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