

BANCA ITALEASE



BANCA ITALEASE in Figures

- **A partner for more than 150,000 businesses**
- **62,000 active contracts**
- **40,000 customers**

The Company

December 13 1968 was the date on which Italease came into being as the leasing arm of Italy's "People's Banks". It became a bank itself in 1995, supplementing its existing financial solidity with the values and guarantees derived from its new status. In its new form, the company fully retains its original vocation as a specific leasing provider on behalf of the People's Banks, by continuing to pursue its traditional activities in the financial leasing sector.

To date, Banca Italease can call on a wealth of experience second to none, and has become the leader in the Italian leasing sector, with a market share of 19.3% and has ranked second in the Italian factoring market, with a share of 15.2%. Over the past 37 years it has been a financial partner for the growth of more than 150,000 Italian businesses, aiding them in their growth plans and in bringing their plans to fruition - all the while benefiting the national economy, of course. Thanks to its wide coverage across the country, with around 4,900 authorized banking outlets, a series of its own managed offices, and a network of agents and authorized intermediaries throughout Italy, as well as the Banco Posta branches situated within Italian post offices, Banca Italease has a multi-channel distribution model providing skilled professional advice. Its consultants are able provide the appropriate response to customers' financial needs. Banca Italease, quoted on Italy's MTA market since June 14 2005, was added to the index of Blue Chip companies on September 19 2005 and is protected in terms of corporate government by a Stability Pact, effective until 2008, that has been signed by the main shareholders. These are Banco Popolare di Verona e Novara, Banca Popolare dell'Emilia Romagna, Banca Antonveneta and Banca Popolare di Sondrio. As of 31 December 2005 Banca Italease Group has written about 26,500 new leasing contracts, for an amount of over 6,298 billion Euros; also in 2005 a factoring turnover of 12.8 billion euros was reached. Shareholders equity totalled 393,411,955.32 euros as of 21 June 2006.

Banca Italease Group's main results as of 31 December 2006 are listed below:

- Consolidated net income: € 178.2 million (+83%);
- RoAE: 24.3% (+639 bps);
- Total income: € 458 million (+38.4%);
- Cost/income ratio: 27.1% (-646 bps);
- New income-producing leases: € 7.895 billion (+33.5%);
- Factoring turnover: € 16.633 billion (+29.6%);

Project Objectives

Banca Italease required an advanced Corporate Performance Management solution that would enable it to achieve three main goals.

Firstly, as a company it needed a single application that could help it manage the process of drafting the standalone financial statement and the consolidated statutory one for the group. In parallel, the bank needed through the project to develop an accounting plan that would comply with the new IAS standards and allow for the transfer of supervisory data - both on the statistical and solvency level - to be integrated directly into the consolidation process.

Because of the need to satisfy the informational requirements on the communication of accounting data specified under the new regulations, Italease was also eager to introduce a software that could produce reports subdivided by relevant segment (IAS 14). Finally, the IT application adopted would have to ensure full harmonization between the published financial statements and the supervisory data provided to the Banca d'Italia.

Project Scope

On the basis of the objectives stated, the project involved the use of the following processes within Tagetik CPM:

- ETL: the process for automatically uploading group figures from the systems supplying the data;
- Consolidation: for managing the statutory consolidation process in accordance with IAS and ITAS accounting standards and for drafting the Note to the Consolidated Financial Statement; this process also allows management accounting consolidated statements and segment-based reports to be generated in line with IAS 14 standards. The consolidation process also enables intercompany accounts to be collected and reconciled with one another;
- Supervisory: the functionality built into the consolidation process automatically generates and transmits to the Banca d'Italia the required supervisory signals, at both a statistical and solvency level, in respect of the consolidated financial statement;
- Closing and Allocation: for the preparation of the standalone financial statement in line with IAS 14 standards. This was possible thanks to the system's powerful allocation functionalities; once an individual item of data has been allocated to a segment, it is consolidated on a segmental basis.

Why Tagetik was Selected

All of these processes relate to a single database and do not therefore require any further integration activities. *"In Tagetik CPM, Italease found a solution that was at the cutting edge of technology and highly flexible in helping us to manage - within a single application - both the process of drafting the individual financial statement and the process of preparing the statutory consolidation for the group",* says Alessandro Milanino, Group Organization Director for Banca Italease.

"Furthermore, the project has allowed us to develop an accounting plan that complies with the new IAS standards and also enables the transfer of supervisory data - both on the statistical and solvency level - to be integrated directly into the consolidation process", continues Milanino.

"Finally, thanks to the system's powerful allocation functionalities and the expertise of the Tagetik team - including with regard to the processing of management information - Tagetik CPM has allowed Banca Italease to efficiently produce specific reports for each relevant segment in compliance with IAS 14 standards".

Project timings

The cooperation between Tagetik and Banca Italease led to the development of a further project implemented using a multiphase approach.

The project was launched in November 2005. Following a preliminary analysis phase, the application was configured through a process in which all of the master tables were populated with data. It was then deployed in line with the new IAS standards. In order to ensure that the customer could work in complete independence, an ad hoc training course was designed. As a result, Italease was able to complete its 2005 statutory consolidated statement using its new IT solution. Between April and May 2006, the first batch of (both statistical and solvency-related) supervisory data was generated using Tagetik CPM for transfer to the Banca d'Italia, and over the same period Banca Italease also produced its first set of accounts in compliance with the IAS 14 Segment Information guidelines.

Tagetik is an international provider of the next generation of Corporate Performance Management (CPM) solutions. Tagetik CPM is the first software solution with built-in, flexible and unified financial, operational CPM and application processes such as budgeting, financial planning, consolidation, financial and operational reporting and analysis. Tagetik has over 250 customers including Unicredit, Telecom Italia, Bank Pekao, Manuli Rubber Industries, SSL Healthcare, Mediaset, De Agostini, Fininvest, Mediobanca, BNL, Eni Snamprogetti, IFI-Ifil, Marzotto, Banca Popolare di Milano, Impregilo, Astaldi, ERG, Acea, Brembo, Milan, Techint, Illy, Il Sole 24 Ore, Yamaha Motor Italia, Barilla.