



# BANCA INTESA MANAGES RISK WITH SAS®

With margins decreasing and more stringent regulations in place, risk management has become an essential part of the banking industry. Banca Intesa, a leading Italian banking group, turned to SAS to build a solid foundation for managing and reducing risk.

## Business Issue

Analyze and manage risk as interest-rate margins shrink and in compliance with new banking regulations.

## Solution

SAS® software allows management and integration of large volumes of data to pinpoint and reduce financial risks.

## Benefits

SAS® solutions provide an open, extensible environment with complete capabilities for retail credit scoring, corporate credit rating and credit portfolio risk management. The system is transparent and auditable, thereby facilitating supervisory review, both internally and by regulators, as required by Basel II and other regulations.

## Platform

Currently using SAS® Credit Risk Management and SAS® Enterprise Miner™ in a multi-year project to fully integrate risk management data.

## Data Volume

Provides analyses on 10 million group-level customer accounts and 2.5 million clients on the lending side.

“Many of the SAS tools we’re using are on the frontier,” says Mauro Senati, who served as Banca Intesa’s Credit Risk Manager at the time of this interview. (Following a merger, Senati is now head of internal risk validation at Intesa Sanpaolo.) “This is a multi-year process,” he adds.

With the recent revision of international banking standards under Basel II and required risk management across national borders, Banca Intesa faced the challenge of building a system to track and evaluate huge volumes of financial data. “Our holdings are diverse following a merger of three key Italian banking institutions,” says Senati. “Managing this huge amount of data was our greatest challenge.”



Members of the IT department were using SAS for various tasks, so the newly organized risk development team turned to SAS for assistance in building new solutions. “Our first goal was to find a unique integrated platform for data management,” Senati says. “We selected SAS Credit Risk Management to begin running calculations and simulations.”

SAS Credit Risk Management is a component of SAS Banking Intelligence – an open, flexible and extensible framework that leverages existing operational systems and applications.

“We believe that good technology supporting our strategies is the only way to succeed in the market.”

**Mauro Senati**  
Head of Internal Risk Validation Unit  
Intesa Sanpaolo

The first step in the ongoing process was to migrate all scoring models into SAS Enterprise Miner, which streamlines the entire data mining process from data access to model deployment by supporting all necessary tasks within a single, integrated solution. It is especially well suited for data mining in large organizations.

The bank is now in the process of merging data and developing comprehensive strategies for application. In addition to meeting new regulation standards, the information is helping Banca Intesa stay competitive in an industry where profit margins continue to shrink. In the past decade, interest-rate margins have decreased sharply, so targeting and managing risk becomes a critical piece of the business management puzzle.

“The banking business environment has changed completely over the last few years,” Senati says. “SAS allows Banca Intesa to understand the current climate and to look at and plan for the future.”



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