



## Caixa Catalunya

### IPS-Sendero A/L helps Barcelona bank meet balance-sheet goals

Caixa Catalunya, Spain's third largest savings bank, faced two challenges a decade ago. The first was integrating data and analyses from different departments into one source that would allow for asset/liability management. The second, understanding the global positioning of its balance sheet and level of interest risk.

The addition of Fiserv IPS-Sendero's Asset/Liability (A/L) system helped the Barcelona-based bank meet its objectives.

"IPS-Sendero A/L has allowed us to understand our institution's current position while at the same time planning strategically for the future," said Enric Arrieta, chief of market risk control. "The simulation of different scenarios of interest rates, together with different growth budgeting strategies, permit us to evaluate the impact of each strategy. Thus, we can be proactive with strategies that maximize the beneficial relationships and assumed risks in a stable way."

The integration of A/L into the bank's data warehouse has optimised information flow, avoided duplications and increased utility. "The structure of the database allows automatic and continuous generation of informational input with a high degree of flexibility, which guarantees that the data change as the needs of our institution change," he said. "This ensures that data are updated to reflect successive changes produced in the structure of our balance sheet."

**Client:**

Caixa Catalunya

**Location:**

Barcelona, Spain

**Size:**

35,000 million Euros

**Issue:**

Integrating information from different departments into one source as well as understanding its global positioning

**Solution:**

IPS-Sendero Asset/Liability (A/L)

**Results:**

Allowed Caixa Catalunya to better understand its position and plan more strategically. Enabled them to produce more detailed analysis, leading to more confident assessment of goals and objectives.

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After a four- to five-month period of running the model in 1994, Caixa Catalunya began extracting the first results of the financial margin evaluation. Several months of comparison followed and the results went to the bank’s asset and liability committee.

“Since then we have continued producing changes in the model’s configuration, until we have today reached a very important maturity level in the product,” Arrieta said. “We are now able to process more than 200 product lines, each with its specific attributes and characteristics.”

Caixa Catalunya analyzed the results with the following four scenario assumptions:

**Most likely scenario** - This is representative of the current interest-rate environment. It incorporates the budget that the administration wants to reach during the exercise and under the assumed discount rates that are implied by the futures market.

**Rising scenario** - As its name indicates, it incorporates a scenario of rising rates (stress) for all terms and products, projected for the next 12 months.

**Falling scenario** - This incorporates a scenario where the rates are going down (progressively) for all terms and products, projected for the next 12 months.



**Fluctuating scenario** - Accounting for the impact of a year when the rates rise a small amount, were steady other months, and later went down.

“The analysis we perform of asset and liability administration is detailed, full and exhaustive. It perfectly covers the goals that we established for balance sheet administration,” said Arrieta. “The IPS-Sendero A/L software is ideal and I think it responds very well to equity administration, giving us wide and exhaustive information of the different elements in the projection. Also, the account detail offers good summary information for detailed accounts analysis.”

Caixa Catalunya, a financial institution with 900 branches, manages an asset volume of about 35,000 million Euros.

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Ground Floor, Lynton House, 7-12 Tavistock Square, London WC1H 9LT, United Kingdom [www.fiservips-sendero.com](http://www.fiservips-sendero.com)  
Europe, Middle East and Africa: Phone: +44 (0)20 7388 7363 Fax: +44 (0)20 7388 7365  
Asia Pacific: Phone: +65 6538 9296 Fax: +65 6536 6237  
Latin America and the Caribbean: Phone: +1 954 385 8558 Fax: +1 678 623 8558  
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