

## > CaixaBank's InverCaixa Gestión: Spain's Leader in Asset Management



CaixaBank is Spain's third largest banking group and the biggest in the domestic market by business volume with a customer base of 13.4 million. CaixaBank is also one of the most solvent amongst banks in the Eurozone with a CET1 fully-loaded of 12.3% by the end of 2014.

In 2015, CaixaBank also became leader of the Spanish asset management market, supported by a robust performance from InverCaixa Gestión – a wholly-owned subsidiary of CaixaBank Group.

CaixaBank is an integrated financial group engaged in banking, insurance, and asset management. The group also holds stakes in a number of international banks and leading companies in the services. At the end of December 2014, attributable profit had more than doubled from EUR316 million to EUR620 million while net interest income was up to EUR3,955 million (up 5.1% on 2013), seeing the bank consolidate its leadership position in the Spanish retail banking market.

CaixaBank assets amounted to EUR338,623 million and gross customer loans totalled EUR197,185 million, with total customer funds standing at EUR271,758 million. Moreover, the bank has a strong liquidity position of EUR56,665 million and is one of the most solvent amongst banks in the Eurozone with a CET 1 (Common Equity Tier 1) fully-loaded of 12.3% by the end of 2014. Furthermore, CaixaBank shares gained 15.1% in 2014 with a quoted price of EUR4.361 per share as of December 31, 2014, outperforming the average for the Spanish financial sector by 2.5%.

On January 2, 2015, CaixaBank acquired the retail banking, asset management, and corporate banking arms of Barclays Bank in Spain (excluding investment banking and Barclaycard).

CaixaBank leads the Spanish financial sector in terms of innovation. The bank has four million mobile service users and has registered over ten million downloads from its mobile app store. It also has more than nine million online banking customers and, according to the American Internet analytics company Comscore, is the most visited banking website in Spain. CaixaBank is widely considered a global leader in innovation and new technologies.



Isidro Fainé, Chairman of CaixaBank and Gonzalo Gortázar, CEO

While CaixaBank's focus is on Spain, it has also established an international network via strategic investments in banks. CaixaBank's foreign banking interests comprise Banco BPI (Portugal - 44.1%), Boursorama (France - 20.5%), Grupo Financiero Inbursa (Mexico - 9%), The Bank of East Asia (Hong Kong - 18.7%), and Erste Group Bank (Austria - 9.9%). CaixaBank also has stakes in Telefónica and Repsol.

CaixaBank's strategy is to internationalise operations in economies with high growth potential and to work closely with international partners to expand services. CaixaBank also maintain a number of representative offices around the world: four in Europe (Frankfurt, London, Milan, and Paris) and nine in the rest of the world (Beijing, Shanghai, Bogotá, Cairo, Dubai, Istanbul, New Delhi, Santiago de Chile, and Singapore). Offices due to open in New York, São Paulo, and Algiers. International branches are operating in Warsaw, Casablanca, Tangier and it will open soon one in London.

On the other hand, "la Caixa", the main shareholder of CaixaBank, also funds social, environmental, scientific, cultural, and research initiatives via its social programme. The "la Caixa" Banking Foundation is Spain's leading private foundation and the second largest in Europe. The foundation intends to keep its Welfare Projects budget unchanged at EUR500 million for 2015. This figure has remained unchanged for the last seven years.

InverCaixa Gestión, founded in 1985 with Asunción Ortega as chairwoman and Guillermo Hermida as CIO, is the specialised asset management arm of the CaixaBank Group. The firm is one of the most outstanding subsidiaries of the group and is expected to play a major role in CaixaBank's internationalisation.

InverCaixa Gestión is a consolidated management company based in Spain and committed to attracting foreign institutional investors. With close to EUR40bn under management and advisory

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Headquarters: Barcelona

and close to a million clients, InverCaixa Gestión has now overtaken its nearest rival for the top spot on Spain's ranking of the largest domestic mutual fund managers. InverCaixa Gestión has seen its AuM (assets under management) grow significantly over the last two years.

Investors added EUR12bn to the total net assets during this period. Though overall market trends helped, performance excellence and savvy decisions on the part of the management team underwrote the outstanding growth of InverCaixa Gestión's AuM. The integration of financial groups has also contributed to the growth in net assets, albeit to a lesser extent. The integration of Barclays Wealth Management, with EUR2.4bn AuM, is scheduled for the first half of 2015.

The Spanish mutual fund market is not only exceptionally buoyant, it is highly competitive as well, with volumes growing at an annual rate in excess of 25%. Being part of a financial services group that includes the Spanish leader by market share, InverCaixa Gestión benefits from privileged access to a universe of over 13 million clients.

InverCaixa Gestión's growth is powered by the expertise of close to 140 professionals, 50 of whom work exclusively in analysis and identifying investment opportunities, examining a range of different assets and investment management styles.

At InverCaixa Gestión investment decision-making is a top down process based on a structure of committees composed of experienced asset class managers. Ongoing portfolio monitoring and risk control is conducted by an independent department.

InverCaixa has five specialised management

teams: Fixed-Income, Equity, Alternative Investment, Value at Risk (VaR), and Funds of Funds. Focused management teams provide assessment to the Asset Allocation Team which manages balanced and global funds by optimising strategic risk and tactical implementation.

The Equity Team has ten industry/sector specialists covering Europe and Global Mega Caps. The investment process is based on fundamental analysis of companies, seeking GARP (growth at a reasonable price) or valuations with clear catalysts. Said analysis is specialised by major sectors and regions and closely supported by third-party research. The team places emphasis on company selection based on high conviction investment ideas.

InverCaixa Gestión's management capabilities are focused on Europe where it directly implements investment decisions in both equity and fixed income assets. Investment decisions in other universes are implemented via funds of funds, making use of international third-party fund managers of demonstrable excellence.

To this end, InverCaixa has developed a proprietary model for fund selection with a track record extending over more than twelve years. It identifies the best funds not only based on quantitative and qualitative analysis, but also on the right strategies. Portfolios are built by optimising fund weightings, taking into account their contributions to differential risk and harnessing active fund strategy management.

InverCaixa also has two teams specialising in total return investment: the Value at Risk Team, focused on discretionary mandates for institutional investors (with close to EUR3bn under management), and the Alternative

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Investment Team which selects the top managers for each strategy option and establishes optimal combinations.

The fund management firm designs and manages an extensive range of products – funds, SICAVs (open-ended collective investment schemes), and discretionary mandates – investing in a wide variety of assets and harnessing different management styles. Thus, InverCaixa Gestión is able to provide clients with products carefully tailored to their needs, catering to different levels of risk-tolerance and income expectations, as well as addressing all personal requirements.

On the other hand, the CaixaBank Global SICAV was launched in late 2013. This UCITS (undertakings for the collective investment in transferable securities) established by CaixaBank, and managed by InverCaixa, was designed to cater to growing customer demand for asset management in Luxembourg. With more than EUR600 million under management as of January 2015, going forward InverCaixa may launch further mirror funds in Luxembourg for its Spanish product range.

InverCaixa Gestión's strategic approach is grounded firmly on the specific values and convictions it shares with CaixaBank. These include providing added value for clients, product quality, transparency, flexibility, responsibility, efficiency, and security.

The Fixed-Income Team won the 2015 award for Best Fixed-Income Fund Management Team Spain. The CFI.co judging panel was particularly impressed by InverCaixa Gestión's active fixed-income team, boasting unique insight into long-term trends and an ability to capitalise on short-term opportunities. The expertise of the Fixed-Income Team also means it is able to directly and efficiently harness such insights and opportunities that most benefit funds under management.

InverCaixa's success has been reflected in the awards that it has won over the years. The 2015 CFI.co judging panel was emphatic: “Successfully pursuing transparency in its management of assets, while maintaining streamlined operational procedures, has taken InverCaixa Gestión to the very top.” ❖