

## Excellence in Practice 2021



CaixaBank Group  
/ UPF Barcelona School of Management

# Risk school experience - Tailored training to master risk

**A** school to restore professionals' confidence in granting credit risk, increase quality credit investment and reduce arrears. These are the objectives of the Risk School created by CaixaBank and the UPF Barcelona School of Management (UPF-BSM).

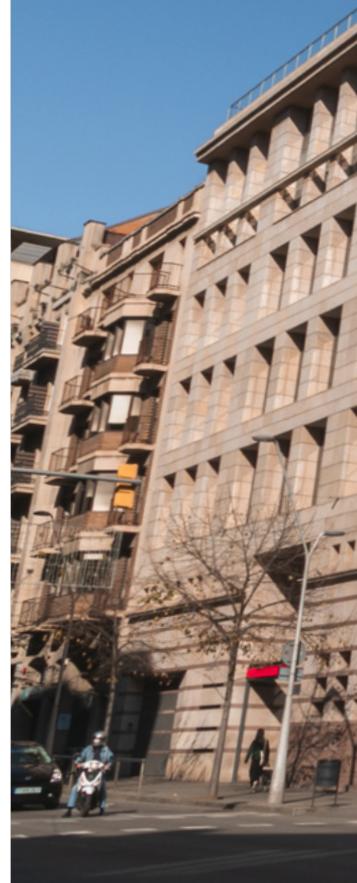
Setting up a school to train the workers of one of the main financial institutions in Spain in the post-2008 context was a titanic challenge. A change and a mission that required commitment and leadership from the highest levels of the organisation.

In this context, CaixaBank created a school for the bank's employees to train the entire workforce in risk matters, with the aim of supporting expert advice, bank risk management, and asset growth through credit operations. In addition, the organisation anticipated the demanding European regulatory requirements regarding knowledge and competence applicable to personnel, which the European Union would later require, where the granting of credit in a prudent, rigorous, and responsible way is increasingly important. This was all in addition to trying to have a favourable impact on the business.

'In 2015, CaixaBank opted for the creation of a risk school for the training of its employees. It was an ambitious bet and done in anticipation of future regulatory requirements regarding knowledge and skills (which we can see has come about with the Real Estate Financing Law or with the EBA Origination and Follow-up Guide)', comments Sergi Sala, Director of Business Risk Development. 'The objectives that have been achieved thanks to the creation of the school are multiple, such as the transmission of the culture and risk management policies of CaixaBank of particular importance in the integration of acquired entities, practical training linked to the business, definition of the necessary knowledge that each function must have, the offering of quality training certified by a prestigious university, and building a training itinerary for the development of talent in risk. The school has provided support for the training of critical professional skills, as well as a boost to the model for decentralisation in risk management', said Sala.

## 3.3%

In addition, the NPL ratio has shown a constant reduction throughout the same period, which indicates a continuous improvement in the quality of the loan portfolio, decreasing to 3.3% in 2020





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The organisation collaborates in this project with a regular partner in the training of its staff, the UPF Barcelona School of Management. UPF-BSM's specialisation in training for the banking sector, its 15 years of experience in developing joint training actions with CaixaBank, and the existence of shared visions and values were key to starting the challenge together. 'Participation in this project has allowed us to display our vocation for social impact through a training itinerary that adjusts to a challenging context', stated José M. Martínez-Sierra, General Director of the UPF Barcelona School of Management.

And so, the journey began. Today, the Risk School has four levels of difficulty and training and is adapted to the different profiles of CaixaBank employees according to their functions and professional needs. It is basically developed with virtual content through the online platform that the organisation has for training its employees in other subjects and is complemented with some face-to-face sessions given by internal trainers. It is in this way that training and tools for professional development are provided.

#### The non-performing loan (NPL) ratio reduced

The results are palpable and positive. The implementation and development of the Risk School since 2015 has meant a set of improvements and benefits in the evolution of the organisation, as well as the fulfilment of the objectives for which it was created. With regard to the increase in quality loan investments, from 2015 to 2020, CaixaBank's healthy loan portfolio (without arrears) has increased annually, from 184.3 billion euros to 235.7 billion euros.

In addition, the NPL ratio has shown a constant reduction throughout the same period, which indicates a continuous improvement in the quality of the loan portfolio, decreasing to 3.3% in 2020. In this sense, the organisation managed to eliminate the existing gap with its peers: at the end of 2020, BBVA closed with a rate of 4%, while Banco Santander's rate amounted to 3.21%.





### Training works

In 2018, CaixaBank carried out a quantitative analysis of the impact of the aforementioned training on the default rate of operations. They compared the default rate of operations authorised by employees who had undertaken or were taking training with operations by the rest of the employees who had not undertaken any training.

The result showed that default rate of operations of those who took or were taking the programme were 2.1% and 2.6% for the group that had not taken it.

Thanks to the training actions carried out by the Risk School, it has been possible to transmit the organisation's risk culture to a large number of professionals whose functions are related to contributing to business.

'At UPF-BSM, we understand training activity as a multidisciplinary meeting between diverse people and institutions that mutually enrich each other to make a valuable contribution to society. And in this context, the collaborative development of the project has meant a significant transfer of knowledge, based on more than 25,000 enrolments, combining practical experience with academic rigour, which has had a direct impact on the quality of credit management and the development of the capacities of these professionals', summed up the former dean of UPF-BSM and rector of UPF, Professor Oriol Amat.



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