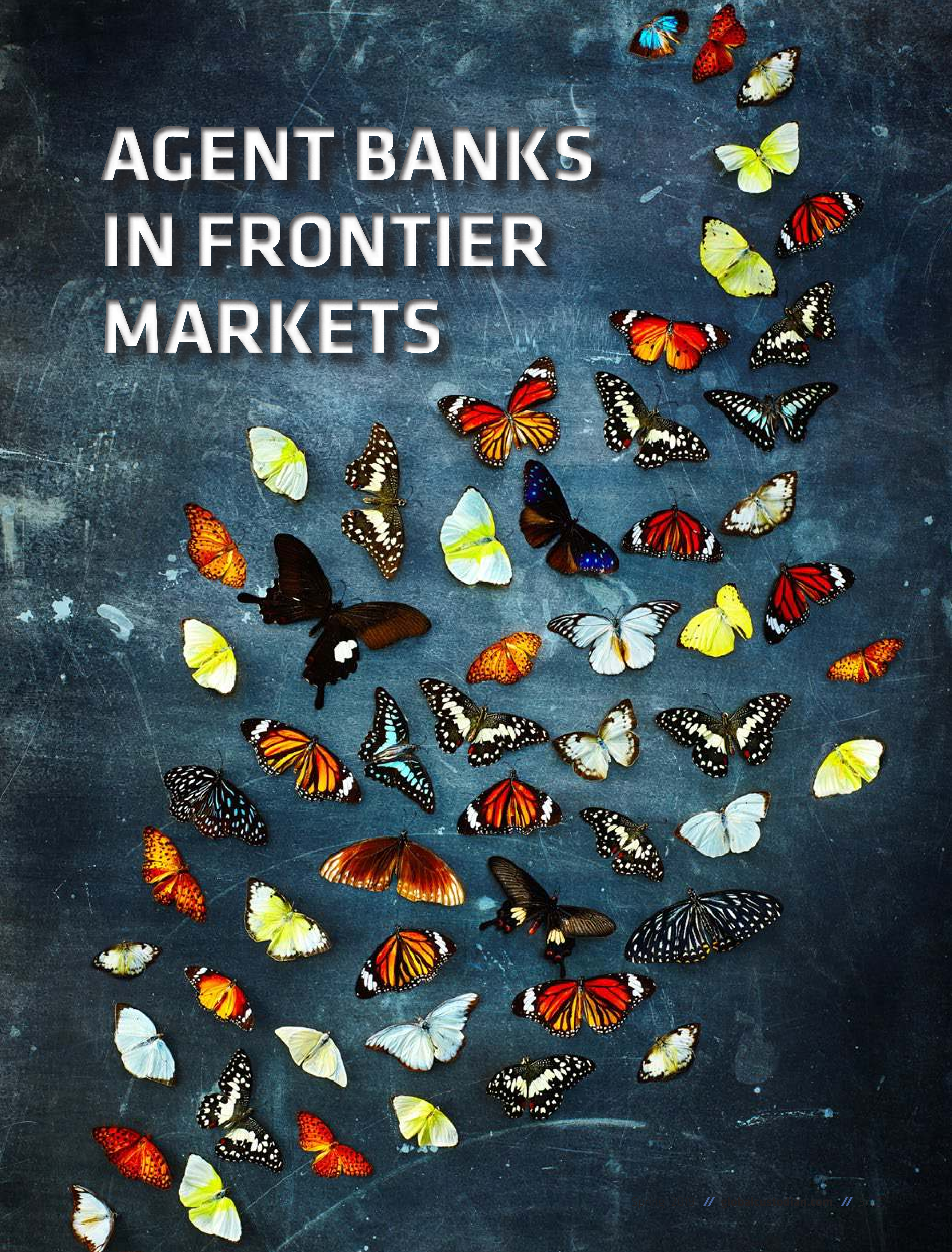
AGENT BANKS IN FRONTIER MARKETS



Blurring boundaries

This year marks the 30th anniversary of the Global Custodian survey of client perceptions of the quality of service provided by local agents. Several smaller markets have achieved enviable results in the process.

The Agent Banks in Frontier Markets (ABFM) survey marks the completion of the three stages of the survey in 2018-19, beginning with the Agent Banks in Major Markets (ABMM) survey (published in the Fall 2018 edition of the magazine), and continuing with the Agent Banks in Emerging Markets (ABEM) survey (published in the Winter 2018-19 edition of the magazine). Countries are allocated to the ABMM, ABEM and ABFM surveys mainly on the basis of their status within the MSCI indices.

The ABFM survey was separated from the ABEM survey in 2015, chiefly because the lower levels of assets in custody and transactional activity made it reasonable to expect respondents to offer less granular assessment of their direct custody and clearing agents.

This year's market list includes three countries that were last year covered in the ABEM survey. These are Argentina, Morocco and the Slovak Republic. In addition, three markets appear for the first time: Albania, Panama and North Macedonia. While all three receive write ups, only Panama attracts sufficient responses for ratings to be calculated.

Table 1 ranks the ABFM markets in this year's survey by the percentage of the overall response pool that they account for. Romania and Bulgaria again feature near the top of the list, while Cyprus and Vietnam have moved up several places from 2018.

The spread of overall scores by market in the ABFM survey suggests that size is not necessarily a determinant of efficiency. Although the expansion of the questionnaire this year may

Table 1: Percentage of overall responses

Market	% of responses	2018 ranking
Cyprus	5.98%	7
Vietnam	5.43%	10
Romania	5.25%	2
Bulgaria	4.71%	1
Argentina	3.99%	n/a
Bahrain	3.99%	18
Kuwait	3.80%	19
Mauritius	3.80%	11
Morocco	3.80%	n/a
Sri Lanka	3.62%	23
Croatia	3.44%	3
Oman	3.44%	22
Nigeria	3.08%	4
Bangladesh	2.72%	15
Botswana	2.72%	16
Estonia	2.72%	24
Kenya	2.72%	9
Latvia	2.72%	26
Iceland	2.54%	29
Lithuania	2.54%	27
Serbia	2.36%	6
Zambia	2.36%	14
Slovak Republic	2.17%	n/a
Slovenia	2.17%	8
Ghana	1.99%	21
Jordan	1.99%	13
Tunisia	1.63%	17
Costa Rica	1.27%	40
Panama	1.27%	n/a
Uruguay	1.27%	43
Ivory Coast	1.09%	28
Kazakhstan	0.91%	33
Malawi	0.91%	37
Ukraine	0.91%	31
Zimbabwe	0.91%	32
Namibia	0.72%	34
Uganda	0.72%	20
Bosnia Herzegovina	0.54%	35
Tanzania	0.54%	30
Albania	0.36%	n/a
Georgia	0.18%	42
Lebanon	0.18%	39
North Macedonia	0.18%	n/a
Swaziland	0.18%	38
Venezuela	0.18%	41

Table 2: Overall scores by market

Market	Average score	Average Score 2018	Difference
Albania	6.52	n/a	n/a
Bosnia & Herzegovina	6.52	5.32	1.20
Bulgaria	6.49	5.48	1.01
Cyprus	6.33	5.70	0.63
Ivory Coast	6.00	4.75	1.25
Lebanon	5.93	4.72	1.21
Kuwait	5.82	5.48	0.34
Ukraine	5.81	4.98	0.83
Bahrain	5.66	5.21	0.45
Panama	5.46	n/a	n/a
Kazakhstan	5.33	4.66	0.67
Vietnam	5.30	5.64	-0.34
Estonia	5.29	5.31	-0.02
Latvia	5.29	5.07	0.22
Lithuania	5.17	5.40	-0.23
Bangladesh	5.16	4.92	0.24
Jordan	5.13	5.37	-0.24
Oman	5.13	5.28	-0.15
Ghana	5.12	4.81	0.31
Romania	5.11	5.54	-0.43
Sri Lanka	5.11	5.39	-0.28
Serbia	5.09	5.73	-0.64
Nigeria	5.08	4.86	0.22
Croatia	5.06	5.30	-0.24
Botswana	4.99	4.96	0.03
Slovak Republic	4.91	5.32	-0.41
Morocco	4.90	5.06	-0.16
Mauritius	4.89	5.16	-0.27
Zambia	4.88	4.66	0.22
Kenya	4.80	5.14	-0.34
Slovenia	4.55	5.33	-0.78
Argentina	4.33	5.07	-0.74
Zimbabwe	4.33	4.80	-0.47
Iceland	4.26	4.85	-0.59
Venezuela	4.08	n/a	n/a

have played a role, five markets have recorded average scores above 6.00, outperforming many of their larger peers from a client perception perspective. One possible explanation is that lower volumes allow for a more personalised service. It will be interesting to see whether, as these markets grow, they retain the positive ratings achieved this year.

METHODOLOGY

In 2018 respondents were asked to rate their providers on the basis of just six categories, covering Settlement, Asset Servicing and Safety, Relationship Management and Client Service, Technology, Ancillary Services and Value Delivered.

In 2019, by contrast, users of agent banks in frontier markets were invited to complete the full 83-question questionnaire common to all three agent bank surveys. This asked 75 questions across Account Management (6), Asset Safety (6), Asset Servicing (10), Cash Management and FX (5) Client Service (4), Innovation (5), Liquidity Management (4), Risk Management (9), Liquidity Management (4), Pricing (9), Regulation and Compliance (7), Innovation (5), Asset Servicing (12), Pricing (10), Technology (7) and Cash Management and FX (11). It also provided space within each service area for respondents to make written comments about their service providers.

The questionnaire did allow respondents to skip any question or service area in its entirety or rate an entire service area by answering a single question. This made it possible to assess a provider in all 12 service areas by answering just 12 questions. In addition, the 2019 questionnaire allowed respondents to divide the providers they wished to rate into two groups: those they wish to assess country-by-country and those they wish to assess as a group. The intention was to give respondents the maximum degree of flexibility in how they completed the questionnaire.

The format as well as the length of the questionnaire was also changed by comparison with 2018. Respondents were asked not to score their agent banks directly on particular aspects of a service area, but to agree or disagree with a series of propositions about a service area. The extent to which a respondent agreed or disagreed with a proposition ranged from Strongly Agree to Strongly Disagree on scale of 20 points. For publication, however, results were converted to the 7-point scale (where 1=unacceptable and 7=excellent) familiar to readers of Global Custodian. This matched the methodology used in the ABMM and ABEM surveys.

The publication of the ABFM surveys also marks the end of the first annual survey cycle in which the magazine has worked with AON McLagan investment Services (McLagan) to create, distribute, collate and analyse all the surveys published in the magazine. Global Custodian has now worked with McLagan on all of the surveys it publishes. This has enabled the surveys to proceed on the basis of a fully refreshed survey platform, and to ensure that all of the data collected in the surveys remains fully compliant with the data privacy provisions of the General Data Protection Regulation (GDPR) of the European Union (EU), which came into force in May 2018.

The ABFM survey was conducted between November 2018 and February 2019. Its goal is to assess the quality of services as judged by cross-border responses only (in which a respondent in one country is assessing an agent bank in another country) rather than including domestic responses (in which a respondent in one country is assessing a respondent in the same country) or affiliated responses (in which the respondent is linked to the agent bank being assessed by ownership, joint venture or other form of partnership or alliance). Of the 592 responses received, 65 failed the validation process and 37 were excluded as domestic, leaving 493 responses for the final survey calculations.

We remain mindful of the time and effort required to complete a lengthy questionnaire and take this opportunity to thank the clients of the agent banks that took the time and trouble to do so.

EUROPE

ALBANIA

This marks the debut in this survey for a country which disappeared into the brutal Stalinist cul-de-sac masterminded by Enver Hoxha. Though the communist regime collapsed in 1990, along with those elsewhere in east-central Europe, the country lapsed into economic and political turmoil in which a series of pyramid schemes did nothing to enhance the reputation of market capitalism. Unsurprisingly, it failed to develop a capital market. The Tirana Stock Exchange, established as a department of the Bank of Albania in 1996, remained completely moribund despite obtaining licences to operate as a regulated securities market in both 2003 and 2005. However, a new Albanian Securities Exchange (ALSE) started trading government bonds in February 2018.

Raiffeisen Bank International

Raiffeisen, which purchased the former state-owned Albanian Savings Bank in 2004, has a substantial presence in the country, serving both corporate and retail customers through a 78-branch network and managing local investment and pension funds too. The bank has not attracted enough responses to be rated, but the scores are outstanding in all service areas and, in particular, Relationship Management, Client Service and Innovation.

BOSNIA HERZEGOVINA

The Sarajevo Stock Exchange hit bottom in early 2018 and has climbed unsteadily since. The Banja Luka Stock Exchange in the north is up handsomely this year too. However, the 10-year old Vienna Stock Exchange BATX index – which encapsulates the most liquid stocks listed in both Sarajevo and Banja Luka – tells a less encouraging story: unsteady decline over 10 years and steady decline over the last four. This is not surprising for divided markets based in a less-than-united and poorly governed country hosting an economy struggling to introduce market reforms and with a shockingly high rate of unemployment alleviated chiefly by a large informal sector.

Raiffeisen Bank International

None of this has prevented Raiffeisen, which has retail and corporate banking operations here, collecting a set of scores that are as close to perfection as the dignity of the respondents permits. However, the clients have not rallied in sufficient numbers to warrant the translation of these excellent scores into a formal rating.

UniCredit

The banking sector is one of the few in Bosnia Herzegovina to have attracted foreign investors, and UniCredit retains a custody presence here that is bolstered by a 76-branch retail banking network. It was into the custody and clearing business early, settling the first trades for cross-border investors on the Sarajevo Stock Exchange when it opened for trading in 2002. Its custody licences and settlement connections span both halves of the state, but UniCredit has attracted insufficient responses to make any sort of assessment of how its securities services have evolved.

BULGARIA

Although the Bulgarian economy has grown steadily since the local banking crisis of 2014, MSCI removed Bulgarian stocks from the Frontier Markets index in 2016. The stand-alone MSCI Bulgaria Index suggests that investors have made money here in only two out of the past four years.

Citi

Sofia was not part of the Citi direct clearing and custody network until 2013-14, when the American bank acquired the sub-custody assets of ING Bank, which included Bulgaria. Citi is not inundated with responses from clients actively trading and investing in Bulgarian securities.

Raiffeisen Bank International

The Austrian bank has been building a presence in Bulgaria since the mid-1990s and never by acquisition (though, with the parent bank having recovered its financial strength, that may be about to change). It has a sizeable retail network of more than 130 branches but is also active in the trading as well as safekeeping of Bulgarian securities. Raiffeisen has not attracted enough responses for its custody services to be assessed properly here, but the responses it has received suggest excellence in Relationship Management, in particular.

Eurobank

No provider received more responses here than Eurobank, and the collective verdict of the respondents is that their provider is delivering a perfect service. (See page 78 for individual scores). The Greek bank certainly cannot be accused of less-than-total commitment to its south eastern European neighbour. Eurobank bought most of Postbank here more than 20 years ago, and later merged it with another Bulgarian acquisition, DZI Bank. The restructuring of the Greek banking industry added the Bulgarian operations of Alpha Bank, and in November last year Eurobank further bolstered its presence with the acquisition of the Piraeus Bank subsidiary in Bulgaria as well.

UniCredit

UniCredit Bulbank records a performance consistent with that of a year ago. This is impressive, given how much the questionnaire has changed and expanded. The bank fares less well against the (much distorted) local and global benchmarks, but the average scores conceal how well the bank is doing in a series of service areas that matter a great deal to foreign investors: efficient on-boarding and account opening, timely settlement, secure safekeeping of cash and securities, reliable asset servicing, savings on credit and astute management of infrastructural and risk issues. Amid considerable volatility in the scoring even within particular services, the area most obviously in need of improvement is a predictable one: pricing.

CROATIA

Stocks on the Zagreb exchange, which now runs on the Xetra trading platform, have traded in a fairly narrow band over the last two years but the performance of the MSCI Croatia index suggests investors have made money here over the years. The exchange is also supported by a functioning central securities depository, the Central Depository and Clearing Company (SKDD), which provides further assurance to investors.

UniCredit

UniCredit has long claimed to be the market leader here – Zagrebačka banka has been part of the group since 2002, more than a decade before Croatia joined the European Union (EU), and it has certainly attracted more responses than any other provider in Zagreb. The average scores, however, are indifferent.

The most conspicuous weakness -pricing – is a familiar one. UniCredit clients share the survey-wide lack of confidence in the value they receive for cash and foreign exchange. Clients are also disappointed by the quality and pro-activity of the staff, and by the depth and intensity of the relationship. However, they do trust the bank to keep their cash and securities safe, and to husband their liquidity carefully.

PBZ (Intesa Sanpaolo)

The Italian bank has controlled Privredna banka Zagreb (PBZ) since its privatisation in 2002, though it did not acquire complete control until as recently as 2015. It has attracted the second largest number of responses in this crowded market, and the overall average score is much the same as it was in 2018. Respondents have some highly specific reservations in asset safety, asset servicing and relationship management which depress an otherwise excellent performance in all three fields. There are no complaints about the client service, and respondents feel the prices are justified, fair and well-managed.

OTP Bank

Banks in Croatia are mostly owned by foreign parents. The publicly listed OTP, which purchased the former Splitska banka from Société Générale in 2017, is the exception, though it has a number of foreign minority shareholders. Though the merged banks do not advertise a custodial capability as widely as Splitska did when it was owned by a French bank, it did still attract some responses to this survey. Unfortunately, there are not enough of them to make sound judgments about their quality. In fact, the observation of one of them ("Our link with this provider did not last long enough to give a relevant evaluation") explains only the volatility of the scoring between the responses that were received. It does not yield any reliable information about the quality of the services.

Raiffeisen Bank International

The Austrian bank is a newcomer to the survey here, though it opened for business in Croatia 25 years ago. It did not attract enough responses to assess its services this year but the commitment of Raiffeisen to the region is now allied to a respectable stock exchange in an EU member-state.

Erste Group Bank

Erste Bank has had a substantial presence here since it acquired Rijecka banka in 2002 and merged it a year later into its longstanding local savings bank subsidiary, Erste & Steiermärkische banka (ESB). The net result is a sizeable retail branch network and a head office in Zagreb which can provide a custody service for investors active in Croatian securities. Though Erste received too few responses to be assessed properly, the evidence indicates that the bank is doing a more than satisfactory job across all service areas, with the exception of cash management and foreign exchange, where the scores indicate an appetite for greater flexibility and more transparency. By contrast, relationship management and client service are standouts alongside account management and asset safety.

CYPRUS

Stock prices on the Cyprus Stock Exchange have flat-lined for the last five years. The entire banking industry in Cyprus has operated for years under the weight of slow-burning efforts to drain balance sheets of non-performing loans. Cyprus exited its Troika-imposed "economic adjustment programme" as long as three years ago, but the Co-operative Bank crisis almost pre-empted re-entry a year ago and was averted only by imposing further heavy costs on taxpayers already staggering under the burden of massive public debts used to fund State intervention in the banking system. Cypriot government debt has only just regained investment grade status. This makes it hard for the economy to grow and the stock market to perform, but growth is reviving, especially in the important construction and tourism sectors.

Eurobank
Eurobank – which opened operations here in October 2007, a few weeks after the financial crisis had begun in earnest and shortly before Cyprus joined the euro in 2008 – has managed to attract more responses than any other provider on the island. As the tables at the back of the survey attest, Eurobank's scores here speak of flawless services on every front.

Piraeus Bank Securities Services
Piraeus devoured all or part of seven banks between 2013 and 2015 but it has since stabilised its balance sheet and renewed its senior management. It has attracted almost as many responses here as its largest competitor, and at least one client is convinced that the bank now has the financial strength and the leadership to become an excellent provider of securities services in Cyprus. "We do count on Piraeus Bank Securities Services for our clients' assets' safety and feel comfortable enough with this longstanding co-operation to take our core services to the next level," he writes. However, client service and relationship management are two of only three areas in which the average scores are less than excellent, with clients calling for better trained staff, more communication and dialogue, tighter adherence to service goals, and greater willingness to work more closely with clients. Nevertheless, scores in these categories remain well within Good range (5.00-5.99).

National Bank of Greece
NBG has a retail presence on the island and also looks to serve companies both large and small. Its custody service did not attract enough responses to be assessed in a meaningful way. But what data was received suggests that the bank is trusted to keep assets safely, settle transactions expeditiously, offer good value in cash deposits and foreign currency bargains and keep clients on the right side of the regulators.

Citi
Albeit based on a small number of responses, the average client appears unenthusiastic in most service areas. However, closer analysis finds pockets of excellence in settlement, liquidity management, technology, client service and pricing and even in areas where Citi has not historically shone, such as account opening and asset servicing. Risk management scores highest.

Bank of Cyprus
The Cypriot bank, which sold its operations in mainland Greece to Piraeus back in 2013, services mainly private banking and wealth management clients which it recruits in part through representative offices in Moscow, St Petersburg and Kiev. It has not attracted enough responses to pronounce with confidence on the quality of the custody services the clients experience, but the bank is clearly working hard to demonstrate its soundness and service quality. The dual-listed bank also offers a global custody service that supports the outbound business of its clients.

BNP Paribas Securities Services
The French bank has serviced Cyprus remotely from Athens since the Athens and Cyprus stock exchanges moved on to a common trading platform. After an impressive performance here last year on every front by value, it failed to attract sufficient responses this year.

ESTONIA

SEB
This performance is a triumph of consistency in a market whose exchange has performed pretty well in recent years. Despite substantial changes to the length and variety of the questions asked this year, the overall average score collected by SEB in Tallinn matches last year exactly. The enlarged questionnaire has the advantage of teasing out some nuances in the one area of concern in 2018: value. Closer analysis of the scoring indicates that clients consider the pricing of the services both competitive and fair, and they do not doubt that the bank is willing to fix costs and striving to achieve economies in its own operations. They would just like SEB to share with them more of the benefits of price reductions made by Nasdaq CSD. In fact, in most areas where the averages dip, it reflects not a general level of dissatisfaction but the fact that respondents raise specific service issues. "Good response times and overall servicer," writes a client.

Swedbank
Swedbank may be the largest bank in Estonia and it also claims to be the largest custodian in the three Baltic states in terms of assets in custody, but it has not attracted enough responses to be rated as a custodian here. Looking at the detail of the scores received, the bank appears to be getting the basics – account management, asset safety, and technology – right.

Swedbank's scores are weakest in the areas of cash management and FX and pricing. In the area of relationship management, customers are asking for tighter integration and richer and especially faster communications in both day-to-day interactions and larger scale issues. "Relationship management is good," as one client puts it. "Sometimes it takes a bit long to get answers or acknowledgement of receipt."

ICELAND

Although Iceland enjoyed the ability to restructure its public debt and its banking industry behind a protective perimeter of capital controls, enabling the economy to grow at an annual rate of 3-4% since 2011 – access to its capital markets is still restricted.

Continuing currency restrictions mean foreign investment in Icelandic government bonds is minimal and purchases of equities listed on the Nasdaq Iceland exchange actually decreased in 2018 – even though they are exempt from the special reserve requirements imposed on foreign currency inflows.

Íslandsbanki

The market leader here has attracted more responses than its local rivals, but in only one question in four do the average scores rise above the ordinary. This is not surprising, since there is not that much business to service. In fact, the sheer complexity of the residual controls is a deterrent to investors, diverting the attention of relationship managers (RMs) into explaining what their clients cannot do rather than what they can. "RM very patient and reactive to explain the specificities of the market on the cash side," as one network manager puts it. "Very helpful!"

Arion Bank

Arion did not attract many responses, and the scoring by those that did respond shows a wide spread from weak to very good. A client grumbles that the bank is "systematically late in responding to yearly due diligence questionnaire." Another notes that, "Generally speaking, the capital control restrictions in place since 2008, and recent changes since 2016 in particular, has slowed down the market activity with our customers very seriously...Until the regulation of offshore assets is either completely lifted, it is expected that the situation cannot evolve from an international investor perspective."

Landsbankinn

Landsbankinn has provided sub-custody services in Reykjavik for more than 20 years but, judging by the lack of responses this year, the pickings are thinner than ever.

LATVIA

Even if the OMX Riga index has under-performed the OMX Baltic Benchmark of the Nasdaq regional market in the last few years – that has been powered mainly by the performance of Tallinn – it still had a great run to the beginning of 2018. It has trended down-to-sideways since then, but the country has unequivocally recovered from the spectacular bust which followed the boom years between accession to the European Union (EU) in 2004 and the financial crisis of 2008. Since 2017 investors here have had the additional benefit of settling in a single Baltic central securities depository (CSD). Nasdaq merged the Estonian, Latvian and Lithuanian CSDs into Nasdaq CSD, creating the first cross-border depository to be regulated under the Central Securities Depositories Regulation (CSDR) of the EU as well as settling trades via the TARGET2-Securities (T2S) platform run by the European Central Bank (ECB). As it happens, the Nasdaq CSD is based in Latvia.

SEB

The Stockholm-headquartered bank has a substantial retail and corporate banking presence here dating back to its effective takeover of Latvijas Unibanka in the wake of the Russian financial crisis of 1998. It gets a handful of responses from inbound clients, who between them record a much-improved performance by SEB in Latvia. It would have been better still were it not for a continuing perception that the bank is the luxury option. The detailed scores (see page 78) point to ways of delivering value to clients that do not depend on fee reduction alone, ranging from greater sensitivity to the cash, collateral, credit and capital needs of clients to faster and simpler opening and closing of accounts.

Swedbank

Swedbank, inheritor of the former Hansabank Latvia franchise here, attracted too few responses from foreign clients for a rating. This is disappointing, since local regulations, membership of the euro and the Nasdaq infrastructure make it easy for them to invest.

LITHUANIA

OMX Vilnius has tracked the OMX Baltic Benchmark index closely since 2016. The economy is growing healthily by European Union (EU) standards – GDP growth averaged 3.5% a year between 2011 and 2017. The Nasdaq Baltic market and the associated infrastructure add assurance as well as liquidity. Portfolio investment flows retain the volatile pattern of any emerging market, but they were positive in 2016 and 2017 (the more important 2018 data is not yet available).

SEB

SEB achieves a lower overall score here than it managed in 2018. The service area scores are also below its returns in the other two Baltic states, but this is a quirk of the limited number of responses, because most SEB clients are buying the Baltic markets as a package. The vast majority of category scores remain in the Good range (5.00-5.99). What is familiar from Tallinn and Riga is that SEB is regarded as a relatively expensive provider. That matters in smaller markets, because transaction costs eat returns, which have been more than respectable in Lithuania in recent years.

Swedbank

Swedbank has inherited the Lietuvos Taupomasis Bankas franchise in Vilnius, which Hansabank acquired here in 2001. Its focus in the local market is primarily retail. Though it has foreign as well as Lithuanian business clients – and the Swedbank Lithuania balance sheet sports a not insignificant volume and value of assets in custody – the small number of responses suggests that the bank is not servicing a large volume of inbound portfolio flows on behalf of global network managers. What scores were received indicate room for improvement in cash and foreign exchange, and a demand for a denser and more mutually rewarding relationship. As its competitor has also found in the Baltic markets, clients would also like keener pricing.

NORTH MACEDONIA

Those bold enough to invest here have enjoyed rewards. The index of the top 10 listed shares (MBI 10) has climbed continuously for five years and reached an all-time high in February this year. The Macedonian Stock Exchange (MSE), whose foundation dates back as far as 1995, is courting more inbound investment by ostentatiously advertising its compliance with European Union (EU) laws and regulations. The country hopes to join the EU in 2025. In fact, the government of Macedonia is so keen to do so that it has, following vociferous Greek objections, changed the name of the country. There is a privately-owned central securities depository (CSD) too, established in 2001 by a group of brokers and banks to dematerialise stock certificates, settle MSE transactions DvP, keep a record of who-owns-what and provide securities borrowing and financing services.

Raiffeisen Bank International
Though the Austrian bank has received a few responses here, Raiffeisen does not actually offer a custody service in Skopje directly. Instead, investors access the market indirectly through a local bank. Scores are mostly in the Good range (5.00-5.99).

ROMANIA

Romania has a large domestic market packed with cheap labour (most famously, software engineers) that is attractive to near-shoring multinationals. In fact, it was consumption that turned Romania into the fastest growing economy in central and eastern Europe from 2013, until it began to over-heat in 2016-17, with both government borrowing and the trade balance turning negative. This has dampened growth since, making harder for the Bucharest Stock Exchange (BVB) to out-perform, and to gain emerging market status. Though MSCI has applauded the efforts of the BVB to improve liquidity by cutting trading fees and introducing market makers, hopes that the country would be elevated to the MSCI Emerging Markets Index last year were disappointed. FTSE Russell has also kept Romania on its watch list. A BVB collapse in late 2018, sparked by a characteristically unexpected volte-face by the Romanian government on the taxation of banks and consumer access to pension savings, has yet to be fully corrected.

UniCredit
UniCredit Bucharest is still opening and closing accounts efficiently, keeping cash and securities safe, collecting entitlements on time, settling trades promptly and engaging fully with clients. It is the volatility in the scoring of non-core services that has dented performance this year (See page 80 for category scores). Unicredit also gets a significantly higher number of responses in this market than any other provider.

Raiffeisen Bank International
The Austrian bank services clients in Bucharest via a direct link to the local central securities depository (CSD), the Depozitarul Central, which migrated successfully to the TARGET2-Securities (T2S) settlement platform operated by the European Central bank (ECB) in the first wave of June 2015. Judging by the scores, which are well up on a year ago, the direct link to the CSD works for clients. In fact, the scoring of the questions about settlement and safekeeping is extremely high.

Société Générale Securities Services
The French bank top scored here last year. It has done less well this year. Although it attracted only a few responses, the details point to difficulties for clients in on-boarding, settlement, asset safety and servicing, compliance, technology and relationship management.

Not every respondent agrees, however. "Société Générale Romania (BRD) is a great provider, demonstrating high professionalism and willingness to adapt and to help," writes one. The bank is also well-entrenched in Romania, having bought a majority stake in Banca Română pentru Dezvoltare (BRD) 20 years ago.

Citi
Citi strengthened its franchise here with the acquisition of the ING custody business in Bucharest in 2013. The clients are barely visible in the survey this year, and the average scores, such as they are, are down on 2018, but the long-term outlook for banks servicing foreign investors in this market is bright.

SERBIA

The Belgrade Stock Exchange (BELEX) was re-founded in the 1990s and continued to trade throughout the civil wars, but really only developed as an equity market from 2010. To improve liquidity, the exchange embarked on a campaign to encourage Serbian companies to IPO, deploring the fact that it had not hosted one since 1940. In October last year Fintel Energija duly became the first company to float in Belgrade since the Second World War.

Though the stock market has not started 2019 well, the last three years have seen it climb upwards in line with rising economic growth. The interest from abroad is likely to be sustained, for Serbia is now treading the familiar path to accession to the European Union (EU). The economy of Serbia is already closely tied to the EU in terms of both exports and inward capital flows, but the government is now also reducing public debt, deregulating the labour market and stabilising the financial system. As part of that programme, the balance sheets of the banks are being cleaned up – EU banks own a majority of the banking assets in Serbia already – and investment from abroad, both direct and indirect, is being encouraged.

UniCredit
UniCredit, which has a retail bank here, entered the Serbian market the year the Yugoslav wars finally ended in 2001. Eight-

een years on, the bank still attracts more responses than any other provider in Belgrade. Though its scores are down on a year ago, its persistence is paying off: portfolio investment in Serbia turned positive in 2015. Category scores for the bank (see page 80) are divided roughly equally between Satisfactory (4.00-4.99) and Good (5.00-5.99)

Raiffeisen Bank International
Raiffeisen operates through a local subsidiary here rather than via a link to the local central securities depository (CSD). Although its response pool in this market is small, the average scores in all service areas are close to perfection, particularly in the area of relationship management. This, it seems, is not simply a local triumph. "All account management done out of Vienna," explains a client. What is not managed from Vienna is the steady expansion of the Raiffeisen network throughout Serbia. This gives the bank a solid foundation to support portfolio investors.

Société Générale Securities Services
Société Générale Securities Services (SGSS) Belgrade has provided a service here since 2008 and built a modest market share. Though the bank agreed late last year to sell its Serbian bank to the acquisitive OTP Group, it nevertheless received a number of responses. They were too few in number to make definitive judgments.

Vojvođanska banka
Vojvođanska banka, the indigenous provider that collected a near-perfect set of scores here last year, has disappeared from the survey in 2019. Acquired initially by National Bank of Greece in 2006, the bank is now part of the OTP Group that is active in nine countries in Central and Eastern Europe (CEE). The merger process with OTP banka Srbija will be a distraction.

SLOVAK REPUBLIC

Although net portfolio investment has recovered since 2014 and the value of the main stock market index has risen steadily since then, the Bratislava Stock Exchange (BSSE) has had a difficult two years. The culmination was the loss at the beginning of last year of Slovak government bond trading to the MTS platform owned by the London Stock Exchange. The BSSE needs to attract more IPOs, and encourage more trading of equities, to bolster its own finances, let alone the attractiveness of the Slovakian capital market. Significantly, it put its non-trading fees up in January this year. In the post-trade space, the State-controlled National Central Securities Depository (NCDCP) prides itself on getting things done. It migrated successfully to the TARGET2-Securities (T2S) settlement platform operated by the European Central bank (ECB) less than 18 months after signing the agreement to do so. It was also one of the first CSDs to re-license under the Central Securities Depository Regulation (CSDR) of the EU, completing the process in just five months.

UniCredit
As in many markets in central and eastern Europe, no provider receives more responses in the Slovak Republic than UniCredit. The average category scores do not stand out, though the details prove that clients have no issues with the core services of settlement, asset servicing and safekeeping. The bank is seen as relatively expensive, however. "We are supposing change of the provider (for pricing reasons mainly)," confirms a client.

Československà. obchodni. banka, a.s. (CSOB)
Were it not for a paucity of responses, and lower scores in a handful of specific areas, this would be an outstanding set of scores. Clients are demonstrably satisfied with the core services of settlement and safekeeping, and do not regard CSOB as expensive, and closer study shows that the weaknesses in on-boarding and account opening and closing are more apparent than real. "Account management runs smoothly," argues a client. Though the scoring of client service is discouraging, there is nothing wrong with the level of engagement with clients. "From a network management perspective, we would like to confirm the CSOB team is always ready to look into local market or process issues we are facing and, moreover, provide solutions to each of these," writes a client. "Always there to assist us no matter what the issue is."

Citi
Citi has provided direct custody and clearing services in Bratislava since 2005, a year after the country joined the European Union (EU). It collects a number of responses here, but not enough to warrant a rating.

Raiffeisen Bank International
The Austrian bank operates in Bratislava via a direct link to the NCNDP. Responses for a rating are, however, not available this year.

SLOVENIA

The Ljubljana Stock Exchange, which is now wholly owned by the Zagreb Stock Exchange, is not large. A list of all the securities traded on the exchange has just 79 stocks on it. But their collective value has risen – albeit unsteadily – since the country emerged from recession in 2013.

UniCredit
UniCredit, judging by the number of responses it has received,

has serviced more of the inbound investors than any other bank offering a service here. Those that have responded to the survey are not noticeably enthusiastic about the quality of the services they receive, though scores in the market as a whole are relatively low and UniCredit does perform better than average. Clients are not concerned that the bank will lose their cash or securities, or fail to settle their trades, or collect their dividends. They like the staff they deal with, and their relationship managers, but are looking for better account management, more information about the whereabouts of their assets, the events that affect them, and the risks they face. They would like lower prices and better technology too.

Société Générale Securities Services

Société Générale purchased SKB Banka in Slovenia in 2001 and merged it with its own operation in Ljubljana. Slovenia is an attractive market for a universal bank to be in, since the standard of living is high, and the economy is growing. Société Générale added a direct custody and clearing service here in 2012, as the exchange began to pick up. Though it is servicing international as well as local clients, not enough of them have responded to the survey to pronounce authoritatively on the quality of the services.

UKRAINE

The rumbling conflict with Russia did not prevent the value of the PFTS Stock Exchange – the leading Ukrainian Exchange since the crisis of 1998 – climbing by four fifths in 2018. In fact, it has risen steadily since a new government took office in 2016 and put an end to the prolonged uncertainty that followed the Maidan uprising of 2014. The Ukrainian Exchange, which jettisoned Moscow Exchange as a 43% shareholder in March 2016 – has also climbed remorselessly since. It will help that the National Bank of Ukraine has announced a further liberalisation of the currency regime, which previously banned repatriation even of dividend income. The long-term prosperity of inbound investors here lies in the ability of the government to complete its reforms, and especially to liberalise the exchange rate, restructure the financial system and clean up business practices. The country is still not attracting much real direct foreign investment, let alone portfolio investment. The unsustainable boom of 2004-08, which at one stage saw foreign investors active in this market offered a choice of no less than four foreign sub-custodian banks, still feels like a country far away in space as well as time.

Raiffeisen Bank International

The Vienna-headquartered direct custody and clearing network services clients active in this market via its local subsidiary, Raiffeisen Bank Aval. The staff clearly do a good job for the few clients which have responded, since the average scores in all service areas fall somewhere between excellent and perfect.

Citi

The American bank top scored here last year. Twelve months on, the outcome, based on a small sample, is little changed in general or in particular – though the 2018 weakness in asset servicing has disappeared. Clients still see Citi as relatively expensive.

Americas

ARGENTINA

The Argentine Stock Market (MERVAL) has enjoyed a run strong enough to be unusual among emerging markets since exchange controls were lifted in 2015, but the absence of the country from the emerging market indices until the middle of this year has denied custodians the high levels of foreign interest that drive investment in improved services. The country dropped out of the MSCI emerging markets index ten years ago, after the previous government-imposed exchange controls. MSCI will not restore Argentina to its previous status until mid-2019, which has inhibited foreign interest.

Citi

Nobody thinks the giant American bank is at risk of losing their assets here but, of the areas where Citi would expect to shine, only technology is less than ordinary. A major client says that Citi Buenos Aires “very slowly answers, openings always take more time than expected. They need to improve the service. We need always to chase for answers.” The detail yields a more nuanced picture, in which settlement does fall short of the high standards the bank sets itself around the world, but client service and the management of cash and collateral fall short on particular issues rather than in general.

HSBC

HSBC has a long and colourful history in Argentina dating back more than century, which the commitment of the parent bank to the emerging markets has only reinforced. The bank maintains a visible presence here in consumer as well as corporate banking. Unfortunately, it attracted an insufficient number of responses to assess the quality of the custody services HSBC provides, but those clients which have offered a verdict are not impressed by anything except the people they deal, their ability to settle trades, and keep assets safe and service them – and their ability to keep their clients on the right side of the local regulatory regime.

Santander

Two years ago, Santander acquired the Citi retail portfolio here. The reliable average scores offered by a small number of foreign clients are correspondingly ordinary in all areas save the human side – those for client service and relationship management clear the local averages – and will be hard to shift until the MSCI reclassification takes effect.

Caja de Valores

The Argentine central securities depository (CSD), which holds debt as well as equity securities, is at the heart of official efforts to revitalise the local capital markets. The CSD, which has SWIFT-compliant links to other CSDs in Europe and North America, has attracted a response from a foreign provider with clients interested in Argentine debt. The average scores indicate room for improvement.

COSTA RICA

The deterioration of the fiscal position of the government, which led to successive downgrades by rating agencies in 2014, 2016 and 2017, initially attracted foreign capital eager to collect bond yields that rose to some of the highest in the region. Now, with the long-term debt rating having turned negative, investors are concerned that the government debt is so large it will undermine private sector activity and destabilise the economy. After the end of the bull run, the market fell precipitously as high and rapidly growing levels of government borrowing sank the sovereign credit rating below investment grade. This reflected the near-complete domination of the market by government bonds rather than equities, and the attraction of relatively high yields to speculative money flows. Fixing the budget deficit requires wrenching reforms of public spending – particularly on the remuneration of civil servants – and tax administration in a country where bureaucracy is suffocating and tax evasion widespread. The necessary reforms have yet to make much political progress. A private sector largely dependent on exporting tourism, pineapples and bananas has also suffered from sustained mismanagement of the exchange rate – the colon had a crawling peg to the US dollar which gave way to a banded float – leading to an over-valuation of the currency that made sales difficult for exporters.

Banco BCT

The privately owned BCT is the bank most international network managers favour here. It is not assessed by many clients this year or on many of the services it provides but, in those areas where the product is measured, only relationship management falls badly short. The lack of responses is scarcely surprising, given the recent history of the market.

Banco Nacional de Costa Rica

The state-owned bank did not attract enough responses to be rated. This reflects the end of the bull run that the Costa Rican market enjoyed in the five years to 2017.

PANAMA

Nine years ago, the Panamanian economy was in the early stages of an economic boom that has turned it into one of the fastest growing economies in the world over the last decade, driven by its trade and shipping sectors, mining industry and massive infrastructural investment, with the associated construction boom. Growth was more subdued last year. This helps explain why the performance of the Panama General Stock Exchange Index (BVPSI), although it also reflects listings for companies throughout the region, looks better from a ten-year perspective than on a 12-month view.

Citi

Citi extended its direct custody and clearing market to Panama City in 2011, with additional capacity supplied from its regional service centre in Tampa. It looks after a number of major banks here and turns in a robust performance. A collection of excellent scores (see page 80) is deflated by a lack of client conviction in areas where Citi would ordinarily expect to shine, such as settlement and technology. Respondents would also like lower prices.

VENEZUELA

The Bolsa de Caracas is of interest chiefly as a reminder of the perils of investing in frontier markets. Last year, it lost the whole of its value. On the charts, the IBC Index simply drops vertically at the end of last year. It is a performance which makes the stock market an unusually accurate proxy for the state of the Venezuelan economy, which shrank by 17% in 2017 and presumably even more last year. After all, this is a sanctioned country suffering hyper-inflation, which is on the cusp of total economic, financial and political collapse.

Banco Venezolano de Crédito

As recently as the 2017 survey, Banco Venezolano de Crédito was competing with Citi to be the best sub-custodian in Caracas. Now the bank cannot even be found on the Internet. Yet it has attracted a response, which records that the client service and relationship management are very good, the asset safety satisfactory only, and that there is ample room for improvement in the management of cash, currency, credit and collateral.

Middle East

BAHRAIN

A year ago, the Bahrain stock market – which is inevitably dominated by the financial, investment and insurance stocks which characterise any finance hub, and its status as a regulated fund domicile for the region – was the best performing of any exchange in a Gulf Co-operation Council (GCC) member-state. It had a more volatile 2018 and, although it has now recovered unequivocally from the lows of 2016, cumulative net returns over a decade and half still trail the MSCI Frontier Markets index of which it is a part. There is not much a sub-custodian bank can do about stock market fundamentals, but it can certainly make it easier for foreign investors to approach a market – indeed, the MSCI classifications incorporate post-trade requirements – and on that front Bahrain is a promising case study. The central bank and the exchange have tried to boost liquidity by dematerialising stocks and encouraging market makers and sought to improve settlement and custody through the establishment of Bahrain Clear in mid-2017.

Standard Chartered Bank

This is a strong performance by Standard Chartered in one of the smaller Middle Eastern markets it supports, with scores in half of service areas at or above 6.0 (See page 78). The bank will be more concerned about an indifferent score for relationship than liquidity management, since cutting liquidity costs for clients is a challenging ask in a market such as this.

HSBC

The largest international bank in the Middle East has not attracted the most responses here. Nor has it secured the highest average scores. In fact, HSBC trails its local international rival in two out of three service areas. The difference is particularly marked in the area of pricing, where HSBC is seen as less flexible and disinclined to share margin gains from infrastructural price cuts and internalisation. That said, the bank excels in the areas that matter most: settlement, asset servicing and technology. The last of these brings the bank its highest category score: 6.33.

JORDAN

Given the small size of its economy and its proximity to the Syrian and Iraqi crises, which have led to an influx of refugees and an efflux of tourists, it is surprising that Jordan has received any inflows of capital at all apart from foreign aid and remittances. Yet the Amman Stock Exchange (ASE) actually attracts a lot of interest from abroad. It is not large – it lists just 97 securities – and has trended gently downwards for most of the last two years, but non-Jordanian investors, mostly from elsewhere in the Arab world, own more than half of the companies traded on the ASE.

Standard Chartered Bank

Standard Chartered has attracted many more responses than its local competitor for inbound business. With its network across the region, it is in a good position to service this business. A small band of clients are less unhappy than the overall averages on page 79 suggest. In reality, client concerns are focused on a narrow range of issues: asset safety, the competitiveness of cash management and foreign exchange services, and the cost of liquidity. "They act very pro-actively," notes one client. Standard Chartered is also well-entrenched here. The bank dates its history in Jordan back to 1925, and it now operates half a dozen retail branches in Jordan and offers corporate banking services to local companies as well as multinationals.

Bank of Jordan

Bank of Jordan, the second largest of five local banks, is the indigenous contender for sub-custody business. It did not receive as many responses as it did in 2018, but the scoring received is extremely flattering. In only two areas is it anything but excellent. One of them is relationship management, and even there a respondent argues that the job is in fact "well done." The bank has a network that reaches into neighbouring Palestine, where Jordanian dinars are one of the currencies which circulates.

KUWAIT

A programme of stock market liberalisation that the Capital Markets Authority has pursued since 2010 is approaching fruition. The short-term aim of getting into the emerging market indexes is close to realisation. FTSE Russell has already raised Kuwait to emerging market status, leading to a surge in passive inflows, and the more influential MSCI is considering a similar elevation from its Frontier Markets Index. The long-term aim of attracting foreign capital to drive local economic development, driven by readier access to listed company information, a clampdown on price manipulation and better post-trade processing, was hampered by a dismal performance in 2018. But last year the Kuwaiti government even permitted foreign ownership of local banks, arguing it would improve market liquidity as well improve the capital strength and corporate governance of Kuwaiti banks. The exchange is now planning a venture capital market as a feeder for main market listings.

HSBC
Kuwait hosts one of the oldest stock markets in the Middle East, and HSBC can trace its lineage here back to at least 1959, three years before the exchange first opened for business. As befits a steady presence over such a long period, the overall average outcome for the bank is unchanged on a year ago. Value, the principal weakness in 2018, remains an issue. Though one client has a complaint ("Disclosure requirements of KYC/AML must be simplified"), it is neither an unusual one nor borne out by the scoring.

Standard Chartered Bank
There is at last a credible challenger to the incumbent here, and one with equivalent geographical reach. Though SCB does not collect as many responses as its regional rival in Kuwait, the scores are outstanding in every field bar one, liquidity management.

Citi
The American bank opened for business here in 2011 to support clients enticed by the liberalisation of the Kuwait Stock Exchange (it was re-branded as Boursa Kuwait in 2016 as part of the privatisation process, finally accomplished this year). Although investment opportunities here are burgeoning, Citi has not attracted enough responses to be assessed. Predictable strengths in asset safety, settlement and liquidity management are still visible.]

First Abu Dhabi Bank
The product of the 2016 merger between two banks in the United Arab Emirates, First Gulf Bank and National Bank of Abu Dhabi, First Abu Dhabi Bank is present in Kuwait. Users of its custody services, which are led by bankers with experience at the international custodians active in the Middle East, tend to buy on a regional basis, including the Kuwait Boursa. They reward the bank with exceptional scores. Unfortunately, there are not enough of them to warrant a rating.

LEBANON

After the bank-financed construction and real estate boom was brought to halt by the central bank at the end of 2017, economic growth faltered. The economy, and especially the public finances, are now staggering under the efflux of people from neighbouring Syria. The regional crisis has certainly not encouraged foreign investors, even of the intrepid kind, to increase their exposure to Lebanese assets.

Midclear
This year marks the 25th anniversary of the establishment by the Central Bank of Lebanon of the "custodian and clearing centre" for Lebanese – and, more recently – non-Lebanese financial assets. Financial services are an important source of activity here and, since its foundation in 1994, the central securities depository (CSD) has expanded beyond securities safekeeping and settlement into asset servicing, mutual fund administration and repo. Two years ago, it bought the technology to build a central counterparty clearing house (CCP) from London-based GMEX Group. However, Midclear serves a local stock market whose performance more or less stood still for six years before declining sharply last year. Responses are too few for a rating.

OMAN

The Muscat Securities Market (MSM), which is in the MSCI Frontier Markets Index, has had a third dismal year in succession. Last year was the worst since the commodity bust of 2011. Turnover was down too, squeezing settlement income. Like every hydrocarbon-based economy, Oman is subject to the tyranny of the oil price and has struggled to diversify. The public deficit is proving intractable and growth is not high. Foreign investment also tends to be direct and focused on the oil and gas sectors.

HSBC
The overall outcome for HSBC is little changed on a year ago. The strengths (settlement, asset servicing, client service) and weaknesses (price) are much the same too. But then it was more-of-the-same in the Oman stock market too. In fact, HSBC will have felt the pain in more ways than one since its local operation – created in 2012 by the merger with Oman International Bank (OIB) – is itself listed on the MSM.

Standard Chartered Bank
By comparison with its international rival, Standard Chartered is a relative newcomer here – it can trace its history in Oman back only 50 years – and, although respondents indicate the bank can certainly settle their trades and collect their entitlements, they are not sufficient in number for the bank to be assessed properly as a sub-custodian in Muscat.

First Abu Dhabi Bank
The Oman arm of the 2017 merger between Abu Dhabi-based First Gulf Bank (FGB) and National Bank of Abu Dhabi (NBAD)

does not attract a lot of responses in Muscat, but those it does receive are flattering. Though respondents acknowledge that FAB has yet to become a natural choice for network managers and their clients, the only service vulnerabilities they detect lie in an area where no sub-custodian excels: asset servicing. FAB is, after all, an AA-rated bank with an inescapable commitment to the region. But even for FAB, Oman is the market to which its balance sheet is the least exposed of the six Middle Eastern countries where it operates.

HSBC
HSBC first entered this market in 1996, and its presence here testifies to its continuing confidence in the growth of Asian trading networks in general, and the burgeoning trade between Bangladesh and China in particular. The bank did not attract enough responses to be rated here this year. The detail suggests clients nevertheless believe it is relatively easy for them to open an account, that their trades will settle on time, that their assets and their data are in safe hands, and that HSBC technology is adequate to meet these needs.

Asia

BANGLADESH

Whether Bangladesh can transform its undoubted growth potential into reality depends on multiple factors, not all of which are under local control. But multiple factors, ranging from privatisation, through more effective regulation of the stock market by the Bangladesh Securities and Exchange Commission (BEC), to the encouragement of domestic mutual and pension funds, undoubtedly are under local control. Reforms could do much to help the Dhaka exchange break out of the pattern it has traced since the broad market index peaked in 2011: that of a crab rather than a rocket.

Standard Chartered Bank
Standard Chartered easily eclipses its principal rival here, top scoring in Dhaka in every service area by wide margins and clearing the global benchmarks in most (See page 78). That said, the bank could clearly do better in cash management and foreign currency execution and needs to invest more in staff training. Clients would also like to see keener pricing. But these are eminently fixable shortcomings in a market where foreign portfolio investment has yet to catch up with rising levels of direct investment by multinationals in Bangladeshi infrastructure, giving Standard Chartered the benefit of time to readjust.

KAZAKHSTAN

Kazakhstan is the biggest economy in central Asia. It has oil, but is making conspicuous efforts to diversify, especially by attracting foreign investment with tax incentives. The country knows it is well-positioned geographically, especially if the Chinese Belt-and-Road strategy moves beyond the realm of rhetoric and investing in its infrastructure to capitalise on its location. An international financial centre opened in Astana in July last year. The Kazakhstan Stock Exchange (KASE) dipped last year after hitting its all-time early high last summer, though it has recovered in 2019. The economy is sensitive to the oil price, as investors found in the past, but it is back to growing at a steady clip of more than 4% – which explains the strength of the stock market.

Raiffeisen Bank International
Raiffeisen first tackled the Kazakh market as long ago as 2001, when it acquired a stake in Bank TuranAlem (BTA). That did not come to anything but, unlike some other banks who came here before the crisis, Raiffeisen never lost interest. That bet looks like paying off. The bank finally added a securities services offering to its corporate banking operations in Almaty in 2014, using Raiffeisenbank Russia to open cash and securities accounts at the Central Securities Depository of the Kazakhstan Republic (KACD). With Russia now operating as a hub for the services of the bank throughout the region, Raiffeisen still operates that way here. Though not many clients have responded to the survey, those that have indicate the model works well. The scores imply that accounts are easy to open, transactions settle on time and assets are kept safely. Only pricing shows any serious signs of discontent. The overall score is well upon a year ago.

Citi
Citi provides direct clearing and custody services here, but not enough clients have responded to the survey to make an assessment.

SRI LANKA

Though it has never again hit the heights it attained during the commodity boom that ended in 2011, when it was for a time the best-performing stock market in the world, the CSE still looks good on a decade-long view. It has not, however, made anyone rich in the last five years. Foreign investors continued to exit Sri Lankan equities and government bonds throughout 2018, sinking the currency as well as the stock market, and reducing the transactional volumes that drive the settlement income of the sub-custodian banks. Liquidity is so low that almost any sale depresses the price, and IPOs have dried up. Disgruntled Sri Lankan investors are not shy of calling for government intervention to kick-start the market, because the underlying economy is actually growing quite strongly.

Standard Chartered Bank

SCB is the unequivocal market leader here now, with more responses than its principal rival, scores up markedly and the best outcome of any of the three foreign banks contending for direct clearing and custody business here (See page 80 for scores). These are considerable achievements in a dismal period for the Colombo Stock Exchange (CSE).

Citi

Citi led this market a year ago, with its scores up for a second survey in a row. Twelve months on, its scores are down sharply and it cedes local leadership. But the detailed scoring yields a nuanced picture in which exasperation with some issues (notably account openings and closures) is combined with abiding respect in other areas, even within the same service category. (Citi is lauded for its handling of KYC inquiries when opening accounts, for example).

HSBC

HSBC has been here longer than any other foreign bank and has a substantial retail presence on the island to underpin its local custody services when inbound business is less voluminous. But it has failed to attract enough responses to be rated here. Weaknesses evident a year ago, especially in technology and value, appear more marked this year. That said, respondents retain complete confidence in the ability of the bank to settle their trades on time and keep their assets safe and serviced.

VIETNAM

Vietnam is one of the best performing markets in the MSCI Frontier Markets Index, and the indexed investor who stayed the course will have made money consistently throughout the last 12 years, even after taking the 2018 sell-off into account. But then this is a foreign direct investment (FDI) and export-led economy that has grown at an average annual compound rate of around 7% for 30 years. It has some obvious issues – a creaking infrastructure, an ageing population and reliance on cheap labour rather than an educated workforce and capital investment, plus a visible pollution problem – but the biggest is the continuing influence of a one-party State. This is evident in the mushrooming of non-tariff barriers. The challenge facing the Vietnamese government is to take the risk of allowing the private sector to get bigger.

Standard Chartered Bank

Last year, SCB tasted perfection here. The average scores are not as good in 2019 but remain comfortably ahead of the opposition. One respondent lavishes praise on the client service ("highly professional and always demonstrate their strong capabilities to service clients"), the account opening and closing procedures ("Always explains clearly and supports clients to fulfil all requirements ASAP"), and the regulatory compliance process ("Keeps compliance documents in the systematic way which helps clients go through compliance procedures smoothly") The pricing of the services also comes in for praise. "Pro-active in reviewing the fees and make adjustments where applicable and create a win-win strategy in terms of pricing," says one client.

Deutsche Bank

The German bank arrived in Vietnam in 1992 and remains proud of the part it played in the development of the Hanoi and Ho Chi Minh stock exchanges, both of which are still state-controlled. Some specific issues in pricing and asset servicing apart, scores are impressive (See page 80). "We find Deutsche Bank easy to work with," writes a client. "They are very responsive to our needs and requests."

HSBC

HSBC top-scored here in 2018, but the outcome this year is less-than-good in all but three service areas. "HSBC requires a lot of documentation and it takes them a long time to revert with comments," writes one respondent. The detail is encouraging, in that clients confirm trades settle efficiently, entitlements are collected, and assets are safe, but the bank really only outperforms the local competition as a solid counterparty.

Citi

Citi returned to Vietnam in 1993 and launched a direct custody and clearing service in 2006, as it became clear that the economy was on a sustainable growth path after the Asian Flu crisis. The bank has too few responses for an accurate rating this year.

Africa

BOTSWANA

The Botswana Stock Market, marooned in an MSCI standalone index, has yet to ascend to Frontier Markets status. Its performance is not delivering a strong argument for its admission either. The BSI DCI main market index of the stock exchange in Gaborone has slid with minimal pause since late 2015. In fact, Botswana has delivered a negative return over the last decade. But the managers of a diamond mining-led economy are trying to diversify, and they are convinced of the connections between a robust financial sector and economic development as a whole.

Standard Chartered Bank

The scores on page 80 testify to strength in the core services of settlement and asset servicing, offset by specific weaknesses in cash management and FX and relationship management, where the concerns revolve not around the relationship managers themselves but the willingness to integrate and bespoke the services. But then it is not easy to excel in a market where reality is out of joint with aspiration. A good score for regulation and compliance (6.26) suggests the authorities are making progress. "They have a very dynamic and vibrant compliance and regulation team on the ground in Botswana and are fully aware and up to date of all ongoing compliance and existing regulations within Botswana," notes a client.

Standard Bank

The regional custodian did not attract enough responses to be rated in Gaborone, and the scores it did collect are below the flattering returns of a year ago. In only one service area do they rise above the less-than-satisfactory, though one large and important client is looking forward to a new service model. "Stanbic Botswana currently offer us a dedicated and strong client service model at a local level, and the recent global client service model which has been implemented should enable Stanbic to maintain this high level of service offering," he writes.

GHANA

The Ghana Stock Market Composite is down by a third on year ago, largely thanks to a local banking crisis. The ambitious agenda of the exchange, to help the Ghanaian financial system and the wider, non-oil economy grow, was not helped by repeated bank failures. The central bank actually closed two banks down in 2017, but more had their licences revoked last year, and two more were closed down in January this year. Inevitably, bank failures and increased capital requirements have squeezed the supply of credit. Ghana, a country with a GDP of US$47 billion and a population of 30 million, still has 23 banks in business. The oil boom is driving growth elsewhere in the economy and, provided the authorities can stabilise the exchange rate as well as the financial sector, keep inflation under control, and encourage more companies to IPO or list, foreign investors are likely to return to the Ghana stock market in force.

Standard Chartered Bank

This is a much-improved performance by SCB Accra, with the overall average score up by nearly an eighth. Scoring by SCB respondents on some asset safety questions is low, reflecting the macro situation, though they remain robustly confident that the cash and securities are safe with SCB.

Standard Bank

Standard Bank did well here last year in every field save technology. But the South Africa-based regional custodian is short of responses this year, and what scores were delivered also fell short of the levels attained a year ago. Whatever the levels of interest from abroad, Stanbic is deeply entrenched in the local marketplace, where it offers consumer as well as corporate banking services. It is an investment that ought to pay off, given that Ghana has exported oil since 2007 and more large oil fields were discovered off the coast earlier this year.

IVORY COAST

Ivory Coast has an open economy, with foreign trade in cocoa, coconuts, bananas and fish accounting for half of its GDP. While that hit the economy hard in 2011, when the commodities price boom turned to bust – a crash accentuated by a contemporaneous outbreak of armed conflict – it has also enabled the national income to increase at an annual compound rate of more than 7% in the subsequent seven years. The long-term opportunity here is still seen to lie in regional integration of both the financial and trading networks of west Africa. The Ivorian capital is host to the Bourse Régionale des Valeurs Mobilières (BRVM), which is the securities market counterpart to the West African Monetary Union (WAMU). There are plans afoot, co-ordinated by the African Securities Exchanges Association (ASEA), to enhance liquidity still further by linking the BRVM to exchanges in Cairo, Casablanca, Johannesburg, Lagos, Mauritius and Nairobi. So far, however, the WAMU has tended to put fiscal policy and exchange rate policy into commission without doing much for intra-regional trade. It remains to be seen if exchanges can do better.

Société Générale Securities Services
The French bank, which has a sizeable country network in Africa, operates here through the local subsidiary of the group. One client applauds his local relationship manager for being "very pro-active" and offering both "strong support" and "experience of the market." But SGSS has not attracted any meaningful responses this year, making it difficult to assess even the reception given to the new, fully SWIFT-compliant technology platform the bank has installed in Abidjan.

Standard Chartered Bank
Although Standard Chartered did not collect many responses here, the overall average score is much improved on that of 2018. Ivory Coast represents a rare foray into francophone Africa by Standard Chartered. It has offered consumer and corporate banking services in Ivory Coast since 2001 and securities services for the wider WAEMU region since 2012.

KENYA

It was a difficult year in the Kenyan securities markets. On the stock market the NSE20 has struggled since the highs of 2015, initially because of the political uncertainty caused by the disputed presidential election, but latterly as a result of the withdrawal of bank credit and the collapse of some household name retailers. It is the sustained withdrawal of foreign investors in particular which has made life increasingly difficult for the sub-custodians over the last two years. After all, foreign investors made handsome returns in Kenya between 2009 and 2017. In fact, the MSCI Kenya index substantially outperformed the MSCI Frontier Market index – of which it is a part – throughout most of that time. The M-Akiba mobile telephone bond offer last year was not the success with domestic investors its promoters had hoped, but the Kenyan central securities depository, Central Depository and Settlement Corporation (CSDC), proved it could support innovations of that kind. It is looking at the contribution a shorter settlement timetable and securities lending and borrowing could make to liquidity. An interesting test for CSDC will come with the much-delayed launch of the Nairobi Securities Exchange derivatives market (NEXT), with its planned clearing house.

Standard Chartered Bank
This was not a vintage year for Standard Chartered in Nairobi. Standard Chartered has seen its performance in this survey decline amid concerns about increased risk and a lack of communication with clients. It has nevertheless outperformed the market average in most areas and has recorded scored above 6.0 for account management and regulation and compliance.

Standard Bank
The Nairobi operation of the Johannesburg-based regional custodian has also experienced a decline in scores. However, the outcome is narrowly based as the bank did not receive enough responses to be judged soundly here. The detail, which is not extensive, suggests client concerns are focused primarily on pricing.

MALAWI

The economy is growing but predominantly agricultural and poorly diversified, infrastructure is limited and poverty is widespread. Although the Malawian stock market has increased in value in the last five years, it has also experienced net portfolio disinvestment from abroad for each of the last six years. Nor is the market large and liquid. Although the Malawi Stock Exchange has evolved since its origins in the mid-1990s as a trading platform for Malawian government debt, the main board hosts only 14 stocks and four debt issues. These are tracked by a handful of local brokers servicing a mixture of specialist firms as well as global network managers.

Standard Bank
Standard Bank returned to Malawi in 2001, five years after selling its historic franchise here, when it became the majority shareholder in the then Commercial Bank of Malawi. The South African bank is now the custodian of first choice in Blantyre. The verdict of a small number of clients is effectively unchanged. Respondents find it relatively easy to open and close accounts but detect room for improvement in client service and relationship management.

National Bank of Malawi
The National Bank of Malawi (NB) is the successor to the Malawian franchises of Barclays Bank DCO (which exited the country in 1982) and Standard Bank of South Africa (which exited in 1996). It has an obvious opportunity to add securities safekeeping to its correspondent banking relationships, and especially to those banks which see Standard Bank as a competitor. NB has attracted a number of responses of that kind. The data suggests the bank prices its services keenly, and is good at asset servicing, but should work harder at relationships. NB listed on the Malawi Stock Exchange at the turn of the century, but it is majority-owned by Press Corporation, a listed public-private holding company with a long and complicated relationship to the Malawian state.

MAURITIUS

Mauritius is now a prosperous place, on course to become a high-income economy within the next decade. Output has grown steadily at an annual rate of getting on for 4% a year for the last ten years, driven chiefly by a combination of tourism and offshore finance. An increasingly less indulgent international regulatory climate has forced the offshore finance industry to expand beyond its established role as an entrepot for multinational investment in India (the two countries amended their double taxation treaty in 2016). Its leadership publicly supports OECD measures such as the Common Reporting Standard (CRS) and Base Erosion and Profit Shifting (BEPS) and is forging a new identity for the island as a regional finance hub for Africa. The Stock Exchange of Mauritius (SEM) is integral to this strategy. It is one of seven African exchanges to support the African Exchanges Linkage Project (AELP). SEM is also pursuing a wider internationalisation strategy, with the aim of turning itself into a multi-currency listing and trading venue for companies drawn from all over the world. It seems to be working. The SEM currently lists more than 200 securities. And despite the inescapable fluctuations for a market still acting as an entrepot for capital flows, net portfolio investment from abroad has actually increased over the last ten years.

Standard Chartered Bank
Standard Chartered gets the most responses in Port Louis. The overall score is up on a year ago and, if the service area scores (see page 80) are still mostly below the global benchmark, the detail points to a narrower range of concerns around transparency, pricing and asset servicing, though there are also clear demands for improvements in client service and relationship management.

HSBC
The alternative provider in Mauritius received a small number of responses. Though they were insufficient to warrant a rating, the scores do confirm that clients see HSBC as an excellent counterparty.

MOROCCO

By market capitalisation, the Casablanca Stock Exchange (CSE) now lags only Johannesburg among its coevals in Africa. As the Casablanca Finance City (CFC) grows, it will attract investors and issuers to CSE. But the exchange is also looking to attract investors more directly by boosting liquidity, through lighter regulation of securities borrowing and lending and via the development of a risk-reducing central counterparty clearing house (CCP) and (eventually) a derivatives market. True, the CSE had a difficult 2018 after a good couple of years. But this market may be on the cusp of a more sustained lift-off for, if Mauritius has a rival as the finance hub for Africa, it lies here. CFC, established by the Moroccan government in 2010, has attracted dozens of financial services businesses and their advisers not only through fiscal incentives but by its promise of readier access to sub-Saharan African markets.

BNP Paribas Securities Services
The French bank provides a local custody and clearing service

here through the 335-branch Banque Marocaine pour le Commerce et l'Industrie (BMCI), in which BNP Paribas Group has a majority stake. It also collects the most responses, and its scores are conspicuously higher than those of its rivals, beating both the overall market and global averages. BNP Paribas is clearly betting that this market will grow in terms of both value and volume and is working with the Casablanca Stock Exchange (CSE) to help make that happen.

Attijariwafa Bank
Attijariwafa is the indigenous incumbent in Casablanca. The scores it receives from a small number of clients are insufficient to assess the quality of the service, but its category averages do not rise above the ordinary. Attijariwafa also faces a domestic rival, in the shape of Mediafinance, the BCP Group-owned securities services specialist in which Attijariwafa once held a stake.

Société Générale Securities Services
Société Générale Marocaine de Banques has a 400-branch retail network here, so the French bank is certainly well-entrenched in Morocco. It services a number of foreign banks in Casablanca but not enough of them have responded to be sure what the average client thinks. The scores suggest the basic services of account opening, settlement and safekeeping are performed well but there is definitely room for improvement in asset servicing, cash management, foreign exchange execution and communication with clients.

Citi
Citi extended its direct clearing and custody network to Morocco in 2007, at the behest of network managers whose clients were keen to exploit investment opportunities in Casablanca. A dozen years on, the responses the bank has received point to strengths in basic client service, settling transactions, technology, and insulating clients from regulatory and other risks. But Citi is also seen as relatively expensive and less adept than its competitors at maintaining relationships. "I have not seen any updates, visit or contacts made by Citibank," writes a client. "Is this market not strategic for Citibank? I would appreciate some activities at all."

NAMIBIA

The regulatory obligation laid on Namibian pension funds and insurance companies to hold 35% of their portfolio in local assets inevitably tilts the attention of local custodians away from inbound business, but this is still an open market for foreign investors. The problem is that the NSX is not large – it lists 40 companies plus a quartet of precious metal-based ETFs, accessible through a handful of local stock brokers – and almost all the stocks can also be traded and settled in Johannesburg. This reflects the fact that the Namibian economy remains closely intertwined with that of South Africa not just through the mining multinationals that invest here. It is also a member of a customs union with its neighbour and the Namibian dollar is linked to the South African rand. At present, securities transactions settle in STRATE, the South African central securities depository (CSD). However, in 2016 the Bank of Namibia and the Namibian Stock Exchange (NSX) announced they would build a CSD of their own. By working together, the NSX and the central bank reason that bond and money market instruments can be settled alongside equities in a single depository. Settling securities transactions locally is part of a wider strategy to grow the Namibian capital market. Inevitably for a stock market based largely on mining, prices on the NSX have followed a volatile pattern in the last two years, but patient investors will have made money here since 2016.

RMB Custody
RMB, the South African investment and corporate bank, has a direct presence in this market, chiefly to facilitate its work with the mining companies active in the mineral-based Namibian economy. But its Custody and Trustee Services division supports investors active in Windhoek mainly through Johannesburg. Responses are too few to provide a rating.

Standard Bank
While Standard Bank has an established presence here, it has attracted no responses for its Namibian operation this year.

NIGERIA

This has been a difficult year, with the Nigerian Stock Exchange (NSE) All-Share declining continuously, limiting IPOs and squeezing turnover. Foreign investors account for half of the activity on the NSE and selling by foreign investors was up by half last year. Despite efforts to diversify the economy, almost every aspect of economic life in Nigeria is still driven by the oil price, whose fluctuations have unhelpful knock-on effects on the exchange rate too. But the NSE has retained its mojo. In February this year it launched a trading platform for mutual funds to encourage more local funds to list.

Standard Chartered Bank
The bank re-entered the market as a retail provider 20 years ago, and now has 35 branches in Nigeria, and a burgeoning corporate banking business. Standard Chartered banishes memories of a less-than-stellar performance in Lagos last year. This year the bank got easily the most responses here, and scores that are ahead of the longstanding incumbent in every service area bar

one (See page 80). The overall outcome is up and, a few highly specific blips apart, it is hard to find a conspicuous weakness in any service area. That is quite an achievement in a declining stock market which has cost investors money for the last five years.

Standard Bank
In 2018 Stanbic had the consolation of outscoring the newcomer here. A year on, its rate of response and its scores are both down. Though it is hard to draw robust conclusions from a small response pool, the details speak of room for improvement in on-boarding, account opening and closing, settlement, asset servicing, risk mitigation, pricing and client service. It does, however, exceed the market average score for relationship management, and records a score of 6.0 (Very Good) for its technology.

SWAZILAND

There are just six equities listed on the main board at the SSX. The economy, which is dependent on pulp, sugar and cotton exports, relies on South Africa for two thirds of its exports and four fifths of its imports. It is further tied to South Africa through a currency link and a customs union, creating a concentration risk that renders the country highly vulnerable to any adverse developments. The economy actually shrank last year. The recovery of agricultural output, which was badly affected by a drought three years ago, has been hampered by European bans on the import of Swazi produce on health grounds. With trade tariffs shrinking in line with declining trade, the public finances are deteriorating as well.

Standard Bank
Anyone wishing to invest in the stocks listed on the Swaziland Stock Exchange (SSX) has only one choice as custodian, but responses for Standard Bank are too few for a robust assessment of its services.

TANZANIA

The Tanzanian economy has grown robustly at 6 to 7% a year for a dozen years. The Dar es Salaam Stock Exchange, which opened for business in 1998 but did not stretch much beyond bonds until the economy began to grow rapidly ten years ago, now lists 28 equities. One reason the economy took off is that Tanzania is open to foreign capital but, despite the fact net portfolio flows have increased, there is little inbound investment activity by investment managers using global custodians. This has the virtue of protecting the Tanzanian shilling from any volatility in international investing at a time when imports are growing and exports – from an economy dependent on gold and cashew nuts – are not, but it makes it hard for a sub-custodian to make a living. The all-share index has trended gently downwards since 2015.

Standard Chartered Bank
Standard Chartered Bank has had a presence here since it acquired the sub-Saharan Africa custody network of Barclays Bank in 2010, which a retail branch network and a corporate banking business in the country make it easier to sustain. Available data is insufficient for a rating, though services are apparently regarded as adequate.

TUNISIA

On the Bourse de Tunisie, 86 listed stocks account for a tenth of investment and its market capitalisation is equivalent to perhaps a fifth of the national income. Most of the larger businesses remain state-owned. But there are reasons to be hopeful. Investors have made money in Tunis over the last three years. Prices on the bourse may have fallen back from the all-time high they reached in August 2018, but the market is still well ahead of where it began 2016. And, if the country is unlucky in its neighbours, its political system has remained relatively stable since the disturbances of 2011 and the economy continues to grow at a healthy 2-2.5% a year. Tunisie Clearing, the 25-year-old local central securities depository (CSD) formerly known as STICODEVAM, settles all transactions in Tunisian securities. A for-profit entity, but one controlled by the brokers and banks that are the sole authorised gatekeepers to its services, Tunisie Clearing has yet to develop its services much beyond settlement and safekeeping.

Société Générale Securities Services (Union Internationale de Banques (UIB)
Société Générale first acquired a majority stake in UIB when the bank was privatised in 2002. It has given the French bank both a retail (139 branches) and a corporate presence in the country and enabled it to secure the bulk of the inbound custody and clearing business here. Responses are insufficient for a rating, though the bank appears to be well regarded for its approach to regulation and compliance.

Banque Internationale Arabe de Tunisie (BIAT)
The largest private bank in the country retains its longstanding status as the indigenous alternative. There is not enough data to assess the bank formally, but the overall score is higher than it was a year ago and in some areas the scores are more than respectable. The bank is a shareholder as both a bank and a broker in Tunisie Clearing.

QNB Alahli
The expanding Qatari bank, now the biggest in the Middle East, has developed a sizeable inbound custody franchise in nearby Egypt. The Tunis exchange cannot yet match the size and turnover of its counterpart in Egypt, but QNB is well-placed here as it grows. The bank incorporated in Tunis in 2013 and has built a 34-branch retail network in the country.

UGANDA

The Uganda Securities Exchange (USE) Exchange, which was demutualised two years ago, currently lists just 19 equities with a market capitalisation of around $6.5 billion, alongside 42 Uganda government bonds, multiple issues of government treasury bills and two corporate bonds. The USE does what it can to enhance liquidity – it pioneered cross-listings with the Nairobi Stock Exchange (NSE) – but, like most sub-Saharan

African economies, Uganda lacks companies of sufficient size to be interested in equity rather than bank finance, and so provide a constant stream of IPOs for domestic and foreign capital to devour and trade. The all-stock index has declined gently for the last 12 months. Oil, which was first discovered in commercial quantities in Uganda as long ago as 2006, has yet to leave the ground, while the government squabbles with its three development partners. Last year, foreign investors already squeamish about emerging market risk ran out of patience. Turnover on the USE shrank so fast that one day saw no trades at all.

Standard Chartered Bank
This is not the largest securities market served by the Standard Chartered Bank local custody and clearing network. In fact, it is not a large market for the bank as a whole (its retail network here consists of just eight branches) but there are few where inbound investors are harder to find at the moment.

Standard Bank
Stanbic Bank Uganda, which is listed on the USE, has a much larger presence here than its international rival (there are also three local custodian banks that participate in the Securities Central Depository (SCD), the USE-owned central securities depository). That country-wide reach stems from the acquisition in 2002 of the Uganda Commercial Bank, which gave Standard Bank of South Africa control of the largest retail network in the country. It leaves the bank well-placed for economic lift-off.

ZAMBIA

The growth of the Zambian economy is driven by a combination of copper prices and agricultural output but constrained by stubbornly high levels of government debt and persistent levels of official corruption. So it has followed an extraordinarily volatile path over the last 30 years. That is unlikely to change. An effort five years ago to increase liquidity through an Alternative Market for smaller companies met limited success. The recent decision by the Bank of Zambia to authorise secondary trading of government bonds on its systems might boost liquidity in that market at least.

Standard Chartered Bank
Standard Chartered top-scored here in 2018 and does so again this year. While the overall outcome is respectable rather than outstanding (5.19), the bank is clearly performing the basics to a high standard. Accounts can be opened easily, trades settle on time, assets are kept safe and serviced, and the fees charged are regarded as reasonable, though they could definitely be lower. It is on the human side of the business that SCB falls short: respondents want better client service. But it is hard to invest in people when a typical day on the Lusaka Securities Exchange (LuSE) might see only a handful or two of trades.

Standard Bank
The other custodian bank that works with investors active on the LuSE – which lists a grand total of 25 stocks – has experienced a modest deterioration in its overall score this year. Pricing in particular has emerged as an issue, but the numbers point to concerns about paper-heavy account-opening procedures, asset-servicing and even settlements, which are processed via the Central Share Depository (CSD), which has functioned as a department of the LuSE since its foundation in 1996. The bank's highest category score is for relationship management, at a very respectable 5.24.

ZIMBABWE

The Zimbabwe Stock Exchange (ZSE) has had a difficult spell since the highs of October 2018, when investors fled yet again the illiquidity in the currency market – created by government borrowing from the banking system – by switching to stocks. This repeated flight to equities dates back to the hyper-inflationary policies of the Mugabe government. The end of the Mugabe era encouraged hopes that the country can restore its wrecked infrastructure and ruined agriculture, lure tourists back and attract foreign direct investment. But they are so far disappointed. The official debt burden is massive and sanctions remain in place on key individuals as the new government struggles to persuade its creditors that it is serious about reform. That said, the ZSE, which has embarked on a series of sweeping changes in the last few years. It has demutualised, switched from open outcry to online trading, started to list debt as well as equity securities, set up a data vending arm and is now exploring the scope to list ETFs and open an alternative market for smaller companies.

Standard Chartered Bank
Standard Chartered Bank (SCB) re-entered Zimbabwe as a custodian in 2010, when it acquired the African custody business of Barclays Bank. At the time, the economy was stabilising after the period of hyper-inflation and the dollarisation of the economy, the commodity price bubble had yet to burst, and the Zimbabwe Stock Exchange (ZSE) had reopened after the crisis of 2008-09. Nearly a decade later, the structural damage inflicted by the Mugabe years is better understood, and SCB is not inundated with responses from clients actively investing in Zimbabwean stocks.

Standard Bank
Stanbic secures a more or less unchanged verdict in Harare on a handful of responses, too few on which to base a reliable assessment.

	Market share (% of responses)	Relationship management	Client service	Account management	Asset safety	Risk management
Global Average		**5.03**	**5.38**	**5.50**	**5.48**	**5.41**
Argentina						
Citi	50%	5.02	5.34	4.93	5.57	5.40
Santander	28%	3.85	3.68	3.39	4.11	2.55
Bahrain						
HSBC	50%	5.75	6.31	6.11	5.35	4.87
Standard Chartered Bank	39%	4.87	5.08	5.78	5.48	5.50
Bangladesh						
Standard Chartered Bank	82%	5.02	4.93	5.71	5.60	5.56
Botswana						
Standard Chartered Bank	67%	5.25	5.80	6.27	5.89	5.64
Bulgaria						
Eurobank	55%	6.99	7.00	7.00	7.00	7.00
UniCredit	25%	5.31	5.34	5.10	5.55	5.66
Croatia						
UniCredit	32%	5.25	5.14	5.21	5.55	5.69
PBZ	37%	5.90	5.94	5.94	5.92	5.49
Cyprus						
Eurobank	35%	6.47	6.72	6.32	7.00	7.00
Piraeus Bank	30%	4.16	4.27	7.00	7.00	7.00
Estonia						
SEB	73%	5.19	6.47	6.09	5.52	6.46
Ghana						
Standard Chartered Bank	90%	4.89	4.79	5.93	5.90	5.76
Iceland						
Íslandsbanki	73%	2.91	4.35	4.10	4.38	4.46
Jordan						
Standard Chartered Bank	89%	5.35	5.64	6.02	5.51	4.79
Kenya						
Standard Chartered Bank	86%	5.17	5.63	6.16	5.54	5.39
Kuwait						
HSBC	60%	5.76	6.18	6.11	5.52	5.37
Standard Chartered Bank	30%	5.56	5.90	6.54	6.51	6.49
Latvia						
SEB	73%	5.19	6.47	5.88	5.52	6.46

Liquidity management	Regulation and compliance	Innovation	Asset servicing	Pricing	Technology	Cash management and FX	Total
4.70	**5.71**	**5.10**	**5.17**	**4.64**	**5.44**	**4.43**	**5.25**
5.69	5.77	5.05	5.43	4.25	4.91	4.10	5.12
2.06	4.14	4.21	1.47	3.92	2.22	2.24	3.15
4.46	6.32	5.86	6.07	4.24	6.35	5.16	5.57
4.43	5.35	5.81	5.62	5.35	5.90	5.28	5.37
5.28	6.13	5.34	5.60	5.02	5.71	4.96	5.41
5.28	6.26	5.41	5.26	4.95	5.99	4.96	5.58
7.00	7.00	7.00	6.99	7.00	6.95	7.00	6.99
4.70	5.17	5.07	5.08	4.04	5.17	4.50	5.06
4.69	5.46	4.95	5.10	4.26	5.16	4.41	5.07
5.51	5.99	5.95	5.56	4.04	5.76	4.23	5.52
6.91	6.92	6.83	7.00	6.18	7.00	6.86	6.77
5.20	7.00	6.86	6.73	7.00	6.86	4.84	6.16
4.81	6.55	5.62	5.50	4.39	5.80	3.67	5.51
5.33	5.73	5.42	5.55	4.97	5.77	4.28	5.36
2.96	4.65	3.74	4.28	4.08	3.66	3.39	3.91
4.19	6.14	5.48	5.11	5.09	5.88	5.11	5.36
5.04	6.15	5.36	5.26	4.85	5.92	4.92	5.45
4.46	6.39	5.86	6.07	4.24	6.35	5.16	5.62
4.29	5.77	6.26	6.34	5.78	7.00	5.89	6.03
4.81	6.55	5.62	5.50	4.39	5.80	3.67	5.49

	Market share (% of responses)	Relationship management	Client service	Account management	Asset safety	Risk management
Lithuania						
SEB	80%	5.18	6.45	5.87	5.51	6.45
Mauritius						
Standard Chartered Bank	80%	4.62	4.91	5.46	5.00	5.23
Morocco						
BNP Paribas Securities Services	40%	5.11	5.40	5.15	5.46	6.56
Nigeria						
Standard Chartered Bank	57%	5.45	5.25	5.28	5.25	5.65
Standard Bank	43%	5.19	4.92	4.86	4.43	4.44
Oman						
HSBC	60%	4.88	5.31	5.05	5.00	5.23
Panama						
Citi	100%	5.58	5.44	5.65	5.65	5.69
Romania						
UniCredit	37%	4.94	4.83	4.58	5.22	5.56
Raiffeisen Bank International	25%	5.82	6.31	5.82	6.14	5.87
Société Générale Securities Services	19%	4.00	5.00	3.83	5.00	3.43
Citi	19%	4.00	4.00	4.00	4.17	n/a
Serbia						
UniCredit	60%	5.21	4.71	4.25	5.50	5.25
Raiffeisen Bank International	30%	6.86	6.75	6.60	6.50	6.33
Slovak Republic						
UniCredit	55%	4.74	4.86	4.64	5.07	5.39
Slovenia						
UniCredit	86%	5.00	4.93	4.35	5.22	5.41
Sri Lanka						
Standard Chartered Bank	40%	5.62	5.88	5.14	7.00	6.00
Citi	40%	5.25	4.80	3.57	5.71	4.71
Vietnam						
Standard Chartered Bank	23%	5.90	6.29	5.78	6.22	5.56
Deutsche Bank	31%	5.75	5.85	5.37	6.06	5.50
HSBC	31%	4.20	4.30	4.38	4.56	5.79
Zambia						
Standard Chartered Bank	43%	4.54	5.00	5.38	5.00	5.33
Standard Bank	57%	5.24	4.67	4.00	5.25	4.67

Liquidity management	Regulation and compliance	Innovation	Asset servicing	Pricing	Technology	Cash management and FX	Total
4.81	6.54	5.63	5.50	4.37	5.79	3.68	5.48
5.17	5.42	4.73	5.12	5.00	5.67	4.56	5.07
6.33	6.40	4.73	5.62	6.90	4.71	3.43	5.48
5.33	5.71	5.67	5.52	5.48	5.86	5.29	5.48
0.00	4.56	4.00	4.17	3.00	6.00	5.00	4.21
5.75	6.10	4.93	6.32	4.29	6.50	4.60	5.33
6.00	6.00	4.00	5.52	4.77	4.00	4.00	5.46
5.44	5.15	4.45	4.79	4.30	4.75	4.57	4.88
5.33	6.06	6.30	6.05	6.11	6.20	5.62	5.97
4.00	3.29	5.00	3.50	6.00	2.40	5.00	4.20
4.00	n/a	n/a	3.40	n/a	n/a	n/a	3.23
5.58	5.30	4.60	4.91	4.58	5.09	4.73	4.98
6.00	6.43	6.60	6.56	6.50	6.50	6.00	6.47
5.08	4.76	4.94	4.46	4.46	4.80	5.29	4.87
5.15	4.81	4.47	5.00	4.08	4.73	5.09	4.85
5.75	6.25	5.67	6.10	5.25	6.20	4.60	5.79
5.25	5.12	5.17	4.80	4.22	5.20	4.86	4.89
5.60	6.00	5.86	5.33	5.82	5.86	5.57	5.82
6.00	5.68	5.80	4.77	4.33	5.50	5.00	5.47
5.44	5.13	4.18	4.90	4.44	5.50	4.83	4.80
5.75	5.55	4.80	5.79	5.17	6.00	4.00	5.19
5.00	4.93	5.00	4.52	3.56	5.00	5.17	4.75