

*The*  
**2019**   
**McLagan**

# AGENT BANKS IN MAJOR MARKETS **SURVEY**



The 2019 ABMM survey – the second in which the magazine joined forces with AON McLagan investment Services (McLagan) for data collection and analysis – was conducted from May through August. Respondents were invited to complete much the same questionnaire as 2018, when it was comprehensively revised. Some questions were rephrased to eliminate ambiguity, and others changed to non-scoring questions. It is difficult to accommodate the needs of every user of sub-custody and clearing services, but the questions aim to address the current priorities of network managers. These currently include risk, liquidity and asset safety more than operational concerns such as settlement – areas that have benefited from automation and standardisation over the past couple of decades.

The questionnaire consisted of 95 questions across 12 service areas: Client Service, Account Management, Asset Safety, Risk Management, Liquidity Management, Regulation and Compliance, Innovation, Asset Servicing, Pricing, Technology, Cash Management and FX, and Future Relationship (this last area was omitted from the published survey).

Although the questionnaire may appear somewhat daunting, it allows respondents to skip any question or service area in its entirety or rate an entire service area by answering a single question. In other words, it was possible to assess a provider in all 12 service areas by answering just 12 questions. In addition, the questionnaire allows respondents to divide the in-country operations into two groups: those they wished to assess, country by country and those they wished to assess, as a group. The intention is to give respondents the maximum degree of flexibility in how they complete the questionnaire.

The questionnaire retained the 2018 format of inviting respondents 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 a scale of 20 points, with the option to choose Neither Agree Nor Disagree, Not Applicable or Don't Know. For publication, however, results are converted to the 7-point scale (where 1=unacceptable and 7=excellent) familiar to readers of Global Custodian. Because the questionnaire was unchanged this year, this allows for a comparison between the 2018 and 2019 surveys.



# A rising tide

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This year is the 30th anniversary of Global Custodian's annual survey of client perceptions of the quality of the services they receive from the local agents of global custodian and global investment banks. Perhaps in celebration, scores overall have risen.

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Table 1 shows global scores by category for both years and confirms that overall, clients have been markedly more generous in their scoring in 2019 across all categories. Whether this is a result of a spontaneous lightening of the glob-

al mood or a tangible improvement in services offered remains to be established. Certainly, liquidity management as well as cash management and FX, appear to have been the subject of concerted global efforts to improve the client experience.





TABLE 2: COUNTRY SCORES (HIGHEST TO LOWEST)

Country	Average score 2019
Japan	6.64
ICSDs	6.32
Switzerland	6.30
Singapore	6.02
Luxembourg	5.97
Sweden	5.92
Hong Kong	5.91
Norway	5.91
Portugal	5.87
Denmark	5.84
Spain	5.83
Finland	5.81
New Zealand	5.76
Korea	5.74
Italy	5.73
Australia	5.70
Israel	5.63
France	5.62
Netherlands	5.58
Belgium	5.57
Germany	5.57
UK	5.51
Austria	5.47
Canada	5.45
USA	5.28
Ireland	4.99

Of course, the rise in overall perceptions has made the task for providers of distinguishing themselves from the competition that much harder. How much harder is indicated in Table 2, which ranks the countries in the survey in order of market averages. In the country tables that follow, both market and global averages by category are provided for purposes of comparison.

Although responses from domestic clients were collected for future use, the per-country summary of the findings of the survey in the following pages makes use of cross-border responses only. The scores published are weighted for the size and sophistication of the respondent.

We are conscious of the scale of the effort required to complete a lengthy questionnaire and are grateful to the many clients of the agent banks, that took the time and trouble to do so. We are grateful also to the agent banks that completed the provider questionnaire and encouraged their clients to participate.

TABLE 1: GLOBAL SCORES YEAR ON YEAR

Category	Global Scores 2019	Global scores 2018	Percentage improvement
Asset Safety	6.20	5.68	9.15
Regulation and Compliance	6.17	5.64	9.40
Liquidity Management	6.15	4.89	25.77
Account Management	6.10	5.44	12.13
Asset Servicing	5.96	5.09	17.09
Risk Management	5.93	5.46	8.61
Client Service	5.91	5.40	9.44
Technology	5.79	5.28	9.66
Relationship Management	5.73	5.20	10.19
Cash Management and FX	5.67	4.25	33.41
Pricing	5.61	4.82	16.39
Innovation	5.49	5.18	5.98
Overall	5.90	5.24	12.60



# Industry Leaders



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# Australia

## HSBC

In 2018, HSBC excelled in straightforward operations such as settlement and income collection, but did less well in the more demanding fields of corporate actions processing, proxy voting and tax reclamation. On those fronts, not much has changed this year and its scores are on the whole impressive. A bank which likes to be judged by the quality of its technology will be disappointed by the perceptions of investment levels and stability, but its average in this area remains respectable. As in 2018, the local client service is well-regarded, but there is work to do on the wider management of relationships. As always, clients are not convinced that prices are as low as the benefits of internalisation and the prices charged by the local infrastructure permit, but the score for this category suggests that neither are they disgruntled.

## BNP Paribas Securities Services

The French bank continues to impress network managers with the services supplied from its offices in Sydney and Melbourne. As in 2018, the average score for relationship management is outstanding and that for client service is not too far behind. But the perceptions of last year linger on the downside too. It is in the banking services of FX and cash and liquidity management that BNP Paribas collects its less impressive scores, though all the concerns centre on the cost of credit and the limitations of cash management rather than FX or collateral. Clients have no issues with settlement but are looking for improvements in corporate actions.

## Citi

This is exactly the outcome to be expected of a Citi direct custody and clearing operation. Clients think the management of accounts is slick, the technology is excellent, the pricing is keen and the client service is responsive. "Professional, quick in response," as one client puts it. The respondents are less impressed on the asset servicing side but only the assessment of settlement surprises. Clients have no complaints about margin and collateral management and no gripes about cash management and FX apart from a lack of transparency.

## National Australia Bank

It is not surprising, given its massive domestic pension fund franchise, that National Australia Bank (NAB) impresses more than most in asset servicing. As the only major Australian bank to supply direct custody and clearing services as well, the domestic business does at least provide foreign clients with the assurance of commitment. However, a domestic focus makes it harder to excel in relationship management, though 500 staff working in Australia means the client service is good enough for most cross-border purposes as well.

## J.P. Morgan

Nearly a decade on from the migration of the direct clearing and custody clients of ANZ Custodian Services – the global custody clients moved too – the giant American bank may have changed its attitude towards the importance of sub-custody to its global franchise, but it cannot be faulted for its continuing commitment to this market. Respondents seem not disgruntled with all service areas except cash and FX services and liquidity management.

## WEIGHTED AVERAGE SCORES

	HSBC	BNP Paribas	Citi	NAB	JP Morgan	Market Average	Global Average
Market share (% of responses)	28	17	28	n/a	22		
Account management	6.03	6.18	6.33	n/a	5.13	5.92	6.10
Asset safety	5.71	4.86	6.36	n/a	5.25	5.62	6.20
Asset servicing	6.26	4.62	6.44	n/a	5.45	5.82	5.96
Cash management and FX	5.40	4.34	5.95	n/a	4.10	5.09	5.67
Client service	5.78	5.78	5.68	n/a	4.77	5.53	5.91
Innovation	5.32	5.19	6.12	n/a	5.31	5.33	5.49
Liquidity management	6.42	4.64	5.95	n/a	4.38	5.67	6.15
Pricing	5.42	4.43	6.24	n/a	5.21	5.45	5.61
Regulation and compliance	6.07	5.99	6.18	n/a	6.46	6.15	6.17
Relationship management	5.66	6.30	5.66	n/a	4.98	5.53	5.73
Risk management	5.68	6.65	6.23	n/a	6.51	6.05	5.93
Technology	5.46	5.11	5.95	n/a	5.95	5.67	5.79
<b>Total</b>	<b>5.77</b>	<b>5.34</b>	<b>6.09</b>	<b>n/a</b>	<b>5.29</b>	<b>5.70</b>	<b>5.90</b>

# Austria

## BNP Paribas Securities Services

The Frankfurt office continues to get the human side of the business right, with impressive scores for both client service and relationship management. Clients like the technology and the balance sheet too. Only cash, credit and collateral, which were issues here a year ago, remain a point of interest 12 months on. “Intra-day credit is an issue,” says a client. “BNP are slow to move to cash, often waiting until EOD to execute our cash sweeps. We also see a lot of ‘technical issues’ at BNP – it is commonplace.”

## Raiffeisen Bank International

The second largest bank in Austria is now five years into a strategic decision to grow its securities services business by hiring leading figures in the industry and building a new technology platform. It is also allocating primary responsibility for the client experience in the markets Raiffeisen services elsewhere in central and eastern Europe to a Vienna operations centre accessing each market via accounts at the national central securities depositories (CSDs). After some initial hiccoughs, the strategy is now clearly working well at the personal level. “Great response times and overall service” writes one client of his relationship manager.

## UniCredit Bank Austria

UniCredit claims the largest share of this market in both clearing and custody. The bank has sought to adapt its offering to the greater emphasis on asset safety and risk and liquidity management but still tends to do better in its traditional strengths of client service and relationship management, which continue to matter to clients less influenced by the costs of capital, collateral

and liquidity. The core services of settlement and asset servicing are rated generously.

## Erste Group Bank AG

“Very responsive, open to dialogue with appreciated transparency, very professional” is how one respondent describes the client service he receives from the central and eastern European savings bank in its home market. There is a score to match, but other service areas struggle to keep up this year, albeit without suggesting any cause for alarm. In fact, one respondent declares himself “very satisfied.” The bank will be disappointed not to please as many clients in cash management and FX as it did as recently as 2017, since these remain core components of its offering to other banks.

## Deutsche Bank

The German bank has not attracted a lot of respondents, but those which have assessed its servicing of their trades on the Wiener Börse clearly like what they get. However, the detailed scores suggest well-advertised efforts to link centralised settlement via TARGET2-Securities (T2S) to local asset servicing are not progressing as well as the bank will have hoped.

## Citi

Citi is the only American bank active in this market. Most of the sell-side clients Citi looks after buy Vienna as part of a package spanning multiple markets. As in 2018, not enough of them responded to make an assessment of the quality of the Citi services in Austria.

### WEIGHTED AVERAGE SCORES

	BNP Paribas	Raiffeisen Bank International	UniCredit Bank	Erste Group Bank	Deutsche Bank	Citi	Market Average	Global Average
Market share (% of responses)	33	19	19	22	n/a	n/a		
Account management	5.87	5.50	5.22	5.42	n/a	n/a	5.53	6.10
Asset safety	5.81	5.86	5.87	5.85	n/a	n/a	5.91	6.20
Asset servicing	5.42	5.04	5.98	5.76	n/a	n/a	5.62	5.96
Cash management and FX	4.76	4.78	5.60	5.08	n/a	n/a	4.99	5.67
Client service	5.58	5.57	5.42	5.58	n/a	n/a	5.61	5.91
Innovation	5.41	4.20	5.63	4.92	n/a	n/a	5.15	5.49
Liquidity management	4.93	6.21	5.60	3.85	n/a	n/a	5.29	6.15
Pricing	4.71	4.13	5.60	5.08	n/a	n/a	4.77	5.61
Regulation and compliance	5.86	5.98	6.05	5.37	n/a	n/a	5.85	6.17
Relationship management	5.28	5.43	5.22	5.72	n/a	n/a	5.46	5.73
Risk management	5.54	5.65	5.56	5.39	n/a	n/a	5.56	5.93
Technology	5.42	5.49	5.87	5.11	n/a	n/a	5.49	5.79
<b>Total</b>	<b>5.38</b>	<b>5.32</b>	<b>5.64</b>	<b>5.26</b>	<b>n/a</b>	<b>n/a</b>	<b>5.47</b>	<b>5.90</b>

# Belgium

## BNP Paribas Securities Services Belgium

The Belgian regulators may have awarded Euroclear Belgium, the local central securities depository (CSD), its licence to operate under the Central Securities Depositories Regulation (CSDR) but one of the benefits of working with BNP Paribas in post-T2S Europe is the option to skip a direct relationship with the local CSD. The settlement scores are robust, but those for asset servicing are patchy. Though the French bank is now AA-rated, the assessment of asset safety indicates that clients judge their providers by a wider criteria than just the balance sheet. Though BNP Paribas has invested heavily in asset safety – not least to comply with the onerous safeguarding provisions of the second iteration of the Markets in Financial Instruments Directive (MiFID II) – the details suggest there is educational work at least to be done with clients on segregation. On the people side, the relationship managers are demonstrably doing better than their colleagues that interface with clients every day, though this probably reflects the division of labour across the bank's operations centres. The five-year-long overhaul of the technology systems is not yet earning its expected rewards, though scores in this area remain quite respectable.

## Deutsche Bank AG

Its offering uncomplicated by a global custodian franchise, no bank has done more to exploit the opportunities created by TARGET2-Securities (T2S) than Deutsche, whose Belgian franchise is best understood as part of a package of markets and services that network managers can buy without fear of empow-

ering a competitor. For clients that do not want to settle directly in T2S via a CSD, Deutsche now offers pan-European settlement services via its T2S hub in Frankfurt. So it is encouraging that there is not much wrong with the settlement scores, but the German bank will be disappointed not to do better in the more demanding aspects of asset servicing. Continuing investment in new technology pays dividends in liquidity management and technology but is not yet bolstering the reputation of the bank for innovation. The local client service is admired but assessments of relationship management probably reflect the wider travails of the bank.

## KBC Securities Services

The Flemish bank has undergone significant changes over the last decade but it remains constant in one respect at least: it is still a formidable brokerage house and liquidity provider to the Brussels stock market. A small number of responses do little justice to this status, but there are glimpses of the power of KBC in the assessments of account opening and management, settlement, liquidity management, collateral optimisation and client service. The benefits of the absorption of the former custody and clearing business by the investment bank are less easily identified in such a small sample. The promised economies of scale from bridging of internal silos are not yet translating into lower prices for clients. Nor is the access to larger technology budgets yet impressing clients with the anticipated increase in the volume of fully digital interactions with the bank. But the changes are barely a year old, and the returns will take time to

## WEIGHTED AVERAGE SCORES

	BNP Paribas	Deutsche Bank	KBC	Market Average	Global Average
Market share (% of responses)	70	20	n/a		
Account management	6.19	5.38	n/a	5.95	6.10
Asset safety	5.73	5.42	n/a	5.68	6.20
Asset servicing	5.81	5.19	n/a	5.64	5.96
Cash management and FX	5.75	4.55	n/a	5.54	5.67
Client service	5.70	5.87	n/a	5.75	5.91
Innovation	5.58	3.78	n/a	5.14	5.49
Liquidity management	5.74	5.83	n/a	5.87	6.15
Pricing	5.32	4.99	n/a	5.16	5.61
Regulation and compliance	5.88	5.35	n/a	5.68	6.17
Relationship management	5.81	5.15	n/a	5.45	5.73
Risk management	5.90	5.42	n/a	5.65	5.93
Technology	5.81	5.42	n/a	5.58	5.79
<b>Total</b>	<b>5.77</b>	<b>5.20</b>	<b>n/a</b>	<b>5.57</b>	<b>5.90</b>



# Canada

## RBC Investor & Treasury Services (RBC iGTS)

RBC services has a huge number and a wide range of banks and brokers in its home market, where it retains a large share of the inbound custody market as well as a significant domestic clientele. Though a less-than-representative proportion of the cross-border client base has responded to the survey this year, they have a high level of conviction about the quality of core services such as account opening and closing, settlement and income collection. The gripes about the onerous KYC checks and pricing policies are predictable. The bank will be more concerned that in areas of rising importance to clients, such as regulatory compliance and risk management, performance is less than consistent. Respondents appreciate the knowledge of employees of the bank and their ready access to regulatory authorities but would like greater transparency and more considered communications. While they never seriously doubt the solidity of an AA-rated bank as a counterparty, they appear to be taking the conservative approach for granted and are pushing for a greater willingness to assume risk.

The RBC One on-line platform wins plaudits for its real-time reporting of cash balances, and clients seem to like the commitment to the digitalisation of their interactions with a bank that was once well-known for its willingness to throw bodies at operational problems. In fact, it is noteworthy that, while the scoring of client service is generous, relationship management is not keeping pace with rising international expectations. This was an issue in 2018 as well. The much-trumpeted data opportunity is never easy to seize, and it remains to be seen if clients will attach

the same value to the cloud-based data management and analytics platform (ADX Open Platform) that RBC has developed over the last year. It is currently being tested by clients of the bank.

## CIBC Mellon

The Toronto Stock Exchange (TSX) has taken investors on the equivalent of the Big Dipper over the last 12 months, recovering from its end-2018 nadir – last year was the worst performance in a decade – throughout this year. Ironically, the banking stocks which make up the largest share of the TSX have not shared in that recovery, though the custodian banks have benefited.

There is only one other rivalry which comes close to the intensity of the competition for clients and recognition as the contest between the two Canadian sub-custodians. Though CIBC Mellon can draw on the technology and scale of a \$35.5 trillion global custodian in BNY Mellon – it is easy to forget that the joint venture also exists to give domestic institutional investment clients access to overseas markets – the bank never fails to rise to the sub-custody challenge set by its rival. It has attracted the most responses this year, and as in each of the last two years, client service and relationship management remain conspicuous strengths.

## Citi

For a second year in succession, the American intruder on the Canadian duopoly did not attract enough responses to be able to assess its services.

## WEIGHTED AVERAGE SCORES

	RBC iGTS	CIBC Mellon	Citi	Market Average	Global Average
Market share (% of responses)	36	57	n/a		
Account management	5.54	6.03	n/a	5.38	6.10
Asset safety	5.84	6.26	n/a	5.90	6.20
Asset servicing	6.05	6.04	n/a	5.75	5.96
Cash management and FX	5.69	5.80	n/a	5.30	5.67
Client service	5.87	5.79	n/a	5.45	5.91
Innovation	5.15	5.34	n/a	4.89	5.49
Liquidity management	6.40	6.26	n/a	5.91	6.15
Pricing	5.22	5.72	n/a	5.19	5.61
Regulation and compliance	5.08	6.03	n/a	5.35	6.17
Relationship management	5.36	5.93	n/a	5.45	5.73
Risk management	5.32	6.06	n/a	5.48	5.93
Technology	5.28	5.79	n/a	5.48	5.79
<b>Total</b>	<b>5.57</b>	<b>5.92</b>	<b>n/a</b>	<b>5.45</b>	<b>5.90</b>





# Canada's Market Outperformer

## Global Custodian 2019 Agent Banks in Markets Survey

CIBC Mellon has been named Canada's market outperformer in Global Custodian magazine's 2019 Agent Banks in Major Markets Survey – leading across survey dimensions. CIBC Mellon has also been named a global market outperformer for 2019.

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<sup>1</sup> Provided by CIBC

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**CIBC MELLON**

# Denmark

## SEB

SEB again received the most responses in Copenhagen. The average scores in all service areas are strong, consistent and superior to the local competition. The only area in which there is any meaningful signs of discontent is pricing, where the average client thinks they are subsidising the less efficient and that SEB could do even more to get its fees and charges down further.

This is an impressive achievement in a market which had a difficult period following the decision by the Danish CSD (VP) to settle transactions in Danish krone (DKK) on TARGET2-Securities (T2S) in the autumn of last year. The go-live date of 29 October, advertised in advance as a step by a local market towards membership of an integrated pan-European capital market unhindered by currency barriers, proved in practice to be the prelude to an embarrassing period of unmatched instructions, delays and technical instability. The challenges reflected, among other things, the difficulty of migrating a market with segregated accounts on to a settlement system that prefers the omnibus alternative. Other Nordic markets outside the euro but with segregated account models, will have drawn the appropriate conclusions from the experience. In the meantime, VP, the central bank and the Danish agent banks must assume the additional burden of working out how to fit Danish account structures, market practices and communications protocols into the T2S settlement model.

## Nordea

The other major regional provider – Handelsbanken Securities Services is not visible in the survey this year - turns in another ordinary performance. The concerns identified by respondents a year ago – asset safety, pricing, the costs of credit and collateral and the baffling under-performance in technology and innovation – are also unchanged. The Nordea combination of a network-wide relationship management and local specialists earns respectable scores. The detail suggests good work on the human side is undermined by an operational approach which is not as flexible or as consistent as the clients would like. The score for tax reclaims is outstanding, which is quite an accolade in a market where withholding tax has provided ample business for lawyers and judges at the European, as well as the Danish courts, over the last 12 months.

## Danske Bank

OMX Copenhagen has had a good year so far, capitalising on an improving Danish economy driven by rising consumer confidence. Some of that confidence has obviously rubbed off on customers of the sub-custody group at Danske Bank. It is a pity that there is not enough of a sample to publish the average scores, because they are quite outstanding. Unexpectedly, given the warmth expressed by clients about the people at the bank a year ago, client service is the only field in which the Danish universal bank falters. There is insufficient detail to probe this oddity further but client-facing staff could be forgiven for adopting a lower profile after the bank found itself in the headlines for the wrong reasons in 2017-18, with a consequent impact on the share price.

## WEIGHTED AVERAGE SCORES

	SEB	Nordea	Danske Bank	Market Average	Global Average
Market share (% of responses)	53	37	n/a		
Account management	6.58	5.82	n/a	6.47	6.10
Asset safety	6.40	4.27	n/a	6.08	6.20
Asset servicing	5.99	5.56	n/a	5.94	5.96
Cash management and FX	5.67	5.42	n/a	5.66	5.67
Client service	6.41	5.13	n/a	6.21	5.91
Innovation	5.04	4.65	n/a	4.98	5.49
Liquidity management	6.88	5.33	n/a	6.68	6.15
Pricing	5.75	4.90	n/a	5.37	5.61
Regulation and compliance	6.38	5.19	n/a	6.13	6.17
Relationship management	5.66	5.36	n/a	5.63	5.73
Risk management	5.33	5.03	n/a	5.29	5.93
Technology	5.53	4.62	n/a	5.41	5.79
<b>Total</b>	<b>5.97</b>	<b>5.11</b>	<b>n/a</b>	<b>5.84</b>	<b>5.90</b>

# Finland

Participants in the Finnish market have seen their agent banks struggle with the development of the technology platform at Euroclear Finland for several years and the implementation of the TCS Bancs system promises an end to the problems even though it also means the Finnish CSD is operating off a different platform to its Swedish counterpart. However, the settlement discipline regime of the Central Securities Depositories Regulation (CSDR) of the European Union (EU) has brought fresh challenges.

It is now unlikely that Finland, despite being a eurozone market, will be able to join the TARGET2-Securities (T2S) settlement platform operated by the European Central Bank (ECB) before 2022. Certainly, Euroclear Finland has work to do. The plans by the ECB to merge T2S with the TARGET2 high value payment system and its latest attempt to build a single European collateral management system for access to central bank credit – the Eurosystem Collateral Management System (ECMS) project – presents further issues that will need to be resolved if Euroclear Finland is to transition successfully in 2022.

## SEB

This year SEB outscores its regional rival in Helsinki by a wide margin. That the bank achieves this on the basis of a higher turn-out by clients as well only adds to the sense of a mismatch. This outstanding performance, though earned from clients that use SEB on a regional basis, will have a local dimension. That said, scores for SEB in Finland span a wider than usual range. At the lower end, innovation is rated only 5.00, though this is a category that across the survey fails to attract high scores. By contrast, liquidity management records an almost perfect 6.85. Of note is the relatively high score for pricing at 6.14.

This could well be a reflection of the advantages of adopting a regional Nordic purchasing strategy.

## Nordea

A year ago Nordea moved its headquarters to Finland on grounds that it needed to operate from a eurozone country capable of participating in the European banking union. That represented something of a homecoming, since the origins of the bank arguably lie in the merger of Union Bank of Finland with Kansallis Osake Pankki (KOP) that created Merita Bank back in 1995. But these results are not what Nordea would have chosen to celebrate its headquartering or homecoming.

Outside account management and the simpler aspects of asset servicing – such as settlement and income collection – it is hard to find much to celebrate. Though Finland is scarcely a technological backwater, and Nordea was one of the first banks in the Nordic markets to experiment with distributed ledger technology, the scoring of the bank for technology is muted and the verdict on innovation is worse. True, OMX Helsinki has had a bumpy ride in the last year, mostly in a downward direction, despite equities hitting highs elsewhere. It has tracked an economy, hampered by unresolved structural problems, that has seemed on the brink of recession for a while. Certainly, foreign investors have moved money out of the Finnish market. It is always hard for custodians to shine at times such as these. But they are also an opportunity for relationship managers, and the score on that front, far from improving, has dipped since last year. So has the perception of client service. Nordea Helsinki, like the Finnish economy, seems unremarkable.

## WEIGHTED AVERAGE SCORES

	SEB	Nordea	Market Average	Global Average
Market share (% of responses)	59	35		
Account management	6.57	5.62	6.47	6.10
Asset safety	6.32	5.25	6.17	6.20
Asset servicing	6.02	5.74	5.99	5.96
Cash management and FX	5.70	4.86	5.65	5.67
Client service	6.29	4.95	6.14	5.91
Innovation	5.00	3.99	4.86	5.49
Liquidity management	6.85	5.16	6.72	6.15
Pricing	6.14	4.20	5.45	5.61
Regulation and compliance	6.17	5.17	6.04	6.17
Relationship management	5.58	4.42	5.49	5.73
Risk management	5.30	5.35	5.32	5.93
Technology	5.45	4.12	5.30	5.79
<b>Total</b>	<b>6.57</b>	<b>4.90</b>	<b>5.81</b>	<b>5.90</b>



# France

## BNP Paribas Securities Services France

As in 2018, the French bank does not get much wrong in its home market. Even the contradiction of a year ago, between a reputation for innovation and relative weakness in technology, has disappeared. In the core services of account opening and closing, settlement of trades and all forms of asset servicing save tax reclamations and corporate actions, BNP Paribas is demonstrably impressing respondents. “Corporate actions events on OPCVM are not handled at our full satisfaction,” says a client, but it is the only gripe. The average counterpart thinks the bank could try harder to cut the costs of liquidity, but there is no sign of serious unhappiness about the impact of BNP Paribas on their costs of credit, collateral or capital.

## Deutsche Bank AG

The outcome for Deutsche in this market is little changed from a year ago. The highlights are restricted mainly to the basics (such as settlement) but client service, where the bank is scored generously on all points save the professional qualities of the people, provides an agreeable exception. Relationship management, though it is admittedly damaged by the less-than-enthusiastic perceptions of the operational performance overall, could be improved by simple steps such as talking to clients more often and listening to what they have to say. Almost every aspect of asset servicing needs improvement, and the clients are disappointed by the absence of an innovative approach, though the score for technology is more than respectable.

## Société Générale Securities Services

Curiously, the bank has not secured enough responses to warrant an assessment in its home market. The responses it does receive are divided on some issues but united on others. One on which they agree is the need for improvement in asset servicing. “We would appreciate more involvement and support for [the] tax reclaim process,” writes a client. “We feel the need for more expertise with regard to recovery of dividend tax on the markets we operate in. We feel that the communication between our local custodian with the global custodian and other local custodians is not very efficient and we would appreciate more support and quality of information received in this area.”

## CACEIS

The asset servicing arm of Crédit Agricole has not received enough responses to be assessed in full, but the average respondent is impressed by little beyond the banking services (gratifyingly, since the bank looks to excel in FX and liquidity management) and a balance sheet which will ensure they will always be made whole if assets go missing (equally gratifyingly, since CACEIS is more convinced than most custodian banks that it is no longer a sub-custodian or cash correspondent bank but a clearing and collateral manager). The details are kinder to the bank than the averages, suggesting that CACEIS does an excellent job in settlement, income collection and day-to-day client service.

## Citi

Paris is part of the direct clearing and custody network of the American bank, but an insufficient number of responses was received to assess the quality of its services here.

## WEIGHTED AVERAGE SCORES

	BNP Paribas	Deutsche Bank	Société Générale	CACEIS	Citi	Market Average	Global Average
Market share (% of responses)	63	17	n/a	n/a	n/a		
Account management	5.82	5.38	n/a	n/a	n/a	5.87	6.10
Asset safety	5.93	5.47	n/a	n/a	n/a	5.81	6.20
Asset servicing	6.03	5.18	n/a	n/a	n/a	5.68	5.96
Cash management and FX	5.87	4.55	n/a	n/a	n/a	5.58	5.67
Client service	5.82	5.87	n/a	n/a	n/a	5.71	5.91
Innovation	5.67	4.36	n/a	n/a	n/a	5.23	5.49
Liquidity management	5.69	5.83	n/a	n/a	n/a	5.60	6.15
Pricing	5.91	5.08	n/a	n/a	n/a	5.44	5.61
Regulation and compliance	5.44	5.35	n/a	n/a	n/a	5.83	6.17
Relationship management	6.11	5.15	n/a	n/a	n/a	5.42	5.73
Risk management	5.92	5.42	n/a	n/a	n/a	5.72	5.93
Technology	5.98	5.51	n/a	n/a	n/a	5.58	5.79
<b>Total</b>	<b>5.85</b>	<b>5.26</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>5.62</b>	<b>5.90</b>

# Germany

## BNP Paribas Securities Services

BNP Paribas Frankfurt has clearly raised its game significantly in the last 12 months, restoring the strong upward momentum visible here two years ago. It will have helped that the DAX has had a good run over the last year, stalling only this summer as investors started to sell the market, amid concerns about the impact of a global downturn on an export-oriented economy. A rising market pays custodians more, and even equity outflows generate fees, so 2018-19 has given the French bank the incentive as well as the opportunity to shine. The scores for settlement, a commoditised service, which still counts for a lot in an active market, are excellent. But average scores are up in every service area and clear the local benchmarks with ease. Shortcomings in corporate actions and proxy voting, which BNP Paribas Securities Services Frankfurt shares with every custodian in every market in the survey, are the only discernible blemishes on an otherwise outstanding performance.

## Deutsche Bank

The senior management of Deutsche Bank announced the exit from equities sales and trading, and the sale of its prime brokerage business as this survey was in the field. So the direct custody and clearing group at Eschborn has done well to improve on its 2018 performance amid such a radical change of direction. However, the strain of the uncertainty can be read in the scoring of relationship management, though even that area is up modestly on a year ago. “Big turnover of dedicated RM”, is what one client has noticed, though another has experienced “very regular interaction to discuss developments, needs and services.” The details

suggest the client who thinks the bank is losing touch with clients is closer to the truth. Client concerns clearly focus on the human rather than the operational aspects of their relationship with the bank. If this latest restructuring proves to be the last, and stability returns, these results might well mark a return to form at home for Deutsche Bank.

## Others

The German market is not under-banked. Citi continues to provide direct custody and clearing services to sell-side firms active on the Frankfurt exchange as part of its western European network, having successfully navigated the transition of most of its markets to the TARGET2-Securities (T2S) platform by centralising processes and investing in its technology platform. After merger talks with Deutsche Bank were abandoned in the spring, Commerzbank seems to have switched to a best-of-breed partnership strategy but it is not visible in the survey at all this year. CACEIS retains the custody franchise it purchased from HVB. Though an insufficient number of clients have responded to publish the scores, those clients which have assessed the Munich operation of the French bank are so delighted by the relationship that, technological shortcomings apart, their only complaint about it is that it should be closer still. Deutsche Wertpapier Service Bank (DWP), whose inbound custody business is bolted on to a domestic franchise based on the retail clients of the German savings banks, also attracted too few responses to assess.

## WEIGHTED AVERAGE SCORES

	BNP Paribas	Deutsche Bank	Market Average	Global Average
Market share (% of responses)	35	58		
Account management	6.19	5.65	5.86	6.10
Asset safety	6.17	6.01	6.15	6.20
Asset servicing	5.78	5.50	5.46	5.96
Cash management and FX	5.76	5.80	5.42	5.67
Client service	5.79	5.60	5.43	5.91
Innovation	5.96	5.04	5.19	5.49
Liquidity management	5.58	6.00	5.62	6.15
Pricing	5.61	5.41	5.36	5.61
Regulation and compliance	6.27	5.74	5.96	6.17
Relationship management	5.80	4.94	5.27	5.73
Risk management	6.40	5.27	5.60	5.93
Technology	5.91	5.71	5.61	5.79
<b>Total</b>	<b>5.94</b>	<b>5.56</b>	<b>5.57</b>	<b>5.90</b>

# Hong Kong

## DBS

As in 2018, it would be hard to find fault with the average scores awarded to DBS Hong Kong. Even on the increasingly vexed issue of account opening, the Singapore-headquartered bank wins plaudits. “The additional document request is minimal and this has given us much convenience and shortened the account opening duration,” writes a client. The scores in the related field of regulation and compliance are even better. “They provide sufficient notification and time for us to respond to any regulatory/compliance request/queries,” notes a respondent. However, one client would like DBS to add a securities lending and borrowing service.

## Deutsche Bank

“Very pleased with the service,” writes a client. The scoring of the core services certainly bears this verdict out. Even where the bank does less well – as in asset servicing – clients are accommodating. “The market is quite complicated with regard to corporate actions” writes one. But as in 2018, once respondents start marking Deutsche in less straightforward areas, such as innovation, compliance and risk management, the performance fades. The bank is seen as expensive and, as in other markets, clients have noticed the impact on relationship management of its wider troubles. “The regional RM has not been living up to our requirements,” is the bald statement of one client.

## HSBC

Long the local market leader in its birthplace, HSBC will be much happier with this performance. The average scores are excellent in all but two service areas – innovation and pricing – and even there the gripes are highly specific. Clients think HSBC could help them be more creative in their own cost-cut-

ting and are not convinced the bank is prepared to sacrifice its own margins.

## Citi

The responses Citi attracts here are insufficiently numerous to be absolutely sure, but the scores are astonishingly good. Apart from a protest about the volume of documentation required to open an account, calls for lower prices and superior staff, plus several injunctions to get closer to clients, Citi Hong Kong comes close to achieving perfection here.

## BNP Paribas Securities Services

This year the French bank celebrates the 10th anniversary of opening an operation in Hong Kong. It does not attract enough responses for the celebrations to be unmuted, and the average scores it does collect do not yet match its performance in its traditional markets. However, it is doing well where it matters: settlement, asset safety, client service and relationship management.

## Standard Chartered Bank

Standard Chartered is the custodian bank on the rise. Here, it has attracted more responses than any other provider. The average scores are not only a massive improvement on 2018 but excellent in every service area. The bank is fully engaged in the long march of the renminbi to full convertibility; working with Hong Kong Exchanges and Clearing (HKEX) on its block-chain-based solution to the settlement timetable mismatch that bedevils Stock Connect; playing a leading role in the development of Bond Connect; and leading the industry in its response to new digital technologies.

## WEIGHTED AVERAGE SCORES

	DBS	Deutsche Bank	Standard Chartered Bank	HSBC	Citi	BNP Paribas	Market Average	Global Average
Market share (% of responses)	18	21	26	15	n/a	n/a		
Account management	6.84	5.25	5.68	6.29	n/a	n/a	6.10	6.10
Asset safety	6.61	5.95	6.01	6.21	n/a	n/a	5.83	6.20
Asset servicing	6.78	5.74	6.23	5.89	n/a	n/a	6.16	5.96
Cash management and FX	6.57	5.60	5.75	5.91	n/a	n/a	5.96	5.67
Client service	6.94	5.62	6.10	5.76	n/a	n/a	6.28	5.91
Innovation	6.66	3.57	5.86	5.21	n/a	n/a	5.62	5.49
Liquidity management	6.57	6.77	5.70	6.30	n/a	n/a	5.51	6.15
Pricing	6.71	4.90	5.92	5.14	n/a	n/a	5.71	5.61
Regulation and compliance	6.57	4.33	6.18	6.35	n/a	n/a	5.91	6.17
Relationship management	6.64	4.61	6.16	5.67	n/a	n/a	5.80	5.73
Risk management	6.59	4.50	5.98	6.20	n/a	n/a	5.87	5.93
Technology	6.81	4.96	6.25	5.81	n/a	n/a	6.14	5.79
<b>Total</b>	<b>6.69</b>	<b>5.15</b>	<b>5.99</b>	<b>5.90</b>	<b>n/a</b>	<b>n/a</b>	<b>5.91</b>	<b>5.90</b>



# ICSDs

## Euroclear

Euroclear lifts its scores in every service area. None has improved more than in pricing, but the ICSD will take more satisfaction from the uplift in liquidity management, which was an issue last year. “EOC explained their way of doing it in regards to collateral in detail (appreciated),” explains a client, though problems persist. “Currently experiencing issues not being granted collateral for bonds held on our account, to settle back to back buy/sell deliveries,” writes a respondent. “We have to fund the account with cash, then defund the account after the deliveries have settled.”

The transition from Euclid to EasyWay is also testing some clients. One reports “bugs” and says it is slow. Another admits “we have been struggling” with EasyWay because “having to use a smart card and card reader has played havoc with our IT security forcing IT workarounds to accommodate this. EasyWay has made our lives easier in some ways, but some of the admin is difficult.” The technology score is solid and the surge in the scoring of RMs suggests Euroclear is handling the transition well. “We have an excellent relationship with Euroclear,” says a respondent. “They visit us in person for valuable discussions with our CFO and Operations staff. The Euroclear relationship management team are always available online, and on the phone, to assist us with any problems, including daily ops needs.”

## Clearstream

In 2018, Clearstream outscored its rivals in all but four service areas. This year it fails to outscore them in all but four, despite a solid set of results. The aggregate shortfall is trivial, but the causes are visible. The first is less-than-impressive performance in asset servicing, and especially corporate actions and proxy voting, though a client picks tax reclaims. “They answer quickly

to our emails but answers are often wrong, not appropriate or not justified,” he writes. “Information is missing in their reconciliation file for QI regarding 871 M payments.” The other glitch occurs in pricing, where the details indicate that Clearstream is seen as unwilling to cede margin to clients. Another issue for Clearstream is that Euroclear has caught up in the client-facing disciplines including, this year, relationship management.

But the Luxembourg-based ICSD has not lost its touch. “Even for a huge provider like Clearstream, we feel very valued as a client,” writes a respondent. “The relationship management is reliable, committed to deliver and very client-focused. It is a pleasure to work with them! Congratulations Team! Well done!”

## SIX

As in 2018, SIX outscored its rivals by wide margins. Prices were cut again, and “fantastic” RMs are name-checked. “Easily reachable,” says a client. “Fast answers and feedbacks. Regular visits to our office, listening to our needs.” The domestic CSD made the switch to T+2 easily. A reputation for innovation grows (“SIX present to us their innovations regularly”), with standard queries now addressed by chatbots and development of the SDX digital exchange proceeding apace. The client who wants an “automated OTC derivative collateral solution” may find his wish is granted.

A rare feat in the ABMM survey, SIX records scores comfortably above 6.00 in all categories. Even its lowest score, 6.73 for pricing, would be the envy of most providers in the survey, particularly for a category that clients are notoriously reticent to praise. Interestingly, it comes closest to perfection in its score for liquidity management. At 6.95, this is possibly the highest in the entire survey for this category. Perhaps the only drawback in this set of scores is that it will be very hard to improve on in 2020.

## WEIGHTED AVERAGE SCORES

	Clearstream	Euroclear	SIX	Market Average	Global Average
Market share (% of responses)	18	33	48		
Account management	5.45	5.94	6.87	6.31	6.10
Asset safety	6.29	6.26	6.89	6.59	6.20
Asset servicing	5.33	5.84	6.77	6.26	5.96
Cash management and FX	4.94	5.22	6.82	6.17	5.67
Client service	5.66	5.83	6.82	6.27	5.91
Innovation	5.70	5.08	6.78	6.11	5.49
Liquidity management	5.67	5.72	6.95	6.40	6.15
Pricing	5.24	5.51	6.73	6.22	5.61
Regulation and compliance	6.20	6.48	6.91	6.66	6.17
Relationship management	5.56	5.66	6.83	6.17	5.73
Risk management	5.78	5.93	6.90	6.45	5.93
Technology	5.65	5.24	6.87	6.20	5.79
<b>Total</b>	<b>5.62</b>	<b>5.73</b>	<b>6.85</b>	<b>6.32</b>	<b>5.90</b>

# Ireland

Recent years have tested the temperament of investors in Ireland. The Irish stock market has had a volatile couple of years, rising and falling in line with the ups and downs of the Brexit negotiations. This year was no different, with the market regaining some of the gains it shed in 2018 – when Euronext Ireland was one of the worst performing stock markets in Europe – only to lose them again this summer. This makes it hard for clearing and custody agents to keep their clients happy.

Settlement is of course, a topical issue in Ireland. Although Irish government bonds have long settled at Euroclear Bank in Brussels, the planned withdrawal of the United Kingdom from the European Union (EU) has created a problem for Irish corporate securities, which have settled at Euroclear UK. Euroclear originally planned to create a new central securities depository for Ireland, Euroclear Ireland, which would use Euroclear UK technology but be based in Ireland and be regulated by the Central Bank of Ireland under the Central Securities Depositories Regulation (CSDR) of the EU. Its operational launch-date was set at March 2019 – the initial date of the withdrawal of the United Kingdom from the EU – in a white paper published in February 2018. Once it appeared that the withdrawal process would be prolonged, that idea was abandoned in favour of interim arrangements. In May this year, that approach was itself supplanted by a proposal for Euroclear Bank to become the CSD for Irish corporate securities from March 2021. This followed the grant of temporary equivalence to Euroclear UK down to 30 March 2021, which Euroclear judged long enough to migrate the Irish securities market to Euroclear Bank as its CSD. Some exchange traded funds (ETFs) have migrated already. While admirably communautaire, it is

curious that the Irish authorities are prepared to put their CSD into commission in this way.

## BNP Paribas Securities Services

The French bank has a substantial presence in Dublin, where it plies asset managers with fund administration for funds domiciled locally and elsewhere, and asset owners with global custody services as well. But it also settles transactions in Irish corporate securities at Euroclear UK in London. A group of clients marks the bank less generously than their counterparts who use the bank to settle trades in UK securities.

Closer analysis shows that the concerns centre mainly on spreads in cash and foreign exchange, the servicing fees and charges levied by the bank and the prospect of being charged more for credit, but BNP Paribas also underperforms here in corporate actions, proxy voting and tax reclaims. The bank shines brightest in account management, settlement and relationship management where, paradoxically, the only blemish is an unsatisfied longing by clients to be even more closely integrated with BNP Paribas. Likewise, the innovative attitude of the bank is admired but the innovations seem to be detached from the day-to-day needs of the clients. Client service, on the other hand, requires less attention than the average score suggests.

## Citi

Though Citi has not attracted enough responses to make confident judgments, it is noticeable that the responses it has received are unimpressed even by the ability of the bank to settle trades efficiently.

### WEIGHTED AVERAGE SCORES

	BNP Paribas	Citi	Market Average	Global Average
Market share (% of responses)	70	n/a		
Account management	5.84	n/a	5.12	6.10
Asset safety	5.79	n/a	5.60	6.20
Asset servicing	5.58	n/a	5.26	5.96
Cash management and FX	4.07	n/a	4.03	5.67
Client service	5.32	n/a	4.95	5.91
Innovation	5.09	n/a	4.66	5.49
Liquidity management	4.48	n/a	4.70	6.15
Pricing	4.64	n/a	4.45	5.61
Regulation and compliance	5.78	n/a	5.30	6.17
Relationship management	5.43	n/a	5.01	5.73
Risk management	5.48	n/a	5.08	5.93
Technology	5.50	n/a	5.35	5.79
<b>Total</b>	<b>5.25</b>	<b>n/a</b>	<b>4.99</b>	<b>5.90</b>

# Israel

## Bank Leumi le-Israel B.M

These scores amount to a complete reputational turnaround. Average scores are up, where they were not high already, in every service area. Relationship management, which was already strong, is reinforced by a new structure in which a single individual is responsible for foreign financial institutions. The asset safety scores suggest clients like the opportunity to hold assets in segregated accounts at the CSD. Leumi is investing in its platform to make it easier to open accounts, broaden the scope of the SWIFT messages it supports, especially in corporate actions, and enhance tax reporting.

Scores in account management and asset servicing are much improved, and that for technology is up from an already high level. Leumi, which has long held the largest share of the Israeli market, chiefly because its liquidity enabled it to retain the business of the global investment banks, has demonstrably responded to the increased competition for business here. Innovation, at least of the technological kind, seems to be occurring mainly on the retail side of the bank, but there is no shortage of talent locally if it decides to digitise its sub-custody operation as well. If Leumi can convince clients it genuinely wants to adapt to their needs and grow with them, and that its prices are as low as they could be, it will have completed the overthrow of some longstanding perceptions about its ability to rise to the highest global standards.

## Bank Hapoalim

There was not much to choose between the indigenous banks a year ago but in 2019 Hapoalim is overtaken by its local rival by wide margins, apart from in technology. There are reasons

other than local rivalry for Hapoalim to want to catch up. As the Tel Aviv Stock Exchange (TASE) transforms itself into a profit seeking entity – its IPO took place in July - it is cutting prices to encourage remote membership, including for clearing and settlement purposes. The TASE-100 has had a good run over the last three years, and foreign interest is likely to be sustained. So Hapoalim will want to lift its performance. Although the bank did not attract many responses, the average scores are below the local benchmark. The cash and foreign exchange services are seen as opaque and inflexible and clients would like a cheaper and more flexible pricing model.

## Citi

This is like a Citi direct clearing and custody performance of old. Outstanding scores for settlement, client service and technology are offset by patchiness in account management, asset servicing, relationship management and pricing. “Slow answers and account opening processing,” writes a client. “Generally quite poor service.” However, with TASE opening up membership, Citi is already taking advantage. Euroclear Bank announced in August that it had become a custodial member of the TASE CSD, which will allow it to provide settlement and asset servicing services for domestic Israeli securities - through a direct account operated by Citi.

## WEIGHTED AVERAGE SCORES

	Bank Leumi le-Israel	Citi	Bank Hapoalim	Market Average	Global Average
Market share (% of responses)	62	n/a	23		
Account management	6.08	n/a	5.35	5.54	6.10
Asset safety	6.70	n/a	5.31	5.88	6.20
Asset servicing	6.43	n/a	5.41	5.93	5.96
Cash management and FX	5.92	n/a	4.95	5.37	5.67
Client service	5.64	n/a	5.33	5.77	5.91
Innovation	5.95	n/a	5.09	5.39	5.49
Liquidity management	6.00	n/a	5.02	5.60	6.15
Pricing	5.85	n/a	4.55	4.96	5.61
Regulation and compliance	6.36	n/a	5.71	6.09	6.17
Relationship management	5.66	n/a	4.99	5.23	5.73
Risk management	5.79	n/a	5.58	5.77	5.93
Technology	5.73	n/a	5.75	5.80	5.79
<b>Total</b>	<b>6.01</b>	<b>n/a</b>	<b>5.25</b>	<b>5.63</b>	<b>5.90</b>



# Italy

## BNP Paribas Securities Services

The French bank has performed consistently well in Milan since it acquired the J.P. Morgan operation here more than 20 years ago. But the scores this year are quite exceptional. With a turn-out larger than that of any other provider here, BNP Paribas is never less than excellent in any service area and clears both the local and the global benchmarks with ease. It, doubtless helps that the Italian asset servicing operation is a large one, bolstered by local acquisition, with more than 400 staff supplying depositary services to investment funds as well as looking after inbound custody clients. This certainly gives the bank a degree of access it would not otherwise enjoy.

BNP Paribas has worked hard with the Italian tax authorities to help clients navigate the complexities of the new certificate-of-residence requirements and earns its reward with an excellent score in precisely that area. The success of an internal focus on asset servicing, designed to improve corporate actions notifications and the processing of rights issues, is also evident in the scores.

## Société Générale Securities Services

Considering how large a provider of securities and fund administration services Société Générale is in Italy, it attracts surprisingly few responses for the sub-custody service it provides here in comparison to its rivals. However, the average respondent delivers a more generous verdict than they did 12 months ago. That said, a low turn-out means the scoring is volatile, with excellent scores in account management, asset safety, asset servicing and pricing offset by less impressive returns for innovation and technology. The latter seems somewhat unfair, since the bank has

carved out a leadership position in digital assets, though it has not yet generated concrete benefits for clients.

## Deutsche Bank S.p.A.

In the autumn of last year Deutsche Bank commenced the migration of clients of Deutsche Bank SpA in Italy to Deutsche Bank AG in Germany, as part of the project to build a “T2S Hub.” The migration is not yet complete. Once it is, the operation in Germany will deal directly with the Italian CSD, Monte Titoli – which recently introduced a liquidity-saving bilateral netting service for the settlement of trades on the SeDeX and EuroTLX markets – on behalf of all clients. However, Deutsche is maintaining a local presence in Milan. Judging by these scores, clients have experienced no ill-effects. In fact, the scores are up on last year in most cases.

## Intesa Sanpaolo

Intesa may not have realised yet the full potential of its clearing and financing partnership with Banca IMI, but these results mark a distinct improvement on the scores of 2018. The averages are up in every service area, to very good levels in core services such as settlement, income collection and client service.

## Citi

Citi Milan is an important component in the direct custody and clearing network of the bank, but it does not attract enough responses to make judgments about the quality of the services it provides.

### WEIGHTED AVERAGE SCORES

	BNP Paribas	Société Générale	Intesa San Paolo	Deutsche Bank	Citi	Market Average	Global Average
Market share (% of responses)	48	9	15	24	n/a		
Account management	6.11	6.49	5.73	5.78	n/a	5.77	6.10
Asset safety	6.43	6.82	5.51	5.85	n/a	6.12	6.20
Asset servicing	6.01	6.24	5.51	5.73	n/a	5.76	5.96
Cash management and FX	6.22	4.55	4.20	5.13	n/a	5.59	5.67
Client service	6.12	5.50	5.79	6.18	n/a	5.83	5.91
Innovation	6.18	4.06	4.83	4.66	n/a	5.29	5.49
Liquidity management	5.94	n/a	5.55	5.86	n/a	5.71	6.15
Pricing	6.04	6.01	4.81	5.98	n/a	5.70	5.61
Regulation and compliance	6.26	6.23	5.70	5.34	n/a	5.80	6.17
Relationship management	5.93	5.53	5.13	5.88	n/a	5.64	5.73
Risk management	6.29	5.51	5.06	5.76	n/a	5.80	5.93
Technology	6.17	4.62	5.38	5.55	n/a	5.71	5.79
<b>Total</b>	<b>6.14</b>	<b>5.13</b>	<b>5.27</b>	<b>5.64</b>	<b>n/a</b>	<b>5.73</b>	<b>5.90</b>

# Japan

## Mizuho Bank

Mizuho attracts easily the most responses to this survey in Japan. The average scores are not merely superior to those of 2018 but approach perfection in every service area. There is a large number of effusive comments too, especially in relationship management. “Mizuho Bank is very attentive to our needs and try to understand them,” writes one respondent. A second says “Mizuho Bank provides services, based on a profound understanding of our business needs,” while a third affirms that “Mizuho is our most important partner in investing in the Japanese market.” Commentary on account management (“Excellent account management services - they are very responsive to our inquiries”), regulation and compliance (“Always valuable information provided”) and client service (“Their service leaves nothing to be desired”) is suffused with a similarly positive tone.

## MUFG Bank, Ltd.

“Pleased with the service” is the under-stated tribute of a client of the leading yen custodian. The average scores are excellent, the details hide no points of vulnerability and the overall outcome is improved by comparison with last year. Judging by the scores for settlement, MUFG has accommodated the shortening of the settlement cycle from T+3 to T+2 without difficulty. Successful lobbying of the Bank of Japan to simplify the licensing of overseas firms holding client assets in custody in Japan is rewarded by an outstanding score for contact with the regulators. Investment in the cloud-based Symphony platform, which has allowed the bank to deploy chatbots, has driven a surge in the scores for innovation and technology, as well as client service.

The bank is promising an overhaul of its entire custody system next year, which is a statement of confidence in the ability of the staff as well as the engineers to make a success of it.

## HSBC

A bank has to score highly here to keep up. HSBC manages that on the global scale but still ends up off the pace of the local benchmarks. The areas of most concern are the familiar pair of cash management and foreign exchange and pricing.

## Sumitomo Mitsui Banking Corporation

The shift in the strategic focus of the yen custody service at SMBC is proving unkind to the performance of the bank in this survey, both in terms of the rate of response and the generosity of the scores – not least because it does not cover all the services in which SMBC is looking to excel.

## Standard Chartered Bank

As in 2018, the resurgent Standard Chartered Bank does not attract enough responses to be assessed, but the data that was received here underlines the message transmitted by clients elsewhere: under rejuvenated leadership, the bank is impressing its clients in ways they would not have expected to see only a handful of years ago.

## Citi

Tokyo is a crucial node in the 16-country network Citi maintains in Asia, but the bank did not attract enough responses to be assessed.

## WEIGHTED AVERAGE SCORES

	Mizuho Bank	MUFG Bank	HSBC	Sumitomo Mitsui Banking Corporation	Standard Chartered Bank	Citi	Market Average	Global Average
Market share (% of responses)	66	17	9	n/a	n/a	n/a		
Account management	6.95	5.82	6.53	n/a	n/a	n/a	6.69	6.10
Asset safety	6.97	6.12	6.58	n/a	n/a	n/a	6.78	6.20
Asset servicing	6.93	5.83	6.19	n/a	n/a	n/a	6.73	5.96
Cash management and FX	6.83	5.41	4.38	n/a	n/a	n/a	6.31	5.67
Client service	6.84	5.98	6.49	n/a	n/a	n/a	6.64	5.91
Innovation	6.85	5.60	5.86	n/a	n/a	n/a	6.55	5.49
Liquidity management	6.91	6.24	n/a	n/a	n/a	n/a	6.75	6.15
Pricing	6.93	5.13	4.73	n/a	n/a	n/a	6.42	5.61
Regulation and compliance	6.94	6.34	6.26	n/a	n/a	n/a	6.76	6.17
Relationship management	6.80	5.84	6.43	n/a	n/a	n/a	6.59	5.73
Risk management	6.92	5.95	6.02	n/a	n/a	n/a	6.69	5.93
Technology	6.86	6.06	5.47	n/a	n/a	n/a	6.59	5.79
<b>Total</b>	<b>6.89</b>	<b>5.86</b>	<b>5.90</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>6.64</b>	<b>5.90</b>

# Korea

## Standard Chartered Bank

The reserved assessment of the client service offered by Standard Chartered Bank in Seoul (“Normal in services and response time”) is not entirely misplaced, since client service is one of only two areas not to have improved significantly since last year. Respondents still think client service could be improved by better discipline and higher calibre staff. And there is still an appetite for less paperwork in the account opening process. But there is no sign of the waywardness of 2018 in asset servicing, and the scoring of both pricing and cash management and foreign exchange – which were also issues 12 months ago – is excellent.

## HSBC

This is a much-improved performance by HSBC Korea. Average scores are up in every service area, often significantly. However, the areas that were most problematic a year ago remain so today. Cash management and foreign exchange are bedevilled by opacity and lack of choice and pricing by a sense that the benefits of rising volumes, price-cuts by the market infrastructures and savings from internalisation are not being shared with clients as generously as they could be. The detail also suggests that relationship managers should spend more time listening to clients and making them feel their business is valuable to HSBC.

## Deutsche Bank

The scoring of the German bank is nothing if not consistent here, which is an achievement in itself given what has happened at the parent bank over the last year. It is less surprising to find, amid the details, that clients of Deutsche Bank Korea are concerned about its commitment and even its creditworthiness. There is not much a sub-custody team can do about that per-

ception. But they can make opening an account less difficult and paper-driven, spot trades about to fail and take steps to ensure they settle on time, ensure that not every form of asset servicing except income collection is a struggle, communicate more with clients and introduce innovations faster, more nimbly and with client needs in mind.

## Citi

It is a pity that Citi’s operation in Seoul did not attract more responses, because those that have reviewed its work are more than content with almost everything it does. They think their assets are safe and serviced well, their liquidity is looked after, the client service officers are responsive, their compliance obligations are being met on time, risk is under control and the technology works. Of course, they want lower prices too. But the only areas where the scores falter noticeably is cash management and foreign exchange (where the problem is lack of choice, not lack of transparency), innovation (where clients would like a more imaginative approach that helped them rather than the bank) and relationship management (where the RMs do not ask enough questions).

## Kookmin Bank

The leading indigenous bank in Korea created headlines this summer with its promise of a digital custody service. But its existing securities custody operation did not attract enough responses to be assessed.

### WEIGHTED AVERAGE SCORES

	Standard Chartered Bank	HSBC	Deutsche Bank	Citi	Kookmin Bank	Market Average	Global Average
Market share (% of responses)	40	25	25	n/a	n/a	n/a	n/a
Account management	5.60	5.31	5.19	n/a	n/a	5.44	6.10
Asset safety	6.12	6.04	6.03	n/a	n/a	6.06	6.20
Asset servicing	6.36	6.11	5.27	n/a	n/a	6.06	5.96
Cash management and FX	6.15	4.55	5.25	n/a	n/a	5.25	5.67
Client service	5.67	5.62	5.42	n/a	n/a	5.72	5.91
Innovation	5.73	5.62	5.21	n/a	n/a	5.53	5.49
Liquidity management	5.92	5.60	6.30	n/a	n/a	6.12	6.15
Pricing	6.20	4.64	5.25	n/a	n/a	5.31	5.61
Regulation and compliance	6.19	6.24	5.60	n/a	n/a	6.09	6.17
Relationship management	5.70	5.22	5.66	n/a	n/a	5.52	5.73
Risk management	5.87	6.15	5.42	n/a	n/a	5.88	5.93
Technology	6.08	5.68	5.21	n/a	n/a	5.81	5.79
<b>Total</b>	<b>5.97</b>	<b>5.57</b>	<b>5.48</b>	<b>n/a</b>	<b>n/a</b>	<b>5.74</b>	<b>5.90</b>



# Netherlands

## BNP Paribas Securities Services Netherlands

The resurgent performance of the French bank across the survey this year continues in Amsterdam. Average scores are up in every service area save innovation, where the bank earned one of its best scores here a year ago. The scores for settlement are excellent and, as in 2018, there is nothing much wrong with those for the simpler arts of asset servicing either. The RMs, which were admired a year ago, continue to attract plaudits. A client says it is “positive to have [the] global relationship in the same location [as] it facilitates dialogue across markets.” Other issues have not changed in the last 12 months either. Clients are not completely confident that BNP Paribas is holding their cash and collateral where they can access it easily in a crisis. They would also like a more open approach to cash management and foreign exchange, and especially to pricing. An innovation strategy focused on day-to-day operational improvements and capital allocation savings would also garner more support than any number of blockchain proofs-of-concepts.

## Deutsche Bank

Unlike last year, Deutsche Bank has in 2019 collected enough responses to publish the average scores. They are respectable rather than spectacular in every field save cash and foreign exchange, and that finding is not especially robust. Cash and securities settlement in this market, as in its counterparts throughout western Europe, is migrating to the TARGET2-Securities (T2S) Hub in Germany. Judging by the settlement scores, which are comfortably the best Deutsche collects, the transition is going well.

## ABN Amro Clearing

The clue is in the name. ABN Amro clears derivatives as well as securities trades across 90 exchanges around the world, creating room for valuable margin, offsets and stock borrowing services to meet margin calls as well as cover short positions. The savings in cash, collateral, capital and credit can be enormous. But the bank also acts as a custodian and settlement agent in multiple markets, including its home territory. As in 2018, ABN Amro has not attracted enough responses to assess its unusual combination of services with confidence, but those clients which have responded are predictably flattering about its ability to keep their cash and securities safe, provide the banking and currency services they need and manage the risks they confront and create. The bank shines less brightly in areas such as settlement and asset servicing.

## Others

In February this year, the long-established Dutch clearing and custody agent and fund administration house KAS Bank, founded in 1806, finally lost its independence. The firm was sold to CACEIS for €188 million. The rationale was that CACEIS can give KAS the balance sheet it needs to grow its mature Dutch pension fund business and its nascent fund administration business in the Netherlands and Germany. The resurrection of what was once a major force in direct clearing and custody in the Netherlands seems unlikely to form a major plank of the strategy of the merged firms. The much larger Citi, services clients on the Amsterdam stock exchange but not enough have responded to assess the quality of the services.

## WEIGHTED AVERAGE SCORES

	BNP Paribas	ABN Amro Clearing	Deutsche Bank	KAS Bank	Citi	Market Average	Global Average
Market share (% of responses)	64	n/a	23	n/a	n/a		
Account management	6.14	n/a	5.82	n/a	n/a	6.08	6.10
Asset safety	5.62	n/a	5.40	n/a	n/a	5.64	6.20
Asset servicing	5.79	n/a	5.95	n/a	n/a	5.72	5.96
Cash management and FX	5.72	n/a	4.55	n/a	n/a	5.67	5.67
Client service	5.73	n/a	5.99	n/a	n/a	5.82	5.91
Innovation	5.40	n/a	5.08	n/a	n/a	5.17	5.49
Liquidity management	5.80	n/a	5.83	n/a	n/a	5.85	6.15
Pricing	4.89	n/a	5.34	n/a	n/a	4.78	5.61
Regulation and compliance	5.86	n/a	5.03	n/a	n/a	5.75	6.17
Relationship management	5.64	n/a	5.50	n/a	n/a	5.60	5.73
Risk management	5.66	n/a	5.60	n/a	n/a	5.65	5.93
Technology	5.73	n/a	5.18	n/a	n/a	5.56	5.79
<b>Total</b>	<b>5.67</b>	<b>n/a</b>	<b>5.44</b>	<b>n/a</b>	<b>n/a</b>	<b>5.58</b>	<b>5.90</b>

# New Zealand

## HSBC

The New Zealand stock market has had a good year. In fact, it has had a pretty good five – even 10 – years. The bullish mood seems to have rubbed off on clients of HSBC Auckland. Scores are up in all service areas and none further and faster than all the areas of conspicuous under-performance a year ago: cash management and foreign exchange, liquidity management and relationship management. There is still room for improvement in relationship management – as always, clients want more engagement by the RMs, not less - and in some aspects of asset servicing (though the category score here is impressive).

## BNP Paribas Securities Services

The French bank offers derivatives clearing and fund administration here as well as local custody to inbound and domestic clients. But Wellington is not the biggest or best-performing sub-custody operation in the BNP Paribas Securities Services network, and the bank has again not received enough responses to publish the scores. BNP Paribas Securities Services has been active here for a surprisingly long time – the New Zealand operation came with the Cogent acquisition of 2002 – one of the challenges of growing organically rather than by acquisition is the time it takes to put on third-party business.

## J.P. Morgan

The overall outcome is little changed from a year ago. A decade on from its purchase of the ANZ Custodian Services franchise – made at a time when the bank was committed to rebuilding the direct custody and clearing franchise it had sold in the late 1990s – the giant American custodian bank has yet to transform perceptions of the quality of the services. Though there is considerable volatility at the level of individual submissions,

both the strengths (asset safety and regulatory compliance) and the weaknesses (cash management and foreign exchange) of J.P. Morgan lie in predictable areas.

## Citi

Although there are not enough of them to warrant publication, clients of Citi Auckland have delivered a deeply flattering verdict. In every service area, the average scores are excellent, and even at the detailed level they are never less than very good. While searching for vulnerabilities in such an outstanding set of scores seems gratuitous, room for improvement can be found in the details of both the familiar area of asset servicing and the less familiar field of liquidity management. As it happens, liquidity was an issue last year as well.

## NAB Asset Servicing

For a second year in succession National Australia Bank (NAB) has not attracted enough responses to make judgments about the quality of the service it offers here. But then the bank is pursuing a strategy that plays to its longstanding strength in domestic retirement funds rather than domestic custody and clearing. That entails an emphasis on front office (such as hedging) and middle-office services (such as OTC derivative administration and investment mandate compliance) as well as back-office services (such as safekeeping and transitions).

## WEIGHTED AVERAGE SCORES

	HSBC	BNP Paribas	J.P. Morgan	Citi	NAB Asset Servicing	Market Average	Global Average
Market share (% of responses)	46	n/a	23	n/a	n/a		
Account management	6.18	n/a	5.13	n/a	n/a	6.01	6.10
Asset safety	5.73	n/a	5.67	n/a	n/a	5.74	6.20
Asset servicing	6.13	n/a	5.32	n/a	n/a	5.83	5.96
Cash management and FX	5.78	n/a	4.50	n/a	n/a	5.25	5.67
Client service	5.82	n/a	5.08	n/a	n/a	5.64	5.91
Innovation	5.24	n/a	5.31	n/a	n/a	5.39	5.49
Liquidity management	6.40	n/a	4.38	n/a	n/a	5.71	6.15
Pricing	5.75	n/a	5.19	n/a	n/a	5.50	5.61
Regulation and compliance	6.13	n/a	6.37	n/a	n/a	6.20	6.17
Relationship management	5.30	n/a	5.71	n/a	n/a	5.58	5.73
Risk management	5.85	n/a	6.32	n/a	n/a	6.06	5.93
Technology	5.64	n/a	5.95	n/a	n/a	5.74	5.79
<b>Total</b>	<b>5.83</b>	<b>n/a</b>	<b>5.41</b>	<b>n/a</b>	<b>n/a</b>	<b>5.76</b>	<b>5.90</b>

# Norway

## SEB

SEB will be pleased by these scores. They are all well up on last year, and never less than excellent in any service area. As it happens, the Oslo Bors has not had a great year, but clients of SEB say it was simple to close accounts, easy to settle trades and straightforward to buy and sell currencies and reinvest the cash. Those that stayed in the market found nothing remiss in the way their assets were serviced. “Good response times and overall service,” is how one client sums up his experience of SEB Oslo over the last year.

## Nordea

On the face of it, this is not a vintage year for Nordea in Oslo. Average scores have dipped in three out of four service areas. As in 2018, however, the details contain a more encouraging story. In asset servicing in particular, Nordea achieves an unusual degree of both quality and consistency. In risk management, which tests primarily the degree of confidence clients have in the ability of a bank to make them whole in case of loss and shield them from both natural and unnatural forms of disaster, Nordea again impresses the neutral observer. Where problems persist from last year is cash management and foreign exchange (which a little transparency on rates and a wider choice of providers could fix) and pricing (where the complaint is that Nordea is inflexible not uncompetitive). Relationship management, also an issue last year, definitely needs to be more visible and gregarious.

## Handelsbanken Securities Services

There are still not enough responses to measure the true quality of the refurbished Handelsbanken offering in Oslo, but the data that was received points to confidence in the bank as a counterparty, reliable settlement and asset servicing and (most encouragingly) a strong appetite for innovation. On the down-side, account opening is plagued by cumbersome KYC checks and excessive paperwork, and the prices of the services, and of currency and cash, are thought to be too high.

## Citi

With the withdrawal of DNB from Norwegian sub-custody, it looked as if the Nordic region had taken a further step towards duopoly. However, in November last year Citi announced it would extend its direct custody and clearing network to Norway by means of direct access to the Norwegian CSD via the Dublin hub which the bank has built to service TARGET2-Securities (T2S) markets.

## WEIGHTED AVERAGE SCORES

	SEB	Nordea	Handelsbanken Securities Services	Citi	Market Average	Global Average
Market share (% of responses)	63	31	n/a	n/a		
Account management	6.57	5.14	n/a	n/a	6.44	6.10
Asset safety	6.37	5.89	n/a	n/a	6.31	6.20
Asset servicing	5.97	5.78	n/a	n/a	5.94	5.96
Cash management and FX	5.73	4.75	n/a	n/a	5.63	5.67
Client service	6.41	5.25	n/a	n/a	6.30	5.91
Innovation	5.10	4.90	n/a	n/a	5.13	5.49
Liquidity management	6.85	5.20	n/a	n/a	6.74	6.15
Pricing	6.14	4.84	n/a	n/a	5.67	5.61
Regulation and compliance	6.36	5.71	n/a	n/a	6.23	6.17
Relationship management	5.66	4.90	n/a	n/a	5.60	5.73
Risk management	5.38	5.90	n/a	n/a	5.45	5.93
Technology	5.57	4.63	n/a	n/a	5.49	5.79
<b>Total</b>	<b>6.01</b>	<b>5.24</b>	<b>n/a</b>	<b>n/a</b>	<b>5.91</b>	<b>5.90</b>

# Portugal

## BNP Paribas Securities Services

BNP Paribas expects to do well in Lisbon, home to one of the four operational centres maintained by the bank since 2008, and it does. In keeping with the performance of the bank throughout the survey – many clients are, after all, using the bank in multiple markets – the average scores are up, sometimes sharply, in all but a couple of service areas. One is asset safety, where the concern is confined to cash, not securities. The other is client service, where recognition that BNP Paribas employees are a cut above their counterparts at other banks is offset by an appetite for a more disciplined approach. Excellence in asset-servicing is restricted to more straightforward tasks, such as settlement and income collection. Pricing, an issue last year, is largely resolved, though there is a lingering sense that the efficient clients are still subsidising the inefficient. Likewise, although the rating of cash and foreign exchange services is much improved, clients do indicate they would appreciate more choice.

## Deutsche Bank

The Deutsche custody service in Lisbon has survived completion of the disposal of the branch network here earlier this year. The responses the bank has received point to continuing confidence in Deutsche Bank as a counterpart, despite everything that has happened. The settlement processes are judged to be excellent, which is an encouraging verdict on the centralised T2S Hub. Less commonly, Deutsche seems to be good at corporate actions, income collection, proxy voting and tax reclamation as well. A shortcoming evident in other markets (a gap where relationship management should be) is visible here too, but there is nothing wrong with client service that a little staff training would not fix. The more intractable issues are high prices – an

issue in 2018 – coupled with uncompetitive spreads on cash and FX and a lack of investment in innovative technologies and new ways of doing things.

## Millennium bcp

Although it has traded under the Millennium brand since 2003 – to make sense of a string of acquisitions – the reputation of Banco Comercial Portugues (BCP) as the largest indigenous bank still resonates with foreign clients. Though few of them have responded to the survey, their collective verdict is noticeably less generous than that of year ago. Average scores are down in all but one service area. Accounts are managed well and trades settle on time, but clients want lower prices, better rates on cash and foreign exchange, a more innovative approach and RMs that engage more with their evolving business needs.

## Santander Securities Services

On a restricted turn-out by clients, Santander collects an outstanding set of scores. With a little more openness to third-party providers and a more flexible pricing schedule, the bank would have achieved a perfect outcome.

## Others

Two years ago, Novo Banco was winning awards for its custody services here, but its clients are not visible this year. Portugal is also part of the Citi direct custody and clearing network in Western Europe.

## WEIGHTED AVERAGE SCORES

	BNP Paribas	Millennium bcp	Deutsche Bank	Santander Securities Services	Market Average	Global Average
Market share (% of responses)	65	13	13	n/a		
Account management	6.13	6.11	6.14	n/a	6.22	6.10
Asset safety	5.80	5.76	5.88	n/a	5.93	6.20
Asset servicing	5.84	5.70	5.97	n/a	5.95	5.96
Cash management and FX	5.70	4.90	5.25	n/a	5.61	5.67
Client service	5.66	5.53	5.66	n/a	5.75	5.91
Innovation	5.84	5.37	5.15	n/a	5.78	5.49
Liquidity management	5.65	n/a	5.83	n/a	5.88	6.15
Pricing	5.42	5.14	4.67	n/a	5.49	5.61
Regulation and compliance	6.16	5.92	5.25	n/a	6.09	6.17
Relationship management	5.81	5.12	4.96	n/a	5.70	5.73
Risk management	6.17	5.65	5.41	n/a	6.05	5.93
Technology	5.95	5.32	5.48	n/a	5.89	5.79
<b>Total</b>	<b>5.84</b>	<b>5.50</b>	<b>5.47</b>	<b>n/a</b>	<b>5.87</b>	<b>5.90</b>



# Singapore

## Standard Chartered Bank

Standard Chartered Bank has a privileged position here, and not just because its history dates back to 1859. The bank has long dominated the inbound business of the global investment banks and broker-dealers active in the Singaporean securities markets, and also acts as sole settlement agent for bond business transacted on the Singapore Exchange. So it expects to do well in Singapore, and has demonstrably done so this year, with a spectacular rectification of the indifferent outcome of a year ago.

What has survived from 2018 is respect for the RMs (“Relationship managers and customer services support team provide extensive knowledge to us”) and client service (“Strong capabilities and extensive knowledge that helps us achieve our commitment with investors”). Singapore switched to a T+2 settlement cycle in December last year and, judging by the scores for settlement, the work Standard Chartered put in with clients over the two-year build-up to the launch of the new SGX Post Trade System (PTS) has paid off handsomely. The grumbling of 2018 is noticeable by its absence. In fact, Standard Chartered collects a set of scores that are so good in every service area that it is interesting chiefly to spot where the bank fell short of perfection. Even Standard Chartered Singapore cannot revolutionise corporate actions and proxy voting processes or make complex tasks such as collateral management easier. But it could be more open and transparent in cash and foreign exchange, cut prices more aggressively, and take more risks on behalf of clients.

## DBS Bank

DBS failed to shine on its home turf a year ago and, like its principal rival here, has put that right in 2019. The bank that

sees itself as the Singaporean sub-custodian of choice to the global custodians of the world collects a set of scores that are as close to perfect as makes no difference. “Very pro-active and constantly engage us to resolve any issues,” writes a client. “Excellent service with quick and prompt turnaround time. Trusted partner to help the bank deliver excellent service standards to our clients.”

## HSBC

The bank which used to contend fiercely to bear the palm here has reclaimed a measure of pride. Average scores are up in every service area, but HSBC remains well behind the market leaders in what ought to be a home-from-home.

## Citi

“Professional, reasonable time in response,” is how one client describes the client service at Citi Singapore. As it happens, the under-statement is apt: client service is one of the few areas in which the bank is merely very good rather than excellent.

## BNP Paribas Securities Services

BNP Paribas has grown since it first opened for business here in 2008, but not to a scale sufficient to publish the scores of its respondents.

## Deutsche Bank

The scores, while indifferent, are too few for robust assessment.

## WEIGHTED AVERAGE SCORES

	Standard Chartered Bank	DBS	Deutsche Bank	HSBC	Citi	BNP Paribas	Market Average	Global Average
Market share (% of responses)	19	23	n/a	27	n/a	n/a		
Account management	6.44	6.76	n/a	5.63	n/a	n/a	6.12	6.10
Asset safety	6.68	6.95	n/a	5.79	n/a	n/a	6.43	6.20
Asset servicing	6.48	6.83	n/a	5.83	n/a	n/a	6.12	5.96
Cash management and FX	5.93	6.56	n/a	5.19	n/a	n/a	5.69	5.67
Client service	6.32	6.77	n/a	5.31	n/a	n/a	5.77	5.91
Innovation	6.63	6.55	n/a	4.88	n/a	n/a	5.83	5.49
Liquidity management	6.36	6.65	n/a	6.07	n/a	n/a	5.96	6.15
Pricing	6.59	6.72	n/a	4.53	n/a	n/a	5.74	5.61
Regulation and compliance	6.60	6.76	n/a	5.56	n/a	n/a	6.18	6.17
Relationship management	6.60	6.81	n/a	4.88	n/a	n/a	5.88	5.73
Risk management	6.50	6.66	n/a	5.90	n/a	n/a	6.31	5.93
Technology	6.63	6.69	n/a	5.55	n/a	n/a	6.10	5.79
<b>Total</b>	<b>6.48</b>	<b>6.73</b>	<b>n/a</b>	<b>5.43</b>	<b>n/a</b>	<b>n/a</b>	<b>6.02</b>	<b>5.90</b>

# Spain

## Santander Securities Services

“The effort and internal co-ordination between all of Santander’s teams is remarkable and this fact has enabled us to provide the best quality services to our clients,” writes a respondent. Judging by these scores, his experience is not unique. Lack of choice and transparency in cash and FX, an issue last year, remains problematic, but it is hard to identify another shortcoming in this near-flawless performance. A client says the RMs are “always available to address our situations and to respond to inquiries that could come up from clients or from our employees.” Another applauds an “outstanding performance from the team and the continuous efforts.” The recent upgrade of the technology platform to a J2EE environment impresses a client, who says S3 can now integrate its systems better, as well as providing greater stability and tighter cyber-security. With its European JV with CACEIS now in place as well, Santander is palpably intensifying its commitment to the industry.

## BNP Paribas Securities Services Madrid

Madrid is one of the busiest operations in the BNP Paribas network. Amid an excellent set of scores, which lift the final tally well above the equivalent of 2018, only pricing continues to ring a discordant note. “Innovative’ pricing structures leading to a high complexity makes reconciliation extremely difficult,” is the circumlocutory verdict of a client. The settlement scores, hard earned from settling an average of nearly half a million transactions a month in a market with an (unfinished) history of awkward nuances in the registration area in particular, are outstanding. The looming implementation of the Central Securities Depositories Regulation (CSDR), with its insistence on report-

ing of internalised settlements, and a fines- and buy-ins-driven settlement discipline regime, will have more impact here than in some locations. To make matters more challenging still, a Financial Transaction Tax (FTT) is under consideration in Spain.

## BBVA

A continuing shortage of respondents makes confident judgments hard to issue about BBVA. However, the scoring of the bank by a small number of clients is positive, and often enthusiastic. “Highly available and responsive, provide continuous top-quality support, [and] acknowledge errors when they occur,” writes a respondent of the client service. “Provide very professional and responsive support.” Gripes centre on tax reclaims, costs of all kinds and aspects of asset safety, though this last is hard for Spanish custodians to fix unaided. “Nominee concept [is] not recognised within Spanish law, which decrease[s] the comfort and safety for holding assets on behalf of customers within Spanish custodian[s],” explains a BBVA client. “This is independent from the choice of custodian but rather a point that should be handled at market level.”

## Deutsche Bank

Deutsche receives a good number of responses here. The outcome, which is robust rather than spectacular, is not dissimilar to that of a year ago.

## Others

Citi Madrid is awarded outstanding scores by a client. Société Générale Securities Services earns a more downbeat assessment.

### WEIGHTED AVERAGE SCORES

	BNP Paribas	Santander	Deutsche Bank	BBVA	Citi	Société Générale	Market Average	Global Average
Market share (% of responses)	31	31	24	n/a	n/a	n/a		
Account management	6.10	6.31	5.34	n/a	n/a	n/a	5.95	6.10
Asset safety	5.88	6.66	5.93	n/a	n/a	n/a	6.14	6.20
Asset servicing	5.79	6.40	5.29	n/a	n/a	n/a	5.81	5.96
Cash management and FX	5.64	6.08	5.33	n/a	n/a	n/a	5.62	5.67
Client service	5.83	6.08	5.41	n/a	n/a	n/a	5.73	5.91
Innovation	5.63	6.71	4.96	n/a	n/a	n/a	5.53	5.49
Liquidity management	5.77	6.44	6.07	n/a	n/a	n/a	6.02	6.15
Pricing	5.23	5.86	5.12	n/a	n/a	n/a	5.34	5.61
Regulation and compliance	6.19	6.68	5.71	n/a	n/a	n/a	6.23	6.17
Relationship management	5.71	6.19	5.44	n/a	n/a	n/a	5.69	5.73
Risk management	6.04	6.68	5.46	n/a	n/a	n/a	6.04	5.93
Technology	5.98	6.43	5.67	n/a	n/a	n/a	5.88	5.79
<b>Total</b>	<b>5.82</b>	<b>6.38</b>	<b>5.48</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>5.83</b>	<b>5.90</b>

# Sweden

## SEB

It is difficult to argue with dominance as complete as this. SEB gets more than twice as many responses as its regional rival and scores that are on average more than 100 basis points better across the service areas. The only points of vulnerability are on pricing, an area in which SEB has not disguised its belief that further economies can come at the expense of service quality only.

All but two categories are rated above 6.00, the threshold between Good and Very Good. Comments from responders are few, but one sums up the client experience as "good response times and overall service."

## Nordea

When the immediate competition far ahead in terms of its average scores, it is easy to assume that the other providers must be underperforming. This is a mistake. The details of the Nordea responses show that clients of the bank believe their assets in custody and any collateral posted to third parties will be safe with Nordea, and that the bank is a sound counterparty that manages its exposures intelligently enough to extract itself and its clients from any setbacks without catastrophic loss. They are also convinced that their securities transactions will settle on time; that income will be collected and paid; that they will be informed accurately about corporate actions in good time; that the fees and charges levied for custody services are reasonable; and that they will not be embarrassed by any failures of regulatory compliance.

The under-performance of the bank in cash and foreign exchange is something Nordea shares with almost every

custodian, and for the most obvious of reasons. Nordea could do better in helping its clients cut the costs of their liquidity buffers, but it is not alone in that shortcoming either.

What ought to really concern the senior management is the unenthusiastic assessment of its relationship managers and client service officers, since these are issues it is within their power to correct. Surprisingly, for a bank that is fully engaged with digital technology, Nordea is also vulnerable in the increasingly important areas of innovation and technology.

## Others

Handelsbanken Securities Services, which has refurbished its pan-Nordic sub-custody service, did not attract enough responses to the survey to be assessed. Nor did Citi, which has provided direct custody and clearing services in Sweden since way back in 2006 – shortly after, as it happens, the TARGET2-Securities (T2S) project was announced by the European Central Bank (ECB). The American bank has since built a servicing hub in Ireland which works well for the T2S markets, of which Sweden is not one. However, the Riksbank is investigating whether T2S is a safe way for it to supply central bank money for securities settlement in Swedish krona. Ten years after the Swedish central bank and banks first pondered a Swedish connection to T2S, this topic is up for discussion again, the experience of the Danish krone notwithstanding.

## WEIGHTED AVERAGE SCORES

	SEB	Nordea	Handelsbanken Securities Services	Citi	Market Average	Global Average
Market share (% of responses)	65	29	n/a	n/a		
Account management	6.38	5.12	n/a	n/a	6.09	6.10
Asset safety	6.36	5.60	n/a	n/a	6.20	6.20
Asset servicing	6.28	5.74	n/a	n/a	6.14	5.96
Cash management and FX	6.09	4.75	n/a	n/a	5.75	5.67
Client service	6.32	4.06	n/a	n/a	5.86	5.91
Innovation	5.72	4.67	n/a	n/a	5.43	5.49
Liquidity management	6.25	5.20	n/a	n/a	5.90	6.15
Pricing	5.57	4.84	n/a	n/a	5.44	5.61
Regulation and compliance	6.32	5.32	n/a	n/a	6.06	6.17
Relationship management	6.29	4.81	n/a	n/a	5.97	5.73
Risk management	6.10	5.83	n/a	n/a	6.05	5.93
Technology	6.32	4.58	n/a	n/a	5.84	5.79
<b>Total</b>	<b>6.17</b>	<b>5.04</b>	<b>n/a</b>	<b>n/a</b>	<b>5.92</b>	<b>5.90</b>

# Switzerland

## Credit Suisse

These scores seem at times to parody foreign views of the Swiss banking industry. The quality of the bank as a counterparty is undoubted, but Credit Suisse is also considered expensive, in terms of fees, charges and spreads. Clients would like the bank to improve its day-to-day client service too, and be more open to taking risks and innovating. It might have to be. In June this year the European Commission did not renew its recognition of equivalent regulation that enabled securities traders based in the European Union (EU) to trade Swiss stocks on the SIX Swiss exchange, prompting a significant loss of trading volume and tit-for-tat measures by the Swiss government.

## SIX

This marks an unequivocal return to form by SIX, which has now merged the former SIX Swiss Exchange and SIX Securities Services businesses to create a one-stop shop for domestic and international clients that runs the gamut from issuance to settlement and custody. With average scores up sharply in every service area, clients clearly like the new model, and especially the global relationship management team. Relationship management was an issue last year, but SIX has clearly put it right. A respondent says of his RM that “we are very grateful for all the time and effort devoted to us this year.” There are clients which are less happy than others, but a search for points of vulnerability among the averages is a vain quest.

## BNP Paribas Securities Services Zurich

This is a strong performance in 10 service areas offset by disgruntlement in cash and foreign exchange (FX) and liquidity

management. Better deadlines and a new capability to monitor cash balances in real-time have not yet compensated for a limited range of investment options, lack of access to third party FX agents or (more surprisingly) lack of real-time information about liquidity available. A review of interest rates paid and charged is in progress. However, the reorganisation of relationship management and client service at BNP Paribas Zurich is paying dividends. The scores on both counts are quite outstanding. The option to open accounts on-line via Neolink plus a new query management tool (Hobart) has had a similar effect on the rating of account management.

## UBS Switzerland AG

The Swiss universal bank has issued the perfect riposte to the unpersuasive performance of 2018. Scores are up to excellent levels in every field save innovation, which still scores comfortably in the “Good” range. There is some griping about corporate actions, with a client arguing that “events are often unclear or lack proper explanation or context. Relevant info is omitted or stated as unknown, although it is provided in the market.” However, the score for asset servicing as a whole is a more than respectable 5.80. There is praise for relationship managers from several respondents. One describes their new relationship manager as “committed as the previous one, very client oriented and open for improvement! Well done team!” Another points to a “very good relationship with the key manager from UBS”, while a third highlights the level of commitment from senior management.

## WEIGHTED AVERAGE SCORES

	Credit Suisse	SIX	BNP Paribas	UBS	Market Average	Global Average
Market share (% of responses)	11	31	22	36		
Account management	5.54	6.87	6.18	6.37	6.41	6.10
Asset safety	6.09	6.97	5.93	6.52	6.57	6.20
Asset servicing	5.83	6.75	5.78	5.80	6.18	5.96
Cash management and FX	5.21	6.68	4.97	6.05	6.17	5.67
Client service	5.28	6.71	5.95	6.14	6.19	5.91
Innovation	5.10	6.85	5.60	5.52	6.00	5.49
Liquidity management	5.66	6.91	4.38	6.08	6.08	6.15
Pricing	5.09	6.84	5.25	6.36	6.20	5.61
Regulation and compliance	5.70	6.96	6.00	6.34	6.45	6.17
Relationship management	5.62	6.88	5.90	6.33	6.34	5.73
Risk management	5.68	6.97	6.61	6.39	6.58	5.93
Technology	5.82	6.95	5.69	5.80	6.25	5.79
<b>Total</b>	<b>5.55</b>	<b>6.86</b>	<b>5.69</b>	<b>6.14</b>	<b>6.30</b>	<b>5.90</b>



# United Kingdom

## BNP Paribas Securities Services

These scores are a marked improvement on the 2018 outturn. The averages are up in every comparable service area. The findings are vitiated somewhat by a relatively low rate of submission, but they paint a clear portrait of where the strengths and weaknesses of BNP Paribas Securities Services London lie, and how they are evolving. The bank has on-boarding under control; keeps asset safe; settles trades without creating undue discomfort; credits income promptly; sets and structures its prices competitively; ensures its clients remain compliant with all applicable regulations; insulates clients from manageable risks, including recovery from disruptions and disasters; and deploys sound technology.

What is unchanged from last year is respect for the quality of the client service and, to a lesser extent, the relationship management. And what is transformed is perceptions of cash management and foreign exchange, which was a conspicuous weakness a year ago. This year no score has risen further. Services where clients would like to see further investment include the account opening and closing process and especially the more complex asset servicing tasks, such as the processing of corporate actions notifications and instructions and the voting of proxies. Fees and charges, also an issue in 2018, are still seen as having measurable room for improvement.

## HSBC

The performance of the London operation was anomalous even in the glory days of the HSBC direct clearing and custody network. Its longstanding, if-you-must character is evident this year

mainly in a lack of responses, for the scores are actually quite flattering. That said, an overly bureaucratic account opening and closing process, entailing duplication of KYC checks and reams of documentation, is clearly not enjoyed. But HSBC will be more troubled by the symptoms of clients feeling unloved, not just in terms of client service and relationship management but in the levels of engagement with their day-to-day operational challenges.

## Deutsche Bank AG

The German bank services a broad range of sell-and-buy-side firms active in the London and Irish securities markets but not many of them have responded to the agent bank survey this year. But then the London operation of Deutsche Bank will not feel to its denizens like an agent bank. They are not running a classic sub-custodian business, servicing inflows and outflows in their home markets only, but looking after the business of foreign and domestic clients through an extensive sub-custody network as well.

## Citi

As providers of direct custody and clearing services in more than 60 countries, Citi understands the idiosyncrasies of the United Kingdom better than any provider, and in particular how London-based investment banks and broker-dealers tend to self-clear here. The local stock and bond markets are also just some of the markets they wish to trade. Unfortunately, too few of the clients of Citi have assessed the services the bank provides to extract any meaningful insights from the submissions.

## WEIGHTED AVERAGE SCORES

	BNP Paribas	HSBC	Deutsche Bank	Citi	BNY Mellon	Market Average	Global Average
Market share (% of responses)	59	n/a	n/a	n/a	n/a		
Account management	5.93	n/a	n/a	n/a	n/a	5.75	6.10
Asset safety	5.84	n/a	n/a	n/a	n/a	5.76	6.20
Asset servicing	5.47	n/a	n/a	n/a	n/a	5.58	5.96
Cash management and FX	5.12	n/a	n/a	n/a	n/a	5.16	5.67
Client service	5.67	n/a	n/a	n/a	n/a	5.38	5.91
Innovation	5.35	n/a	n/a	n/a	n/a	5.59	5.49
Liquidity management	4.95	n/a	n/a	n/a	n/a	5.19	6.15
Pricing	5.16	n/a	n/a	n/a	n/a	5.20	5.61
Regulation and compliance	5.92	n/a	n/a	n/a	n/a	5.94	6.17
Relationship management	5.68	n/a	n/a	n/a	n/a	5.33	5.73
Risk management	6.11	n/a	n/a	n/a	n/a	5.81	5.93
Technology	5.23	n/a	n/a	n/a	n/a	5.35	5.79
<b>Total</b>	<b>5.54</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>5.51</b>	<b>5.90</b>

# United States

## BNP Paribas Securities Services New York

With perceptions of BNP Paribas Securities Services on the rise this year in most markets, it is a surprise to find the same is not true of the United States, especially since there was upward momentum here between 2016 and 2018. The average scores, albeit drawn from a relatively small number of respondents, are lower than they were in 2018 across all service areas. True, the slippage is rarely large. Account opening, asset safety and segregation, settlement, income collection, liquidity and collateral management, regulatory compliance and relationship management all remain robust. But a loss of confidence is noticeable, especially in asset servicing. “We encounter some late notifications due to the fact that the only source for corporate actions is DTC, whose information is not always complete on time,” notes a client. “We are expecting more pro-activity from their side.”

A string of enhancements in cash management and foreign exchange, including direct access to CLS, more generous cut-off times and cash sweep and forecast tools, have left clients unmoved. Likewise, the new query tracking tool has not halted a slide in client service, and an upgrade to the core technology platform has failed to lift the score for technology. Pricing, though judged to be competitive, is seen as inflexible.

## Brown Brothers Harriman

A firm that used to set the standard in sub-custody is hard to recognise in these average scores. The value clients used to ascribe to the BBH people is visible in relationship management but not client service. Even there, one client calls for “senior management commitment.” A second wants a “dedicated relationship management team” in his own country (an important

financial centre). His gripe about unrelated difficulties at BBH Luxembourg is a measure of what clients used to expect of the firm. “BBH US is great,” he says. “BBH transfer agency/custody in Luxembourg is not the same standard and is sometimes affecting BBH reputation as provider. They need to step up there.” Judging by these scores, BBH also has work to do in corporate actions, settlements and even the technology that was long a strategic priority for the firm.

## BNY Mellon

If 2018 was disappointing, this year affords no relief. Granted, responses are few, but scores are down in every service area, and only asset safety provides any encouragement. “BNY Mellon should send the account manager to understand the issues and improvement expected by us,” is the judgment one client makes about the relationship management. He adds, in reviewing the client service, that “BNY Mellon has to improve the details on the cash statement as we experienced missing items, which BNY has not yet resolved.”

## Citi

Citi did not attract enough responses to be assessed as a New York custodian. The bank has in any event sought in recent years to help clients cut the costs not just of transactions and assets-in-custody but capital, liquidity and collateral as well, by making it easier for them to access execution and financing as well as custody and clearing.

### WEIGHTED AVERAGE SCORES

	BNP Paribas	Brown Brothers Harriman	BNY Mellon	Citi	Market Average	Global Average
Market share (% of responses)	32	20	20	n/a		
Account management	5.66	5.58	4.93	n/a	5.51	6.10
Asset safety	5.65	5.69	6.30	n/a	6.06	6.20
Asset servicing	4.80	4.52	5.03	n/a	4.93	5.96
Cash management and FX	4.73	5.34	3.50	n/a	4.90	5.67
Client service	5.17	5.21	4.23	n/a	4.89	5.91
Innovation	4.86	3.09	4.67	n/a	4.96	5.49
Liquidity management	4.80	5.60	4.90	n/a	5.19	6.15
Pricing	4.89	4.99	5.48	n/a	5.19	5.61
Regulation and compliance	5.79	5.99	5.25	n/a	5.89	6.17
Relationship management	5.76	5.65	3.61	n/a	5.13	5.73
Risk management	6.11	4.94	5.67	n/a	5.78	5.93
Technology	5.14	4.96	2.98	n/a	5.20	5.79
<b>Total</b>	<b>5.28</b>	<b>5.13</b>	<b>4.71</b>	<b>n/a</b>	<b>5.28</b>	<b>5.90</b>