

The

2020 ™

AGENT BANKS
IN EMERGING
MARKETS
SURVEY

WHEN THE GOING GETS TOUGH...

Despite a range of challenging working environments in 2020, securities services providers have emerged from this year's ABEM survey with reputations enhanced.

The first thing to say is that this year's ABEM survey was conducted under far from ideal conditions given the various shades of lockdown under which most of us have been working since March. In a normal year, completion of an agent bank survey involves cooperation with colleagues responsible for different functions and markets rated in the survey as well as requests for completion by different teams at both respondents and service providers. We are therefore extremely grateful to those industry participants on both sides of the process who made an extra effort to engage with this year's survey. The 500-odd validated individual responses received represent several hundred billion dollars in invested assets.

Sixteen markets are covered in the following pages. (Not all markets for which data was received are represented as, for a few, the necessary thresholds were not reached.)

Despite – or perhaps because of – the relatively tough conditions in which service was provided in 2020, respondents appear to have been more generous than usual in their assessments. Nevertheless, in assessing the ratings of any individual provider, readers should take into account the market context in which they are operating. Both market and global averages should be consulted on the tables that follow. The scoring system is explained in the Methodology section below, but, as a rough guide, the closer to 7.00, the better.

Methodology

The Global Custodian Agent Bank Surveys are designed to elicit the views of cross-border investors about the post-trade services they receive in markets around the world. They have been conducted annually since 1989.

The response pool is drawn from two sources. Those respondents who completed the survey last year are invited to do so again, while service providers in the markets concerned are invited either to submit client lists for invitation or to approach those clients themselves. In addition, participating service providers are given controlled access to a back-end system to allow them to validate that the ratings they have received come from bona fide clients.

The questionnaire is divided into 11 service categories. There is only one rating question per category. Participants are asked to rate the excellence of service on a sliding scale from Strongly Disagree to Strongly Agree. All other questions are optional and designed to allow

the respondent to add supportive comment to their ratings.

Responses to the rating questions are converted by the survey system into numbers, using a seven-point scoring scale (1.0 being Unacceptable and 7.0 being Excellent). Responses are weighted depending on the size of assets held in custody by the rated provider for the respondent concerned.

Given the lower levels of activity in emerging markets in general compared to those covered in our Agent Banks in Major Markets (ABMM) survey published in the Fall edition of Global Custodian, the threshold for a write-up of any service provider is five responses rather than 10.

Service providers are also invited to complete a short questionnaire, aimed at allowing us to better understand market and provider changes that might impact results.

Global Custodian offers official digital accreditation for outperformance at a global, market

or category level. In addition, for those providers wishing to understand their performance in more granular detail than is available through our published survey results, tailored research and data reports are available. For more information on either of these options, please contact matt.aldred@globalcustodian.com or beenish.hussain@globalcustodian.com.

Changes ahead

This is the last of the ABEM surveys to be run in the current format, which has continued with more or less the same framework for 30 years. We feel the agent bank surveys as a whole need to be redesigned and updated to reflect changes in both the service demands of clients and the role of intermediaries in the transaction chain. In Q1 2021, we will be welcoming input into our proposed changes from participating service providers in our three agent bank surveys as well as their global clients. Watch this space!

Brazil

Results from this year's survey show that Brazil is well served overall with all category scores in the Good or Very Good territory. While responses were received for eight banks, suggesting a competitive provider landscape, only two received sufficient scores for publication.

BNP Paribas Securities Services

BNP Paribas estimates that over the past year, it has processed a monthly volume of transactions averaging just over 68,000. It claims top six status with 1.7% of the market.

For Account Management, it leverages both local teams and its four operational centres in Paris, Lisbon, Chennai and New York, one in each main time zone. In Brazil, the bank has a dedicated team monitoring the market and leading efforts to work closely with major committees and associations. The team is based in Sao Paulo, close to regulatory and market authorities.

Three quarters of the bank's category scores are in Very Good range (6.00-6.99) with only pricing falling below the

upper fives. One European asset manager praises the bank's "professionalism and availability", describing its client service as "fundamental for our business in Brazil."

During the course of the year, the bank has implemented a new query management system, covering all its activities and locations.

Santander CACEIS

Last year, Banco Santander and Crédit Agricole brought together Santander Securities Services (S3) and CACEIS Investor Services. The combination of these two entities was formalised in December 2019.

Asset managers and investment banks dominate Santander CACEIS' foreign client base in Brazil, where it estimates its share of international third-party business as 3.68% as of December 2019. One large European bank client describes its Brazilian service as "very responsive, very professional" noting that, "Difficulties to open accounts in Brazil is more due to market specificities than Santander CACEIS Brazil itself."

Category	BNP Paribas Securities Services	Market	Global	Market v Global
Account Management	6.17	5.89	6.22	-0.33
Asset Safety	6.22	6.08	6.29	-0.21
Asset Servicing	5.71	5.74	6.29	-0.56
Cash Management and FX	6.23	6.00	6.12	-0.12
Client Service	6.27	6.00	6.18	-0.18
Liquidity Management	6.00	5.76	6.09	-0.32
Pricing	5.00	5.13	5.80	-0.67
Regulation and Compliance	6.13	6.11	6.18	-0.08
Relationship Management	6.25	6.15	6.13	0.02
Risk Management	6.00	5.83	6.09	-0.26
Technology	6.00	5.82	5.98	-0.16
Total	6.00	5.86	6.13	-0.27

China

Category	Standard Chartered Bank	DBS	Market	Global	Market v Global
Account Management	6.19	7.00	6.03	6.22	-0.19
Asset Safety	6.29	7.00	6.14	6.29	-0.14
Asset Servicing	6.19	7.00	6.37	6.29	0.08
Cash Management and FX	6.25	7.00	6.23	6.12	0.11
Client Service	6.58	6.83	6.23	6.18	0.05
Liquidity Management	5.67	7.00	6.11	6.09	0.02
Pricing	5.71	6.67	5.59	5.80	-0.21
Regulation and Compliance	6.07	6.50	6.13	6.18	-0.05
Relationship Management	6.16	6.83	5.98	6.13	-0.16
Risk Management	6.25	7.00	6.14	6.09	0.04
Technology	6.00	6.50	5.88	5.98	-0.11
Total	6.16	6.84	6.08	6.13	-0.05

The Chinese securities market is served by several custody providers of both local and foreign origin. The market overall has recorded a set of category scores within reach of global averages. Its lowest score, for Pricing, is still in the upper band of Good range.

Standard Chartered Bank

Standard Chartered was the first foreign bank to receive a local fund custody licence in China and claims to be among the top three foreign custodians in China for inbound business. It received the most responses of any of the participating providers and recorded a set of results more or less in line with global averages and above the market category averages in all but three areas. European clients were more generous than their counterparts from the Asia-Pacific region, though one Singapore-based client described the bank as "very helpful with navigating all the different forms and questionnaires required," while a large Hong Kong based respondent noted that, "The Client Ser-

vices Manager is very helpful and responsive." In terms of asset size, very large and medium-sized clients appear the most content. Responses were received from banks, broker-dealers and asset managers and Client Service scored particularly highly across all three client segments.

DBS

DBS Bank has made significant inroads in this year's survey beyond its traditional ratings in Singapore. In China, it has exceeded all market and global averages, drawing responses primarily from asset managers elsewhere in the region.

The bulk of scores are as high as they could be. In four categories – Account Management, Asset Safety, Asset Servicing and Cash Management and FX – all respondents award the maximum 7.00.

While client comments are few, one Hong Kong-based firm singles out DBS' Account Management capabilities for praise. "Account monthly reports are self-explanatory in design, thus very user friendly," they note.

Egypt

Category	National Bank of Egypt	QNB Alahli	Market	Global	Market v Global
Account Management	6.00	6.50	5.95	6.22	-0.27
Asset Safety	6.29	6.50	6.11	6.29	-0.18
Asset Servicing	5.60	6.17	6.28	6.29	-0.02
Cash Management and FX	6.25	6.40	6.13	6.12	0.01
Client Service	6.43	6.33	5.80	6.18	-0.38
Liquidity Management	5.50	7.00	5.81	6.09	-0.27
Pricing	5.25	6.20	5.50	5.80	-0.30
Regulation and Compliance	5.00	6.00	5.76	6.18	-0.42
Relationship Management	5.90	6.14	5.71	6.13	-0.42
Risk Management	5.00	7.00	5.75	6.09	-0.34
Technology	5.67	6.50	6.00	5.98	0.02
Total	5.88	6.35	5.89	6.13	-0.23

A number of infrastructural reforms are in progress in the Egyptian market. The Egyptian Government has taken steps towards the establishment of a commodities exchange. The parliament has approved the establishment of the exchange and the operating company is in the process of formation.

Last year, meanwhile, the Egyptian Stock Exchange (EGX) and Misr Company for Central Clearing, Depository and Registry (MCDR) agreed to establish a new company as a preliminary step to launching derivatives in the Egyptian market.

Finally, the Central Bank of Egypt, Ministry of Finance, and MCDR have agreed to establish a new company to manage Treasury Bond and Treasury Bill settlement and clearing.

While responses were received for five providers, the two local banks, National Bank of Egypt and QNB Alahli, received the bulk.

National Bank of Egypt

NBE has settled an average of 30,000 trades a month in the

Egyptian market over the past year. It estimates its share of international third-party business in the market to be around 5%. Its highest score, for Client Service, exceeds both market and global averages. “Based on the excellent service received, I would recommend our counterparties to make use of the services rendered by National Bank of Egypt. Keep up the excellent work,” says one happy bank client.

QNB Alahli

QNB Alahli estimates at 132,000 the monthly number of transactions it settles in the Egyptian market. Its foreign client base includes global custodians, broker-dealers, asset managers and other non-custodian banks. It claims 12% of the international third-party market.

Client comments are sparse though one bank praises a “very high service level”, adding that “QNB is very proactive in its approach.” The bank has recorded an impressive set of category scores, all of which are Very Good (6.00-6.99) or Excellent (7.00).



Greece

Category	Eurobank Greece	BNP Paribas Securities Services	Piraeus Bank Securities Services	Market	Global	Market v Global
Account Management	6.21	6.08	6.83	6.06	6.22	-0.15
Asset Safety	6.36	6.69	7.00	6.39	6.29	0.10
Asset Servicing	6.36	6.69	6.89	6.16	6.29	-0.13
Cash Management and FX	6.38	4.40	6.60	5.48	6.12	-0.64
Client Service	6.29	6.15	6.92	6.19	6.18	0.00
Liquidity Management	6.60	5.45	7.00	5.85	6.09	-0.24
Pricing	6.21	5.69	6.69	5.46	5.80	-0.34
Regulation and Compliance	6.00	5.92	6.91	5.91	6.18	-0.27
Relationship Management	6.43	6.71	7.00	6.29	6.13	0.16
Risk Management	6.20	6.71	7.00	5.84	6.09	-0.26
Technology	5.88	5.17	5.88	5.49	5.98	-0.49
Total	6.26	5.97	6.79	5.92	6.13	-0.21

Having come through a tough period reflecting the macro-economic challenges that the Greek economy has faced in recent years, Greek capital markets are now looking ahead. In addition to preparing for imminent EU regulations such as the CSDR Settlement Discipline Regime, and SRD II implementation, local reforms designed to broaden investment opportunities are being introduced. At the same time, the pressures on local providers resulting from low sovereign debt ratings are beginning to ease, as risk management concerns diminish.

EnExGroup, consisting of Hellenic Energy Exchange S.A. (HEEx) and Enex Clearing House S.A. (EnExClear), has taken on the organisation and operation of the Greek Gas and Environmental Markets, launching Day Ahead and Intraday Energy Markets and, earlier this year, an Energy Derivatives Market.

BNP Paribas Securities Services

In the early stages of the last economic crisis, BNP Paribas became the sub-custodian of choice for foreign investors forced by sovereign debt ratings to reconsider their incumbent providers.

Over the past year, BNP Paribas has processed approximately 20,000 transactions per month. According to HELEX equity turnover numbers, the bank is the second largest international provider of activity.

While its category scores are generally high, the bank is let down somewhat by the rating for Cash Management & FX, which is considered only Satisfactory (4.00-4.99). One bank using BNP Paribas as an agent in multiple markets notes that, "Relationship managers are excellent; however they need better coordination amongst locations, to make sure service is consistent across markets." The local operation does, however,

come in for specific praise from another client in this regard. "BP2S currently services 10+ markets for us; BP2S Athens were the first ones to give us the heads up about their new query management system (HOBART) at both relationship and operational levels."

Piraeus Bank

Piraeus settled an average of 17,000 transactions a month over the past year. Foreign clients include global custodians, global investment banks and broker-dealers as well as a number of asset managers and non-custodian banks. It estimates its share of international third-party business in the Greek market at around 30%.

The bank has maintained its traditionally excellent ratings in the ABEM survey. Four categories receive top ratings, while only one, Technology, records a score below 6.00, though still at the upper end of Good range (5.00-5.99). "The relationship management of Piraeus bank is very dedicated, very focused and very flexible in finding solutions... they lead by example," says one UK client.

Eurobank Greece

Eurobank exceeds both market and global averages in its overall scores and has only one category, Technology, below 6.00. One European money manager describes its personnel as "very experienced with a deep understanding of our needs. Excellent co-operation. We consider Eurobank's RMs as our closest partners."

Another stresses the efficiency of its account opening procedures. "Immediate action when there is a request to open a new account," it says. "This is very critical for us and is a value-added service from this custodian."

Hungary

Category	BNP Paribas Securities Services	Market	Global	Market vs Global
Account Management	6.50	5.69	6.22	-0.53
Asset Safety	6.50	5.89	6.29	-0.40
Asset Servicing	6.33	5.58	6.29	-0.71
Client Service	6.60	5.90	6.18	-0.28
Liquidity Management	6.67	5.20	6.09	-0.89
Pricing	5.75	4.95	5.80	-0.85
Regulation and Compliance	6.50	5.46	6.18	-0.72
Relationship Management	6.67	5.59	6.13	-0.54
Risk Management	6.67	5.20	6.09	-0.89
Technology	5.40	5.44	5.98	-0.54
Cash Management and FX	6.33	5.10	6.12	-1.02
Total	6.36	5.45	6.13	-0.68

Over the past year, the local CSD (KELER) has revised and redesigned its Strategic Modernisation Programme. Originally intended to include system replacement, KELER has opted rather to develop its existing systems with the involvement of new suppliers. The resulting Service Development Programme aims to achieve T2S harmonisation and to implement a modernised IT architecture that will comply with upcoming regulatory requirements, such as CSDR. The technical specifications of the Service Development Programme were published at the end of June 2020 and the go-live is now planned for end-November/early-December 2021.

BNP Paribas Securities Services

BNP Paribas puts its market share of international third-party business in Hungary at 18% for OTC settlements and 10-12% for assets under custody for foreign investors on the local market. The bank has recorded an impressive set of scores this year with only Technology and Pricing falling below 6.00, the threshold for Very Good. It exceeds all market category benchmarks with the exception of Technology and all global benchmarks apart from Technology and Pricing. One UK client comments: “Premium price charged - would be great to have a reduction in price based on low volume usage.”

The bank’s best result is for Relationship Management (6.67) a category for which two-thirds of respondents rate it as Excellent (7.00), the maximum possible score.



India

Category	Edelweiss	ICICI Bank	Société Générale Securities Services	Standard Chartered Bank	DBS	Deutsche Bank	BNP Paribas Securities Services	Market	Global	Market v Global
Account Management	6.94	6.84	6.48	6.33	6.33	6.48	6.87	6.65	6.22	0.43
Asset Safety	6.89	6.89	6.39	6.39	6.33	6.54	7.00	6.67	6.29	0.38
Asset Servicing	6.97	6.89	6.70	6.29	6.88	6.57	6.89	6.72	6.29	0.43
Cash Management and FX	6.97	6.81	6.43	6.11	5.63	6.31	7.00	6.56	6.12	0.44
Client Service	6.94	6.78	6.73	6.38	6.67	6.62	7.00	6.72	6.18	0.54
Liquidity Management	6.89	6.72	6.69	5.95	6.50	6.50	7.00	6.65	6.09	0.56
Pricing	6.78	6.81	6.68	6.14	6.33	6.36	7.00	6.59	5.80	0.79
Regulation and Compliance	6.89	6.89	6.72	6.07	6.78	6.48	6.94	6.68	6.18	0.50
Relationship Management	6.94	6.86	6.41	6.09	6.67	6.43	7.00	6.61	6.13	0.48
Risk Management	6.83	6.83	6.13	6.22	6.88	6.25	7.00	6.60	6.09	0.51
Technology	6.86	6.78	5.70	5.96	6.75	6.00	6.94	6.44	5.98	0.46
Total	6.90	6.83	6.46	6.18	6.52	6.41	6.97	6.63	6.13	0.50

The Indian market remains one of the few in the survey where competition among multiple service providers is still fierce. Perhaps because of that, it is also one of the highest scoring markets in the survey with all rated providers exceeding the global category benchmarks in almost all areas.

Edelweiss

Edelweiss has once again recorded stellar results across all categories from its participating clients, who are mostly at the lighter end of the AUM continuum. One Singapore-based asset manager enthuses that, “The service quality is absolutely outstanding. The account managers are very knowledgeable and helpful and help to close any outstanding issues within no time.”

Standard Chartered Bank

In addition to its foreign clients, Standard Chartered is the sole custodian for India’s largest public social security fund. One offshore client notes, “They have demonstrated a great working relationship over the years and maintained a high level of proximity and dedication to us as clients. The RM assigned to us... and backup RMs are very responsive and available when required. They have maintained this high level of excellence over the years.”

Deutsche Bank

Deutsche Bank has settled approximately 86,270 transactions a month in the Indian market over the past year. Their highest category rating is an impressive 6.62 for Client Service. “Very responsive and pro-active,” says one client, while another confirms, “Very happy with their level of service, despite the lockdown. There has been little to no disruption in service being offered.”

ICICI Bank

One of the three systemically important banks in India, ICICI

maintains live updating centres across Mumbai and Hyderabad – two different seismic zones to manage continuity of operations in the event of disruption. It estimates its share of international third-party business in the Indian market at 5%. The category scores it records this year are all in the upper ranges of Very Good and close to the maximum score 7.00. “Smooth and efficient on-boarding done by the team at ICICI,” says one offshore client.

Societe Generale Securities Services (SGSS)

Responsible for settling some 53,000 transactions per month, SGSS’ custodial services are complemented by a full suite of Treasury solutions and FX services supported by State Bank of India Treasury. The bank claims a 3% market share of international third-party business. Apart from Technology, all its category scores are in Very Good range (6.00-6.99) with a high of 6.73 for Client Service. Unusually, in this survey, the bank receives praise for its pricing.

BNP Paribas Securities Services

BNP Paribas Securities Services India serves approximately 240 foreign clients and 25 domestic clients and estimates its share of business from foreign investors in the Indian market as 1.5-2%. Responses come primarily from elsewhere in the Asia Pacific region as well as Mauritius, which has long served as an offshore centre for the Indian market. It has done exceptionally well this year, scoring a maximum 7.00 in over half the service categories. “We would definitely recommend BNP Paribas and wish to continue our relationship with them,” says one client.

DBS

DBS has made an impressive entrance to the Indian survey table this year. Though client comments are few, all service categories are rated above 6.00 apart from Cash Management & FX. Asset Servicing and Risk Management score highest.

Indonesia

Responses were received for five providers – all multi-market – though only one, Standard Chartered received enough for analysis. Although market averages are more than respectable, with most in Good range (5.00-5.99), Indonesia is one of the lower scoring markets in the ABEM survey. Surprisingly, Relationship Management falls into simply Satisfactory territory, though half of respondents still regard it as “Very Good”.

Standard Chartered Bank

In 2019, Standard Chartered processed around 280,000 transactions and held assets worth approximately \$39 billion under custody. It accounts for just over half the responses received for Indonesia, but still manages to outperform the market averages in all but two categories: Asset Servicing and Liquidity Management. Responses are drawn mostly from Europe and split between banks and broker-dealers. The impression gained is of a set of clients quite content with the service they receive. In three areas, the bank manages to

exceed global category benchmarks: Client Service, Pricing and Technology.

There are very few client comments to add colour to the scores, but one European bank indicates some concern in the area of Risk Management, despite scoring Standard Chartered highly in that particular category. Regarding business continuity planning and disaster recovery it notes that, “The distance between primary and secondary data centre is not in line with market best practices.”

The bank itself draws attention to a number of factors that it regards as distinguishing it from the competition in this market. In addition to being the first custodian bank to support multi-share class mutual funds, it claims to be the first and only custodian bank with a direct interface with the Indonesia Central Securities Depository (KSEI) system for account opening. The bank also has a significant local client base in the areas of discretionary and mutual funds.

Category	Standard Chartered Bank	Market	Global	Market v Global
Account Management	6.00	5.50	6.22	-0.72
Asset Safety	6.00	5.43	6.29	-0.86
Asset Servicing	5.67	5.86	6.29	-0.43
Cash Management and FX	6.00	5.86	6.12	-0.26
Client Service	6.33	5.13	6.18	-1.05
Liquidity Management	5.67	5.75	6.09	-0.34
Pricing	6.00	5.43	5.80	-0.37
Regulation and Compliance	5.67	5.29	6.18	-0.89
Relationship Management	6.00	4.88	6.13	-1.25
Risk Management	6.00	5.43	6.09	-0.66
Technology	6.00	6.00	5.98	0.02
Total	5.94	5.50	6.13	-0.63

Malaysia

Category	Standard Chartered Bank	Market	Global	Market v Global
Account Management	6.33	5.82	6.22	-0.40
Asset Safety	6.00	6.25	6.29	-0.04
Asset Servicing	6.33	6.27	6.29	-0.02
Cash Management and FX	6.00	6.00	6.12	-0.12
Client Service	6.00	5.42	6.18	-0.76
Liquidity Management	5.67	5.75	6.09	-0.34
Pricing	6.00	5.56	5.80	-0.24
Regulation and Compliance	6.33	5.77	6.18	-0.41
Relationship Management	5.67	5.27	6.13	-0.86
Risk Management	5.67	5.70	6.09	-0.39
Technology	6.00	5.82	5.98	-0.16
Total	6.00	5.78	6.13	-0.35

The Securities Commission Malaysia and Bursa Malaysia Berhad introduced a number of temporary measures in 2020 to ensure market stability. From July, the market introduced temporary revisions to price limits (dynamic as well as static) as well as the circuit breaker to provide additional stability and confidence. The measures are set to expire at year-end.

In addition, short selling was suspended for the second half of this year. The suspension covers intraday short selling, restricted short selling and intra-day short selling by proprietary day traders. However, the suspension does not apply to permitted short selling.

Responses were recorded for seven providers with Standard Chartered receiving sufficient for quantitative analysis and Maybank falling just short of the requisite number.

Standard Chartered Bank

“Excellent client service, they always respond to our inquiries efficiently in a timely manner,” says one Japanese client of Standard Chartered’s Malaysian service. With 70%

of categories scoring 6.00 or above, Standard Chartered exceeds the market average in most service categories.

The bank claims a number of competitive differentiators in Malaysia, including being first in the market to launch Islamic trust structures for Development Financial Institutions and the only bank to provide end-to-end securities services solutions across conventional bank and Islamic banking via Standard Chartered Saadiq Berhad.

Maybank

Maybank settles an average of 9,000 securities transactions a month in the Malaysian market. The bank is organised to provide a single relationship manager per client covering all products within the bank. A dedicated operations client service officer is assigned to each client for day-to-day operational queries. The bank is implementing a new fund accounting system to enable it to offer a full suite of back-office and middle-office solutions to clients looking to outsource investment operations functions.

Philippines

Category	Standard Chartered Bank	Market	Global	Market v Global
Account Management	6.00	5.69	6.22	-0.53
Asset Safety	5.88	5.58	6.29	-0.71
Asset Servicing	5.88	5.92	6.29	-0.37
Cash Management and FX	6.00	5.92	6.12	-0.20
Client Service	6.13	5.46	6.18	-0.72
Liquidity Management	5.67	5.75	6.09	-0.34
Pricing	5.88	5.58	5.80	-0.22
Regulation and Compliance	5.88	5.58	6.18	-0.60
Relationship Management	5.88	5.23	6.13	-0.90
Risk Management	5.75	5.38	6.09	-0.71
Technology	5.75	5.88	5.98	-0.10
Total	5.88	5.63	6.13	-0.50

Although average market scores across all service categories are comfortably in “Good” range (5.00-5.99), the Philippines under-shoots global survey benchmarks. Cross-border volumes appear relatively low, however, suggesting that there is relatively little activity over which to enthuse. That said, clients appear happy on the whole, with only Relationship Management and Client Service across all providers attracting any individual scores below Good (5.00). Even then, they are still rated Satisfactory by the relative detractors and as far as Client Service is concerned, an equal number of respondents actually rate that service category as Excellent (7.00), the highest possible score in the survey.

Four banks received responses from clients for their services in the Philippines, all of which are multi-market providers. Of these, Standard Chartered is the only one to qualify for an individual write up. Unfortunately for the others, there is little in the way of client comment to enlighten readers on why they have scored as they have.

Standard Chartered Bank

The bank’s services in the Philippines are described as “professional and prompt” by one regional broker, who signs off with an expression of thanks for “outstanding custodian services.”

Standard Chartered claims a number of distinguishing features of services in the Philippines. These include automated matching of internal transactions where the bank is acting as the custodian for both receiving and delivering parties, thereby providing rapid turnaround of message status to clients. The bank has also pioneered a share class hedging service in the market and acts as fund administrator for the first FX hedged share class fund launched in the Philippines. It is also the first custodian bank to have a Bangko Sentral Registration Document (BSRD) system which provides fully-automated recording, daily reconciliation, pre-deal checks and reporting of client transactions with the central bank.



Poland

Category	BNP Paribas Securities Services	Bank Pekao	Market	Global	Market v Global
Account Management	6.64	5.56	5.78	6.22	-0.44
Asset Safety	6.71	6.43	6.11	6.29	-0.18
Asset Servicing	6.71	6.00	6.03	6.29	-0.26
Cash Management and FX	6.33	6.00	5.58	6.12	-0.54
Client Service	6.82	5.55	5.81	6.18	-0.37
Liquidity Management	6.83	6.25	6.07	6.09	-0.02
Pricing	6.44	4.86	5.59	5.80	-0.21
Regulation and Compliance	6.79	5.90	6.03	6.18	-0.15
Relationship Management	6.72	5.89	6.00	6.13	-0.13
Risk Management	6.60	6.00	5.88	6.09	-0.21
Technology	6.36	4.00	5.63	5.98	-0.35
Total	6.63	5.68	5.86	6.13	-0.27

Responses for Poland were spread across eight different providers of which two, Bank Pekao and BNP Paribas Securities Services, received sufficient for ratings to be published.

BNP Paribas notes that recent years have witnessed the development of a culture of passive investments with ETFs and a variety of structured products in Warsaw. There have also been record numbers of new brokerage/securities accounts opening in H1 2020.

According to Bank Pekao, one of the remaining market inefficiencies is manual pre-matching between local sub-custodians, though improvement is expected in the year ahead.

Bank Pekao

Bank Pekao is one of the five largest companies listed on the Warsaw Stock Exchange and is one of the largest sub-custodians in the Polish market. Since last year, it is a part of the PZU Group - the largest financial group in Central and Eastern Europe.

The bank claims an average of 100,000 transaction settlements a month in the local market and estimates its share of international third-party business at 23%. Clients include global custodians, other custodian banks, global investment banks and broker-dealers and asset managers.

In mid-2020, the bank's head of FI and custody was also appointed as head of treasury and the brief of the relationship manager expanded to include both custody business and other relevant bank products. The bank is also testing the implementation of automatic pre-matching with local counterparties.

Pekao's results this year range from a high of 6.43 for Asset Safety to a low of 4.00 for Technology. In this regard, one regional bank notes, "Generally all is fine, but we see room for improvement for ISO 20022 communication." When it comes to client service, however, another client from the region comments: "Responses to our request are always fast."

BNP Paribas Securities Services

BNP Paribas Securities Services puts its share of international third-party business in the Polish market at 28%. Its scores suggest clients think highly of service received across all categories. "Good service all round", says one, though grumblings can be heard about pricing levels.



Russia

Category	Sberbank of Russia	VTB Bank	Société Générale Securities Services	Market	Global	Market v Global
Account Management	6.82	6.89	6.63	6.66	6.22	0.44
Asset Safety	7.00	6.88	7.00	6.68	6.29	0.39
Asset Servicing	6.81	6.67	6.71	6.60	6.29	0.31
Cash Management and FX	6.50	6.86	6.33	6.27	6.12	0.15
Client Service	6.58	6.75	6.50	6.51	6.18	0.33
Liquidity Management	6.50	6.80	7.00	6.32	6.09	0.23
Pricing	6.47	6.42	6.11	6.24	5.80	0.44
Regulation and Compliance	6.57	6.78	7.00	6.59	6.18	0.41
Relationship Management	6.25	6.75	6.50	6.33	6.13	0.20
Risk Management	6.38	6.71	7.00	6.35	6.09	0.26
Technology	5.91	6.09	6.14	5.97	5.98	-0.01
Total	6.53	6.69	6.63	6.41	6.13	0.28

Russia is one of a handful of markets in the ABEM survey where stiff competition has resulted in high standards of service as perceived by international clients. The three banks who warrant individual mention by virtue of the number of participating clients – Sberbank, VTB and SGSS – all score well over both market and global averages for all, or nearly all, categories.

Societe Generale Securities Services (Rosbank/SGSS Russia)

SGSS' international client base in the Russian markets includes global custodians, broker-dealers, other banks and asset managers. It estimates its market share of international third-party business at 35%. Its category scores reflect strong client satisfaction with its services. In particular, a European asset manager notes, "One of the main reasons for our company to start working with this provider was the safety of assets."

VTB Bank

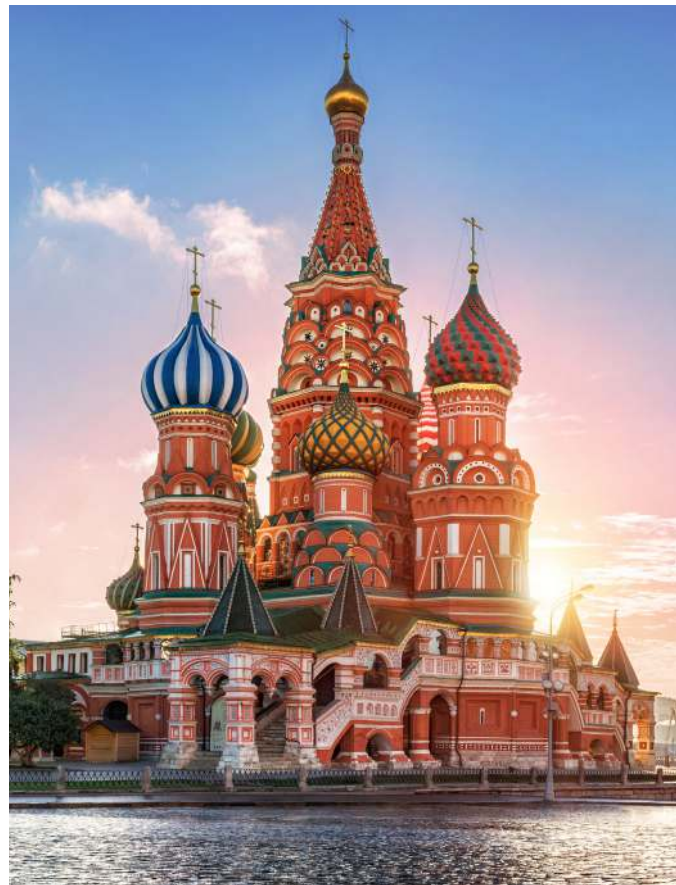
VTB has category scores that will be hard to beat in future years. Account Management scores highest with 6.89. "Excellent client service. Will definitely recommend to anyone," says one Middle East-based client.

Sberbank

Sberbank claims a 50% share of inbound international third-party business in Russia. It also acts as a sub-custodian for DR programs serviced by J.P. Morgan, Citibank and The BNY Mellon, providing safekeeping and settlement services for the global custodians' underlying clients in over 40 DR programmes of some 25 Russian issuers.

In addition to these clients, it claims to be the market leader in corporate actions for Russian issuers. It was also the first Russian bank to use ISO 20022 messaging standards at its own AGM in 2015 and supports all types of SWIFT messages related to Corporate Actions, including pre-advice.

"The overall efficiency of the Russian market in terms of as-



set servicing is well mastered by Sberbank team members and the STP system," says one offshore client. "Appropriate levels of direct communication between the two organisations allow issues when they arise to be swiftly resolved."

South Africa

Category	Nedbank	RMB Custody	Market	Global	Market v Global
Account Management	6.64	6.40	6.33	6.22	0.11
Asset Safety	6.60	6.14	6.09	6.29	-0.20
Asset Servicing	6.64	6.00	6.29	6.29	0.00
Cash Management and FX	7.00	5.71	5.93	6.12	-0.19
Client Service	7.00	5.80	6.19	6.18	0.01
Liquidity Management	7.00	5.50	5.91	6.09	-0.18
Pricing	5.09	5.43	5.17	5.80	-0.63
Regulation and Compliance	6.60	5.71	6.14	6.18	-0.04
Relationship Management	6.18	6.29	6.09	6.13	-0.04
Risk Management	7.00	5.80	6.25	6.09	0.16
Technology	7.00	6.00	6.31	5.98	0.33
Total	6.61	5.89	6.06	6.13	-0.07

South Africa has traditionally been well served by a range of local and multi-market custodians. This year, two of them, Nedbank and RMB Custody, have hit the necessary threshold for robust analysis. Overall, however, nine banks have recorded responses, including two global custodians with no physical operation on the ground in South Africa. This suggests that, for certain clients, it is their global provider rather than the local agent at one remove to whom they assign responsibility for their perception of service quality. This is something we will be exploring in more detail in designing the 2021 questionnaires.

Looking at the market as a whole, it seems that clients are appreciative of levels of competence in Account Management (6.33) and Technology (6.31), both of which surpass global category averages.

Nedbank

More often than not in Global Custodian surveys, Nedbank has been associated with a primarily domestic client base. This year, however, when it comes to international third-party clients, it shines, exceeding all market averages with the exception of Pricing, which in all GC surveys, is often at the bottom of the leader board. “Efficient and speedy service has always been their first priority,” says one regional client..

RMB Custody

“All in all we receive a good service, though the response time could be quicker in some cases,” says one large European client of the service from RMB. The bank’s evident strengths lie in Relationship Management and Account Management, both of which exceed both market and global averages.



Taiwan

Responses were received for five providers in Taiwan, of which one, Standard Chartered, received the majority. This suggests either a slow winnowing of service providers with potential for either acquisition of existing businesses or their clients. Alternatively, providers may be content with their levels of market share.

As a whole, the market is one of the better performing in the ABEM survey, as clients see it. At a category level, the market as a whole beats global averages in seven of the 11 categories rated. In the four that underscore, the difference is well within the margin of error.

Standard Chartered Bank

“Standard Chartered Bank, especially Taiwan’s team, is good at servicing clients in all aspects,” says one offshore fund client. Only when it comes to Pricing and Cash Management & FX does Standard Chartered fall below global benchmarks.

In local terms, the bank exceeds the market average (which gives its predominance, it helps to set) in five areas: Account Management, Client Service, Liquidity Management, Regulation & Compliance, and Relationship Management.

The bank sets out a number of areas where it feels its position distinguishes it from the competition. It was, it says, the first in the market to develop and launch a new digital securities position reporting for global broker-dealer clients in partnership with the Taiwan Depository and Clearing Corp (TDCC). It was also first in market to develop a system capability that automates FX processing for global custodian clients, as a result of which it has attracted a number of Foreign Institutional Investor (FINI) clients with high FX transaction volumes, making it the largest market provider of spot FX transactions.

Category	Standard Chartered Bank	Market	Global	Market v Global
Account Management	6.45	6.32	6.22	0.10
Asset Safety	6.50	6.50	6.29	0.21
Asset Servicing	6.33	6.33	6.29	0.04
Cash Management and FX	6.00	6.07	6.12	-0.05
Client Service	6.52	6.34	6.18	0.16
Liquidity Management	6.10	6.00	6.09	-0.09
Pricing	5.79	5.79	5.80	-0.01
Regulation and Compliance	6.25	6.17	6.18	-0.01
Relationship Management	6.48	6.28	6.13	0.15
Risk Management	6.25	6.25	6.09	0.16
Technology	6.00	6.00	5.98	0.02
Total	6.24	6.19	6.13	0.06

Thailand

Category	Standard Chartered Bank	Market	Global	Market v Global
Account Management	6.11	6.00	6.22	-0.22
Asset Safety	5.88	5.88	6.29	-0.41
Asset Servicing	6.00	6.47	6.29	0.18
Cash Management and FX	6.00	5.40	6.12	-0.72
Client Service	6.00	5.94	6.18	-0.24
Liquidity Management	5.83	5.56	6.09	-0.53
Pricing	5.29	4.93	5.80	-0.87
Regulation and Compliance	5.78	6.35	6.18	0.17
Relationship Management	5.88	5.88	6.13	-0.25
Risk Management	5.83	5.22	6.09	-0.87
Technology	5.86	5.30	5.98	-0.68
Total	5.86	5.72	6.13	-0.41

Three providers, including one global custodian, received responses for their Thai-based services, suggesting that some respondents rely entirely on their global intermediary to engage with the market.

Taken as a whole, Thailand is regarded as one of the less efficient market jurisdictions, though there is nothing in the results to “frighten the horses”. All category scores are rated either Good (5.00-5.99) or Very Good (6.00-6.99) with the exception of Pricing, which is rated Satisfactory, but given that clients are generally reticent about publicising the fact they think they’ve received an excellent deal, such a score is understandable.

Standard Chartered Bank

Standard Chartered is the only foreign settlement bank in Thailand for both equities and derivatives. As the first custodian bank to launch a China Interbank Bond Market (CIBM) fund, it is used by a number of local banks to access the CIBM market.

The bank points to its track record in servicing first-in-market products. These include: the first CDS Ultra High Net Worth (UI) fund; the first Collective Investment Scheme (CIS) fund in Thailand; the first and largest Infrastructure fund in Thailand (BTS Rail Mass Transit Growth Infrastructure Fund), the first multi-class mutual fund in Thailand; and the first Korean bond fund and Indian bond fund in Thailand.

These claims are, however, only partially reflected in the bank’s category scores. Account Management is the bank’s highest category score, exceeding the market average. “Prompt response is usually performed,” says one regional broker in this regard.

Client comments suggest a solid, rather than exciting, level of service overall. “SCB has provided professional custodial services,” says one respondent – a comment which should satisfy this provider, but not sufficiently for it to rest on its laurels.

Turkey

Category	BNP Paribas Securities Services	Deutsche Bank	Market	Global	Market v Global
Account Management	6.61	6.50	6.52	6.22	0.30
Asset Safety	6.35	6.20	6.36	6.29	0.07
Asset Servicing	6.44	6.20	6.35	6.29	0.06
Cash Management and FX	6.58	6.00	6.28	6.12	0.16
Client Service	6.60	6.50	6.52	6.18	0.34
Liquidity Management	6.47	6.00	6.17	6.09	0.08
Pricing	5.89	6.17	5.74	5.80	-0.06
Regulation and Compliance	6.39	6.33	6.33	6.18	0.15
Relationship Management	6.71	6.50	6.60	6.13	0.47
Risk Management	5.71	6.00	5.86	6.09	-0.23
Technology	6.46	6.20	6.05	5.98	0.07
Total	6.38	6.24	6.25	6.13	0.12

With a regulatory change in 2019, international CSDs are now required to establish direct membership to MKK, the Turkish CSD, to obtain an omnibus account and assign an account operator. Foreign financial institutions are able to apply for, and open, an omnibus account through institutions that hold a general custody licence.

Two banks qualify for individual write ups in this year's survey: BNP Paribas Securities Services and Deutsche Bank, both long standing providers of sub-custody in the Turkish market. Overall, the market surpasses global category averages aside from Risk Management and Pricing.

BNP Paribas Securities Services

BNP Paribas' subsidiary, TEB Securities Services, provides services for foreign investors in the Turkish market. TEB has been appointed the account operator for Euroclear Bank's new link to Turkey. It describes itself as the only custodian to offer custody

services to ICSDs in the Turkish Market and, as such, is the first custodian to provide account operator services to new ICSD clients for omnibus accounts in the Turkish market at CSD level. The link, which went live in July 2020, will allow international investors to hold and settle Turkish government debt securities through their existing Euroclear accounts in the Turkish capital markets. TEB is now exploring offering similar services to other global clients. Its best result in this year's survey is for Account Management (6.61), closely followed by Client Service.

"BNP Turkey are a very competent provider in all aspects," says one client. "They are dynamic in what they do and our RM is absolutely competent."

Deutsche Bank

Deutsche Bank has performed well in this year's ABEM survey with all category scores in Very Good range (6.00-6.99). There is, however, little to glean from client comments.



UAE

Category	Deutsche Bank	First Abu Dhabi Bank	Market	Global	Market v Global
Account Management	6.73	7.00	6.00	6.22	-0.22
Asset Safety	6.89	6.88	6.41	6.29	0.12
Asset Servicing	6.80	7.00	6.10	6.29	-0.19
Cash Management and FX	6.75	7.00	6.52	6.12	0.40
Client Service	6.92	6.90	5.97	6.18	-0.21
Liquidity Management	6.20	7.00	5.84	6.09	-0.25
Pricing	5.91	6.50	5.83	5.80	0.03
Regulation and Compliance	6.43	7.00	5.78	6.18	-0.40
Relationship Management	6.79	6.80	5.85	6.13	-0.28
Risk Management	7.00	7.00	6.39	6.09	0.30
Technology	6.75	7.00	6.44	5.98	0.46
Total	6.65	6.92	6.10	6.13	-0.03

The Dubai Financial Market (DFM) has announced the formation of the ‘Dubai Central Clearing & Depository Holding’ to act as an umbrella company for the newly formed CSD (Dubai Central Securities Depository LLC) and CCP (Dubai Clear LLC), which are separate legal entities. Dubai Clear acts as central counterparty for all DFM trades and undertakes all clearing, settlement and risk management functions for the DFM.

The DFM has also introduced a new platform in line with its strategy to diversify product offerings and attract further investments. The platform will initially introduce equity futures contracts on single stocks for five of the most liquid equities listed on the DFM.

Both Deutsche Bank and First Abu Dhabi Bank (FAB), the two rated providers in this year’s ABEM survey, score highly against market and global benchmarks.

Deutsche Bank

Deutsche Bank settles an average 1,500 transactions a month in UAE and estimates its share of international third-party business to be around 20%. “We have an excellent relationship with DB for over 6 years now and their team has been very supportive to us as always in all aspects,” says one offshore client.

FAB

FAB is amongst the largest banks in the Middle East and is the only home-grown UAE-based custodian. Based on an analysis of exchange data, FAB believes it is the second largest custodian in the UAE. It has been ranked one of the top 50 safest banks in the world for over 10 consecutive years.

FAB positions itself as a “boutique-style” provider of custody services, with the same level of customised service as would be expected from private bank clients. “We believe this approach is unique in the custody industry,” says FAB. “We only work with strategic clients of FAB Group who take multiple services from FAB and as such, we do not have to build up client scale to be profitable.”

Standard Chartered Bank

Standard Chartered claims a dominant position in services for foreign broker-dealers. It is also the only provider in the market offering full end-to-end Islamic solutions, incorporating cash, custody and fund administration. It has recently implemented a single touch capability across all markets covered by its UAE hub, enabling it to provide efficient transactional cut-offs as close as possible to direct market cut-offs.

