

*The*  
**2021** 

# AGENT BANKS IN FRONTIER MARKETS **SURVEY**

# FRONTIER MARKETS MARCH OF THE REGIONALS

The 2021 ABFM survey provides further evidence that multi-market and regional service provision is gaining ground, though where there is sufficient activity and a domestic client base on which to build, local market provision is a viable option.

This year's ABFM survey has shown an overall improvement in scores most likely as what seems like a result of genuine efforts on the part of competitors to raise their game during a difficult economic period. What also seems apparent however, is that levels of activity on which to base an assessment are reduced, complicating any attempt at granular analysis as might be expected in the major and larger emerging markets. At the same time, the write-ups on the following pages indicate a pattern of growing concentration of activity with a consolidated list of providers – a trend discussed in this issue on page 20.

Table 1 provides an indication of markets' overall performance in the ABFM survey, including a number of markets where the level of responses is insufficient for a more granular breakdown. The obvious caveat is that the lower down the table you go, the more tentative the conclusion as it based on relatively limited data.

Table 2 meanwhile covers those markets for which three or fewer responses were received. Though ranked by score, these should be treated as reflections of the experience of only a handful of respondents. Nevertheless, as we welcome and encourage their participation, we feel it is only fair to report their assessments.

Table 1: Market rankings	Average Score	Percentage of responses
Bulgaria	6.37	11.5
Cyprus	6.33	7.2
Romania	6.28	5.1
Croatia	5.83	4.7
Mauritius	5.79	4.7
Nigeria	5.73	4.7
Ghana	5.60	4.7
Slovak Republic	6.09	3.8
Vietnam	5.95	3.4
Slovenia	5.79	3.4
Ivory Coast	5.61	3.4
Morocco	5.55	3.4
Kenya	5.31	3.4
Argentina	5.60	2.6
Tanzania	5.41	2.6
Jordan	6.09	2.1
Zambia	6.06	2.1
Lithuania	5.71	2.1
Botswana	5.31	2.1

Table 2: Small sample results	Overall score
Macedonia	6.50
Zimbabwe	6.38
Tunisia	6.24
Bosnia Herzegovina	6.00
Kazakhstan	5.84
Bahrain	5.69
Sri Lanka	5.60
Latvia	5.57
Estonia	5.56
Bangladesh	5.53
Serbia	5.48
Iceland	5.44
Panama	5.33
Uganda	5.26
Kuwait	5.18
Uruguay	5.00
Georgia	4.90
Bermuda	4.89
Albania	4.86
Oman	4.76
Malawi	4.75
Ukraine	4.55
Namibia	4.11
Swaziland	4.00
Costa Rica	3.40

## Methodology

The universe of markets in the GC Agent Banks in Frontier Markets (ABFM) survey draws primarily on the MSCI and S&P Frontier Markets lists. Not all of these markets are, however, represented in the accompanying tables. Such representation depends on the number of responses received for each.

For this year's survey, respondents were asked to complete a pared down questionnaire covering 11 service categories, with the ability both to skip sections not deemed relevant and to give an overall assessment for each category rather than rating particular aspects of the service provided in each category.

Responses were elicited through the use of a sliding scale from 'strongly disagree' to 'strongly agree'. Each response registered a number between 0 and 20. Aggregated scores were converted to GC's traditional seven-point scale for publication (where 1=unacceptable and 7=excellent). As in the 2020 survey, weighting criteria have been adjusted to give greater voice to the views of the largest respondents, who tend to be more exacting in their service expectations, which they are able to form from comparisons across their network.

The response pool was drawn from two sources. Those respondents who completed the survey last year were invited to do so again, while service providers in the markets concerned were invited either to submit client lists for invitation or to approach those clients themselves. Any responses submitted by institutions that were not clients of the rated provider in the previous year were removed.

# Central and Southern Africa

This region accounted for 14% of total responses received for this year's ABFM survey. These covered Botswana, eSwatini (Swaziland), Malawi, Mauritius, Namibia, Zambia and Zimbabwe. As in 2020, Mauritius received the most active ratings – 35% of the regional total.

Apart from being a market in its own right, Mauritius is also a regional hub – for which status it competes with South Africa – and an offshore access point for investment funds into India.

As a whole, the region has seen its category ratings improve year-on-year in most areas, and in some cases, such as Relationship Management, quite significantly. All category scores are now in Good range (5.00-5.99) with Relationship Management and Client Service crossing the threshold into Very Good. In relative terms, Asset Safety and Risk Management prevent the region from beating the overall global average for ABFM.

Regional providers continue to gain ground with Standard Chartered Bank and Standard Bank/Stanbic again dominating responses, the former being the only provider to garner sufficient responses for its results to be presented.

## Standard Chartered Bank

Standard Chartered notes that its regional HUB proposition in Mauritius offers clients the possibility to access 40 footprint markets across Asia, Africa & Middle East and 100+ markets globally. The bank accounts for 55% of responses received for the Mauritian market.

One US client notes that in both Mauritius and Zambia, “We have strong relationships with the individuals who service our accounts.” Given the fact that Risk Management and Asset Safety are seen as relative areas of concern across the region as a whole, the same client notes approvingly that, “SCB can be a bit of a stickler on compliance, with regard to continual updates of information. But, ultimately that’s a protection for us and our clients as well.”

Regional scores	Central and Southern Africa 2021	Previous year	Difference
Account Management	5.89	4.27	1.62
Asset Safety	5.32	4.84	0.48
Asset Servicing	5.61	4.55	1.06
Cash Management and FX	5.06	6.44	-1.38
Client Service	6.05	4.91	1.14
Liquidity Management	5.87	4.83	1.04
Pricing	5.31	4.74	0.57
Regulation and Compliance	5.62	4.86	0.76
Relationship Management	6.37	3.91	2.46
Risk Management	5.32	4.13	1.19
Technology	5.00	4.61	0.39

Market scores	Botswana	Mauritius	Zambia
Account Management	5.75 (82%)	6.00 (86%)	6.20 (89%)
Asset Safety	5.00 (71%)	5.40 (77%)	6.20 (89%)
Asset Servicing	5.20 (74%)	5.83 (83%)	6.40 (91%)
Cash Management and FX	4.25 (61%)	5.25 (75%)	5.80 (83%)
Client Service	6.00 (86%)	6.20 (89%)	6.40 (91%)
Liquidity Management	5.67 (81%)	6.33 (91%)	6.00 (86%)
Pricing	4.67 (67%)	6.25 (89%)	5.50 (79%)
Regulation and Compliance	5.50 (79%)	6.20 (89%)	6.00 (86%)
Relationship Management	6.50 (93%)	6.60 (94%)	6.40 (91%)
Risk Management	5.50 (79%)	5.00 (71%)	6.00 (86%)
Technology	4.60 (66%)	5.20 (74%)	5.60 (80%)

Provider scores (Regional)	Central and Southern Africa 2021	Standard Chartered Bank	Versus regional average
Account Management	5.89	6.07	0.18
Asset Safety	5.32	5.39	0.07
Asset Servicing	5.61	5.68	0.08
Cash Management and FX	5.06	4.94	-0.12
Client Service	6.05	6.25	0.20
Liquidity Management	5.87	5.85	-0.02
Pricing	5.31	5.55	0.23
Regulation and Compliance	5.62	5.81	0.19
Relationship Management	6.37	6.50	0.13
Risk Management	5.32	5.65	0.33
Technology	5.00	5.00	0.00

# East Africa

The three markets of Kenya, Uganda and Tanzania together accounted for 6% of total ABFM responses. Although probably the smallest market on the region, Tanzania this year accounts for some 40% of responses, but across all three, Standard Chartered again dominates, with Stanbic also receiving a number of responses.

Relationship Management appears to be the best appreciated service area with just over 63% of respondents rating it excellent. No category scores for the region as a whole fall below Satisfactory (4.00-4.99). While Cash Management and FX is the lowest such score, this may be a function of local regulations coming up against investor expectations. While also somewhat at the mercy of regional infrastructure, Technology could be an area where, with further investment, some greater competitive differentiation is achievable at an individual provider level. One respondent suggests that the web user interfaces might be a place to start.

Overall, the three markets record similar average scores, comfortably in the Good range (5.00-5.99).

## Standard Chartered Bank

In Kenya, the largest market in the region, Standard Chartered claims the largest custodian market share for both foreign and local clients.

In Tanzania, the bank actively participates in industry committees and engages closely with regulators, suggesting these roles are key in helping to shape market developments such as market operating rules. In reference to Tanzania, one client notes that compliance and KYC requests “can be a bit cumbersome, but as a client, we understand the necessity.”

Standard Chartered itself points to its advanced risk management framework that is universally applied across the network to standardise compliance and asset safety benefits. In Uganda, says the bank, “This strength was recognised by the capital markets authority in an announcement that Standard Chartered’s Trustee Services business is the most compliant trustee in the market.”

Regional scores	East Africa 2021	Previous year	Difference
Account Management	5.67	4.33	1.34
Asset Safety	5.09	5.82	-0.73
Asset Servicing	5.36	5.66	-0.30
Cash Management and FX	4.50	6.65	-2.15
Client Service	5.78	5.77	0.01
Liquidity Management	5.67	4.00	1.67
Pricing	4.83	4.53	0.30
Regulation and Compliance	5.44	6.03	-0.59
Relationship Management	6.11	4.17	1.94
Risk Management	5.44	5.65	-0.21
Technology	4.82	4.89	-0.07

Market scores	Kenya	Tanzania	Uganda
Account Management	5.75 (82%)	6.00 (86%)	5.00 (71%)
Asset Safety	5.00 (71%)	5.00 (71%)	5.50 (79%)
Asset Servicing	5.20 (74%)	5.25 (75%)	6.00 (86%)
Cash Management and FX	4.25 (61%)	4.67 (67%)	5.00 (71%)
Client Service	6.00 (86%)	5.67 (81%)	5.50 (79%)
Liquidity Management	5.67 (81%)	6.00 (86%)	5.00 (71%)
Pricing	4.67 (67%)	5.50 (79%)	4.00 (57%)
Regulation and Compliance	5.50 (79%)	5.67 (81%)	5.00 (71%)
Relationship Management	6.50 (93%)	6.00 (86%)	5.50 (79%)
Risk Management	5.50 (79%)	5.67 (81%)	5.00 (71%)
Technology	4.60 (66%)	4.75 (68%)	5.50 (79%)

Provider scores (Regional)	East Africa 2021	Standard Chartered Bank
Account Management	5.67	5.67
Asset Safety	5.09	5.09
Asset Servicing	5.36	5.36
Cash Management and FX	4.50	4.50
Client Service	5.78	5.78
Liquidity Management	5.67	5.67
Pricing	4.83	4.83
Regulation and Compliance	5.44	5.44
Relationship Management	6.11	6.11
Risk Management	5.44	5.44
Technology	4.82	4.82

# West Africa

Three West African markets, Ghana, Ivory Coast and Nigeria, received ratings this year, accounting collectively for 13% of responses received for the ABFM survey. Of these, Ghana and Nigeria accounted for somewhat over a third each and Ivory Coast roughly a quarter.

Whereas in 2020, category scores varied widely with a number considered weak, they appear to have improved almost across the board and the gaps between category scores have narrowed. All are now comfortably in Good range (5.00-5.99). Over 40% of respondents for the region consider the Relationship Management and Client Service they receive to be Excellent (7.00 – the highest possible score).

Standard Chartered and Stanbic received the bulk of responses across the region as a whole, the former receiving roughly two-thirds of the ratings, although both Citi and Société Générale Securities Services (SGSS) were represented in the response pool. In 2019, SGSS launched a depository service for the West Africa Economic and Monetary Union (WAEMU) – covering most of the francophone markets in the region – for WAEMU based mutual funds. Standard Chartered meanwhile launched Bond Trustee Services in Ghana last year to support asset issuers in the administration of various asset servicing functions across the lifecycle of capital markets fund raising. It claims the largest share of custody in the region for foreign clients.

According to the 2020 ABSA/OMFIF Financial Markets Index, Ivory Coast has one of the brightest growth outlooks and is one of five countries where economic growth has averaged above 5% over the last five years. Ghana has made the Global Master Repurchase Agreement mandatory for repos and introduced rules to enforce close-out netting. Nigeria meanwhile ranks third in the index with firmer close-out netting rules set to boost its repo and derivatives markets.

Regional scores	West Africa 2021	Previous year	Difference
Account Management	5.67	3.68	1.99
Asset Safety	5.68	5.32	0.36
Asset Servicing	5.81	5.46	0.35
Cash Management and FX	5.50	6.37	-0.87
Client Service	6.08	4.98	1.10
Liquidity Management	5.88	n/a	n/a
Pricing	5.28	4.11	1.17
Regulation and Compliance	5.70	5.52	0.18
Relationship Management	5.77	3.41	2.36
Risk Management	5.63	4.71	0.92
Technology	5.17	4.47	0.70

Market scores	Ghana	Ivory Coast	Nigeria
Account Management	5.86 (84%)	5.67 (81%)	5.55 (79%)
Asset Safety	5.50 (79%)	5.50 (79%)	5.91 (84%)
Asset Servicing	5.56 (79%)	6.00 (86%)	5.92 (85%)
Cash Management and FX	5.14 (74%)	5.60 (80%)	5.70 (81%)
Client Service	6.29 (90%)	5.67 (81%)	6.18 (88%)
Liquidity Management	6.00 (86%)	5.75 (82%)	5.83 (83%)
Pricing	5.20 (74%)	5.00 (71%)	5.44 (78%)
Regulation and Compliance	5.71 (82%)	5.60 (80%)	5.73 (82%)
Relationship Management	5.88 (84%)	5.67 (81%)	5.75 (82%)
Risk Management	5.71 (82%)	5.60 (80%)	5.57 (80%)
Technology	4.89 (70%)	5.50 (79%)	5.25 (75%)

Provider scores (Regional)	West Africa 2021	Standard Chartered Bank	Versus regional average
Account Management	5.67	5.85	0.18
Asset Safety	5.68	5.81	0.13
Asset Servicing	5.81	5.83	0.01
Cash Management and FX	5.50	5.53	0.03
Client Service	6.08	6.15	0.07
Liquidity Management	5.88	6.00	0.13
Pricing	5.28	5.41	0.13
Regulation and Compliance	5.70	5.85	0.15
Relationship Management	5.77	5.82	0.05
Risk Management	5.63	5.81	0.18
Technology	5.17	5.00	-0.17

# Americas

Frontier markets in the Americas are relatively under-represented in this year’s ABFM survey. Although responses were recorded for Argentina, Bermuda, Costa Rica, Panama and Uruguay, these collectively accounted for only 4% of responses across the survey as a whole. Of these, Argentina accounted for just over half. Service providers represented in the response pool included Citi, HSBC, Banco Itau and Banco BCT as well as two ICSDs, though their service offerings are clearly intermediated at a local level.

That said, average regional category scores are similar to last year’s overall with some improvement in Asset Servicing, up from Satisfactory to Good and Technology dropping down from Good to Satisfactory. Pricing has also dropped further down the Satisfactory scale, suggesting that clients, while not disgruntled, may be looking for better news on fee levels in the year ahead. “They need to do more to reduce costs,” says one global custodian of its providers in the region. There is little other client comment on the region with one respondent suggesting that its levels of activity are not sufficient to express a robust view of the service received.

Regional scores	Americas 2021	Previous year	Difference
Account Management	5.13	5.16	-0.04
Asset Safety	5.88	5.68	0.20
Asset Servicing	5.56	4.37	1.19
Cash Management and FX	4.75	n/a	n/a
Client Service	4.43	4.44	-0.01
Liquidity Management	5.00	n/a	n/a
Pricing	4.33	4.98	-0.65
Regulation and Compliance	5.67	6.23	-0.56
Relationship Management	4.88	3.90	0.98
Risk Management	5.75	5.11	0.64
Technology	4.75	5.63	-0.88

Market scores (Regional)	Argentina
Account Management	5.25 (75%)
Asset Safety	6.00 (86%)
Asset Servicing	5.80 (83%)
Cash Management and FX	5.33 (76%)
Client Service	5.50 (79%)
Liquidity Management	5.00 (71%)
Pricing	4.80 (69%)
Regulation and Compliance	6.25 (89%)
Relationship Management	5.75 (82%)
Risk Management	6.00 (86%)
Technology	6.00 (86%)



# Asia

Asian frontier markets for which ratings have been received this year include Bangladesh, Kazakhstan, Sri Lanka and Vietnam – a repeat of 2020. Of these, Vietnam attracted the most responses, accounting for half of the regional total. At the beginning of 2021, some new legislation went into effect in this market, including a Law on Investment, a Law on Enterprises and a Law on Securities.

As a whole, the markets mentioned comprise 7% of the total responses received compared to 5% for the 2020 ABFM survey. Over two-thirds of responses received for these markets as a whole were for Standard Chartered. Others included HSBC and Citi.

This is a rather disparate group of markets with little in common other than geography and that covers a vast area of the globe. That said, the collective scores are pleasing with all category scores averaging between the upper end of the Good range (5.00-5.99) and the lower end of Very Good (6.00-6.99). The most notable improvements are for Asset Servicing and Technology. The former goes from Weak to Very Good, while the latter jumps from Very Weak to Good.

Standard Chartered's scores represent a substantial improvement on 2020, exceeding the regional average in all categories with the exception of Liquidity Management, which is nevertheless rated Very Good. One client from the broader region praises what it describes as "Excellent client service; they always respond to our inquiries efficiently in a timely manner."

Though other providers do not record sufficient responses for detailed analysis, client comment adds some colour. Regarding HSBC in Sri Lanka, for example, one US bank notes "some delayed responses but overall very good", while a client of Citi's in Kazakhstan says, "Market complexity and lack of standard instruction cause delays on the clients' side."

Regional scores	Asia 2021	Previous year	Difference
Account Management	5.83	5.09	0.74
Asset Safety	6.00	5.35	0.65
Asset Servicing	6.00	3.83	2.17
Cash Management and FX	5.73	5.27	0.46
Client Service	5.75	5.43	0.32
Liquidity Management	6.06	3.42	2.64
Pricing	5.48	4.62	0.86
Regulation and Compliance	5.91	5.80	0.11
Relationship Management	5.91	4.19	1.72
Risk Management	5.86	5.30	0.56
Technology	5.57	2.72	2.85

Market scores	Sri Lanka	Vietnam
Account Management	5.25 (75%)	6.07 (87%)
Asset Safety	6.00 (86%)	6.08 (87%)
Asset Servicing	6.00 (86%)	6.14 (88%)
Cash Management and FX	5.25 (75%)	5.93 (85%)
Client Service	5.50 (79%)	5.87 (84%)
Liquidity Management	6.00 (86%)	6.00 (86%)
Pricing	5.00 (71%)	5.83 (83%)
Regulation and Compliance	5.75 (82%)	6.00 (86%)
Relationship Management	6.25 (89%)	5.77 (82%)
Risk Management	5.75 (82%)	5.92 (85%)
Technology	5.00 (71%)	5.83 (83%)

Provider scores (Regional)	Asia 2021	Standard Chartered Bank	Versus regional average
Account Management	5.83	6.12	0.29
Asset Safety	6.00	6.13	0.13
Asset Servicing	6.00	6.18	0.18
Cash Management and FX	5.73	5.76	0.04
Client Service	5.75	6.00	0.25
Liquidity Management	6.06	6.00	-0.06
Pricing	5.48	5.73	0.26
Regulation and Compliance	5.91	6.06	0.15
Relationship Management	5.91	6.13	0.22
Risk Management	5.86	6.13	0.26
Technology	5.57	5.80	0.23

# Central and Eastern Europe

The largest region in the survey by number of responses, accounting for just over a third of the total, Central and Eastern Europe excludes the Baltic countries, which are treated as a separate region. It is also the region where single-country service providers (or at least those without a full regional offering) still appear to account for a decent market share of inbound business.

While regional providers are prominent, including Citi, UniCredit, SGSS and RBI, it is worth noting that Eurobank in Bulgaria and PBZ in Croatia stand out for their service provision in those individual markets. BRD, part of the Société Générale Group, stands out in Romania, though with insufficient scores for a full analysis. All three of these providers register category scores well above both regional and individual market averages for the most part.

Of the 11 markets for which responses were recorded this year, five were responsible for the majority of these – Bulgaria (34%), Romania (16%), Croatia (14%), Slovak Republic 12% and Slovenia (10%). Alongside these, Albania, Bosnia Herzegovina, Georgia, Macedonia, Serbia and Ukraine garner a handful of responses. Although their results are too few for full analysis, they nevertheless contribute to creating a regional average alongside the dominant markets.

Scores for the Central and Eastern Europe region reflect the levels of

Regional scores	Central and Eastern Europe 2021	Previous year	Difference
Account Management	6.02	5.35	0.67
Asset Safety	6.36	5.51	0.85
Asset Servicing	6.20	5.38	0.82
Cash Management and FX	6.05	3.92	2.13
Client Service	6.24	4.24	2.00
Liquidity Management	5.95	4.26	1.69
Pricing	5.49	5.25	0.24
Regulation and Compliance	6.10	5.46	0.64
Relationship Management	5.94	5.08	0.86
Risk Management	6.04	5.51	0.53
Technology	5.97	5.55	0.42

competition and are similar to what one might expect to see in European markets covered in the Agent Banks in Major Markets (ABMM) and Agent Banks in Emerging Markets (ABEM) surveys.

## Eurobank

Client comments for the most part relate to Eurobank's offering in Bulgaria, which stands out as one of the best appreciated in the ABFM survey. "The staff of the provider is well trained and very familiar with the market rules and conditions," says one European pension fund client. In an area where competitive differentiation is increasingly important, a European asset manager comments that, "We always receive accurate and complete corporate actions notifications."

Interestingly, in an area where clients are often reticent about offering thoughts: price, several respondents acknowledge that Eurobank provides value for money, with one commenting that the bank offers "maintenance of commercial terms at very competitive levels."

## PBZ and SGSS

Other banks coming in for plaudit include PBZ in Croatia – "A reliable partner with in-depth market knowledge; expertise of PBZ team is the reason why we choose PBZ," says one client – and BRD, Société Générale's subsidiary in Romania, which one large European client describes as "providing a very high level of service, with very competent, reactive and efficient people."

Provider scores (Regional)	Central and Eastern Europe 2021	Eurobank	Versus regional average	PBZ (Intesa Sanpaolo)	Versus regional average
Account Management	6.02	6.59	0.57	6.17	0.14
Asset Safety	6.36	6.84	0.48	6.00	-0.36
Asset Servicing	6.20	6.72	0.52	6.33	0.14
Cash Management and FX	6.05	6.42	0.37	5.67	-0.39
Client Service	6.24	6.68	0.44	6.00	-0.24
Liquidity Management	5.95	6.64	0.69	5.75	-0.20
Pricing	5.49	6.50	1.01	5.80	0.31
Regulation and Compliance	6.10	6.82	0.72	6.00	-0.10
Relationship Management	5.94	6.72	0.78	6.17	0.22
Risk Management	6.04	6.50	0.46	6.00	-0.04
Technology	5.97	6.75	0.78	6.00	0.03





Market scores	Bulgaria	Croatia	Romania	Slovak Republic	Slovenia
Account Management	6.30 (90%)	5.71 (82%)	6.50 (93%)	6.27 (89%)	5.56 (79%)
Asset Safety	6.72 (96%)	5.64 (81%)	6.65 (95%)	6.55 (94%)	6.56 (94%)
Asset Servicing	6.38 (91%)	6.21 (89%)	6.21 (89%)	6.45 (92%)	6.44 (92%)
Cash Management and FX	6.19 (88%)	6.00 (86%)	6.30 (90%)	5.50 (79%)	n/a
Client Service	6.44 (92%)	5.71 (82%)	6.44 (92%)	6.55 (94%)	6.44 (92%)
Liquidity Management	6.40 (91%)	6.00 (86%)	6.56 (94%)	4.50 (64%)	4.00 (57%)
Pricing	5.83 (83%)	5.46 (78%)	5.72 (82%)	5.50 (79%)	5.00 (71%)
Regulation and Compliance	6.52 (93%)	6.00 (86%)	6.46 (92%)	5.67 (81%)	5.00 (71%)
Relationship Management	6.32 (90%)	5.71 (82%)	5.74 (82%)	6.64 (95%)	5.80 (83%)
Risk Management	6.33 (91%)	6.00 (86%)	6.50 (93%)	5.60 (80%)	5.25 (75%)
Technology	6.44 (92%)	5.92 (85%)	6.45 (92%)	5.50 (79%)	5.44 (78%)

Raiffeisen Bank International	Versus regional average	BRD (Société Générale)	Versus regional average	UniCredit Group	Versus regional average
5.63	-0.40	6.80	0.78	5.00	-1.02
6.00	-0.36	6.80	0.44	5.57	-0.79
5.57	-0.62	6.80	0.60	4.76	-1.43
6.50	0.45	6.50	0.45	5.17	-0.89
6.00	-0.24	6.75	0.51	5.29	-0.95
4.17	-1.79	7.00	1.05	5.25	-0.70
5.38	-0.12	6.60	1.11	4.29	-1.21
5.43	-0.67	6.60	0.50	5.00	-1.10
6.50	0.56	6.60	0.66	4.35	-1.59
5.43	-0.61	7.00	0.96	4.80	-1.24
5.00	-0.97	6.75	0.78	4.50	-1.47

# Europe - Islands

The two markets of Cyprus and Iceland are united by two factors as far as the ABFM survey is concerned: they are both islands, albeit at opposite ends of the European land mass; and there is nowhere else to put them in the regional breakdown adopted for the 2020 and 2021 surveys. Both have, however, strengthened their reputations since the financial crisis of 2008 and its after-shocks. Unlike in 2020, Cyprus accounts for the vast bulk of responses – over 90% in fact. These are dominated by Eurobank. As it does in Bulgaria, Eurobank shines through in Cyprus, amassing an impressive set of category scores above both market and regional averages.

Client comment adds some nuance to the numbers. While most observations relate to Eurobank in Cyprus, one large global custodian says of Landsbankinn hf in Iceland that, “The relationship over the course of the last year has improved significantly. Our relationship manager is attentive to our needs and our relationship is highly valued.”

When it comes to Eurobank, one European fund manager is effusive: “The overall quality of service is outstanding,” they note. “An insurance company client, expressing similar satisfaction, asserts that, “The service provider will remain our partner with a strong future relationship.”

Unlike Iceland, which is seen as an investment destination in its own right, Cyprus is carving out a niche as a funds centre – a strategy reinforced by cooperation between government and commercial entities, including competitors. Both Eurobank and Piraeus Bank from Greece are active in supporting and promoting this development. Most recently, the island has identified an opportunity in attracting UK fund activity looking for a post-Brexit alternative within the EU. Should this opportunity be realised, we would expect Cyprus to be a candidate for upgrade to the ABEM survey.

Regional scores	Europe-Islands 2021	Previous year	Difference
Account Management	6.50	5.68	0.82
Asset Safety	6.76	5.74	1.02
Asset Servicing	6.40	5.82	0.58
Cash Management and FX	6.25	5.20	1.05
Client Service	6.38	4.88	1.50
Liquidity Management	6.11	5.97	0.14
Pricing	5.50	5.64	-0.14
Regulation and Compliance	6.57	5.52	1.05
Relationship Management	5.95	5.26	0.69
Risk Management	6.25	5.58	0.67
Technology	6.25	5.82	0.43

Market scores	Cyprus
Account Management	6.62 (95%)
Asset Safety	6.80 (97%)
Asset Servicing	6.42 (92%)
Cash Management and FX	6.25 (89%)
Client Service	6.45 (92%)
Liquidity Management	6.11 (87%)
Pricing	5.60 (80%)
Regulation and Compliance	6.62 (95%)
Relationship Management	5.95 (85%)
Risk Management	6.29 (90%)
Technology	6.43 (92%)

Provider scores (Regional)	Europe-Islands 2021	Eurobank	Versus regional average
Account Management	6.50	6.73	0.23
Asset Safety	6.76	6.92	0.16
Asset Servicing	6.40	6.75	0.35
Cash Management and FX	6.25	6.25	0.00
Client Service	6.38	6.77	0.39
Liquidity Management	6.11	6.43	0.32
Pricing	5.50	6.67	1.17
Regulation and Compliance	6.57	6.82	0.25
Relationship Management	5.95	6.83	0.88
Risk Management	6.25	6.50	0.25
Technology	6.25	6.67	0.42

# Europe - Baltics

Estonia, Latvia and Lithuania collectively account for 5% of responses received for this year's ABFM survey. Lithuania accounts for some 40% of these, Estonia a third and Latvia the remainder. At an individual provider level, SEB accounts for three-quarters of responses, the remainder using an ICSD – in this case, Clearstream to access the Baltic markets for a limited range of activities.

As one might expect, there is little to distinguish among the perceptions of the three individual markets, which all score comfortably in Good or Very Good range (5.00-5.99, 6.00-6.99).

As capital market integration progresses, we would expect scores for individual markets to continue to converge. In 2017, the three countries agreed to create a pan-Baltic capital market with the support of the European Commission (EC) and the European Bank for Reconstruction and Development (EBRD) with NASDAQ OMX as the primary exchange operator in all three markets. Most recently, the European Bank for Reconstruction and Development (EBRD) has supported the launch of a commercial paper programme, the first of its kind in the region, by a large food retail group and is seeking to support further development of commercial paper as a financing product in the region.

Unfortunately, respondents have added little in the way of qualitative comment that might add colours to the scores. However, improvements have been recorded in all categories with the exception of Pricing and Cash Management and FX, which remain respectively Satisfactory and at the lower threshold of Good.

Although SEB, with such a large market share, has an obvious role in setting regional market benchmarks, it nevertheless manages to outperform the regional benchmarks in most service areas. Asset Safety, Asset Servicing and Client Service are seen as particular strengths, registering scores that would be the envy of many a major market provider.

Regional scores	Europe - Baltics 2021	Previous year	Difference
Account Management	5.33	5.81	-0.48
Asset Safety	6.31	5.81	0.50
Asset Servicing	6.25	2.89	3.36
Cash Management and FX	5.00	5.50	-0.50
Client Service	5.88	4.13	1.75
Liquidity Management	5.25	5.60	-0.35
Pricing	4.25	4.67	-0.42
Regulation and Compliance	5.75	5.48	0.27
Relationship Management	5.56	5.34	0.22
Risk Management	6.00	5.29	0.71
Technology	5.73	5.29	0.44

Market scores	Estonia	Lithuania
Account Management	5.25 (75%)	5.60 (80%)
Asset Safety	6.25 (89%)	6.20 (86%)
Asset Servicing	5.75 (82%)	6.20 (89%)
Cash Management and FX	5.00 (71%)	5.00 (71%)
Client Service	5.50 (79%)	5.80 (83%)
Liquidity Management	5.33 (76%)	5.33 (76%)
Pricing	4.00 (57%)	4.40 (63%)
Regulation and Compliance	5.75 (82%)	5.80 (83%)
Relationship Management	6.00 (86%)	6.20 (89%)
Risk Management	6.25 (89%)	6.00 (86%)
Technology	5.75 (82%)	5.75 (82%)

Provider scores (Regional)	Europe - Baltics 2021	SEB	Versus regional average
Account Management	5.33	5.67	0.34
Asset Safety	6.31	6.50	0.19
Asset Servicing	6.25	6.40	0.15
Cash Management and FX	5.00	n/a	n/a
Client Service	5.88	6.40	0.52
Liquidity Management	5.25	6.00	0.75
Pricing	4.25	5.00	0.75
Regulation and Compliance	5.75	5.50	-0.25
Relationship Management	5.56	5.30	-0.26
Risk Management	6.00	6.00	0.00
Technology	5.73	5.40	-0.33

# Middle East and North Africa

The MENA region accounts for 18% of total ABFM responses received. This year, providers in Bahrain, Jordan, Kuwait, Morocco and Tunisia received client perception ratings. Of these, Jordan and Morocco received sufficient for individual ratings, while the others have contributed to the calculation of the regional average.

Across the Middle East, two regional providers, HSBC and Standard Chartered, receive the most reviews, while Bank of Jordan, Attijariwafa Bank, Citi, Société Générale (SGSS) and Union Internationale de Banques Tunisian (UIB) also record responses in specific markets. The battle for market share between regional and single market sub-custodians seems very much alive.

Taken as a whole, the region has recorded significant improvements in its scores year on year, particularly in the areas of Technology and Asset Servicing. The former has jumped from being considered Very Weak (2.00-2.99) to Good (5.00-5.99), while the latter has risen from Weak (3.00-3.99) to the upper end of the Good Range.

Standard Chartered's strongest category scores are for Relationship Management (6.40) and Asset Servicing (6.20), while its weakest is, not surprisingly, for Pricing, though even here it is considered Satisfactory. HSBC's strong suits meanwhile appear to be Asset Servicing and Regulation and Compliance (5.44 apiece), while Risk Management and Technology scores are somewhat lacklustre, both scoring 4.33 – the mid-range of Satisfactory.

Client comments encompass the performance of some of the smaller providers. Bank of Jordan, for example, is described by one client based in UAE as “always responsive and their relationship manager is very supportive.” The same client notes that “The technology Bank of Jordan has provided is excellent and has remained stable through a major technology upgrade.” In Morocco, one custodian describes SGSS as going “the extra mile to provide their service” and as “very helpful if exceptions are required.”

Regional scores	Middle East and North Africa	Previous year	Difference
Account Management	5.78	4.49	1.29
Asset Safety	5.83	4.61	1.22
Asset Servicing	5.91	3.90	2.01
Cash Management and FX	5.47	5.05	0.42
Client Service	5.79	4.98	0.81
Liquidity Management	5.82	5.10	0.72
Pricing	5.05	4.54	0.51
Regulation and Compliance	5.59	4.62	0.97
Relationship Management	5.88	4.14	1.74
Risk Management	5.35	4.70	0.65
Technology	5.16	2.46	2.70

Market scores	Jordan	Morocco
Account Management	6.17 (88%)	5.83 (83%)
Asset Safety	6.17 (88%)	5.83 (83%)
Asset Servicing	6.17 (88%)	6.00 (86%)
Cash Management and FX	6.00 (86%)	5.20 (74%)
Client Service	6.00 (86%)	6.14 (88%)
Liquidity Management	6.40 (91%)	5.00 (71%)
Pricing	5.67 (81%)	3.33 (48%)
Regulation and Compliance	6.17 (88%)	5.20 (74%)
Relationship Management	6.33 (91%)	6.14 (88%)
Risk Management	6.17 (88%)	5.60 (80%)
Technology	5.83 (83%)	5.00 (71%)

Provider scores	Middle East and North Africa	Standard Chartered Bank	Versus regional average	HSBC	Versus regional average
Account Management	5.78	5.80	0.02	5.44	-0.34
Asset Safety	5.83	5.80	-0.03	5.44	-0.38
Asset Servicing	5.91	6.20	0.29	5.44	-0.46
Cash Management and FX	5.47	5.00	-0.47	5.00	-0.47
Client Service	5.79	6.00	0.21	5.11	-0.68
Liquidity Management	5.82	5.50	-0.32	5.00	-0.82
Pricing	5.05	4.67	-0.39	5.11	0.06
Regulation and Compliance	5.59	5.40	-0.19	5.44	-0.15
Relationship Management	5.88	6.40	0.53	5.11	-0.76
Risk Management	5.35	5.40	0.05	4.43	-0.92
Technology	5.16	5.40	0.24	4.43	-0.73

# Global Custodian Agent Bank Surveys

## FAQ

### How many Agent Bank Surveys does Global Custodian publish?

Global Custodian publishes three agent bank surveys a year: one each for major markets (ABMM), emerging markets (ABEM) and frontier markets (ABFM).

### What do they measure?

They measure cross-border clients' perception of the service received from sub-custodians in each market.

### How do they work?

The response pool is drawn from two sources. Those respondents who completed the survey in the previous 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.

### How do you filter out bogus responses?

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. Any responses submitted by institutions that were not clients of the rated provider in the 12 months under review are removed.

At the end of the collection process, Global Custodian does its own check to filter out duplicates.

### What does the questionnaire cover?

The questionnaire, completed online, includes 12 service categories. A scorecard allows respondents to rate each category on a seven-point scale from Unacceptable to Excellent.

All subsequent 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. Responses are weighted depending on the size of assets held in

custody by the rated provider for the respondent concerned.

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. This questionnaire also allows providers to indicate which if any service categories are not applicable to their service offering.

### How are the survey results published?

They are published in Global Custodian magazine and online. ABMM is published in the Fall edition, ABEM in Winter and ABFM in Spring. In order to receive an individual write up, a service provider must have received at least 10 responses per market for ABMM and 5 responses per market for ABEM and ABFM.

### Are different levels of survey performance recognised by Global Custodian?

Yes. The published results rate each service provider category plus their overall average in each market on a scale of 1-7 as outlined above. Global Custodian offers official digital accreditation for outperformance at a global, market or category level, based on the published results.

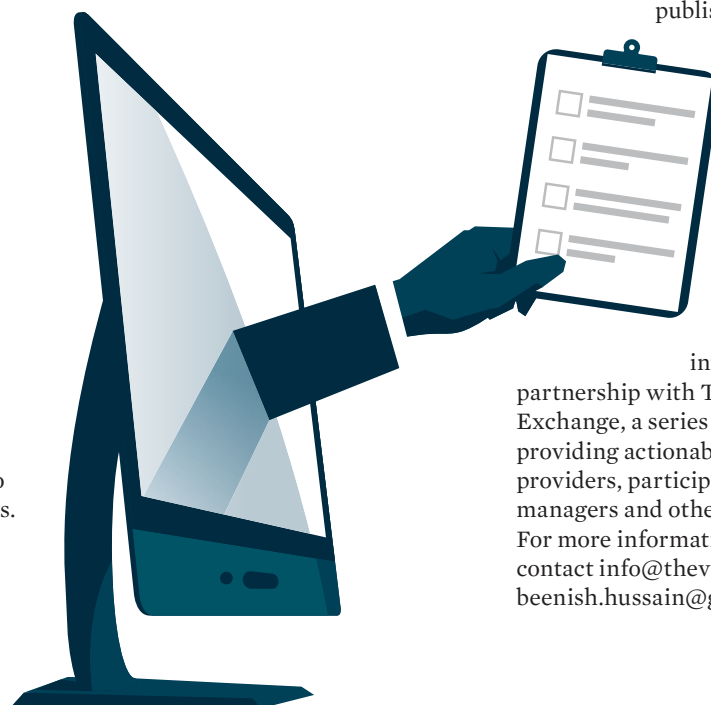
Global Custodian also holds two annual awards ceremonies. One segment in each recognises excellence in survey performance. However, all survey results are published before the awards selection process begins and cannot be retrospectively amended.

### What services does Global Custodian offer to help me further understand my performance or that of my service provider(s)?

Those providers wishing to understand their performance in more granular detail than is available through our published survey results

can order data reports provided in Excel format. are available. For more information on these, please contact [matt.aldred@globalcustodian.com](mailto:matt.aldred@globalcustodian.com) or [beenish.hussain@globalcustodian.com](mailto:beenish.hussain@globalcustodian.com).

In 2021, we are introducing, in partnership with Toronto-based Value Exchange, a series of dashboards providing actionable insights to service providers, participating network managers and other survey respondents. For more information on these, please contact [info@thevalueexchange.com](mailto:info@thevalueexchange.com) or [beenish.hussain@globalcustodian.com](mailto:beenish.hussain@globalcustodian.com)



[ SURVEY | AGENT BANKS IN FRONTIER MARKETS ]

COUNTRY	Account Management	Asset Safety	Asset Servicing	Cash Manage	Client Service	Liquidity Management	Pricing	Regulation and Compliance	Relationship Management	Risk Management	Technology
<b>BOTSWANA</b>											
Standard Chartered Bank	5.75	5.00	5.20	4.25	6.00	5.67	4.67	5.50	6.50	5.50	4.60
Versus market	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>BULGARIA</b>											
Eurobank	6.59	6.84	6.72	6.42	6.68	6.64	6.50	6.82	6.72	6.50	6.75
Versus market	0.23	0.10	0.30	0.14	0.20	0.17	0.55	0.26	0.35	0.17	0.25
<b>CROATIA</b>											
PBZ	6.40	6.20	6.60	6.00	6.20	6.00	6.00	6.20	6.40	6.25	6.00
Versus market	0.69	0.56	0.39	n/a	0.49	n/a	0.54	0.20	0.69	0.25	0.08
<b>CYPRUS</b>											
Eurobank	6.73	6.92	6.75	6.25	6.77	6.43	6.67	6.82	6.83	6.50	6.67
Versus market	0.11	0.12	0.35	n/a	0.48	0.33	1.04	0.25	0.88	0.21	0.24
<b>GHANA</b>											
Standard Chartered Bank	6.00	5.43	5.50	5.17	6.17	6.20	5.20	5.83	5.86	5.83	4.63
Versus market	0.14	-0.07	-0.06	0.02	-0.12	0.20	n/a	0.12	-0.02	0.12	-0.26
<b>IVORY COAST</b>											
Standard Chartered Bank	6.00	5.80	6.00	5.50	6.00	5.75	5.00	5.60	5.80	5.60	5.40
Versus market	0.33	0.30	n/a	-0.10	0.33	n/a	n/a	n/a	0.13	n/a	-0.10
<b>KENYA</b>											
Standard Chartered Bank	5.75	5.00	5.20	4.25	6.00	5.67	4.67	5.50	6.50	5.50	4.60
Versus market	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>LITHUANIA</b>											
SEB	6.00	6.33	6.33	--	6.33	6.00	5.33	5.67	6.33	6.00	5.50
Versus market	0.40	0.13	0.13	-	0.53	0.67	0.93	-0.13	0.13	n/a	-0.25
<b>MAURITIUS</b>											
Standard Chartered Bank	6.50	5.00	5.75	4.67	6.67	6.00	7.00	6.33	7.00	5.50	4.67
Versus market	0.50	-0.40	-0.08	-0.58	0.47	-0.33	0.75	0.13	0.40	0.50	-0.53

[ SURVEY | AGENT BANKS IN FRONTIER MARKETS ]

COUNTRY	Account Management	Asset Safety	Asset Servicing	Cash Manage	Client Service	Liquidity Management	Pricing	Regulation and Compliance	Relationship Management	Risk Management	Technology
<b>NIGERIA</b>											
Standard Chartered Bank	5.67	6.11	6.00	5.78	6.22	6.00	5.75	6.00	5.80	6.00	n/a
Versus market	0.12	0.20	0.08	0.08	0.04	0.17	0.31	0.27	0.05	0.43	n/a
<b>TANZANIA</b>											
Standard Chartered Bank	6.00	5.00	5.25	4.67	5.67	6.00	5.50	5.67	6.00	5.67	4.75
Versus market	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>VIETNAM</b>											
Standard Chartered Bank	6.36	6.30	6.36	6.09	6.17	6.00	6.22	6.18	6.00	6.30	6.22
Versus market	0.29	0.22	0.22	0.16	0.30	n/a	0.39	0.18	0.23	0.38	0.39
<b>ZAMBIA</b>											
Standard Chartered Bank	6.20	6.20	6.40	5.80	6.40	6.00	5.50	6.00	6.40	6.00	5.60
Versus market	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

