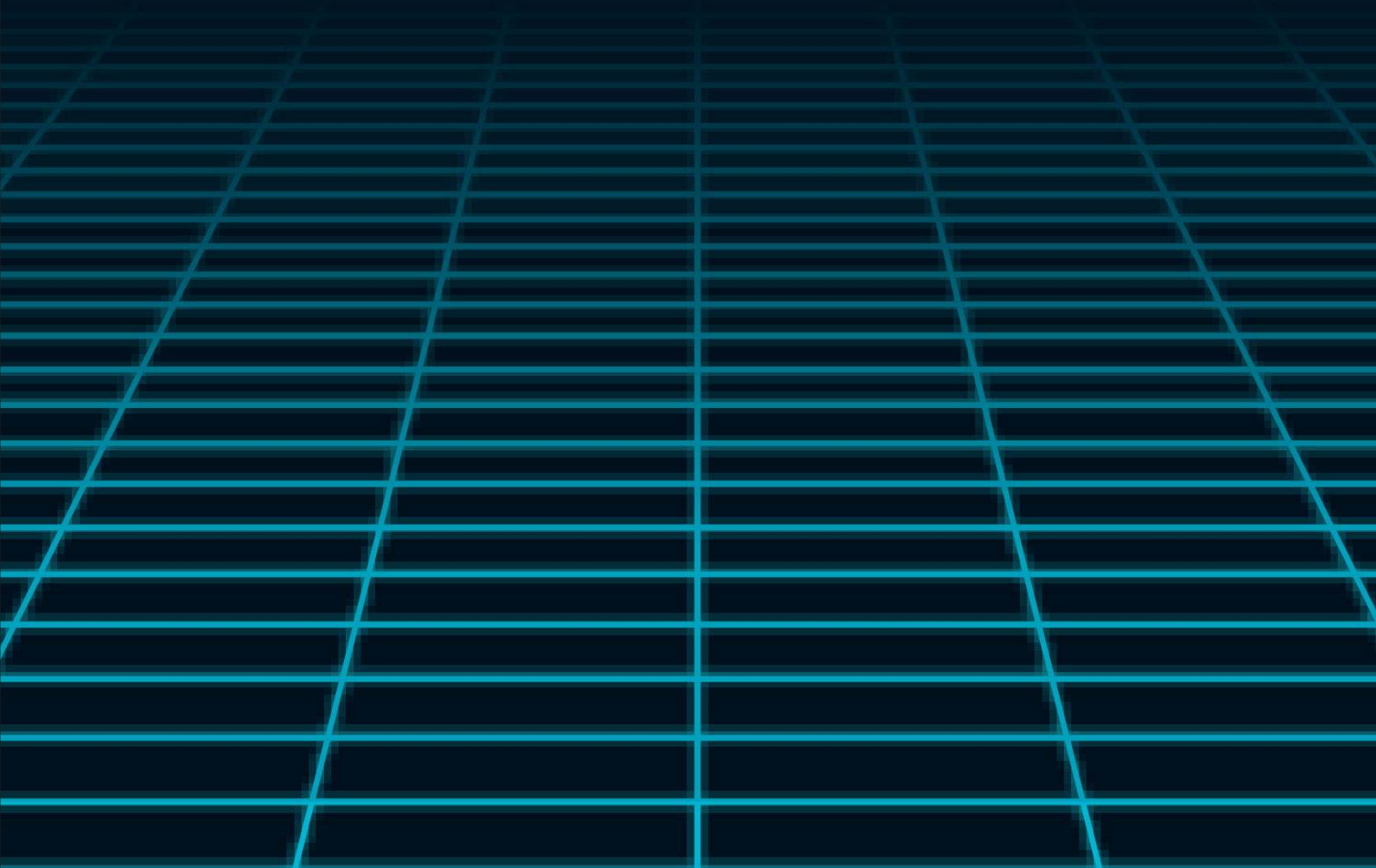


The

2021



AGENT BANKS
IN MAJOR
MARKETS
SURVEY



THE THRILL IS GONE

After a few years of what in schools is called ‘grade inflation’, agent bank clients have revised their assessments downwards.

Maybe it’s weariness after 20 months of pandemic disruption; maybe it’s a reassessment of required service levels, but the ABMM 2021 survey, based on increased participation, with 851 validated responses, shows that global appreciation levels of the job sub-custodians are doing have dropped. As Table 1 shows, global average scores are now back to their traditional position, where 5.00 to 5.99 represents ‘Good’, but not ‘Exciting’.

That said, in the vast bulk of markets, service expectations appear to have been met, though what people are paying for them is a different story.

The survey once again confirmed a trend to more regional relationships and a growing dominance of regional providers in most major markets. Leading the way in that regard is the Nordic region, which this year has been consolidated into a single report.

Category	Global Average
Relationship Management	5.73
Account Management	5.55
Asset Safety and Risk Management	5.49
Client Service	5.47
Regulation and Compliance	5.34
Asset Servicing	5.32
Cash Management and FX	5.32
Data Services	5.23
Technology	5.22
Digitalisation and Innovation	5.19
Liquidity Management	5.19
Securities Lending	5.17
Pricing	5.02
Overall Average	5.33

Methodology

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

The Agent Banks in Major Markets (ABMM) Survey focuses primarily on those markets categorised as developed by MSCI and S&P. We invite network managers and operations executives from leading global custodians, correspondent banks, brokers, infrastructure providers and asset managers to evaluate the performance of their agent banks.

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.

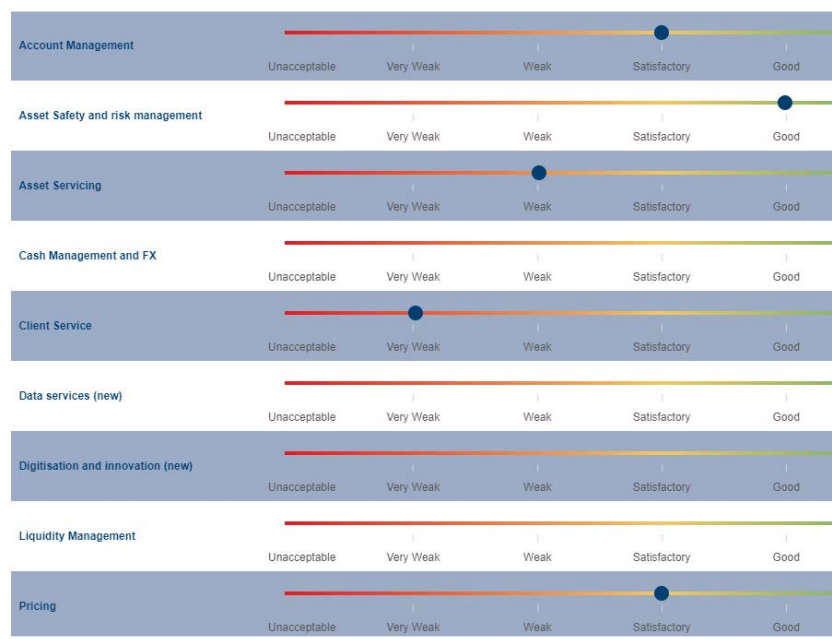
Service providers are given controlled access to a back-end system to allow them to validate that the ratings they have received come from bona fide clients. Any responses submitted by institutions that were not clients of the rated provider in the 12 months under review are removed. At the end of the collection process, Global Custodian does its own check to filter out duplicates.

The questionnaire was entirely revamped for 2021. Completed online, it included 13 service categories. A scorecard allowed respondents to rate each category on a seven-point scale from Unacceptable to Excellent. All subsequent questions were optional, allowing for supportive comment to explain rating decisions.

Responses to the rating questions were converted by the survey system into numbers. Responses were weighted depending on the

size of assets in custody with the rated provider. Service providers were also invited to complete a short questionnaire, aimed at allowing us to better understand market and provider changes that might impact results.

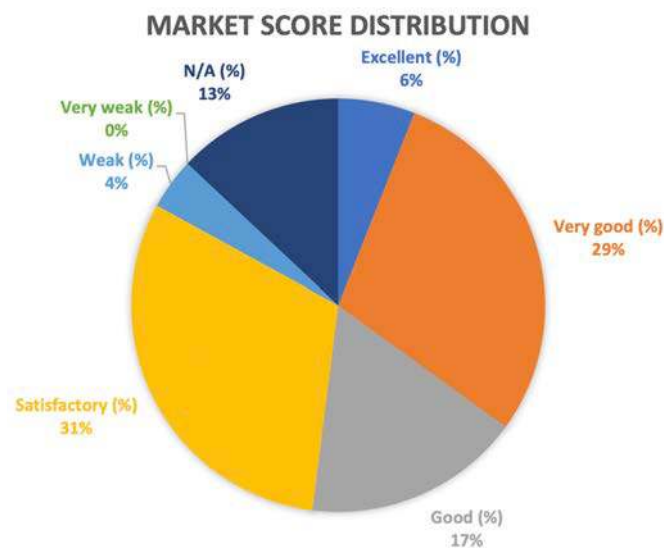
Beyond the published survey data, a series of interactive, analytical dashboards is available on subscription. Designed to turn survey insights into actionable business decisions, this new range of dashboards leverages the Global Custodian survey data, combining it with an extensive range of analytical capabilities from the ValueExchange. For more information on these, contact daljit.sokhi@globalcustodian.com or barnaby.nelson@thevalueexchange.co.



Australia

The Australian Securities Exchange (ASX) is preparing to shift to a new distributed ledger technology (DLT) based platform for equities clearing and settlement, ASX CHES Replacement, and is ramping up testing and implementation ahead of the go-live, currently scheduled for April 2023. The project has been running since 2016.

According to figures from the Australian Custodial Services Association, there has been something of a shift in assets under custody for foreign clients in the Australian market. HSBC dominates, accounting at end-June 2021 for 70% of such assets. Next is Citi with 10%, representing an increase of 16.1% over the first six



Number of responses	27
Market average score (difference from 2020)	-0.79 (-16%)

months of 2020, while BNP Paribas' 6% represents an increase of 372.7% over the same period. While responses were received for several providers, only BNP Paribas and Citi recorded sufficient for analysis.

BNP Paribas Securities Services

In keeping with a rise in Australian sub-custody business, BNP Paribas has seen an expansion in its response pool. Its best result is for Relationship Management, rated Very Good at 6.17. Its lowest is for Cash Management and FX (4.69) generally one of the lower scoring categories in this year's survey.

With the bank's strategy of geographical expansion of its physical presence, it now has a proprietary network covering 27 countries, including Australia and claims to safekeep up to 90% of its clients' assets within its own network. As a result, service reform and innovation tend to take place at an enterprise level rather than being initiated in individual markets.

At the same time, says the bank, "clients continue to benefit from our 'market direct' settlement and custody services, our local expertise, and asset servicing services. They do not have to open a direct relationship with each CSD, making for an operationally efficient business model."

Citi

Citi has recorded three category scores of 6.00 (Very Good), coincidentally for the three new categories introduced in this year's survey: Data Services, Digitalisation and Innovation, and Securities Lending. Client Service, at 4.67, is its lowest-rated category, though still within Satisfactory range (4.00-4.99).

Category	BNP Paribas Securities Services	Citi	Market Average	Global Average
Account Management	5.83	4.89	5.20	5.55
Asset Safety and Risk Management	5.88	5.78	5.29	5.49
Asset Servicing	5.56	5.75	5.00	5.32
Cash Management and FX	4.69	5.67	4.72	5.32
Client Service	5.78	4.67	5.06	5.47
Data Services	5.64	6.00	5.00	5.23
Digitalisation and Innovation	5.59	6.00	5.13	5.19
Liquidity Management	5.29	5.67	4.89	5.19
Pricing	5.19	5.25	4.84	5.02
Regulation and Compliance	5.78	5.25	5.28	5.34
Technology	5.56	5.75	5.06	5.22
Securities Lending	5.50	6.00	4.91	5.17
Relationship Management	6.17	5.44	5.61	5.73
Overall Average	5.57	5.55	5.08	5.33

Austria

The Vienna Stock Exchange celebrated its 250th anniversary on 2 September. Racing driver, Ferdinand Habsburg-Lothringen, a descendant of Empress Maria Theresa, who initiated the foundation of the exchange, rang the opening bell with the ATX index at close to an all-time high.

Taken as a whole, the Austrian market is seen as satisfactory from a securities services perspective, though below the global average, notably in the areas of Technology, Digitalisation and Securities Lending. It is also seen as relatively expensive. It does, however, come close to the global average in most other areas.

Two providers, BNP Paribas and Erste Group Bank have qualified for analysis this year.

Number of responses	34
Market average score (difference from 2020)	-0.51 (-10%)

BNP Paribas Securities Services

BNP Paribas’ highest score in Austria is for Account Management (5.86), which is also well above the market average. At the other end, Data Services, one of the new categories in the survey, records a score of 4.50. This may, however, change over the coming year, as BNP Paribas has launched a Natural Language Generation (NLG) solution to help global custody clients enhance monitoring and oversight of their operations with insights drawn from a variety of available data. One client notes that the intraday securities positions available through the bank’s Neolink system are particularly helpful.

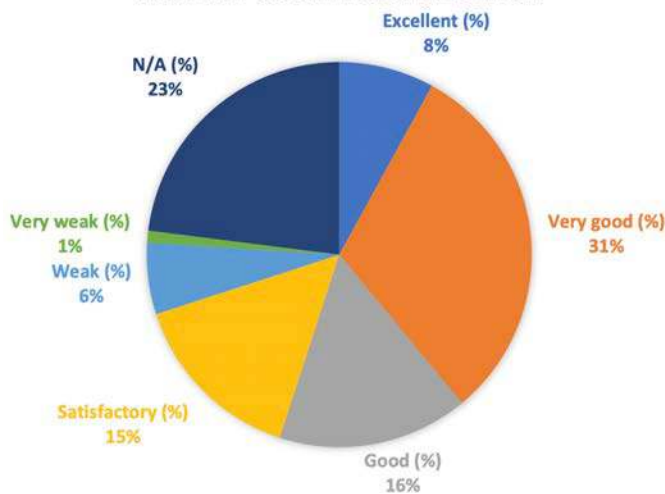
Although Pricing is also rated relatively low (4.79), this is still 0.21 points above the average for the Austrian market, which is perceived as comparatively expensive.

Erste Group Bank

Erste Group Bank’s highest score (6.00) – and the service area where it most exceeds the market average – is for Securities Lending, reintroduced into the ratings this year. The bank exceeds the market average in all areas.

Similar scores are recorded for Liquidity Management and Cash Management and FX, though the latter is 0.50 points below last year’s score for the same category. By contrast, the biggest rise year-on-year is for Account Management, up from 5.31 to 5.56. One large European client describes Erste’s performance in this category as “generally very good service”. Pricing, though up slightly on last year, is responsible for the bank’s lowest category score. “Expensive custody and clearing services, invoices difficult to reconcile,” says one European custodian client.

MARKET SCORE DISTRIBUTION



Category	BNP Paribas Securities Services	Erste Group Bank	Market Average	Global Average
Account Management	5.86	5.56	5.53	5.55
Asset Safety and Risk Management	5.06	5.56	5.51	5.49
Asset Servicing	5.16	5.56	5.25	5.32
Cash Management and FX	5.31	6.00	5.22	5.32
Client Service	5.48	5.78	5.38	5.47
Data Services	4.50	5.56	5.09	5.23
Digitalisation and Innovation	4.80	5.14	4.90	5.19
Liquidity Management	5.14	6.00	5.09	5.19
Pricing	4.79	4.67	4.58	5.02
Regulation and Compliance	5.17	5.44	5.41	5.34
Technology	4.94	5.56	4.91	5.22
Securities Lending	4.92	6.00	4.90	5.17
Relationship Management	5.57	5.89	5.65	5.73
Overall Average	5.13	5.59	5.19	5.33

Belgium

The Belgian market tacks close to the global average, surpassing it by a few points in most service categories with the exception of Asset Servicing, Relationship Management, Pricing and Technology, all of which are within a hair's breadth of the global score. The client experience with Cash Management and FX as well as Liquidity Management is measurably higher, however. Responses were received for several providers, though BNP Paribas Securities Services accounted for 60% and is the only custodian to receive a full analysis. Not surprisingly, T2S markets are beginning to resemble each other, not only in terms of the provider landscape, but in term of service levels.

Number of responses	30
Market average score (difference from 2020)	-0.51 (-9%)

BNP Paribas Securities Services

Over the last 12 months, BNP Paribas Securities Services has focused on the implementation of the Shareholder Rights Directive II (SRDII), which encourages long-term shareholder engagement through increased transparency and dialogue. The bank has adapted its systems and internal processes to comply with the provisions of the new regulation for the identification of shareholders and for the management of general meetings across European locations.

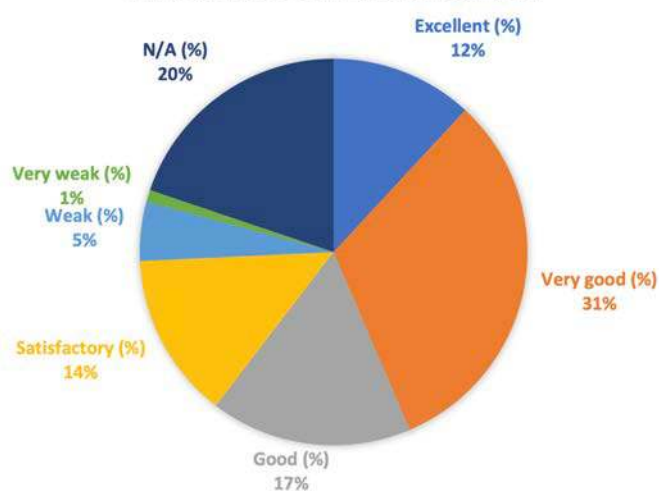
It identifies CSDR as the next regulatory change on which it is currently focusing, enhancing its management of settlement instructions to include all the information required by CSDs. These enhancements will be available to clients via SWIFT and the bank's web portal.

The bank exceeds all market averages at a category level, most notably for Liquidity Management (+0.73), Securities Lending (+0.70) and Data Services (+0.64). The first of these also records the bank's highest category score at 6.25 and is one of seven categories rated Very Good (6.00-6.99) by survey respondents for the bank.

Qualitative client comments are few. Client Service receives praise from one European bank client, though suggesting that response times to client queries could be shortened.

When it comes to Liquidity Management, another European Bank client suggests that "It would be great to get the margins in an excel table, not in many PDF documents. It would make it easier for us to automate the bookings" – a suggestion that if taken onboard could enhance an already well-regarded service.

MARKET SCORE DISTRIBUTION



Category	BNP Paribas Securities Services	Market Average	Global Average
Account Management	6.00	5.65	5.55
Asset Safety and Risk Management	6.06	5.69	5.49
Asset Servicing	5.67	5.25	5.32
Cash Management and FX	6.10	5.41	5.32
Client Service	6.00	5.51	5.47
Data Services	5.93	5.29	5.23
Digitalisation and Innovation	5.68	5.29	5.19
Liquidity Management	6.25	5.52	5.19
Pricing	5.22	4.98	5.02
Regulation and Compliance	5.72	5.34	5.34
Technology	5.65	5.19	5.22
Securities Lending	6.00	5.30	5.17
Relationship Management	6.13	5.65	5.73
Overall Average	5.88	5.39	5.33

Canada

In mid-September, the Toronto Stock Exchange (TSX) announced the 2021 TSX30, showcasing the 30 top-performing stocks over a three-year period, based on dividend-adjusted share price performance. Some 14 out of the 30 companies on the list are from the mining industry and five from the technology sector. Interestingly, 60% of the companies on this year's list are not on the S&P/TSX Composite Index.

From a post-trade perspective, taken as a whole, the market average scores for Canada have slipped more than most over the past year. Particularly stark is the fall in appreciation of pricing levels for services offered. Last year, Pricing was rated Very Good (6.33), which itself is fairly unusual in the ABMM Survey. In 2021,

Number of responses	25
Market average score (difference from 2020)	-1.02 (-21%)

however, it has fallen into Satisfactory territory, down 1.76 points to 4.57, perhaps reflecting broader financial pressures that clients have been feeling.

Responses have been received this year for CIBC Mellon, RBS Investor Services and Citi, inter alia, though only the first of these has reached the required threshold for a write up.

CIBC Mellon

CIBC Mellon describes Canada as remaining a complex market with numerous regulatory bodies and evolving requirements for participants. In response to the COVID-19 pandemic, members of CIBC Mellon's executive leadership team hosted weekly client update conference calls, to discuss continuity measures and address market concerns in addition to regulatory and governmental updates. Calls also addressed best practices for mitigating the impact of COVID-19.

Although the bank's category scores have dropped, they remain above the market average in all areas and above the global average in five categories, most notably Securities Lending and Digitalisation and Innovation – itself a new category for 2021. All scores apart from Pricing and Data Services are comfortably in Good range.

Though Technology is one of the bank's lower scoring categories, one European bank client points out that, "In general, technology developments by our providers have mainly an internal focus (efficiency, digitalisation and cost saving) and therefore less direct impact for the client. Also, the relationship with our providers is driven by SWIFT."



Category	CIBC Mellon	Market Average	Global Average
Account Management	5.39	5.11	5.55
Asset Safety and Risk Management	5.33	5.09	5.49
Asset Servicing	5.11	4.94	5.32
Cash Management and FX	5.60	4.93	5.32
Client Service	5.56	5.00	5.47
Data Services	4.92	4.89	5.23
Digitalisation and Innovation	5.60	4.90	5.19
Liquidity Management	5.50	4.94	5.19
Pricing	4.94	4.57	5.02
Regulation and Compliance	5.11	4.88	5.34
Technology	5.11	4.85	5.22
Securities Lending	5.67	4.74	5.17
Relationship Management	5.39	5.11	5.73
Overall Average	5.33	4.92	5.33



A Canadian Market Outperformer

GLOBAL CUSTODIAN AGENT BANKS IN MAJOR MARKETS SURVEY 2021

With more than 1,700 professionals exclusively focused on servicing Canadian investors and global investors into Canada, CIBC Mellon can deliver on-the-ground execution, expertise and insights to help clients navigate the Canadian market. Leveraging the technology and scale of BNY Mellon, a global leader in investment servicing, and the local presence of CIBC, one of Canada's leading financial institutions, CIBC Mellon has the experience and the capabilities to help you succeed in Canada.

Canadian custody and sub-custody
Canadian correspondent banking¹
Broker-dealer clearing
Securities lending²

Brokerage¹
Investment fund services
MIS (NEXEN, STP scorecard, trade match report card)
Data analytics²

¹ Provided by CIBC

² Provided by BNY Mellon

Learn more, contact:

Richard Anton at +1 416 643 5240

Abdul Sheikh at +1 905 755 7118

Lloyd Sebastian at +1 416 643 5437

www.cibcmellon.com



CIBC MELLON

©2021 CIBC Mellon. A BNY Mellon and CIBC Joint Venture Company. CIBC Mellon is a licensed user of the CIBC trade-mark and certain BNY Mellon trade-marks, is the corporate brand of CIBC Mellon Trust Company and CIBC Mellon Global Securities Services Company and may be used as a generic term to reference either or both companies.

France

For the market as a whole, all category results are in the Good range (5.00-5.99) apart from Pricing. Nevertheless, scores have declined year-on-year across the board. Asset Safety and Risk Management records the largest drop, though client comments do not enlighten as to why that is. As this category remains comfortably above 5.00, there is no reason to suspect that clients are particularly uneasy about the status quo.

French market infrastructure remains true to the French securities industry spirit of innovation. In June, Banque de France successfully used Central Bank Digital Currency (CBDC) in a test environment, in connection with TARGET2-Securities (T2S). This follows an earlier initiative that represented the first success-

Number of responses	40
Market average score (difference from 2020)	-0.58 (-11%)

ful live settlement of a fund using CBDC tokens.

Despite the number of survey responses received for the French market, one custodian accounted for 50% with the remainder distributed across several providers. As a result, only BNP Paribas qualifies this year for analysis.

BNP Paribas Securities Services

As in other European markets, BNP Paribas Securities Services has focused on the implementation of SRDII, the Shareholder Rights Directive II, which encourages long-term shareholder engagement through increased transparency and dialogue. This has involved adapting systems and internal processes to meet the regulation's requirements for the identification of shareholders and for the management of general meetings. The bank says it is now working on supporting clients through the changes required by CSDR.

Despite a small drop in BNP Paribas' overall average since 2020, the bank has managed to increase its year-on-year scores in five categories: Cash Management and FX (+1.06), Liquidity Management (+0.18), Client Service (+0.15), Technology (+0.05) and Relationship Management (+0.04). Set against this, Asset Safety and Risk Management recorded a decline of 0.81, though remaining in Very Good range (6.00-6.99).

Indeed, with six categories recording scores above 6.00 and none below 5.23 – its result for Pricing – the bank appears to have suffered relatively little in France from the fallout of the pandemic evident more generally across the survey as a whole.



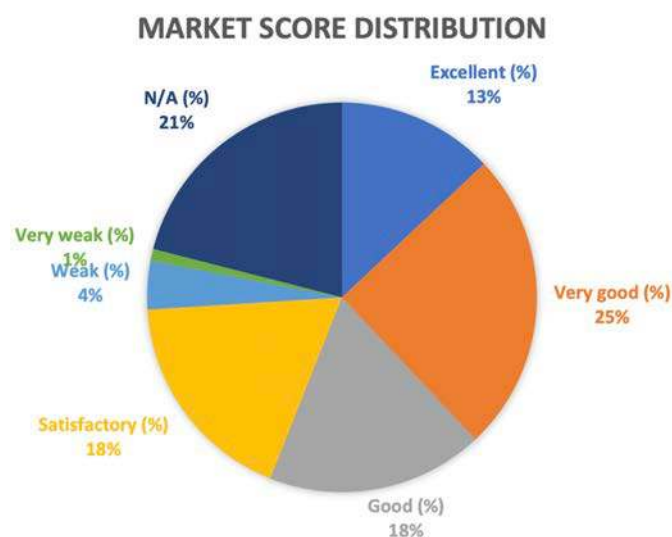
Category	BNP Paribas	Market Average	Global Average
Account Management	6.00	5.39	5.55
Asset Safety and Risk Management	6.03	5.39	5.49
Asset Servicing	5.66	5.05	5.32
Cash Management and FX	6.06	5.27	5.32
Client Service	5.98	5.21	5.47
Data Services	5.87	5.04	5.23
Digitalisation and Innovation	5.65	5.04	5.19
Liquidity Management	6.00	5.10	5.19
Pricing	5.27	4.86	5.02
Regulation and Compliance	5.73	5.14	5.34
Technology	5.68	5.06	5.22
Securities Lending	6.00	5.02	5.17
Relationship Management	6.13	5.49	5.73
Overall Average	5.85	5.16	5.33

Germany

Category scores for the German market as a whole are in a relatively narrow range. Only Pricing falls below Good (5.00-5.99). As with most EU markets, the overall average is marginally below the global average. Three providers – BNP Paribas, Deutsche Bank and, for the first time in this market, UBS – have qualified for an analysis.

BNP Paribas Securities Services

BNP Paribas has recorded a standout set of results in Germany, exceeding all market and global averages. Almost three-quarters are above 6.00, which this year is a rare achievement. The highest score is for Account Management (6.31), about which one Italian client is particularly effusive: “I think I receive an outstanding



Number of responses	45
Market average score (difference from 2020)	-0.39 (-7%)

service and support, that has helped in strengthening the relationship.”

UBS

In line with its strategy to broaden local coverage for global custody clients in selective regions, UBS is now offering a direct service in Germany. Client comment is positive about this development. “Great service; very happy,” says one private bank. On the bank’s technology, one Swiss client notes, “UBS helps us to be more efficient and to integrate our systems with them. Great value.” Meanwhile, a Belgian respondent says of UBS, “Overall a good and solid custodian for most of the services. They have an excellent relationship management who provides a very quick, adequate and efficient help in all domains but especially for ad hoc and urgent issues.”

According to the bank’s scores, Pricing, Asset Servicing and Liquidity Management are areas where clients see room for improvement.

Deutsche Bank

Deutsche Bank, the stalwart of German sub-custody, has a similar-sized response base compared to last year, but a less pleasing set of scores, with an overall drop of 0.96 points. Admittedly, this is partly due to two of the new categories, Data Services and Securities Lending, though Technology, Liquidity Management and Pricing have all fallen into merely Satisfactory territory (4.00-4.99). Unfortunately, respondents have been shy about explaining the reasons for their ratings. On the bright side, Relationship Management is up 0.12 to 5.36.

Category	BNP Paribas	UBS	Deutsche Bank	Market Average	Global Average
Account Management	6.31	5.35	5.07	5.38	5.55
Asset Safety and Risk Management	6.04	5.38	5.07	5.47	5.49
Asset Servicing	6.00	4.90	5.07	5.11	5.32
Cash Management and FX	6.18	5.20	5.44	5.20	5.32
Client Service	6.10	5.05	5.07	5.22	5.47
Data Services	5.88	5.24	4.75	5.23	5.23
Digitalisation and Innovation	5.86	5.06	5.00	5.20	5.19
Liquidity Management	6.29	4.81	4.75	5.10	5.19
Pricing	5.35	4.98	4.57	4.82	5.02
Regulation and Compliance	6.00	5.29	5.07	5.30	5.34
Technology	5.60	5.18	4.79	5.07	5.22
Securities Lending	6.00	5.18	4.75	5.35	5.17
Relationship Management	6.28	5.83	5.36	5.75	5.73
Overall Average	5.99	5.19	4.98	5.25	5.33

Hong Kong

Hong Kong is one of the few markets in the ABMM survey where the number of providers rated has increased with strong competition among a range of regional providers, five of which have qualified for analysis this year compared to three in 2020.

BNP Paribas Securities Services

BNP Paribas has exceeded the market average in all of the service categories surveyed last year with a top score of 6.73 for Relationship Management. Its lowest scores are for the three categories introduced this year: Data Services, Digitalisation and Innovation, and Securities Lending. “All in all, a very pleasant and reliable relationship!” says one European bank client.



Number of responses	73
Market average score (difference from 2020)	-0.55 (-10%)

Standard Chartered Bank

“Always alert, proactive and high level of knowledge of the people,” says one European client. It is one of the largest custodians in Hong Kong, with a 27% market share for Bond Connect and nearly 26% market share for Stock Connect. Its best results this year are for Client Service and Account Management, in both of which it exceeds the market average. Less well appreciated are its Technology and Pricing levels.

UBS

UBS is rated for the first time in Hong Kong. “We use the same infrastructure as we do in Zurich, but taking into consideration local laws, regulations and operational requirements,” says the bank. One client from close to its home market describes UBS’ Hong Kong service personnel as “always alert, proactive and with a high level of knowledge.”

DBS Bank

DBS is one of the few banks rated in the ABMM survey to have improved its overall average score since last year. It is among a select few providers to achieve a full set of category scores in the upper reaches of the Very Good range (6.00-6.99)

HSBC

Traditionally one of the largest securities services providers in Hong Kong, HSBC re-enters the ratings this year with a score of 6.31 for Client Service, 0.44 points above the market average. In most other categories, it tacks close to the market average, thereby exceeding the global average in seven categories..

Category	Standard Chartered Bank	BNP Paribas	UBS	DBS Bank	HSBC	Market Average	Global Average
Account Management	5.89	6.15	5.38	6.82	5.38	5.72	5.55
Asset Safety and Risk Management	5.50	6.00	5.39	6.82	5.56	5.60	5.49
Asset Servicing	5.61	6.08	4.95	6.82	5.44	5.49	5.32
Cash Management and FX	5.03	5.84	5.24	6.71	5.31	5.37	5.32
Client Service	6.08	6.54	5.20	6.82	6.31	5.87	5.47
Data Services	5.32	5.33	5.16	6.71	5.47	5.40	5.23
Digitalisation and Innovation	5.42	5.16	5.00	6.71	5.44	5.33	5.19
Liquidity Management	5.41	6.25	4.78	6.81	5.06	5.39	5.19
Pricing	4.90	5.41	4.93	6.75	5.06	5.14	5.02
Regulation and Compliance	5.33	5.76	5.28	6.82	5.13	5.45	5.34
Technology	4.89	5.40	5.06	6.76	5.06	5.22	5.22
Securities Lending	5.42	4.86	5.00	6.79	4.93	5.28	5.17
Relationship Management	5.76	6.73	5.93	6.82	5.94	5.99	5.73
Overall Average	5.43	5.81	5.18	6.78	5.39	5.48	5.33

ICSD

As providers, the three ICSDs are relatively well regarded with 55% of respondents rating them as a group as either Excellent (7.00) or Very Good (6.00) on average across all categories.

SIX SIS

“We have been strengthening our relationship management teams by increasing the staff looking after our clients in Central and South-Eastern Europe, Asia and the US,” says SIX. “We continuously recruit further relationship managers to emphasise our focus on the expansion of our custody portfolio in those regions of the world.”

In so doing SIX sees itself competing in a bigger arena than sim-

Number of responses	88
Market average score (difference from 2020)	-0.6 (-10%)

ply ICSDs: “In addition to the ICSDs, we also envisage our competition emerging primarily from local and regional custodians.”

Despite the overall drop in scores in line with this year’s global decline, SIX has exceeded both the ICSD and global average in all categories. With category scores ranging from 6.30 for Client Service to 5.58 for Liquidity Management, it seems to have kept its clients happy through the pandemic, though one client would welcome more timely information on reasons for trade fails.

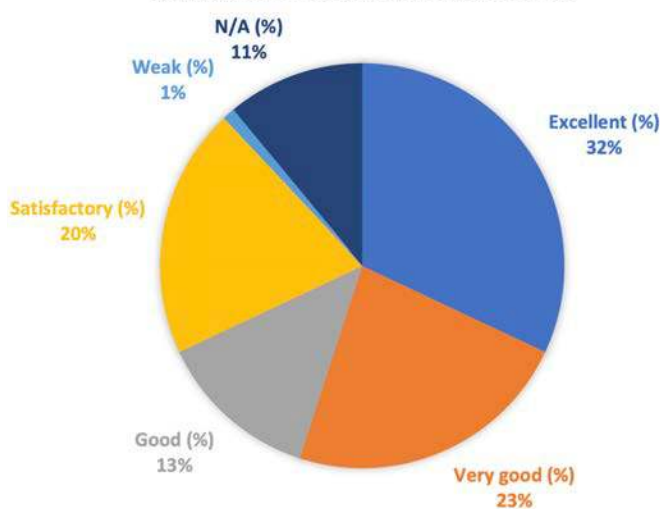
Euroclear

Of the three ICSDs, Euroclear has come closest to sustaining the ratings recorded in 2020, with a drop of 0.18 points. In two areas, Cash management and FX and Technology, its scores have actually risen. One or two grumbles appear in client comments. One broker notes that, “Their requirements regarding KYC and AML are a bit too much to deal with” – which others may take as a source of comfort.

Clearstream

Clearstream has recorded a measurable drop in results for most categories. One southern European bank suggests that, “Email or phone attention quality has decreased in recent years. Day-to-day business has been penalised and it requires an escalation to have the answer you need.” A Northern European peer puts this down to servicing location: “The service received when client services were located in Lux was top. This is now outside Lux and we noticed there was room for improvement, but Clearstream is catching up and bringing it to the correct Lux standard.”

MARKET SCORE DISTRIBUTION



Category	SIX SIS	Euroclear	Clearstream	Market Average	Global Average
Account Management	6.08	6.13	5.05	5.92	5.55
Asset Safety and Risk Management	5.94	6.00	5.44	5.88	5.49
Asset Servicing	5.90	6.02	5.05	5.75	5.32
Cash Management and FX	5.87	5.98	4.58	5.66	5.32
Client Service	6.30	6.23	5.00	6.06	5.47
Data Services	5.73	6.16	4.58	5.62	5.23
Digitalisation and Innovation	5.94	5.43	4.81	5.61	5.19
Liquidity Management	5.58	5.82	4.69	5.49	5.19
Pricing	5.61	5.43	4.77	5.40	5.02
Regulation and Compliance	5.75	5.74	5.26	5.65	5.34
Technology	5.81	5.95	5.14	5.70	5.22
Securities Lending	5.85	5.86	4.81	5.65	5.17
Relationship Management	6.26	6.23	5.32	6.09	5.73
Overall Average	5.89	5.92	4.96	5.73	5.33

Ireland

Ireland has become increasingly popular as a location for global securities processing with several firms announcing plans to expand there in 2021. In September alone, global custodian State Street revealed plans to recruit 400 new staff for its Irish operations.

Despite its growing importance as a processing centre for funds and other securities services, Ireland is one of the lower scoring markets in the ABMM survey. However, only 2% of individual category responses are rated as weak with the remainder, Satisfactory or above.

Two banks, BNP Paribas Securities Services and Citi, have qualified for analysis this year.

Number of responses	24
Market average score (difference from 2020)	-0.62 (-13%)

BNP Paribas Securities Services

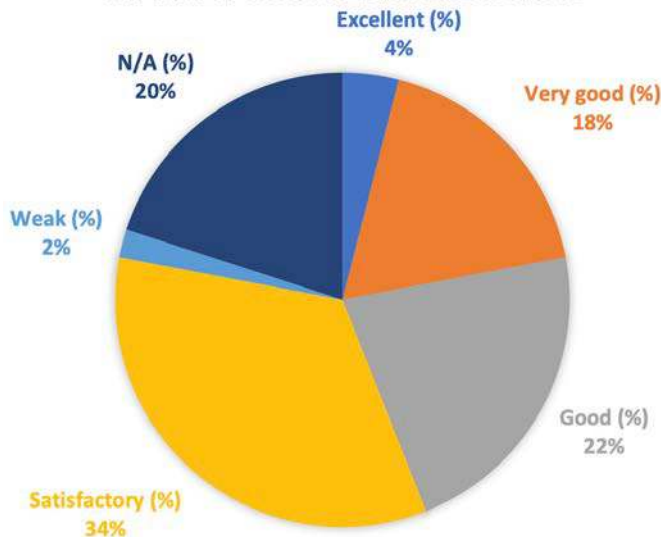
BNP Paribas Securities Services has held more or less steady in terms of ratings since last year's survey with an overall decline of 0.17 points, remaining in Good territory (5.00-5.99) overall. Three categories, Client Service, Account Management and Securities Lending, are rated Very Good, while two others, Data Services and Technology are rated Weak (3.00-3.99). These are two of the three categories for which the bank does not exceed the market average, the other being the new category of Digitalisation and Innovation. With regard to Technology, one large European client comments, "Still not at the most recent state of the art compared with other providers." However, one long term North American client notes that "BNPP provide an excellent service and have done over the years."

Citi

Citi has had a presence in Ireland since 1965 and was one of the first foreign banks to open an office in the country. Citi Ireland services clients across 160 countries and is the Head Office for Citibank Europe plc, which has been based in Ireland since 1988. Since January 2016, it is Citi's single EU-passported bank, with branches in 22 countries. The businesses covered by Citibank Europe include Markets and Securities Services, Banking Capital Markets and Advisory, Treasury and Trade Solutions, and Private Bank.

While most service areas are rated Satisfactory rather than Good, it exceeds the market average in all but three: Relationship Management, Pricing and Securities Lending.

MARKET SCORE DISTRIBUTION



Category	BNP Paribas Securities Services	Citi	Market Average	Global Average
Account Management	6.09	5.24	5.09	5.55
Asset Safety and Risk Management	5.88	5.53	5.11	5.49
Asset Servicing	5.89	5.33	4.95	5.32
Cash Management and FX	5.55	4.91	4.80	5.32
Client Service	6.18	4.92	4.82	5.47
Data Services	3.50	4.83	4.57	5.23
Digitalisation and Innovation	4.60	4.83	4.64	5.19
Liquidity Management	4.75	4.83	4.62	5.19
Pricing	5.27	4.45	4.57	5.02
Regulation and Compliance	5.50	4.92	4.92	5.34
Technology	3.90	5.33	4.54	5.22
Securities Lending	6.00	4.00	4.52	5.17
Relationship Management	5.36	4.92	5.06	5.73
Overall Average	5.27	4.93	4.79	5.33

Israel

According to Bank Hapoalim, one of the three main custody providers in Israel, there are long term market changes under way with a general goal of increasing market liquidity and public participation

The Tel Aviv Stock Exchange (TASE) has launched a central blockchain based securities lending platform, which enables direct lending among participants. It has also introduced new types of exchange memberships as well as encouragement of remote memberships to compete with traditional members.

The bank also notes much more focus on ESG from both public companies and new issuers: “This is both due to local regulation and global trends which we expect to grow over time. This, cou-

Number of responses	12
Market average score (difference from 2020)	-0.91 (-19%)

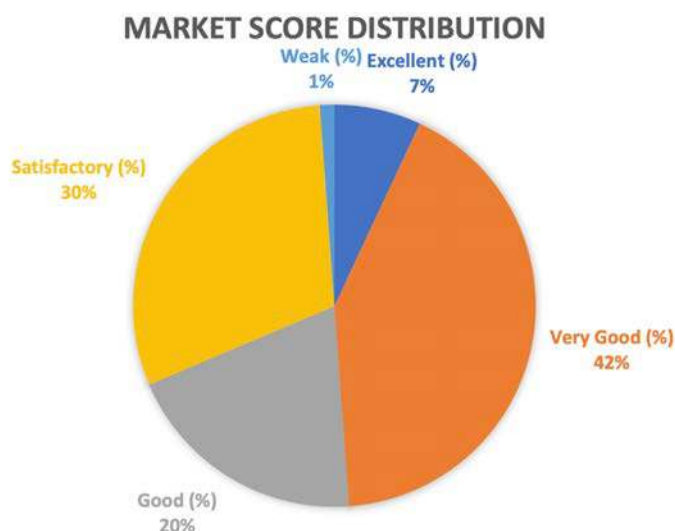
pled with a steady increase in IPO activity in the last two years as well as more free-floating shares and increased participation by global investors should make the local market even more attractive to global investors.”

The State of Israel signed on a Double Tax Treaty with the UAE. This treaty was not yet approved but the intention is that the treaty will be in effect beginning of 2022, possibly opening up a new investment stream for Israel’s capital markets.

Bank Leumi meanwhile identifies several operational changes that have either taken place recently or are in the pipeline. In respect of custody, it notes that the Tel Aviv Stock Exchange Clearing House is in the midst of a transition from its old clearing system. “This transition will take place in the coming years, and should affect the local TASECH members, and be transparent to clients,” says the bank.

Although results for Israel are on average merely satisfactory, 42% of individual category ratings are Very Good and only 2% are regarded as Weak.

Of the three main custodians for foreign clients - Bank Hapoalim, Bank Leumi and Citi - none has received sufficient responses for individual analysis. Of those respondents who have rated their provider in Israel only Bank Leumi has received additional comment. One European bank says of its general account management that Leumi is “very pleasant to work with and always ready to go that extra mile.”



Category	Market Average	Global Average	Difference
Account Management	4.96	5.55	-0.59
Asset Safety and Risk Management	4.78	5.49	-0.71
Asset Servicing	4.83	5.32	-0.49
Cash Management and FX	4.77	5.32	1.45
Client Service	4.96	5.47	-0.51
Data Services	4.70	5.23	-0.53
Digitalisation and Innovation	4.53	5.19	-0.66
Liquidity Management	4.80	5.19	-0.39
Pricing	4.65	5.02	-0.37
Regulation and Compliance	4.96	5.34	-0.38
Technology	4.80	5.22	-0.42
Securities Lending	4.60	5.17	-0.57
Relationship Management	5.26	5.73	-0.47
Overall Average	4.81	5.33	-0.52

Italy

Over the last 12 months, as with many other European markets, Italian providers have been grappling with the implementation of SRDII, the Shareholder Rights Directive. This has involved the adaptation of systems and internal processes to comply with the provisions of the new regulation. CSDR is the next regulatory change on which providers need to focus. In the Italian market specifically, certain tax provisions on Italian-source dividends and capital gains on certain equity instruments were introduced in the 2021 Budget law.

Overall, the Italian market’s category scores seem to coalesce around the border between Satisfactory and Good. They are on the whole lower than the global averages with the several categories

Number of responses	36
Market average score (difference from 2020)	-1.1 (-22%)

rated Good at a global level only seen as Satisfactory in Italy.

Responses were received for several providers though only two qualified for analysis.

BNP Paribas Securities Services

BNP Paribas has comfortably exceeded all category average scores in the Italian market. Divergence is greatest in the areas of Client Service, Account Management and Asset Servicing, all of which are rated Very Good (6.00-6.99). Also rated above 6.00 is Relationship Management.

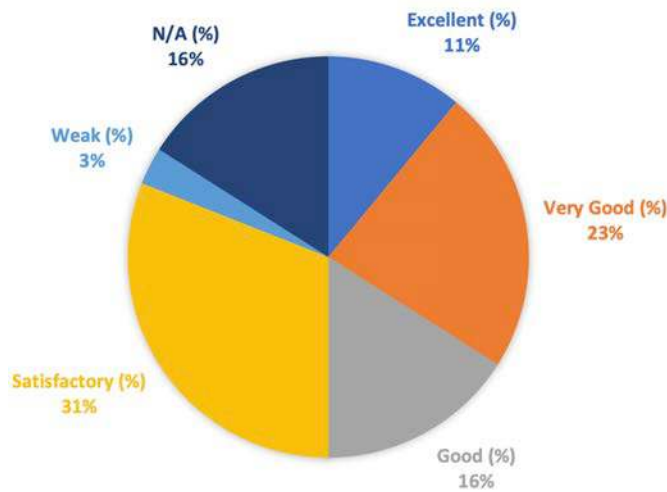
Specific tax challenges in the Italian market have coincided with the additional operational burdens experienced during the pandemic. “In consideration of the evolution of the COVID-19 crisis and the restrictions imposed by the pandemic, BNP Paribas Securities Services worked in order to provide clients with exceptional measures concerning Relief at Source documents, while meeting the requirements set forth by the Italian tax authorities,” says the bank. This has not gone unnoticed with one French client remarking on “Very good service especially around the tax team.”

In the context of a generally lower set of results across the globe, BNP Paribas has done well in Italy, surpassing the overall global average score by 0.43 points, equivalent to 8%.

Société Générale Securities Services (SGSS)

With the exception of Relationship Management (5.38), all of SGSS’ category scores are in Satisfactory range (4.00-4.99). It is just above the market average for Relationship Management and Regulation and Compliance.

MARKET SCORE DISTRIBUTION



Category	BNP Paribas Securities Services	SGSS	Market Average	Global Average
Account Management	6.00	4.50	5.18	5.55
Asset Safety and Risk Management	5.79	4.88	5.17	5.49
Asset Servicing	6.00	4.88	5.18	5.32
Cash Management and FX	5.67	4.75	4.95	5.32
Client Service	6.05	4.88	5.19	5.47
Data Services	5.38	4.75	4.83	5.23
Digitalisation and Innovation	5.26	4.75	4.83	5.19
Liquidity Management	5.45	4.57	4.83	5.19
Pricing	5.18	4.57	4.68	5.02
Regulation and Compliance	5.21	4.88	4.86	5.34
Technology	5.39	4.75	4.94	5.22
Securities Lending	5.35	4.00	4.71	5.17
Relationship Management	6.10	5.38	5.37	5.73
Overall Average	5.60	4.73	4.98	5.33

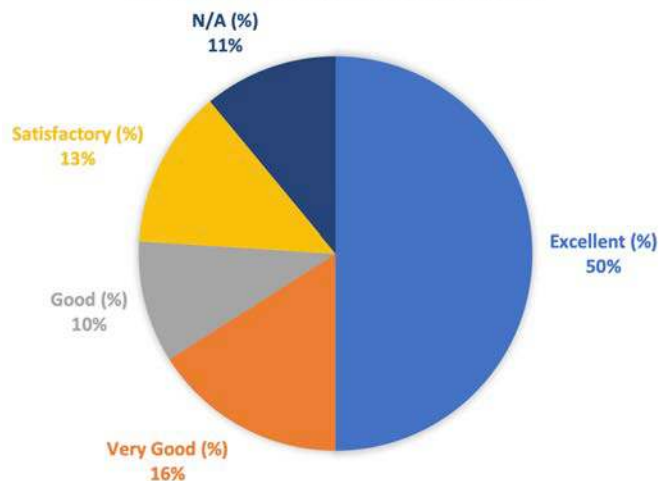
Japan

The Japanese market has made strides in digitisation with the spread of virtual shareholder meetings and e-voting. Mizuho notes an increase in issuing companies participating in the ICJ E-voting platform, a joint venture between the Tokyo Stock Exchange and Broadridge, including more than 50% of companies listed in the TSE 1st Section, as of March 2021.

The bank also notes that issuing companies are beginning to introduce virtual shareholder meetings. “Among the companies with record date 31 March 2021, those who held real/virtual hybrid shareholders meetings, where shareholders could attend physically or virtually, increased from 5% to 14%.” As of June 2021, Japanese company law also allows for virtual-only meetings.

In the year ahead, the Tokyo Stock Exchange (TSE) will

MARKET SCORE DISTRIBUTION



Number of responses	36
Market average score (difference from 2020)	-0.43 (-7%)

restructure its stock market into three new market segments: Prime Market, Standard Market, and Growth Market, as opposed to the four current divisions, which are a legacy of the integration of the cash equity markets of the TSE and Osaka Securities Exchange.

Traditionally one of the highest rated markets in the ABMM survey, Japan has recorded only a marginal drop in scores from last year (-7%) and is one of the few markets to preserve an overall average score above 6.00.

Both Mizuho Bank and MUFG have qualified for ratings this year.

Mizuho Bank

It would have been virtually impossible to improve on Mizuho's 2020 category ratings, which were as close to perfect as possible in the ABMM survey. In the face of a broad decline elsewhere, Mizuho has recorded results within 0.03 points of 2020, even increasing its scores for Account Management, Cash Management and Pricing. “Services have been superb,” says one European custodian. With regard to Client Service, a UK broker says, “Their client service is the best in Japan. The staff are knowledgeable and supportive. Their response to our inquiries is quick and accurate.”

Mitsubishi UFJ Trust and Banking Corporation

MUFG has also recorded an impressive set of category scores, including a perfect 7.00 for Securities Lending. Only Digitalisation and Innovation, Data Services and Cash Management fall below the high market average, though in all three cases, they are well above their global equivalent.

Category	Mizuho Bank	Mitsubishi UFJ Trust and Banking Corporation	Market Average	Global Average
Account Management	6.99	6.50	6.40	5.55
Asset Safety and Risk Management	6.90	6.60	6.36	5.49
Asset Servicing	6.86	6.50	6.29	5.32
Cash Management and FX	6.93	6.07	6.33	5.32
Client Service	6.99	6.33	6.33	5.47
Data Services	6.78	6.07	6.25	5.23
Digitalisation and Innovation	6.83	5.71	6.16	5.19
Liquidity Management	6.76	6.40	6.26	5.19
Pricing	6.79	6.06	6.05	5.02
Regulation and Compliance	6.79	6.27	6.22	5.34
Technology	6.74	6.36	6.21	5.22
Securities Lending	6.93	7.00	6.43	5.17
Relationship Management	6.97	6.72	6.42	5.73
Overall Average	6.87	6.35	6.29	5.33

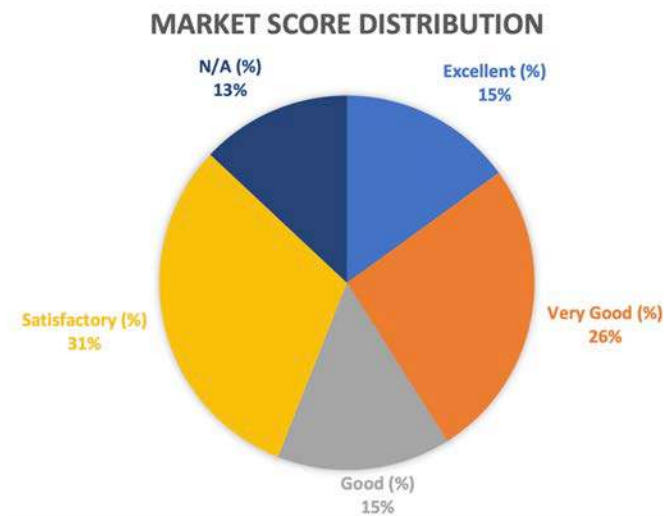
Korea

Based on this year’s responses, service in the Korean market is regarded as in-line with network manager expectations in other major markets. Although its scores at a category level are on the whole below the global category averages, this is not by much. The outlier is Cash Management and FX which surpasses the global average recorded for this category. All category scores in Korea are within Good range (5.00-5.99) suggesting no overriding concerns about market service levels.

The 23 responses for Korea were spread across five providers with Standard Chartered accounting for roughly half.

Standard Chartered Bank

Standard Chartered is the largest custodian in Korea with an estimated 35% market share, based on transaction volume. Given



Number of responses	23
Market average score (difference from 2020)	-0.45 (-9%)

that it accounts for more responses than other providers combined in the Korean market, it is not surprising that Standard Chartered ticks close to the market average, exceeding it, however, in all but three categories.

Interestingly, the bank’s highest scores are for the new categories of Data Services and Digitalisation and Innovation. Liquidity Management is the only area rated merely Satisfactory (4.00-4.99).

Standard Chartered points to several product and service enhancements over the past year. These include the launch of trustee services for private close-ended mutual funds investing in physical real estate in South Korea, an expanded compliance monitoring service to private placement funds following a local regulatory requirement, streamlined onboarding procedures and securities financing enhancements to allow for the processing of more complex repo transactions.

Compared to 2020, the largest fall in ratings has been for Pricing, for which no doubt pandemic pressures have played a role. At the same time, it has maintained its relatively high score for Asset Safety and Risk Management.

The few comments that clients have added to their ratings are positive. “Excellent service and response times,” says one European bank of the way their account is managed, while a Hong Kong -based respondent says, “The performance of client service is outstanding. Can always timely and comprehensive feedback.”

Category	Standard Chartered Bank	Market Average	Global Average
Account Management	5.28	5.37	5.55
Asset Safety and Risk Management	5.61	5.46	5.49
Asset Servicing	5.33	5.37	5.32
Cash Management and FX	5.50	5.44	5.32
Client Service	5.61	5.43	5.47
Data Services	5.67	5.32	5.23
Digitalisation and Innovation	5.67	5.32	5.19
Liquidity Management	4.93	5.03	5.19
Pricing	5.17	5.02	5.02
Regulation and Compliance	5.39	5.27	5.34
Technology	5.29	5.19	5.22
Securities Lending	5.25	4.97	5.17
Relationship Management	5.39	5.39	5.73
Overall Average	5.39	5.28	5.33

Luxembourg

Luxembourg is better known as the home of Clearstream and as a global funds centre, particularly UCITS, than as a destination market for equities investment in its own right. For that reason, it has been absent from the ABMM survey in recent years. Nevertheless, the Luxembourg Stock Exchange (LuxSE) has a major global presence in the listing of international debt issues. Of the more than 37,000 listed securities, 33,000 are debt instruments with over 2,000 issuers from 100 countries.

The market is also not without innovation. September marked the fifth anniversary of Luxembourg Green Exchange (LGX), which was created in 2016 as a response to the Paris

Number of responses	9
Market average score (difference from 2020)	0.42 (8%)

Climate Agreement and the United Nations Sustainable Development Goals.

“When we established LGX five years ago, we knew we were taking a risk by setting a high bar for green bond issuers,” said Julie Becker, CEO of LuxSE and founder of LGX. “Now, looking back at everything that we have achieved and all the issuers that have joined LGX so far, we can safely conclude that we made the right call. After five years, our mission to transform finance is as strong and necessary as ever, and we will continue our work to accelerate the transition to a low-carbon and more inclusive economy.”

Since its founding, LGX has extended its scope from a platform for green bonds to include social and sustainability bonds and SRI funds.

When it comes to the Agent Bank Survey, although Luxembourg has recorded a few more responses than last year, they remain too few for any provider to receive an individual analysis.

Compared to its global peers, Luxembourg scores well for Liquidity Management, but otherwise, like most EU markets, category scores are a few notches below the global average. Compared to 2020, all category scores are down bar Liquidity Management. However, apart from Pricing – securities services in the market are seen as relatively expensive – all other categories are rated Good (5.00-5.99), suggesting no real cause for concern among foreign clients of Luxembourg custodial services.



Category	Market Average	Global Average	Difference
Account Management	5.52	5.55	-0.03
Asset Safety and Risk Management	5.15	5.49	-0.34
Asset Servicing	5.13	5.32	-0.19
Cash Management and FX	5.26	5.32	1.94
Client Service	5.03	5.47	-0.44
Data Services	5.09	5.23	-0.14
Digitalisation and Innovation	5.07	5.19	-0.12
Liquidity Management	5.26	5.19	0.07
Pricing	4.94	5.02	-0.08
Regulation and Compliance	5.18	5.34	-0.16
Technology	5.04	5.22	-0.18
Securities Lending	5.04	5.17	-0.13
Relationship Management	5.48	5.73	-0.25
Overall Average	5.17	5.33	-0.16

New Zealand

After an absence last year, New Zealand has more than doubled the number of ratings recorded and, as a result, makes a return to the survey.

The provider landscape has been marked by JP Morgan’s decision in 2020 to restrict its sub-custodial services in Australia and New Zealand to global custody clients of its parent following a strategic review. As a result, Clearstream, one of JP Morgan’s largest custody clients in the market subsequently transferred its large mandate to BNP Paribas Securities Services.

In August, the New Zealand Stock Exchange (NZX) reported market growth and diversification in H1 2021. Alongside strong

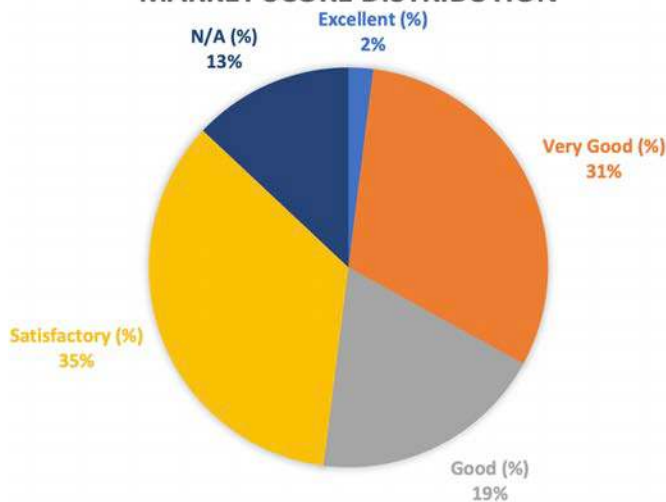
Number of responses	17
Market average score (difference from 2020)	0.71 (12%)

growth in NZX’s funds business, there were increases in the number of listed securities, the amount of primary capital raised and the level of trading activity.

June meanwhile saw the launch of S&P/NZX 50 Portfolio ESG Tilted Index, a collaboration between NZX and S&P designed to respond to the growing interest in ESG criteria.

Including Cash Management and FX, category scores for the market are between 15 and 38 basis points below the global averages. Most, however, remain in Good range (5.00-5.99) and the five that aren’t are close.

MARKET SCORE DISTRIBUTION



BNP Paribas Securities Services

Of the 17 responses received for New Zealand, BNP Paribas was responsible for just over a third.

Overall, some 50% of individual category ratings awarded to the bank were 6.00 or 7.00 – Very Good or Excellent. None was below 4.00 (Satisfactory). All category ratings for the bank are above the market average.

With the exception of Relationship Management (5.77) at the top end and Pricing (5.00) at the bottom, results are in a relatively narrow range – certainly sufficient to suggest client comfort with the services received. There is little to indicate that clients see areas of standout performance, but this may be a consequence of the relative youth of some relationship combined with downbeat mood engendered by the pandemic and reflected elsewhere in the survey by a dearth of scores above 2020 levels.

Category	BNP Paribas Securities Services	Market Average	Global Average
Account Management	5.38	5.23	5.55
Asset Safety and Risk Management	5.50	5.22	5.49
Asset Servicing	5.15	5.02	5.32
Cash Management and FX	5.08	4.94	5.32
Client Service	5.38	5.05	5.47
Data Services	5.20	4.97	5.23
Digitalisation and Innovation	5.23	5.02	5.19
Liquidity Management	5.09	4.94	5.19
Pricing	5.00	4.76	5.02
Regulation and Compliance	5.38	5.19	5.34
Technology	5.23	5.03	5.22
Securities Lending	5.25	4.93	5.17
Relationship Management	5.77	5.47	5.73
Overall Average	5.28	5.06	5.33

Nordics

Following the logic of market integration among the four markets of Denmark, Finland, Norway and Sweden, with increasing levels of regionalisation at both an infrastructure and service provider level, we have decided to move towards a regional review, though scores for the individual markets have been retained this year.

While the region has attracted competition among global custodians for mandates from its for its outbound pools of investment capital. At a sub-custody level, however, SEB is indisputably the dominant service provider across the region as a whole, particularly since the exit of Nordea from sub-custody earlier in the year.

Nordea agreed with Citi to recommend existing clients to

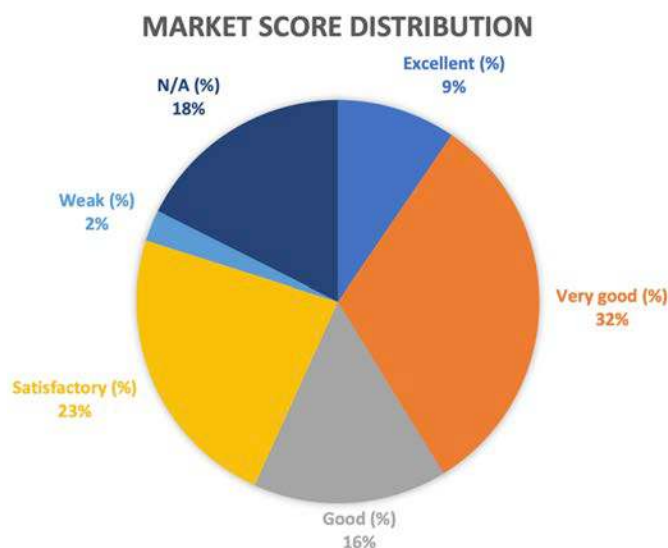
Denmark: Number of responses	18
Market average score year-on-year difference	-1.07 (-21%)
Finland : Number of responses	16
Market average score year-on-year difference	-0.74 (-14%)
Norway: Number of responses	19
Market average score year-on-year difference	-0.81 (-16%)
Sweden: Number of responses	24
Market average score year-on-year difference	-1.02 (-20%)

appoint the US bank as their replacement provider. While this will certainly have boosted Citi's market share in the Nordics, the development has yet to feed through to a sufficient response pool for Citi.

Prior to Nordea's decision, the region had already seen the exit of Norwegian bank DNB and Stockholm-based Handelsbanken from the sub-custody business.

SEB

SEB accounts for roughly half of responses for the region as a whole as well as in each individual market. A comparison of their ratings in each market points to a growing convergence. Overall averages for SEB in each market range from 5.58 to 5.86 with client facing services in each market topping the ratings. At a category level, it exceeds the market average in nearly all cases, the only exceptions being in Finland, where it falls marginally below in the areas of Asset Safety and Risk Management, Pricing and Data Services.



Category	SEB Denmark	SEB Finland	SEB Norway	SEB Sweden	Market Average (Denmark)	Market Average (Finland)	Market Average (Norway)	Market Average (Sweden)	Global Average
Account Management	6.62	6.36	6.62	5.96	5.45	5.76	5.62	5.49	5.55
Asset Safety and Risk Management	5.92	5.50	5.62	5.88	5.45	5.69	5.44	5.36	5.49
Asset Servicing	5.92	5.50	5.62	5.52	5.19	5.43	5.20	5.14	5.32
Cash Management and FX	6.00	5.50	5.67	5.63	5.02	5.27	5.15	5.20	5.32
Client Service	6.85	6.57	6.85	6.20	5.54	5.77	5.64	5.45	5.47
Data Services	5.20	5.00	5.20	5.10	4.55	5.04	4.81	4.86	5.23
Digitalisation and Innovation	5.50	5.33	5.50	5.46	4.73	4.97	4.83	4.87	5.19
Liquidity Management	5.50	5.25	5.50	5.29	4.61	5.00	4.87	4.95	5.19
Pricing	5.17	5.08	5.17	5.17	4.96	5.16	5.02	4.87	5.02
Regulation and Compliance	5.69	5.57	5.69	5.72	5.21	5.44	5.30	5.32	5.34
Technology	5.62	5.50	5.62	5.56	5.00	5.26	5.08	5.09	5.22
Securities Lending	5.33	5.14	5.33	5.20	4.52	4.94	4.67	4.55	5.17
Relationship Management	6.85	6.21	6.85	6.20	5.56	5.80	5.78	5.71	5.73
Overall Average	5.86	5.58	5.79	5.61	5.06	5.35	5.19	5.14	5.33

Portugal

In the post-trade arena, market players, infrastructures and regulators within the EU continue to focus on the challenges resulting from European regulation. The future implementation of the settlement discipline regime as part of CSDR, and the already transposed Shareholders Rights Directive II are two such areas of focus. The latter is expected to be impacted by an ongoing revision of the Portuguese Market Securities Code (to be approved by parliament) and by the implementation by the Portuguese CSD of the ISO 20022 SWIFT messages related to Shareholder disclosure.

Taken as a whole, Portuguese market ratings are similar to those elsewhere in Europe, particularly where the markets con-

Number of responses	28
Market average score (difference from 2020)	0.77 (-15%)

cerned are part of TARGET2Securities, for which Portugal was once cited as a “poster child”. All but two categories are in Good range (5.00-5.99), the exceptions being Securities Lending and Pricing, which are rated Satisfactory.

In four areas – Asset Safety and Risk Management, Cash Management and FX, Regulation and Compliance and Technology – Portugal’s scores are marginally above the global average. Year-on-year, scores have fallen as they have in almost all markets. No particular shortcomings have been cited, but pandemic-weariness may be affecting the mood more broadly.

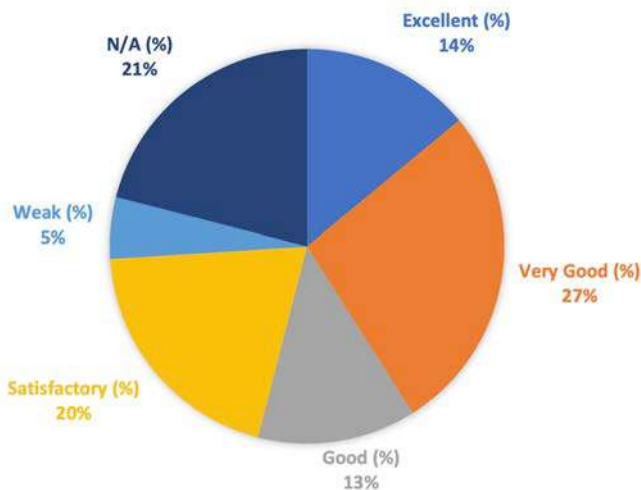
BNP Paribas Securities Services

BNP Paribas Securities Services has built up its position as a major provider of securities services in Europe and in Portugal. It processes a substantial percentage of the activity of custodians and the broker/dealer community.

Accounting for two-thirds of responses for Portugal, the bank might be expected to set the benchmark for category ratings. In fact, with scores all in Good range (5.00-5.99), it outperforms the market average in all categories with the exception of Relationship Management. Unusually, this is also the category where the bank receives its second highest rating (5.51), but it is also an area where other providers have done well.

“At BNP Paribas Securities Services, we continue to be fully committed to the Portuguese Market and, in light of the challenges ahead, will continue working to improve our solutions to better respond to our clients’ needs and the new market requirements,” says the bank.

MARKET SCORE DISTRIBUTION



Category	BNP Paribas Securities Services	Market Average	Global Average
Account Management	5.49	5.49	5.55
Asset Safety and Risk Management	5.56	5.53	5.49
Asset Servicing	5.32	5.21	5.32
Cash Management and FX	5.49	5.37	5.32
Client Service	5.49	5.46	5.47
Data Services	5.24	5.17	5.23
Digitalisation and Innovation	5.24	5.06	5.19
Liquidity Management	5.24	5.14	5.19
Pricing	4.90	4.80	5.02
Regulation and Compliance	5.38	5.36	5.34
Technology	5.41	5.25	5.22
Securities Lending	5.00	4.98	5.17
Relationship Management	5.51	5.69	5.73
Overall Average	5.33	5.27	5.33

Singapore

Despite the drop in overall scores, Singapore has limited the fall to 8% and is seen as one of the better performing markets in the ABMM survey. Three banks have qualified for analysis in Singapore this year – Standard Chartered and DBS, as before, and for the first time UBS.

Standard Chartered Bank

Standard Chartered is the largest volume clearer and sub-account holder at the Singapore Exchange and also claims to be the first custodian bank in Asia to support inbound and outbound SWIFT ISO20022 trade settlement messages from clearing members in Singapore.

Its response cohort is lighter than usual in this market and pos-

Number of responses	36
Market average score (difference from 2020)	-42 (-8%)

sibly as a result, its categories have fallen measurably from last year. It nevertheless counts all categories in Good range (5.00-5.99) with the exception of Pricing, which is often found in the bottom quartile of ratings.

Standard Chartered cites several recent product enhancements, including the launch of Islamic custody in Singapore. It is also part of the Asset Management Infrastructure Development group setup by MAS to build a centralised fund settlement platform aimed at enhancing market efficiency.

UBS

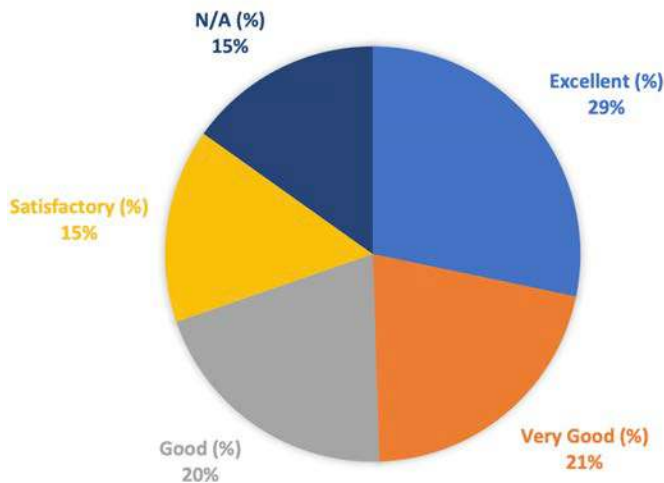
With a strong wealth management franchise in the APAC region, UBS has, since last year, offered a local custody service out of Singapore and Hong Kong, using the same infrastructure as in its Zurich headquarters, but with consideration for local laws, regulations and operational requirements. It enters the ABMM ratings for the first time in Singapore, recording a top score of 6.05 for Relationship Management and a low of 4.93 for Pricing.

“Overall, a good and solid custodian for most of the services... very flexible and willing to find the best solution when necessary,” notes one European bank client.

DBS

DBS is one of the very few banks to have actually raised its already impressive 2020 scores in this year’s survey. Its highest score this year is 6.93 for the newly introduced category of Securities Lending. “We are very satisfied with the custody service providing by DBS particularly from their client service team and the relationship manager,” says one Hong Kong-based client.

MARKET SCORE DISTRIBUTION



Category	UBS	DBS	SCB	Market Average	Global Average
Account Management	5.43	6.80	5.14	5.70	5.55
Asset Safety and Risk Management	5.39	6.85	5.29	5.70	5.49
Asset Servicing	5.05	6.70	5.29	5.50	5.32
Cash Management and FX	5.24	6.78	5.00	5.60	5.32
Client Service	5.20	6.70	5.14	5.53	5.47
Data Services	5.36	6.80	5.00	5.60	5.23
Digitalisation and Innovation	5.00	6.84	5.25	5.55	5.19
Liquidity Management	5.00	6.78	5.00	5.46	5.19
Pricing	4.93	6.55	4.71	5.22	5.02
Regulation and Compliance	5.28	6.75	5.00	5.52	5.34
Technology	5.06	6.75	5.00	5.49	5.22
Securities Lending	5.00	6.93	5.00	5.45	5.17
Relationship Management	6.05	6.80	5.43	6.00	5.73
Overall Average	5.23	6.77	5.10	5.56	5.33

Spain

The holding company running the Spanish stock exchanges and infrastructures, Bolsas y Mercados Españoles (BME), was acquired by SIX Group in September 2020.

The introduction of the Spanish Financial Transaction Tax (FTT) was implemented on 16 January 2021, but owing to concerns over market-wide readiness, became reportable only from June 2021.

Unusually for a T2S market in this year’s survey, market-level results are above the global average in half the categories and overall. This is most noticeable in the area of Liquidity Management with others, straying up or down by a few basis points.



Number of responses	34
Market average score (difference from 2020)	-0.58 (-11%)

BNP Paribas Securities Services

BNP Paribas has successfully implemented a Forwarding Entity service to allow clients to make their FTT declarations (see left) via the CSD.

The bank settles over 30% of activity in the Spanish market, laying claim to being “by far the leading settlement agent in Spain.” In this year’s ABMM survey it accounts for half the Spanish market responses.

Compared to 2020, the bank’s scores have certainly fallen, but by less than the Spanish market average. Three categories remain in Very Good territory (Relationship Management, Account Management and Client Service) with the remainder rated Good and, in most cases, at the upper end of that category. As a result, all categories are rated higher than the market average, most notably Asset Servicing and Securities Lending.

Others

Several banks that are recognised providers in the Spanish market have received ratings, including Deutsche Bank, Citi, BBVA and Santander CACEIS. While none have recorded sufficient data for robust analysis, several of their respondents are sizeable global players. Few of these have chosen to elaborate on the ratings awarded, but BBVA has received a few notable comments. One European bank states simply that, “Services and support is provided on a professional and timely manner.” When it comes to client service, a US-based respondent praises the fact that, “Staff is quick to respond and helpful when contacted.” Hopefully, once the pressures of COVID-19 have dissipated further, some of these providers will receive sufficient responses in 2022, for further analysis.

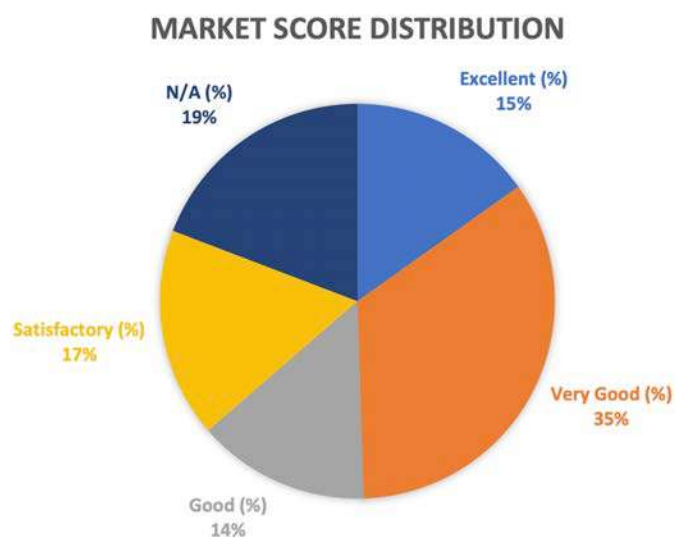
Category	BNP Paribas	Market Average	Global Average
Account Management	6.10	5.58	5.55
Asset Safety and Risk Management	5.92	5.34	5.49
Asset Servicing	5.96	5.30	5.32
Cash Management and FX	5.95	5.37	5.32
Client Service	6.03	5.57	5.47
Data Services	5.67	5.14	5.23
Digitalisation and Innovation	5.50	5.06	5.19
Liquidity Management	5.80	5.30	5.19
Pricing	5.43	5.05	5.02
Regulation and Compliance	5.79	5.32	5.34
Technology	5.50	5.15	5.22
Securities Lending	5.88	5.16	5.17
Relationship Management	6.24	5.88	5.73
Overall Average	5.83	5.32	5.33

Switzerland

Switzerland, though with a lower market average than last year, remains one of the better regarded markets by respondents to the ABMM survey, exceeding the global category averages in all areas with the exception of Client Service, where it is equal to all intents and purposes. Last year, only SIX SIS and UBS received sufficient responses for published ratings. This year they are joined once again by Credit Suisse and BNP Paribas.

UBS

Last year was something of a high for UBS in its Swiss market ratings. Given the general decline in ratings across the major markets, it has not been spared a fall in 2021. The bank has nevertheless



Number of responses	49
Market average score (difference from 2020)	-0.77 (-14%)

recorded a solid set of scores with all categories in Good range (5.00-5.99) and Relationship Management retaining its Very Good rating from 2020. When it comes to Pricing, says one respondent, “UBS do not specify transaction costs per custody account in their invoices. This creates a problem when we want to book the transaction costs on different accounts in our system.” This may be no more than a niggle, but is worth addressing, even if client relationships are not at stake.

SIX SIS

Despite a drop in scores commensurate with the general global downturn, SIX remains comfortably above both market and global averages in all category areas. It earns plaudits for Asset Safety and Risk Management from one client who praises a “positive and successful CSDR application compared to peers.” Another is grateful for a “clear and transparent pricing scheme”, while a third notes simply, “Great support in BAU.”

BNP Paribas Securities Services

BNP Paribas has recorded a creditable set of category scores in Switzerland above the market average, falling a little short in four categories: Data Services, Digitalisation and Innovation, Pricing and Technology. It records its highest scores for Relationship Management and Account Management (6.24).

Credit Suisse

In its return to the ABMM survey, Credit Suisse tacks close to the market average in all categories. At a global level, however, it outperforms in the majority of categories.

Category	UBS	SIX SIS	BNP Paribas	Credit Suisse	Market Average	Global Average
Account Management	5.65	6.17	6.24	5.58	5.75	5.55
Asset Safety and Risk Management	5.51	5.72	5.64	5.35	5.51	5.49
Asset Servicing	5.29	5.66	5.87	5.42	5.42	5.32
Cash Management and FX	5.50	6.10	6.08	5.31	5.61	5.32
Client Service	5.20	5.77	6.18	5.42	5.46	5.47
Data Services	5.52	5.63	5.25	5.27	5.39	5.23
Digitalisation and Innovation	5.20	6.00	5.20	5.27	5.36	5.19
Liquidity Management	5.25	5.85	5.70	5.20	5.32	5.19
Pricing	5.14	5.59	5.12	4.89	5.16	5.02
Regulation and Compliance	5.47	5.39	5.47	5.42	5.38	5.34
Technology	5.31	5.63	5.19	5.31	5.32	5.22
Securities Lending	5.00	5.91	5.63	5.20	5.25	5.17
Relationship Management	6.28	6.07	6.24	5.58	6.02	5.73
Overall Average	5.40	5.81	5.68	5.32	5.46	5.33

The Netherlands

When Global Custodian began its surveys in 1989, the Netherlands was home to a number of indigenous players in both the global and sub-custody arena (ABN Amro, Mees Pierson, Kas, to name three). Over the past few decades, these have either been absorbed into other institutions, have withdrawn from the global securities services business or specialised in niche areas of the market. Today, the provision of custodial services to inbound institutional investors is largely the preserve of regional providers. In this year's ABMM survey, one bank, BNP Paribas Securities Services, accounts for around 65% of responses for the Dutch market.

Number of responses	26
Market average score (difference from 2020)	-0.78 (-15%)

BNP Paribas Securities Services

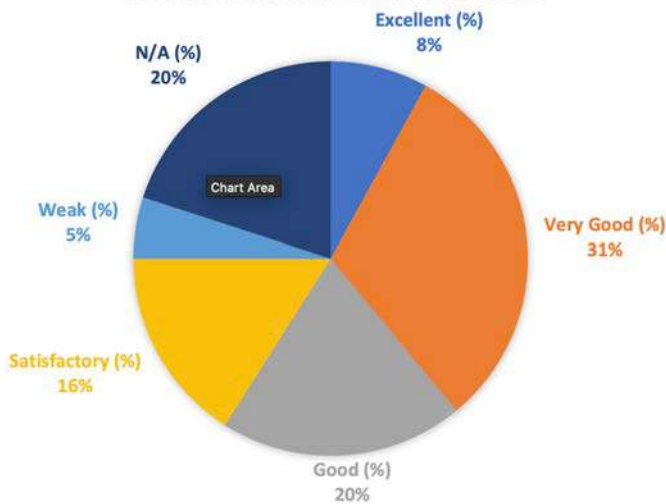
Despite accounting for the majority of responses for the Netherlands, BNP Paribas has exceeded the market average in all areas. In four categories, the difference is significant: Cash Management and FX (+0.79), Client Service (+0.63), Securities Lending (+0.63) and Liquidity Management (+0.62). Relationship Management records the highest score for the bank (6.00). This is one of six service areas actually to improve on the bank's 2020 scores – a rare occurrence in a year when scores across the board are generally down. Of the others, Cash management and FX records the greatest increase (1.13) in a year when that particular category has seen a global decline in levels of client appreciation.

Were it not for last year's generous assessments, the category scores recorded by BNP Paribas in the Netherlands in 2021 would satisfy most providers as reflecting a job well done. Apart from Pricing at one end (4.90) and Relationship Management at the other, all category results are well within Good range (5.00-5.99).

The bank is not entirely let off the hook, however. One European respondent suggest that Client Service could be speedier: "The turnaround of replies is sometimes longer than expected." Another notes that while relationship management is excellent, greater system stability would be appreciated.

Three new categories were introduced to the survey this year: Securities Lending, Data Services and Digitalisation and Innovation. In all three, BNP Paribas was rated respectably.

MARKET SCORE DISTRIBUTION



Category	BNP Paribas	Market Average	Global Average
Account Management	5.82	5.43	5.55
Asset Safety and Risk Management	5.40	5.30	5.49
Asset Servicing	5.45	5.15	5.32
Cash Management and FX	5.96	5.17	5.32
Client Service	5.85	5.22	5.47
Data Services	5.33	5.14	5.23
Digitalisation and Innovation	5.21	5.00	5.19
Liquidity Management	5.62	5.00	5.19
Pricing	4.90	4.74	5.02
Regulation and Compliance	5.52	5.35	5.34
Technology	5.32	4.88	5.22
Securities Lending	5.50	4.87	5.17
Relationship Management	6.00	5.54	5.73
Overall Average	5.53	5.14	5.33

UK

Not surprisingly, Brexit continued to present challenges to UK securities market infrastructure, which were addressed in 2021 by Euroclear UK and Ireland (EUI), the market's CSD. One of these was that Ireland, the only EU country without its own CSD, had relied on Euroclear UK and Ireland's CREST system to settle trades. European regulation mandates all EU-denominated securities must be traded, cleared and settled on EU27 venues. Subsequently, in April, Euroclear completed the migration of around 50 Irish securities representing €100 billion of assets from its UK settlement house to the EU.

Although or perhaps because the UK is one of the world's financial hubs, it has rarely been in the top quartile of markets

Number of responses	40
Market average score (difference from 2020)	-0.80 (-16%)

in terms of client perception of post-trade efficiency. This year, the bulk of categories are rated merely satisfactory. Only three – Relationship Management, Account Management, and Asset Safety and Risk Management – remain in Good territory (5.00-5.99). This year, BNP Paribas, UBS and Citi account for the bulk of responses recorded for the UK market

BNP Paribas Securities Services

While it has lost the Very Good ratings recorded for several categories in 2020, BNP Paribas remains an outperformer in nine categories at a market level and six at a global level. Client Service and Account Management are its strong suits this year, though the low score for Technology should give pause for thought. "Still not at the most recent state of the art compared with other providers," says one client.

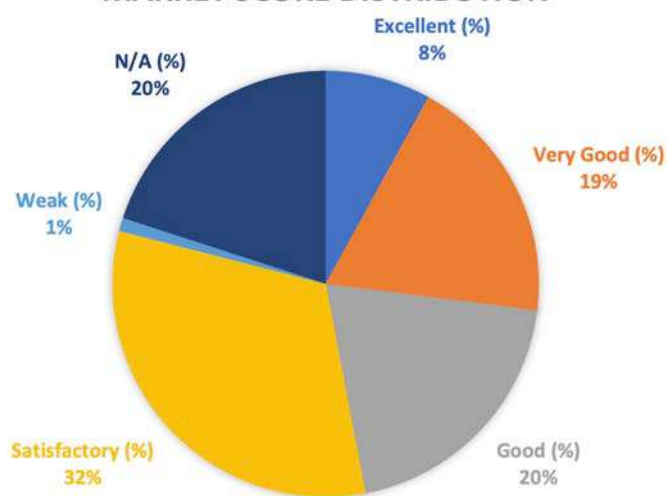
UBS

In its first rating as a custody provider in the UK market, UBS has done well, beating the market average in all categories and the global average in eight. Its highest score, 6.27, is for Relationship Management. Looking ahead, the bank says it will be implementing a digitalised account opening process in 2022.

Citi

Citi's scores this year largely reflect the decline in UK ratings this year, though it exceeds the market average rating in three areas: Asset Safety and Risk Management, Asset Servicing and Technology.

MARKET SCORE DISTRIBUTION



Category	BNP Paribas	UBS	Citi	Market Average	Global Average
Account Management	5.68	5.70	4.96	5.16	5.55
Asset Safety and Risk Management	5.50	5.57	5.12	5.06	5.49
Asset Servicing	5.48	4.93	4.90	4.82	5.32
Cash Management and FX	5.35	5.35	4.80	4.93	5.32
Client Service	5.82	5.07	4.90	4.98	5.47
Data Services	4.58	5.46	4.50	4.73	5.23
Digitalisation and Innovation	4.67	5.08	4.50	4.75	5.19
Liquidity Management	4.67	5.00	4.53	4.63	5.19
Pricing	4.95	4.83	4.40	4.70	5.02
Regulation and Compliance	4.90	5.46	4.80	4.91	5.34
Technology	4.29	5.24	4.90	4.70	5.22
Securities Lending	4.50	5.29	4.14	4.45	5.17
Relationship Management	5.32	6.27	4.95	5.36	5.73
Overall Average	5.05	5.33	4.72	4.86	5.33

USA

The US market has never really shone in the eyes of clients when it comes to sub-custody services, possibly because of the volumes involved and the concomitant expectations. Only five categories, aggregated at a market level, achieve ratings in Good range (5.00-5.99), with the remainder are deemed Satisfactory (4.00-4.99)

BNP Paribas

This year, it looks like BNP Paribas Securities Services may have run into a few headwinds in its ambition to become a standout provider of sub-custody in the USA. Although its results for Account Management and Relationship Management are above average, other categories fall short. One European client of the bank's service says, "Proactive communication like in the Euro-

Number of responses	42
Market average score (difference from 2020)	-0.73 (-15%)

pean markets would be wished." Another suggests that, "Pricing remains a concern at a group level."

Mitsubishi UFJ Trust and Banking Corporation

For a first set of results in the US market, MUFG can be relatively pleased overall, having exceeded the category average in the market in nine service areas, most notably Client Service and Asset Safety. It receives an enthusiastic endorsement from one Asia-based asset manager: "Mitsubishi UFJ Trust and Banking Corporation is a third party hired by one of our clients. We did not hire them and are only providing information based on our interaction with them as a vendor for one of our clients. We find them very responsive, friendly, organised, and easy to work with."

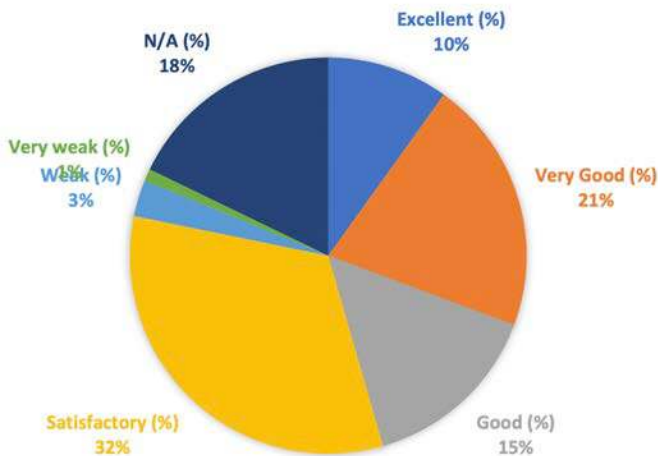
BNY Mellon

One of the traditional stalwarts of US custody makes an impressive return to the ABMM survey this year with a set of results that beats the market average, in all categories apart from Data Services. It is clearly well regarded for Regulation and Compliance, Asset Safety and Risk Management and Relationship Management, but its score for Technology (5.64) will also please, given the substantial investment in IT and systems that the bank has made at an enterprise level.

Brown Brothers Harriman

Soon to be part of its Boston neighbour State Street, BBH has recorded a set of scores close to the market average with one or two outliers: Asset Servicing on the positive side; and Liquidity Management on the negative.

MARKET SCORE DISTRIBUTION



Category	Mitsubishi UFJ Trust and Banking Corporation	BNP Paribas	BNY Mellon	BBH	Market Average	Global Average
Account Management	5.31	5.50	5.33	4.94	5.18	5.55
Asset Safety and Risk Management	5.63	4.71	5.70	5.18	5.12	5.49
Asset Servicing	5.13	4.88	5.33	5.59	5.00	5.32
Cash Management and FX	4.81	4.70	5.27	5.08	4.88	5.32
Client Service	5.53	4.90	5.09	4.76	4.93	5.47
Data Services	4.83	3.83	4.44	4.45	4.67	5.23
Digitalisation and Innovation	4.31	4.00	5.22	4.82	4.67	5.19
Liquidity Management	4.73	4.30	5.30	3.55	4.54	5.19
Pricing	4.75	4.30	5.18	5.11	4.74	5.02
Regulation and Compliance	5.31	4.63	5.80	4.94	5.08	5.34
Technology	4.88	4.33	5.64	5.35	4.98	5.22
Securities Lending	4.73	4.67	5.00	4.14	4.64	5.17
Relationship Management	5.25	5.80	5.67	5.18	5.37	5.73
Overall Average	5.01	4.66	5.31	4.85	4.91	5.33