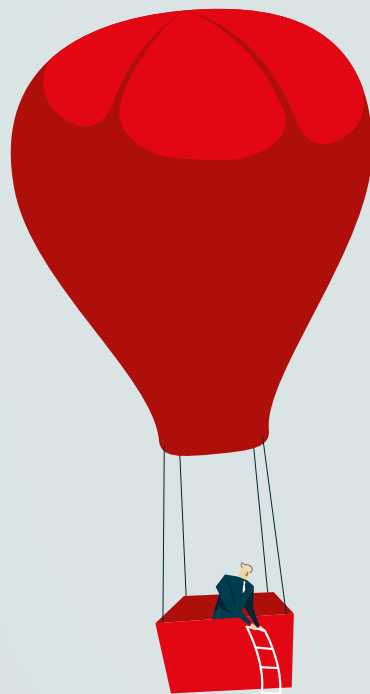


AGENT BANKS IN EMERGING MARKETS SURVEY





Our awards speak for us.

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Slow and steady

This year's ABEM survey suggests clients are not looking for major overhauls in service levels and scope.

The Global Custodian Agent Banks in Emerging Markets (ABEM) survey focuses on 22 markets that, while not regarded as developed, record sufficient volume for individual analysis. A larger selection of smaller markets, dubbed 'frontier', is covered in Spring 2018. This division more or less reflects the MSCI and S&P approaches, but also considers other inputs.

Movement upwards from Frontier to Emerging and from Emerging to Major is a relatively rare occurrence. This will, however, be the last year in which Poland appears in these pages, having been reclassified as Developed by FTSE Russell. There was some hope in Romania earlier this year that it would also be reclassified in this year's FTSE Russell review from Frontier to Emerging. Although this did not happen, it remains on the watch-list for promotion and GC has taken the view that, as from 2018, Romania will replace Poland in the list of markets covered by our ABEM survey.

While mindful of the desire by service providers to rank themselves against their peers, we continue to discourage survey participants, whether providers or clients, from treating these client perception assessments as a beauty parade of some kind. After all, in most markets, aggregate scores, though down slightly on 2016, tend to coalesce around a small range in service scores.

What we are really aiming to measure are changes in the relative levels of appreciation from year-to-year for each provider's own set of clients. The custody business, being what it is, tends to have little overlap in the client base of providers within an individual market. (Should any readers be interested in such direct comparisons, please contact us. We are able, where the data exists, to produce them on a bespoke basis.) The methodology break-out box

provides more detail.

Response base

As in 2016, the largest number of responses, both absolutely and by weight, was received for the Indian market (see Table 1). This continues a trend that has been in place for many years, where agent banks in that country, work hard to generate responses from as many clients as possible. Indeed, the top five markets by weighted responses are the same as last year.

Where providers have chosen not to participate actively, we have still chosen to assess them where sufficient clients have responded on their own initiative.

In our three agent bank surveys – major, emerging and frontier markets – a typical provider will record scores in the low to mid-fives (5.00 to 5.99 is classified as good) with value delivered scoring in the mid-to upper fours (4.00-4.99 is considered satisfactory). The latter can be seen as a reflection of the widespread belief among clients that fees could always be lower, along with a reluctance to signal that they are content with current fee levels.

We have, over the years, tried various different ways of presenting the information, sometimes relying on wordy explanation and opaque calculations. This year, we have tried as far as possible to let the data speak for itself. Readers will find a chart with each market, showing how the market as a whole has performed in the eyes of participants and investors, providing a visible benchmark against which to compare individual service providers. The charts show the category scores for each market for both this year and last as well as the global average scores for purposes of comparison.

At the end of the survey, a table is provided listing the category scores of each rated service provider by market. If a particular provider's result for, say, Settlement,

TABLE 1

Market	% of weighted responses
INDIA	11.17
BRAZIL	7.30
RUSSIAN FEDERATION	5.86
CHINA	5.51
TAIWAN	5.51
POLAND	5.23
MALAYSIA	5.12
THAILAND	5.00
TURKEY	4.88
HUNGARY	4.38
CZECH REPUBLIC	4.30
PHILIPPINES	4.30
INDONESIA	4.02
CHILE	3.91
EGYPT	3.91
UNITED ARAB EMIRATES	3.69
MEXICO	3.67
PAKISTAN	2.93
ARGENTINA	2.77
QATAR	2.71
SLOVAK REPUBLIC	2.11

appears low, it is worth bearing in mind the market context before berating that provider on the basis of their score alone.

Up until a few years ago, we set a numerical threshold for such ratings to be published, but came to the conclusion that such an approach could lead to anomalies. A provider receiving responses from five very small clients might be included, while another with only three responses, but from industry behemoths might not make the cut. We have therefore in recent years been operating on the principle that

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to receive a published rating and commentary, a provider must account for a minimum percentage of weighted responses for that market. We need to be confident that each has amassed sufficient data to make meaningful judgments.

We have also given up trying to act as quasi-consultants, offering advice on how scores can be improved through operational and business reforms. Our aim is rather to provide both clients and providers with information to make their own analyses. We, after all, do not know your business as well as you do. What we do have, however, is the ability to supply context and, if required, more granular indications of perceptions on which clients and providers can act.

As always, we want to express our gratitude, both on our own behalf and that of the agent banks themselves, to all those many individuals around the world for the efforts they have made in completing the questionnaires.

Methodology

In line with the past two years, the 2017 ABEM survey was limited to 22 countries, with other non-major markets included in the frontier markets survey to be published in the spring 2018 issue of Global Custodian.

A total of 24 questions covered seven core areas of service capability. As in the Agent Bank in Major Markets (ABMM) survey, results cover only cross-border/non-affiliated respondents. No domestic responses have been included.

We have retained the seven-point scoring scale (7.00 being excellent and 1.00 being unacceptable). Responses were weighted in a manner consistent with previous years.

Scores for all major providers in each country are presented in tabular form, covering each of seven areas of service (settlement, asset servicing, relationship management and client service, reporting, technology, ancillary services and value delivered).

Providers are also invited to explain their market and services through completion of a 12-question questionnaire. This is aimed at allowing us to better understand market and provider changes that might impact on results.

Where feasible, we have sought to incorporate client comments into the write-ups. This is intended to provide illustrations of changes in perception as reflected in the scores. In all cases, comments are taken directly from the questionnaires submitted by clients.

The digital accreditation of outperformance, whether based on global scores, individual market scores or scores achieved in the seven service categories has served a useful purpose for many institutions in promoting their credentials. Agent banks have once again been made aware of their eligibility for these awards. We hope that all agent banks are sufficiently committed to the business to promote their successes through this offering.

For provider institutions who wish to receive a more detailed analysis of the responses and comments they have received, Global Custodian will again make available research reports that analyse individual provider results in an appropriate context and to a relevant depth. Please contact karen.delahoy@strategic-i.com or daljit.sokhi@strategic-i.com for more information on either research or digital accreditation.



Leaders *In* Custody

***Mark your calendar for Global Custodian's
2018 Leaders in Custody Dinner and Awards Program
being held at The Savoy in London on 15 March 2018.***

This year's program will recognise the top agent bank performers based on our 2017 client perception surveys along with a number of special award categories—including recognition of excellence by the industry's top networks and network management executives in four distinct categories—Global Custodian, Bank, Broker Dealer and Other Financial Institutions. We will also hand out individual honours, including our Industry Person of the Year, GC Legend and Lifetime Achievement awards. The goal of these awards is to highlight both individual and team contributions to the field of network management as well as specific initiatives aimed at improving the quality of the network management process.

globalcustodian.com/event/GCLondon2018/

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Argentina

In our 2016 survey Argentina's scores fell in all seven categories, with the market average dropping from 5.31 to 5.03. During the past 12 months, four categories saw higher scores, and accordingly its average score has edged up to 5.07.

Scores for Value Delivered, Reporting and Asset Servicing are all merely 'satisfactory' (below 5.00). Asset Servicing declined by 23 basis points from 5.19 to 4.96, while Value Delivered has fallen from 4.73 to 4.68, 34 basis points below the global average.

Relationship Management & Client Service (RM&CS) registers the strongest score – 5.45, up 24 basis points year-on-year, if still 15 basis points below the global average. The second highest – and second most improved – score is for Ancillary Services, up 21 basis points on 2016 to 5.21.

Banco Santander

With no scores rising above 'satisfactory', and indeed one – Ancillary Services at 3.88 – classified as 'weak', Banco Santander is Argentina's lowest scoring provider this year. While its average score is up from 4.32 to 4.47 this year that is still 60 basis points below the market average. Nevertheless, a 65 basis point uplift in its RM&CS score (up to 4.73 from an admittedly low base) should be applauded. Client comments praise the bank for delivering "24-hour turnaround with every query raised".

Citi

With comfortably the highest number of responses, Citi

achieves the second highest average score in the market – 5.23, an 11 basis point increase year-on-year. RM&CS (5.76) and Ancillary Services (5.56) are its strongest areas, those scores having commendably risen 51 and 52 basis points respectively since 2016. "Relationship management is very proactive and their turnaround time is the best in the region," notes one very large US custodian client. Value Delivered, conversely, is its Achilles heel, where its score declined 15 basis points to 4.58.

HSBC

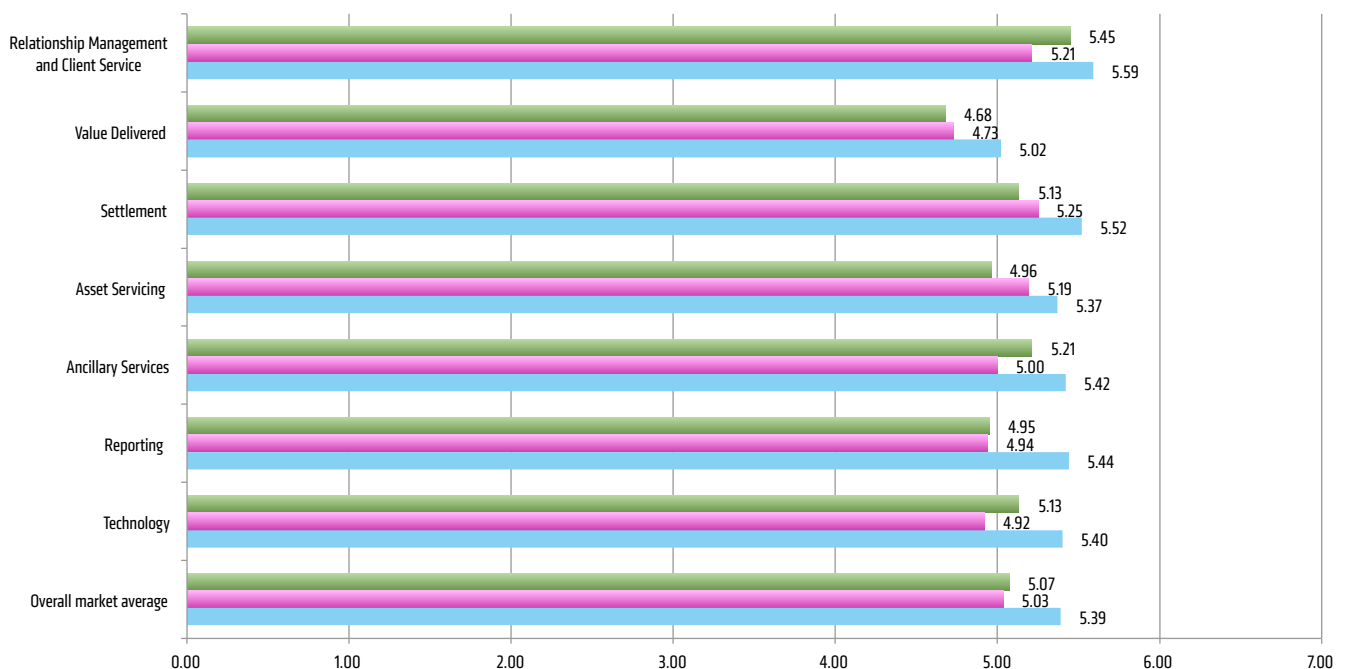
Despite seeing its average score slide by 35 basis points to 5.35, HSBC still tops the rankings in Argentina. The bank "sets the bar [for] providing local and regulatory information", notes one client. Reporting, Asset Servicing and Settlement however, have all taken a significant hit since 2016's survey, down 67, 65 and 75 basis points respectively. RM&CS is down 33 basis points, but nonetheless represents HSBC's best showing across the seven categories.

Industrial & Commercial Bank of China

While scores in five out of the seven categories are identical to 2016, ICBC saw big falls in RM&CS – down 75 basis points to 5.00 – and Ancillary Services, which fell by 100 basis points to 4.00. Having slipped 29 basis points, ICBC's average score is now in the 'satisfactory' category, at 4.83.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Brazil

Brazil has seen its ratings fall in all seven service categories this year, pulling its average score down from 5.50 to 5.23, 16 basis points below the global average. The biggest fall – 40 basis points – is in Settlement, followed by Technology (down 30 basis points). In all categories apart from Value Delivered, Brazil is classed as ‘good’. Relationship Management & Client Service (RM&CS) is still Brazil’s strength, though this year’s score is down 28 basis points to 5.57.

Itaú Unibanco

Itaú Unibanco must be praised for achieving a 69 basis point increase in its Ancillary Services score to 6.22, giving it a ‘very good’ rating in this service category. Despite declines in five other categories – notably Value Delivered, which is down 29 basis points – this strong showing pulls its average score up four basis points to 5.48, nine basis points above the global average. The bank “provides exceptional support and is extremely responsive,” notes a very large European bank client; another praises its “proactive approach to relationship management”. FX trading is flagged as an area for improvement.

BNP Paribas Securities Services

As last year – when it was rated ‘very good’ in six out of seven service categories – BNP Paribas receives by far the largest number of responses in this market. Unfortunately, the story those respons-

es tell is relatively disappointing compared to last year. The bank’s average score fell by 102 basis points, down from 6.10 to 5.0. While Value Delivered and Settlement now score within the ‘satisfactory’ range, all other category scores are considered ‘good’.

Citi

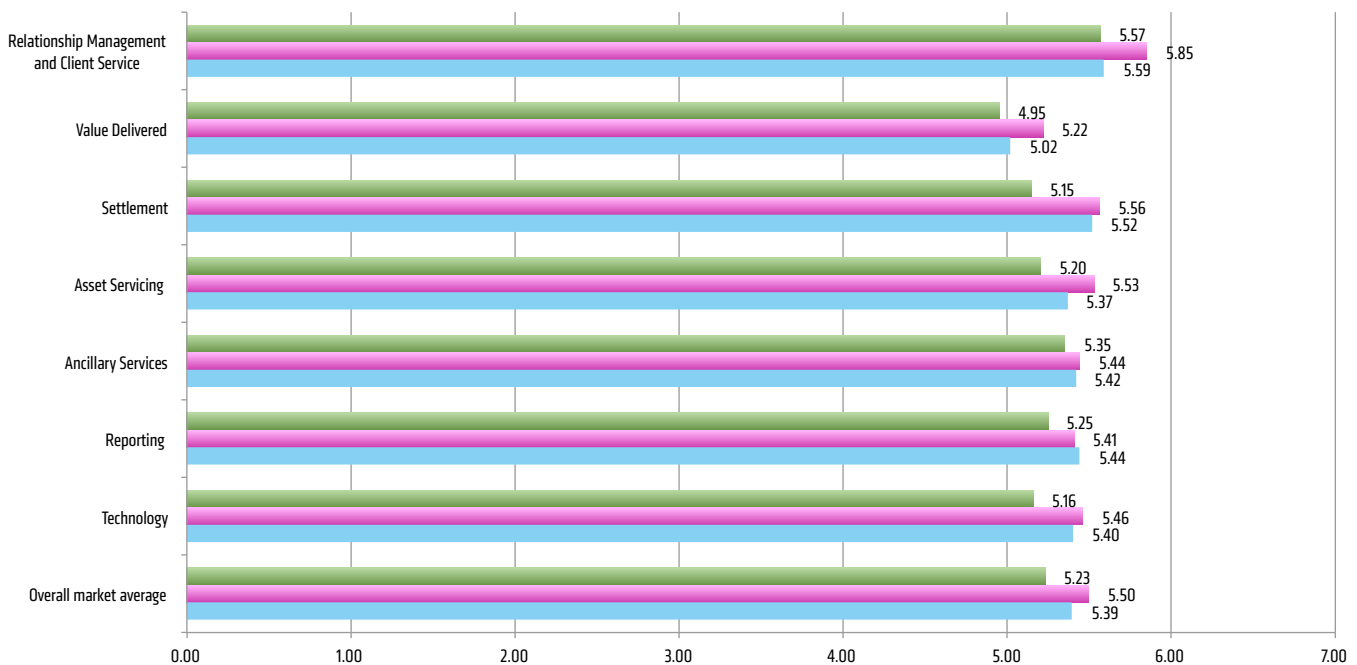
An improved showing in five out of seven categories pushes Citi’s average score up 10 basis points to 5.43, 20 basis points above the market average and four basis points above the global average. “The relationship management and product team in Sao Paulo are the benchmark we use for all of Latin America,” notes one client. Ancillary Services and Reporting are up 21 and 17 basis points respectively. Client gripes focus on settlement-related issues and the quality of reporting information.

Others

A number of other agent banks received two or less responses. Most are not particularly remarkable in respect of either highs or lows. The exception is Deutsche Bank Brazil, which received ‘very good’ scores both for Value Delivered and Ancillary Services (6.25 in both cases). However, scores in two other categories slipped from ‘excellent’ to ‘good’, while in a third – Settlement – its score plummeted 123 basis points to 4.75 and a merely ‘satisfactory’ rating. The bank’s average score accordingly slid to 5.69, down 29 basis points from 5.96.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Chile

Scores for the Chilean market – with one exception – fall in the narrow range of 5.14 (Technology) to 5.31 (Relationship Management & Client Service). The outlier is Value Delivered at 4.84, which single-handedly pulls down its overall score to 5.18 – 22 basis points below the global average, placing Chile in the bottom quartile. However, that average score is 13 basis points up on Chile’s 2016’s showing.

Itaú Corpbanca

The bank formerly known as Banco Itaú has provided securities services in Chile since 1993. Itaú Corpbanca is today one of the largest securities services providers in Chile and has an estimated 35% share of international third party business.

Overall Itaú Corpbanca saw a small uplift in its overall score this year to 5.20, just above the market average. Its lowest score (Ancillary Services at 4.63) actually represents a 16 basis points increase. The bank’s strongest showing comes in the Relationship Management & Client Service category, with a score of 5.63 – up 48 basis points year-on-year, 32 basis points above the market average and four basis points above the global average.

Citi

Citi once again recorded (by some margin) the largest number of responses for this market and, as in 2016, the bank has seen slight improvements in its scores across most categories. The

bank’s scores range from 4.89 to 5.29 across the seven service categories; at the lower end is Value Delivered which, while up slightly on 2016, remains only ‘satisfactory’. Scores in the Settlement, Reporting and Technology categories are all slightly down on 2016. The biggest rise relates to Ancillary Services, where Citi’s score is up 17 basis points to 5.25. Asset Servicing accounts for Citi’s highest score in the service categories.

Banco Santander Chile

With an average score of 5.30, Banco Santander comfortably tops this year’s Chilean agent bank survey – though it still falls nine basis points short of the global average. The bank claims an estimated 25% of international third party business in this market.

Banco Santander’s best score is in the Reporting category, a year-on-year uplift of no less than 79 basis points to 5.75 – proof that it has engineered a significant turnaround in this area. The bank has also upped its game in respect of Value Delivered and Settlement, with increases of 34 and 36 basis points respectively, alongside a 24 basis point rise in its Ancillary Services score.

The picture is not so rosy for Asset Servicing, where Banco Santander scores just 5.08 on the back of a 35 basis point decline since 2016 – 12 basis points below the market average and 29 basis points below the global average. The bank’s Technology score also slipped, down 13 basis points to 5.14.

AVERAGE SCORES BY CATEGORY



China

The average score for service providers in China is down this year by four basis points to 5.21, 19 basis points below the global average. Settlement and Asset Servicing receive the highest scores across the seven service categories – 5.49 and 5.40 respectively, up by 14 and 18 basis points on 2016. Relationship Management & Client Service (RM&CS) is the next best category, though this year’s score of 5.36 is down by 15 basis points year-on-year.

Standard Chartered Bank

Receiving comfortably the highest number of responses, Standard Chartered also emerges as the strongest and most consistent provider in China with an overall score of 5.83. With one exception, all its scores are above 5.75, with RM&CS being rated ‘very good’ for a score of 6.10. The bank’s lowest score is Value Delivered, but at 5.59 that is still 57 basis points above the global average. A fall in its Settlement score from ‘very good’ to ‘good’ (6.11 down to 5.80) in part explains why the bank’s average score drops by eight basis points this year.

Deutsche Bank (China) Co., Ltd.

An 89 basis point increase in its Technology score to 6.00 means that this year Deutsche Bank (China) is rated ‘very good’ in two categories, the other being Settlement (6.00). In conjunction with a 32 basis point uplift in its Asset Servicing score to 5.54,

that commendable showing in respect of Technology lifts the bank’s average score to 5.61, a year-on-year increase of 11 basis points. RM&CS and Reporting scores have slipped, however (by 24 and 32 basis points respectively), as has Ancillary Services (down 12 basis points). Nonetheless the bank beats the global average across six out of seven categories.

HSBC

A more than respectable RM&CS score (5.73) could not prevent HSBC’s average score slipping to 5.22, a decline of 16 basis points year on year. The bank’s scores are down across the six other service categories, most significantly for Value Delivered and Asset Servicing, which saw falls of 45 and 33 basis points respectively. Indeed, with a score of 4.38, Value Delivered is a notable weak spot within the service categories. Client comment suggests frontline client service is a strength: “always willing to help” and “HSBC people are always available and willing to support on whatever issue” are two examples.

Others

Another two providers, China Construction Bank and Industrial & Commercial Bank of China, were also rated but received insufficient responses for a robust conclusion. In both cases, overall averages were in the ‘satisfactory’ range.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Czech Republic

Despite its relatively small size, the Czech Republic has a number of custodians operating in the country to service its securities market. A major move toward expansion came in December when the central securities depository (CSD) opened a direct settlement account with Euroclear Bank. The Prague Stock Exchange (PSE) is also currently developing its clearing house for on-exchange trades. Overall country scores were slightly below the global average, having declined from the previous year.

Citi

Citi gained the most responses in 2017 with scores mainly in the ‘good’ (5.00-5.99) and ‘very good’ (6.00-6.99) brackets. One noteworthy fall was in Value Delivered—seen as a proxy for fees—where it slipped back 23 basis points to 4.92. Otherwise the bank performed in line with the previous year. Comments were thin on the ground this year, though one client praised the bank’s communication, responsiveness and market knowledge.

Československá obchodní banka, a.s (CSOB)

CSOB estimates it holds 20% of market share and settles some 5073 transactions per month in the Czech Republic. The bank’s marks have dropped this year, down 32 basis points from 2016. Most significant was a decline in Asset Servicing which fell 89 basis points. Technology was also marked down by 50 basis points at 5.24. Nonetheless, one client praised the bank’s “pro-

fessional support with new segregated account openings.”

SGSS Czech Republic

While SGSS has climbed from last year’s survey—bettering its 2016 score by 15 basis points for an overall score of 5.05—it remains 15 basis points below the country average. The bank did particularly well in the Value Delivered category, gaining 73 basis points over last year. However, one client was unhappy about “too much paperwork,” something which it will hopefully remedy next year.

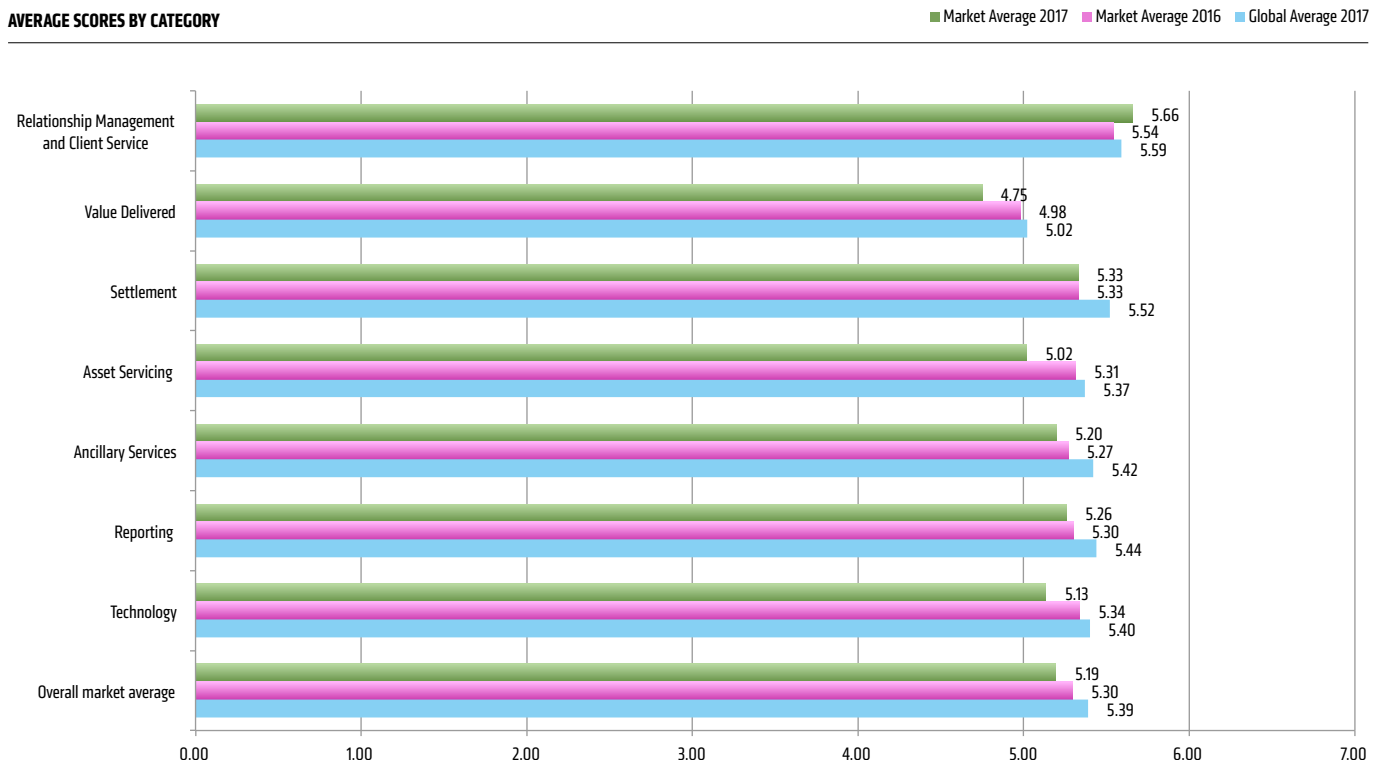
Raiffeisen Bank International

RBI came out with an average score across all categories of 5.53, 34 basis points above the national average. Its 6.36 for Relationship Management and Client Service is 77 basis points over the global mark—and clients commented on its “excellent relationship management”.

UniCredit (Global Securities Services Czech Republic)

UniCredit’s scores overall slipped by 18 basis points this year to 4.94, a decline which puts the bank 25 basis points under the country average. Its highest mark was for Relationship Management and Client Service where it achieved 5.47. The lowest mark was in Value Delivered—just 4.24. One client commented negatively on the bank’s “service price,” attesting to the problems with the Value Delivered category.

AVERAGE SCORES BY CATEGORY



Egypt

Egypt has seen some regulatory changes this year. In July, the Egyptian Stock Exchange (EGX) introduced a new requirement regarding the issuance of the unified code in the Egyptian market which requires participants to disclose investors owning a 10% stake or more in a company. Meanwhile, MCDR, Egypt’s central securities depository, has applied a new mechanism on treasury bill taxation by debiting tax amounts directly while crediting the net amount to custodians.

The market overall recorded an aggregate score of 5.17, just nine basis points lower than last year.

Citi

Citi received the most responses of any Egyptian provider in this year’s survey, attesting to its strong client base in Egypt. The bank’s overall score saw a small nine basis point fall from last year to 5.25. Its marks remain below the global average in half the categories – not surprising, considering the weaker position of the market as a whole. Technology is the biggest decliner for Citi in 2017, dropping 38 basis points. Indeed, the question on quality and effectiveness of technology was marked down by 52 basis points compared to last year. Still, clients like Citi’s settlement reporting which one large European bank called “its best service”.

HSBC

HSBC has dropped 42 basis points this year to record an overall score of 4.68. This is 49 basis points below the country average. Settlement and Ancillary Services are the biggest fallers, down 69 basis points each. Regarding Ancillary services, one client said that it experienced delays in the execution of foreign exchange (FX) deals and FX SWIFT messages could be improved.

National Bank of Egypt

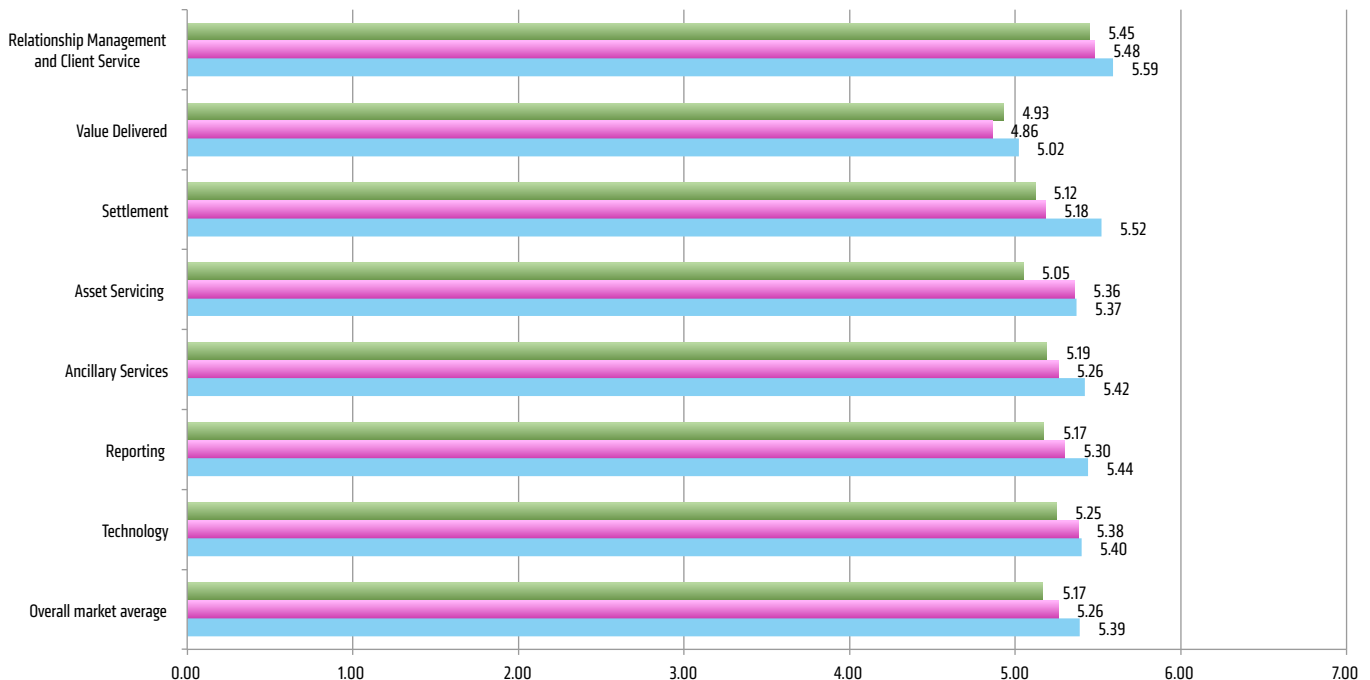
NBE received a strong score of 5.71 this year, 32 basis points higher than the global average and a 29 basis point improvement on its performance of 2016. Its highest marks were for Ancillary Services, for which it received 6.11 and Settlement, scoring 6.00. One UK-bank commented: “Settlement is a big strength of NBE. They are always very helpful and have great market knowledge.”

QNB ALAHLI

QNB has \$1.4 billion in assets under sub-custody and, by its own estimates, has a roughly 10% share of the market. The bank came out with an overall average score of 5.58, 42 basis points higher than the country average. It recorded its highest mark –5.92– for Ancillary Services, 50 basis points above the global average. One client stated that the bank showed a “lack of effectiveness” in supporting UCITs and AIFMD regulations. It was, however, praised for its settlement services where it offers “good support”.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Hungary

Hungary is a picture of year-on-year consistency, maintaining an average score of 5.41 across the seven service categories, two basis points above global average. The most notable changes year-on-year are in Settlement (up 15 basis points) and Asset Servicing (down 12 basis points). Relationship Management & Client Service (RM&CS) receives the highest score, 5.69, up marginally from 2016; client comments almost universally focus on providers' collective strength in this area.

BNP Paribas Securities Services Hungary

On the back of the second highest number of responses (23%) BNP Paribas this year achieves a clean sweep of 'very good' scores, a highly commendable set of results leading to a marginally improved average score of 6.44. Value Delivered – its only score in 2016 that wasn't above 6.00 – increases by 34 basis points. Elsewhere, RM&CS, Settlement and Asset Servicing results are down by 17, 16 and 19 basis points respectively; nonetheless, its peers would still be delighted with the resulting scores.

Citi

By a slim margin Citi received the highest percentage of responses (25%) for Hungary. It has some of the largest global custodians – a very demanding clientele – on its books. This year Citi has seen scores decline across the board. As a result, its average score has fallen by 10 basis points to 5.15. Category

scores nonetheless qualify as 'good' with the exception of Value Delivered, which remains only 'satisfactory'.

Deutsche Bank AG Hungary Branch

With the lowest number of responses of these five providers (8%), Deutsche Bank sees its average score increase slightly this year to 5.45, four basis points above the market average. Scores rise in four service categories. Meanwhile, Value Delivered is down 22 basis points to a merely 'satisfactory' 4.50. RM&CS is down marginally at 5.88; Technology is also down, by 13 basis points, but the bank just retains its 'very good' rating in this category.

Raiffeisen Bank International

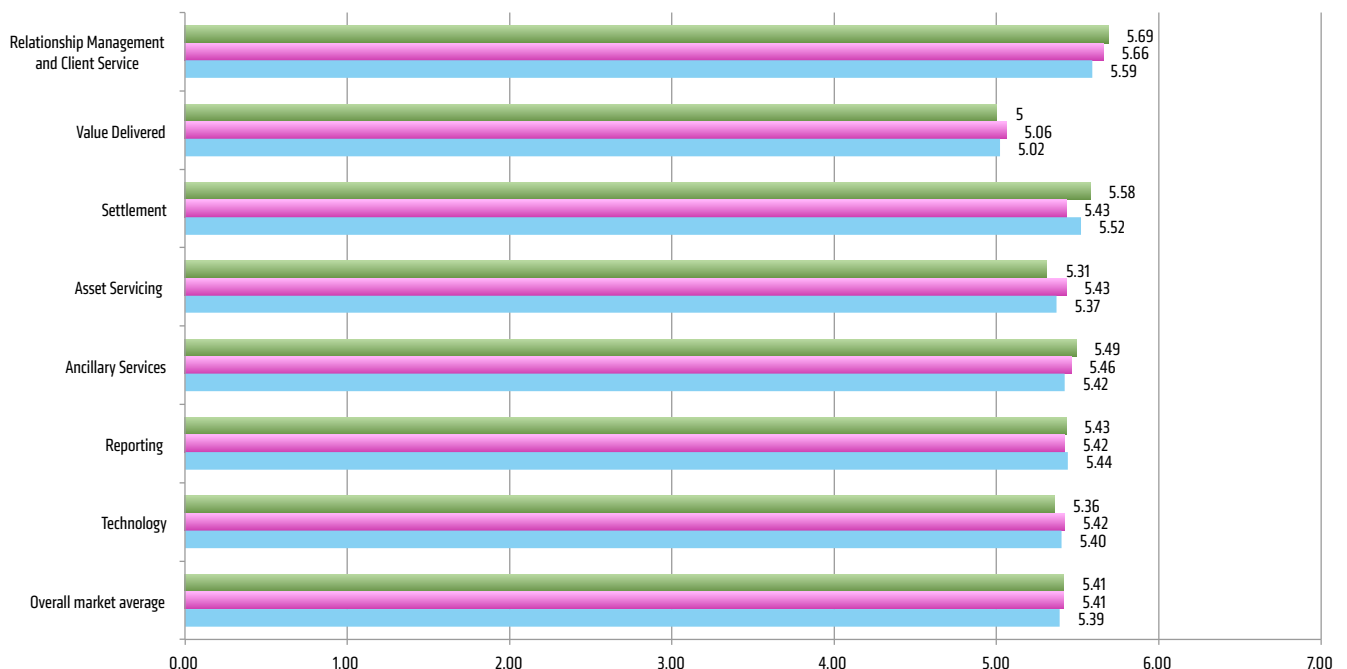
A 65 basis point uplift in its RM&CS score to a 'very good' 6.29 helps push RBI's average score to a solid 5.69 this year. A 43 basis point increase in its Technology score, also played a part in that improved showing. Response times are cited as one area for improvement in the client feedback.

UniCredit Global Securities Services Hungary

Scores fell across the board this year for UniCredit, dragging its average score down by 42 basis points to a 'satisfactory' 4.88. The bank's Asset Servicing score is, however, down 85 basis points to 4.51 – 102 basis points below the market average.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



India

India's equity and debt markets remain a most attractive destination for global investment and capital inflows from foreign investors are expected to continue to grow in the medium-term. Although results have fallen across all service categories, India remains one of the highest scoring markets in the ABEM survey.

Citi

With six categories scoring in the upper-fives and one, Settlement, rated Very Good, Citi has recorded a similar set of impressive scores to last year's. Settlement and Technology are above the market average.

Deutsche Bank AG, Mumbai

In 2016, Deutsche Bank's category scores were all in the Very Good range (6.00-6.99) across the board. This year, it has managed to improve on all of them. One US asset manager says: "Their willingness to go above and beyond regular work hours to assist their international clients is top of the line."

Edelweiss

Edelweiss has recorded a 0.27 point rise in its overall score year-on-year. This puts it just above the Indian market average. "We had one of the most complex matters, which they helped sort out with a doggedness that is rare," says one Australian asset manager.

HSBC

"Good to interact with and great professional services," notes one small client of HSBC's Indian custody business. Its category scores have, however, all dropped this year by an average 0.53 points. It remains above the global category average in three categories.

Standard Chartered Bank

SCB has recorded substantial improvements on all its 2016 category scores, most notably Settlement, which is 0.93 points higher at 6.09. It exceeds the market average in this area and the global averages in all categories.

SBI-SG Global Securities Services Pvt. Ltd.

SBI-SG processes close to 30,000 cash trades on a monthly basis on its custody platform. SGSS has seen an increase in scores across all categories apart from Relationship Management and Client Service, which, despite a measurable drop, remains bang on the global average.

Others

Kotak Mahindra's response base has shrunk substantially this year, making comparison with last year's scores unreliable. With that proviso, the bank matches the overall market average. BNP Paribas also received responses for the ABEM survey, but these were insufficient in number to draw any statistically defensible conclusions.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Indonesia

Indonesia's Stock Exchange (IDX) has been planning the country's move to T+2 settlement cycle this year. In April IDX launched a platform for over-the-counter government bonds trading, which should provide more transparency for the market. KSEI (Indonesia Central Securities Depository), meanwhile, launched the Electronic Securities Registration System, a new platform which lets issuers conduct their securities registration via a web-based application.

As a whole, Indonesia fares reasonably well against its previous year's scores. The country has climbed in all categories. At an individual question level, the market as a whole recorded a 41 basis point rise for unmatched trade resolution and a 43 basis point rise for management information reporting higher. Overall, Indonesia remains a steady ship with fewer outlier marks than others.

Citi

Citi is solid if unspectacular for 2017. The bank clung to the market average overall though underperformed in Asset Servicing, 58 basis points below the market average, while outperforming in Settlement, 54 basis points higher. Overall it did better than 2016, particularly so in Settlement, gaining 92 basis points from the year before.

Deutsche Bank AG, Jakarta Branch

Deutsche Bank is the largest custodian in the Indonesian market currently holding some 40% of all foreign assets in the country,

while carrying out 55,000 monthly transactions on average. The bank has better marks in all categories this year, with an overall points tally of 5.6, 41 basis points higher than 2016, making it the most improved of all Indonesia's custodians.

Most of the bank's respondents were in the Very Large category. Its performance is 21 basis points higher than the global average. In Asset Servicing, it is 42 basis points above the global average.

While clients said that overall they were pleased with the bank's client services, one expressed dissatisfaction at its handling of failed trades.

HSBC

HSBC had the most responses of any bank this year, with two-thirds coming from fellow banks. Overall, it slipped very slightly compared to 2016, but its scores remain consistent with global averages. The bank's worst performing category is Relationship Management and Client Service, which was 43 basis points below last year's number. Clients praised it for giving good documentation guidance.

Standard Chartered Bank

Standard Chartered has a high number of responses—48%—in the 5 mark range and an overall steady score of 5.39. It scored well in Relationship Management, up 32 basis points to last year, but its highest mark is in Asset Servicing, 29 basis points above the global average at 5.66. The bank was praised for its service levels.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Malaysia

Malaysia's average score is up 25 basis points to 5.59 this year, 20 basis points above the global average. There is a consistency of service provision across the market – all providers, one solitary score aside, are rated 'good' or 'very good' in all categories.

HSBC

Accounting for 35% of responses for Malaysia, HSBC has seen its average score increase year-on-year to 5.66. Settlement and Asset Servicing are up 22 and 18 basis points respectively, to 5.92 and 5.71. With a score of 5.96 – up 11 basis points and just shy of 'very good' – Relationship Management & Client Service (RM&CS) is the bank's strongest area. Technology is down 12 basis points to 5.55, equal to the market average..

Standard Chartered Bank

A significantly improved showing by Standard Chartered this year produces an average score of 5.74, up no less than 53 basis points on 2016. Big uplifts in Settlement, Reporting and Technology – up 79, 65 and 65 basis points respectively – were instrumental in this improvement; Settlement is the bank's strongest service category, with a score of 5.92.

Deutsche Bank (Malaysia) Berhad

Another provider that sees an improved showing across the board, Deutsche Bank's average score is 21 basis points up at 5.47, though still below the market average. Reporting, now

the bank's strongest suit, recorded the biggest rise, up 35 basis points to 5.75. RM&CS and Technology are up 29 and 23 basis points, respectively.

Citi

Citi saw its average score slip marginally to 5.40 this year, 19 basis points below the market average. The banks sees a significant decline in Asset Servicing – down 53 basis points to a merely 'satisfactory' 4.93. Technology was down 32 basis points; despite a 22 basis point decline, RM&CS remains Citi's strongest suit.

Maybank

Servicing predominantly smaller clients, although it also has one of the largest global custodians on its books, Maybank saw its average score slide this year by 17 basis points to 5.62, just above the market average. Settlement (5.81) and Reporting (5.77) are key areas of strength; down no less than 87 basis points, Technology is the weak link.

CIMB Bank Berhad

The smallest provider, accounting for the lowest percentage of responses (6%), CIMB has commendably converted a 'poor' 3.96 average score in 2016 to a 'good' 5.53 this year. Ancillary Services, Reporting and Technology scores were up no less than 214, 207 and 204 basis points; all other categories also improved markedly.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Mexico

Mexico received government authorisation for an additional stock exchange this year. The new exchange, BIVA, should be ready for launch early next year and is aiming to capture part of the equities market in Latin America’s second biggest economy.

In the current survey, Mexico stands in a relatively similar position to last year overall. A particular area of improvement was Settlement, one of the weakest categories in the market last year, which gained 17 basis points to take it to 5.08. Despite the marginal improvements, however, the country continues to fall below global averages. Relationship Management and Client Service (RM&CS) is 46 basis points below the global mark, while Settlement is 44 basis points below.

Santander Securities Services

Banco Santander has almost \$70 billion in sub-custody assets with an estimated market share of around 15%. Most responses it recorded were in the Good range (5.00-5.99). While its overall total was stable against last year’s, at 5.12, the bank was marked down in RM&CS, dropping 50 basis points in this category. However, balanced against this was a 36 basis points gain in Asset Servicing.

Most of Santander’s responses came from Very Large banks and brokers, perhaps illustrating the bank’s standing in the market. In line with the average scores for the country as a whole, the bank was below the global average in several categories, most significantly Reporting, where it scored 5.00. Clients overall commented positively about the bank’s timeliness in communicating changes,

answering queries and making payments.

BBVA Bancomer

BBVA’s small response sample yielded an average score of 4.55. As in 2016, the inclusion of the bank despite the small number of responses is warranted by the size and consistency of those respondents. The current year has seen several categories decline—Asset Servicing fell 96 basis points from 2016, while Settlement recorded a year-on-year fall of 38 basis points. In contrast, the bank’s Ancillary Services score was 54 basis points above the year before and Relationship Management 32 basis points up—attesting to a thoroughly mixed year for the bank.

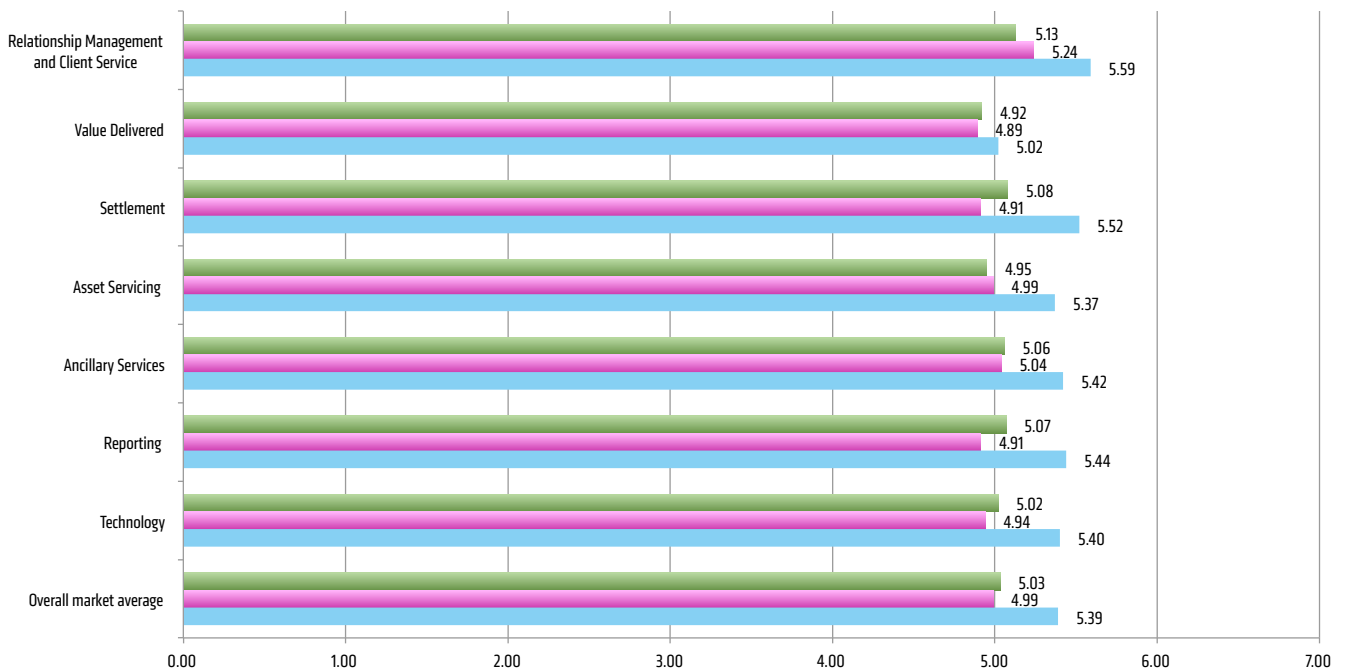
Citi

Citi has the highest number and weighting of responses for Mexico in this year’s survey. Its scores have remained static. Asset Servicing dropped 17 basis points, though all category results remain above the market average and only one, Value Delivered, has slipped below the threshold between ‘good’ and ‘satisfactory’.

Respondents range across large and mid-tier global institutions. Free-form comments are quite mixed. One large European bank cited the bank’s slow responsiveness across enquiries and corporate action events. Another, from the US, noted, however, that responsiveness had improved from the year before. A more pointed comment suggested that Citi could improve on its recent technological implementations.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Morocco

Morocco has seen moves to expand the market and extend protection for investors this year. In March, the market regulator, the AMMC, passed legislation to enable the creation of Real Estate Investment Trusts (REITs). This was followed in June by the passing of draft legislation for the creation of Sukuk—sharia law-compliant financial instruments. The AMMC also announced its Strategic Plan 2017-2020 designed to improve market transparency and ensure investor protection through a risk preventative approach. The country is currently going through a project to implement a derivatives clearing house, building on the launch of a central counterparty for all listed instruments last year.

Morocco’s aggregate score is more or less in line with 2016. Value Delivered is currently the lowest scoring category, but it also records a market average below 5.0 in Settlement which dropped 0.33 points this year.

Attijariwafa Bank

Attijariwafa Bank claims \$7 billion in sub-custody assets and a 20% market share of international third-party clients. Score-wise, the bank has done significantly better than last year—its overall total of 5.6 is 59 basis points higher than 2016. Two areas particularly stood out—Value Delivered, which climbed to 5.67 from 4.5 last year, and Reporting, which went from 4.29 to 5.38. Clients praised the bank for being “proactive” and “very responsive” to requests.

BNP Paribas Securities Services

BNP Paribas’ aggregate score is in line with 2016 though there is a wide spread of results this year, with Technology receiving 73 basis points more than 2016, but Ancillary Services marked 50 basis points lower. The bank, however, received a small number of responses which might account for the volatility.

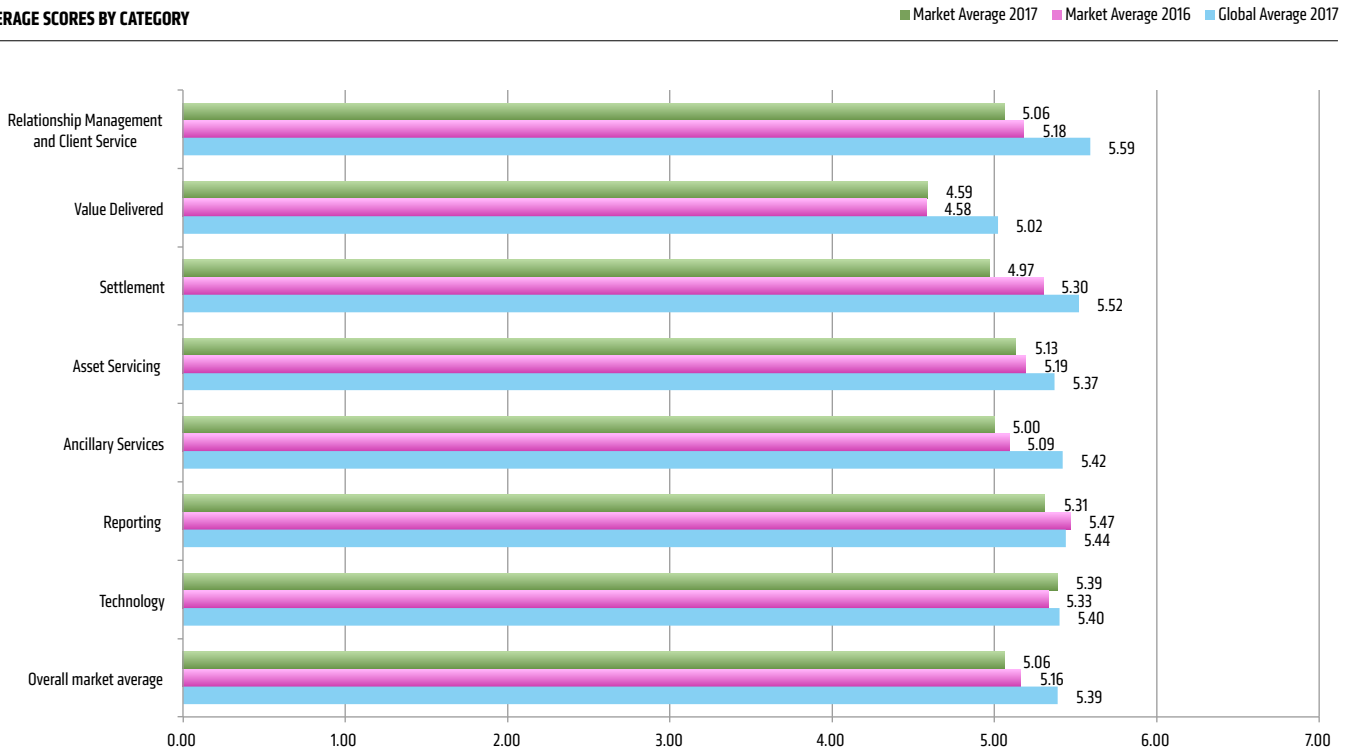
Citi

Citi has an overall score of 5.03, 25 basis points below the 2016 figure, and has underperformed in all but one category this year. Most significant declines were seen in Settlement and Asset Servicing. The bank is also below global and country averages in Relationship Management and Client Service and Value Delivered. The latter received a score of just 4.19. Of its client service one respondent—a mid-sized European bank—pointed to a lack of both proactivity and responsiveness.

Societe Generale Securities Services (SGSS)

SGSS estimates its share of international third-party business to be around 42%. The bank settles an average of 5,500 transactions per month. This year’s scores are down on 2016, but not by much. Ancillary Services and Reporting were the bank’s Achilles heel this year, falling below the country average by 57 basis points and 52 basis points respectively. One client said the bank should “limit” the turnover of relationship managers.

AVERAGE SCORES BY CATEGORY



Pakistan

Pakistan’s stock market slumped this year after a stellar 2016 as large foreign funds withdrew money from the market, attesting to its volatility. This happened despite the fact that the country was upgraded to MSCI’s emerging market index from its previous frontier market classification in May.

Survey scores have fallen across the board this year. The country has an overall total of 4.98, an 18 basis points loss on last year and one of the lowest in the current survey, 41 basis points below the global average. This should be born in mind when assessing perceptions of the individual providers in this market. Particularly hit are Relationship Management and Client Service (RM&CS), down by 43 basis points, and Asset Servicing, which fell by 31 basis points.

The country’s three main sub-custody banks got an even share of responses in 2017, but performance was mixed.

Citi

The main comment on Citi’s service is a need for improved responsiveness. One client stated that the bank did not answer e-mail queries. Overall, the bank’s score was down 18 basis points on last year. Unsurprisingly, RM&CS fell the most, 65 basis points lower than 2016 to 4.66, its’ lowest mark in the current survey. Three quarters of respondents came from Europe, the rest from Asia and varied in size.

Deutsche Bank AG, Karachi Branch

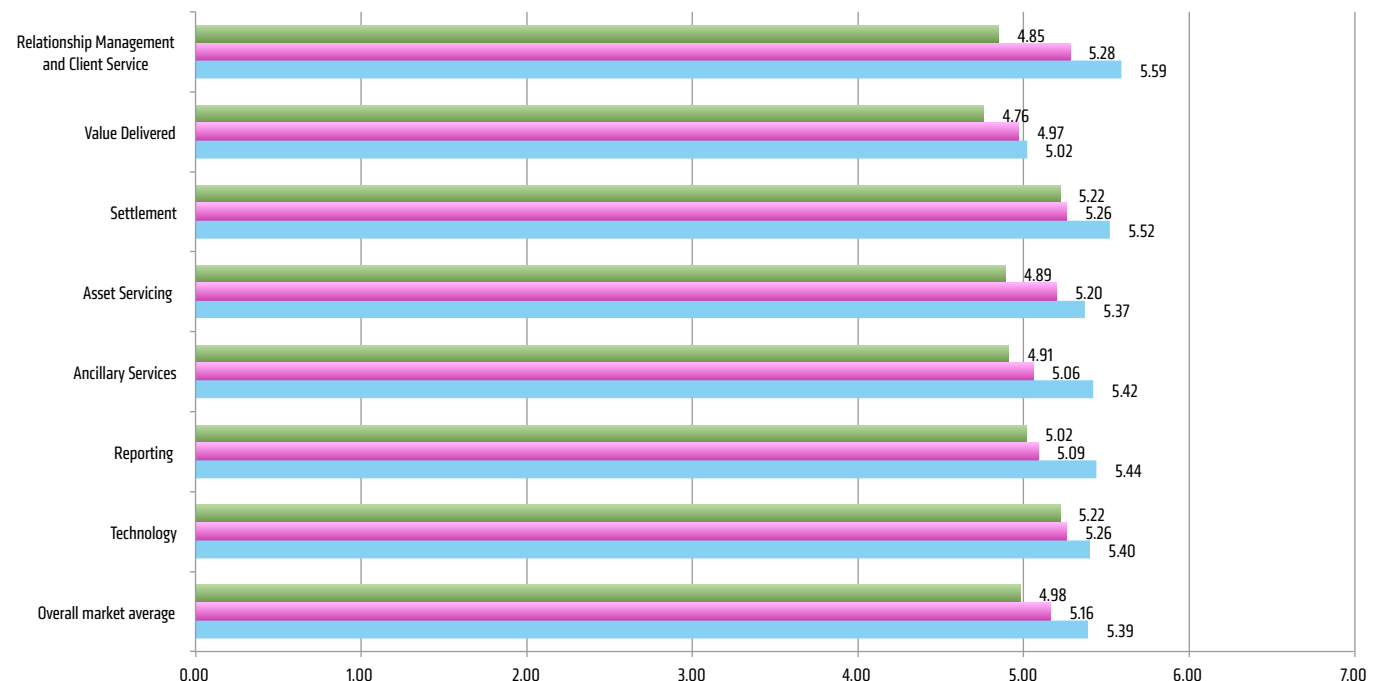
Deutsche Bank’s scores are clustered in the fives (good) range and its overall average of 5.04 is currently the highest in the country. However the bank lost significant marks in the Asset Servicing category which declined 51 basis points from 2016. Indeed its Asset Servicing mark is one of the lowest globally. One large US bank took particular issue with Deutsche’s response to the change in the MSCI index rule earlier this year which, it said, was “not their finest hour” and called the bank “poorly managed”. In contrast, one large European house said that it had always seen a good service from the bank.

Standard Chartered Bank

Standard Chartered Bank posted an overall average of 4.78, 24 basis points lower than in 2016. It notably underperformed in RM&CS which was 55 basis points lower than last year—a decline that undid some of the good work of the previous year when it improved in this category. There was, however, some upside in Settlement where the bank gained seven basis points. With five category results now only in the Satisfactory range, the bank will be looking for an overall improvement for 2018. In working to achieve this, the bank will want to focus on its largest clients, who were the least generous in the scores they awarded.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Philippines

The Philippines has seen several regulatory changes in 2017. In June, the country’s Bureau of Internal Revenue (BIR) issued new guidelines for claiming tax treaty benefits for cash dividends and interest royalties for foreign investors.

The country’s central bank, the Bangko Sentral ng Pilipinas (BSP) also issued enhanced rules on dormant deposits and fees for banks under Circular 928. Finally, the Philippine SEC has implemented a stricter governance code for publicly listed companies which aims to improve the functioning of boards and strengthen shareholder protection.

The country’s overall score rose 15 basis points from last year to 5.30, which is only slightly below the global average.

Citi

Citi’s scores were up in four out of the seven categories this year. Ancillary services did particularly well, up 40 basis points to 2016. Unfortunately the upward trend was undone by a 78 basis point drop in Asset Servicing to 4.44, taking its overall average mark to 4.87.

Reasons for the mixed ratings are hard to pin down with few comments on the bank, in the responses submitted. One large European organisation did offer the following criticism, saying the bank “should try to be more proactive to understand needs and walk together with clients to resolve issues.”

Deutsche Bank AG

Deutsche Bank estimates a 35% share of the foreign custody

market in the Philippines. Its transaction volumes grew 8% year-on-year, it said.

The bank’s scores were nearly all in the ‘good’ to ‘very good’ category and, indeed, climbed from 2016 by an overall 38 basis points, giving it an average of 5.48. The bank recorded a massive increase in Reporting, jumping 83 basis points from the previous year. One comment simply noted that “overall service is good.”

HSBC

HSBC continued to garner positive comments in this year’s survey. Respondents praised its quick and elaborate responses to asset servicing queries as well as its efficiency and supportiveness.

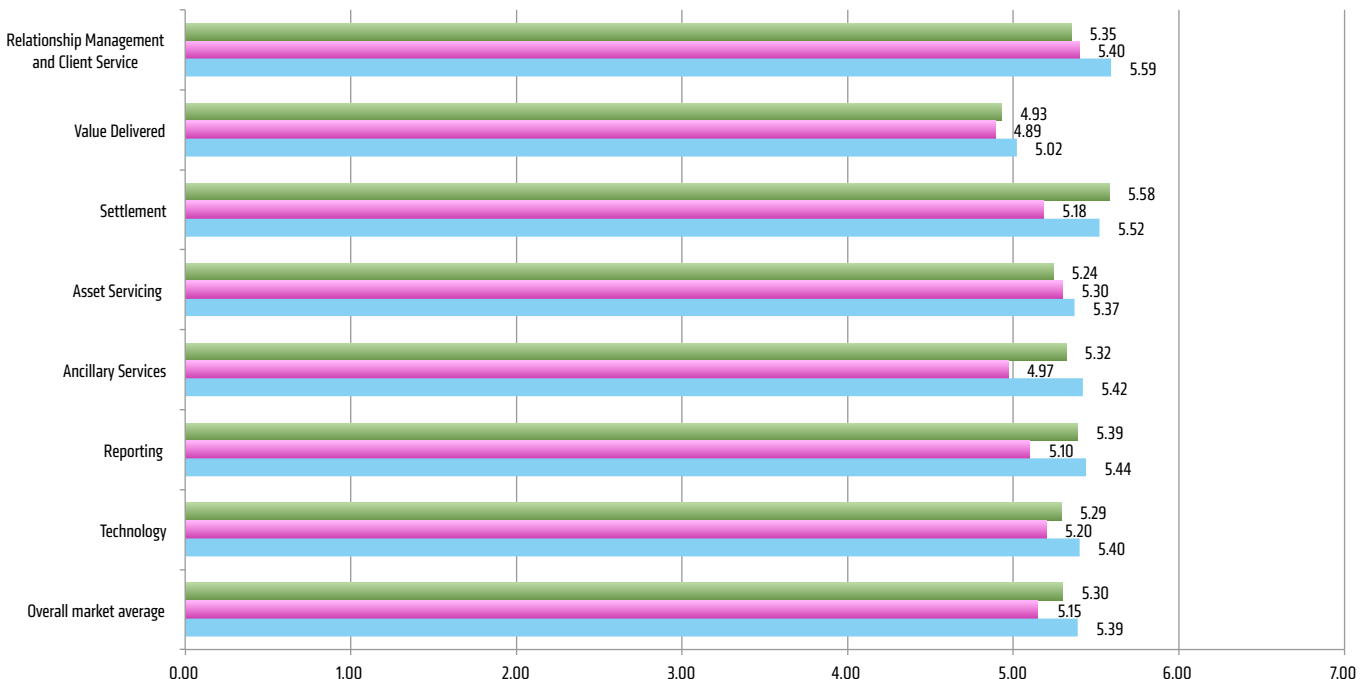
One large European bank, however, said that reporting of FX confirmation by email “would be appreciated” and that the bank did not always answer phone calls. Scores were largely the same as last year though the bank slipped on Relationship Management and Client Service by 42 basis points.

Standard Chartered Bank

Standard Chartered Bank has a high overall score of 5.41 this year, bettering the national average by 11 basis points. It did well in Reporting, gaining 12 basis points from the year before, but fell in Relationship Management and Client Service by 11 basis points. Despite this, a large Asian client said that it was “well pleased” with the level of client service.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Poland

Poland’s custody market remains as crowded as it was last year with 10 banks receiving entries for the current ABEM survey of which, six merit individual write-ups. The country’s aggregate score has improved from 2016, up 16 basis points to 5.54 basis points. Its strongest marks are in Ancillary Services and Value Delivered where it sits 23 basis points and 24 basis points above the global average.

Bank Pekao

UniCredit sold its stake in Bank Pekao at the end of 2016 and the bank now operates as an independent sub-custodian. The bank claims \$32 billion in sub-custody assets and estimates its market share at 40%. Its aggregate score is 5.20 with all but two categories—Value Delivered and Asset Servicing—scoring in the ‘good’ category (5.00-5.99). Value Delivered is rated 4.55, suggesting that respondents view its pricing as relatively expensive. One client complained about having to chase feedback to queries, though another praised the bank for its helpfulness.

BNP Paribas Securities Services

BNP Paribas receives an overall 6.07 with all scores in the high five and six range range. While marks are slightly down on 2016, the bank is well above its peers—53 basis points above the country average. Clients said the bank was “very responsive” and offers value for money combined with eagerness to do business.

Citi

Citi’s scores are 24 basis points below the previous year with Technology and Asset Servicing declining most, 49 basis points and 46 basis points, respectively. The majority of its respondents were in the Very Large category. Clients, meanwhile, praised its proactive approach and responsiveness.

ING Bank Śląski S.A.

ING Bank has improved significantly on last year’s score—its overall mark of 6.05 is the highest in Poland. It was up 70 basis points for Reporting and 69 basis points for Ancillary Services and is well above the global average. Value Delivered particularly shines—87 basis points higher than the global mark.

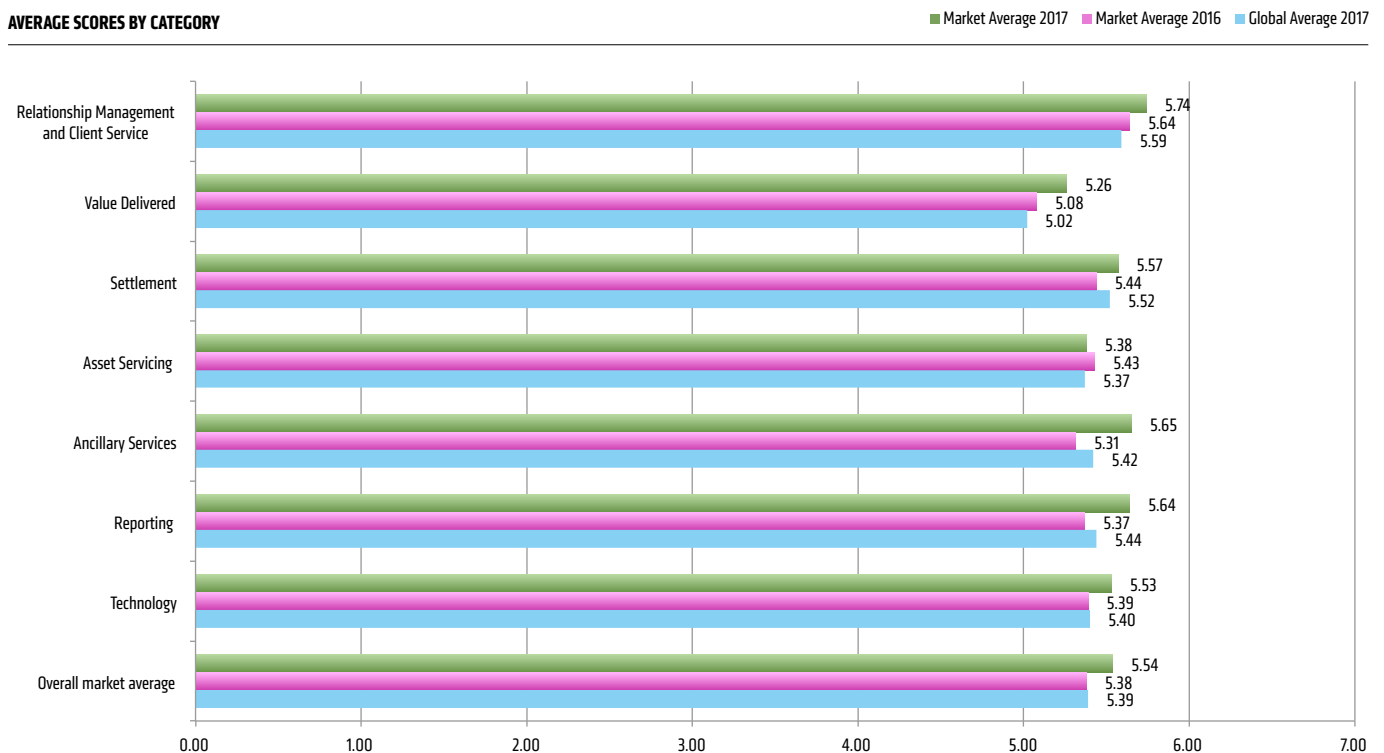
Raiffeisen Bank International

After missing out on a write up last year, RBI recorded an aggregate 5.98, ranging between 5.50 to 6.38. Ancillary Services, its biggest scorer, is 96 basis point above the global average. One small European bank praised its relationship management and market expertise.

SGSS

Like RBI, SGSS has seen its response base expand this year. The bank scored 5.48, just under the country average. One client said the bank’s tax documentation requirements are over-extensive. It was, however, praised for its flexibility in handling individual special cases.

AVERAGE SCORES BY CATEGORY



Qatar

Qatar was jolted by sanctions imposed on it by other Arab states in June. However, in November, the Qatar Stock Exchange (QSE) said that the shock of the sanctions had passed and the exchange is now operating normally. Indeed over 100 new foreign funds have opened in Qatar since the sanctions were imposed. The exchange is also currently in talks with Arab and Asian countries to arrange the dual listing of stocks.

Despite the sanctions, the country's custodians scored in line with the global average and fractionally below 2016 in the current survey. Asset Servicing was the one main area of decline, down 31 basis points below the previous year's mark.

HSBC

As might be expected, HSBC received the lion's share of responses in the current year's survey supporting its quasi-monopoly status in Qatar. The bank has proven its worth in 2017. All scores with the exception of Value Delivered are comfortably in the Good range (5.00-5.99). Its average score was 10 basis points higher than last year and it saw gains in all categories bar one. Asset Servicing was, indeed, that category, falling 16 basis points to 5.36. Nonetheless, the mark remains in line with the global average.

HSBC's weakest area is Value Delivered which scored 4.97, though this was up 14 basis points on last year and is only just below the global average. Often seen as a proxy for fees, results from this category, suggest that HSBC's custody services in this

market are regarded as relatively expensive.

Size-wise, HSBC's clients span the full range and include the very biggest and the very small. Most respondents for HSBC—around 60% - came from Europe.

Comments included praise for the bank's "excellent" staff and its lobbying on behalf of clients as well as the excellent service provided by the operations support team.

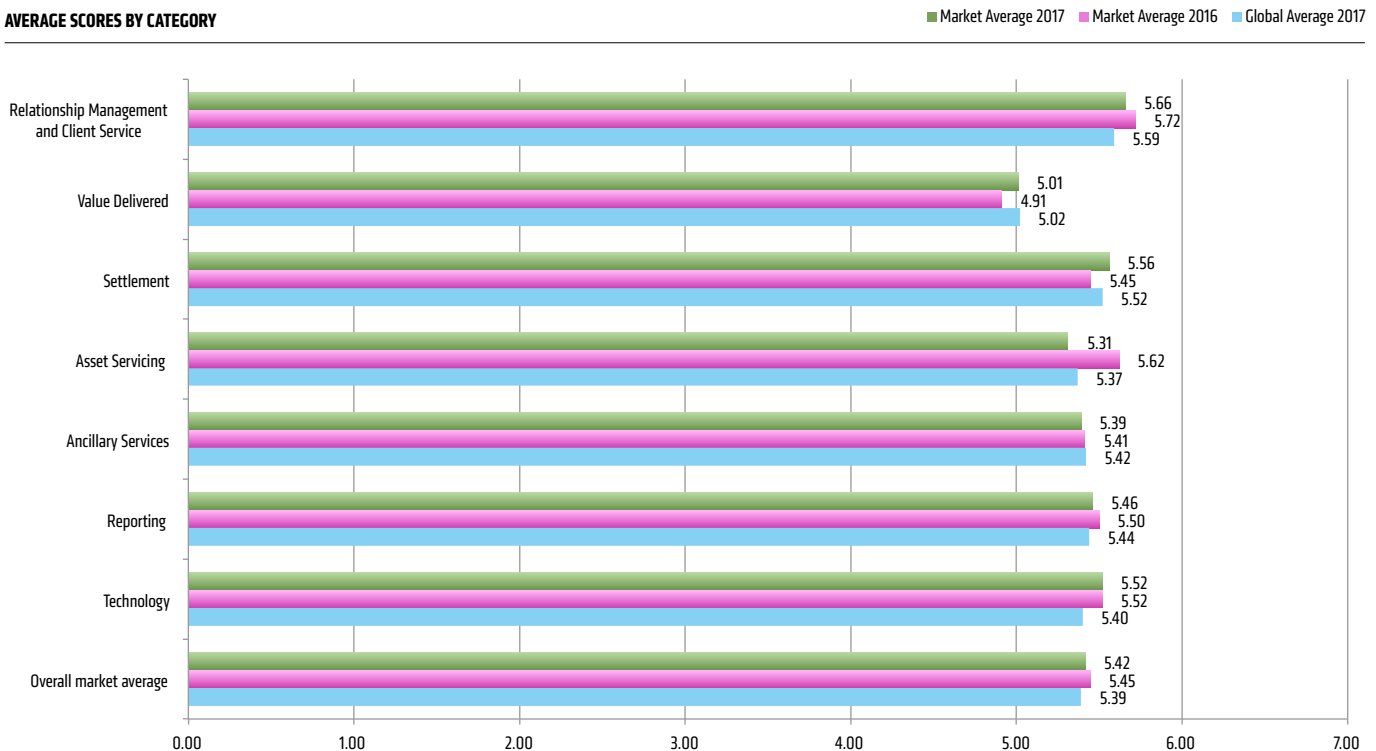
Standard Chartered Bank

Standard Chartered had a lot to live up to in the current ABEM survey after a very impressive 2016. Unfortunately its scores slipped back dramatically this year. The bank received an overall total of 5.80 – still relatively impressive in terms of the survey as a whole, but 74 basis points lower than 2016.

Three service areas seem to be responsible for this fall. The bank was marked down heavily in Reporting—98 basis points to 2016—Ancillary Services—85 basis points—and Technology—80 basis points.

Despite the apparent slip, the bank's 5.80 score puts it well above the global average. Clients praised the bank's pricing and circulation of market information. However, one client stated that improvement is needed on the asset services and corporate action front. Whether Standard Chartered can come close to denting HSBC's traditional hegemony in this market next year, remains to be seen.

AVERAGE SCORES BY CATEGORY



Russia

Russia's CSD, the National Settlement Depository, has further enhanced settlement procedures by transferring its information services to a new technology platform, Nssdata.ru, through which it offers an extended product range and corporate information, and has also rolled out new transaction management solutions.

Russian custodians did well in this year's survey with an overall country total of 5.49—10 basis points higher than the global figure. Respondents were most enthused about the Value Delivered category which registered a score of 5.29, 27 basis points higher than the global average.

Citi

Citi recorded an average score of 5.24 this year, somewhat lower than the country total of 5.49. Clients, however, like its technology—the bank received 5.81 points for this category, 41 basis points more than the global average. Less impressive is Citi's Value Delivered mark, 4.52, 50 basis points below the global average and 77 basis points below the country mark. This may suggest that clients see its services in Russia as relatively expensive.

Sberbank

Sberbank, with its \$73.7 billion in sub-custody assets, received by far the most responses in this year's survey, more than double its closest rival. The bank continued with its strong performance in the survey, with an impressive overall average of 5.93. It showed particular strength in Relationship Management, 6.15, while its

lowest score, Technology, was still an impressive 5.71.

On the plus side clients praised its “highly skilled staff” and timely reporting. One said its customer management “is the best”. There were a few critics, however, with one respondent suggesting bank staff were “overwhelmed by workload” making it hard to quickly obtain answers to queries.

Société Générale Securities Services Russia (Rosbank)

SGSS built on last year's performance with an overall score of 5.58, being awarded 6.05 in Relationship Management. One client praised its “very personal and attentive” service. However it is in Value Delivered that the bank performs best, scoring 83 basis points above the global average.

VTB Bank

VTB's average score of 5.46 is in line with the country and global averages. The bank was marked highly for Relationship Management with a score of 5.99 and 5.58 points for Value Delivered, 29 basis points above the country average. Clients said it was best at communicating with clients and praised its “creative attitude.”

Others

Unicredit (Global Securities Services Russia) continues to do well with an average score of 5.45 doing well in Settlement. Raiffeisen Bank International slipped on last year's performance with most categories scoring in the ‘satisfactory’ range this year.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Slovak Republic

Slovakia experienced a major market reform when its CSD successfully migrated to T2S in February 2017. Market systems have been adapted to be compliant with the new standard, with the CSD aligning its settlement procedures with T2S. It has also updated its fee scale and operations to reflect the T2S environment.

But despite the T2S migration, full straight-through processing cannot yet be achieved due to the fact that trades in listed securities have to be reported and settled through stock exchange systems. It is hoped this will change in the near future.

The country has much the same range of scores from 2016, while sticking closely to the global average in all categories, attesting to progress in this small but developing economy.

Citi

Citi has done well in the current year's survey. The bank outscored its previous year's performance by 11 basis points, doing particularly well in Reporting and Technology, where it recorded, respectively, 28 basis points and 25 basis points more than the previous year.

The bank was also much stronger in the Reporting category compared to the global average—31 basis points higher—but slipped back on Ancillary Services, 34 basis points below the global average. At an individual question level, its most improved result was for the quality of its proprietary client-facing technology, 49 basis points higher than its previous year's score of 5.11. By contrast, perception of the bank's ability to provide information

concerning changes in local market regulations saw a decline from 5.63 to 5.08.

Československá obchodná banka, a.s. (CSOB)

CSOB Slovakia increased its assets under sub-custody to almost \$10 billion from \$8.49 billion the year before. It carries out some 585 transactions per month and has maintained the same approximate market share of 30%.

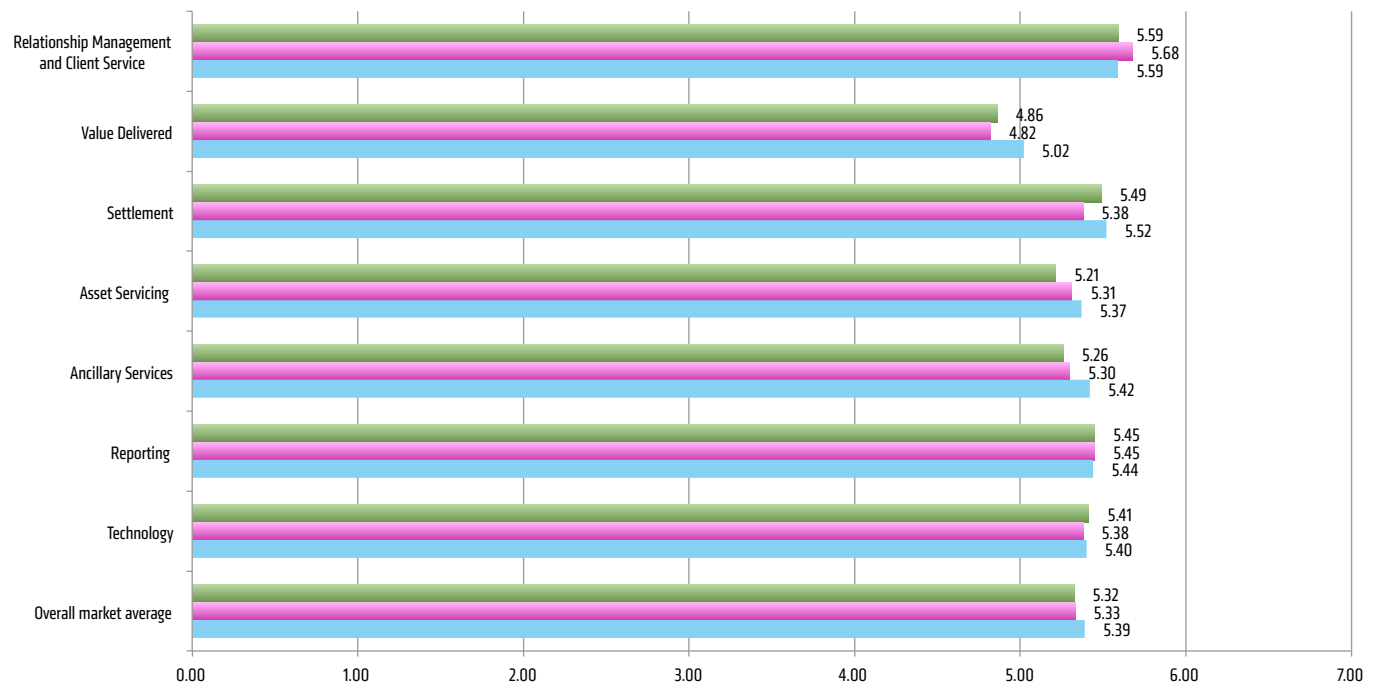
The bank's scores were an overall 5.62, impressive in the global context, and more or less in line with last year. Clients rated its Settlement service highest of all categories, giving it 5.91, 21 basis points better than last year's number. Relationship Management and Client Service (RM&CS), however, fell, decreasing by 24 basis points in the current year's survey. Commenting on the bank, one client praised the new system that CSOB has implemented this year, while a large European market infrastructure noted that, "Our agent is fully supportive of our projects in the Slovak market."

UniCredit (Global Securities Services Slovakia)

UniCredit scores in the 'good' range (5.00-5.99) in 50% of the service categories. Overall the total was the same as last year's. The bank underperformed in Asset Servicing, dropping 16 basis points from 2016. It also needs to work on Value Delivered which, similar to last year, remains its weakest category, scoring just 4.44 points.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Taiwan

At 5.47, Taiwan's average score is up six basis points year on year; eight basis points above the global average. Relationship Management & Client Service (RM&CS) is the highest scored service category, at 5.69. This is borne out in client comments, where efficiency, expertise, response rates and good communications are variously, and often repeatedly, cited. Settlement and Asset Servicing, both on 5.67 (up 16 and four basis points respectively), are also areas of strength. Taiwan beats the global average in all service categories, with the exception of its Value Delivered score, which declined slightly this year and now lags the global average by 24 basis points.

Standard Chartered Bank

With 30% of weighted responses, Standard Chartered sees a four basis point uplift in its average score to 5.78, placing it at the top of the Taiwanese tree. The bank recorded a moderate increase in five out of seven categories, a 24 basis point rise in its Value Delivered score being the highlight. Settlement was down 11 basis points from a 'very good' 6.00 to 5.89, although that is still 37 basis points above the global average.

Deutsche Bank AG, Taipei Branch

Deutsche Bank is this year's second highest rated provider, having seen its average score fall from 5.85 to 5.66. RM&CS is still its key strength – despite declines in other categories – maintain-

ing its 'very good' rating in this area. Value Delivered remains a relatively disappointing area, with a merely 'satisfactory' score of 4.86 on the back of a 23 basis point decline.

HSBC

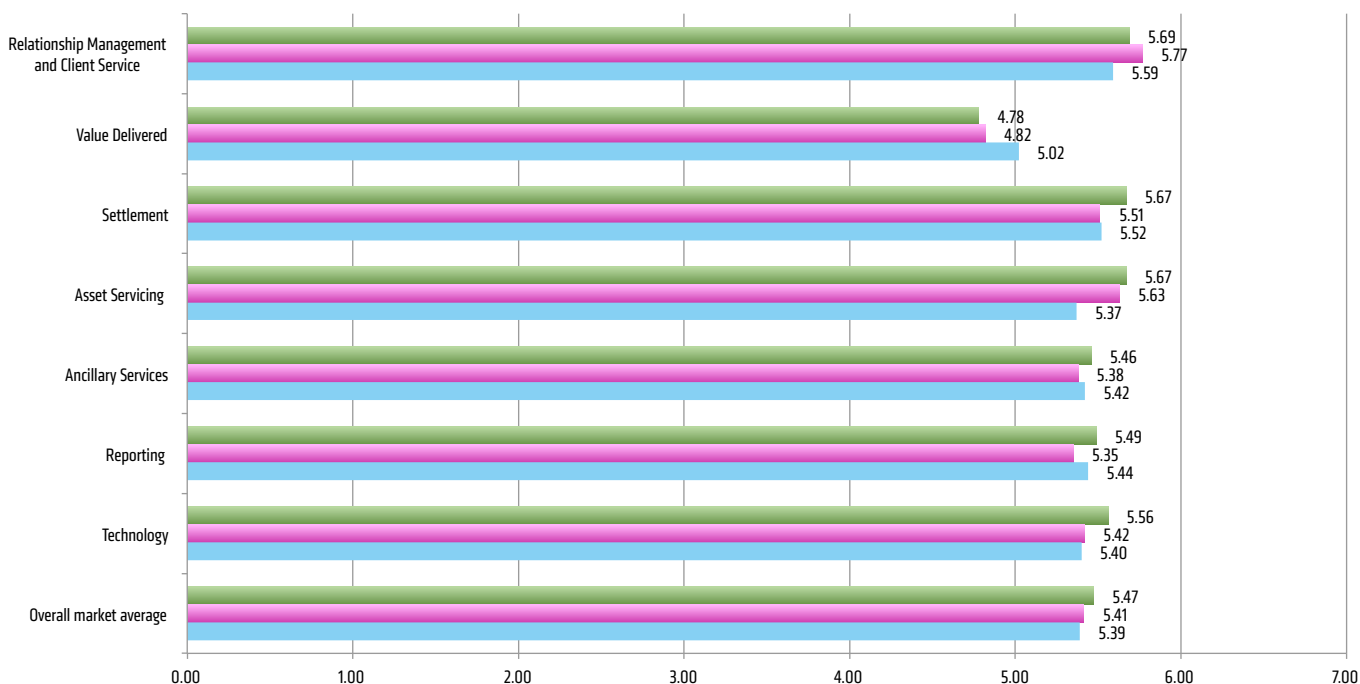
With 26% of weighted responses, HSBC sees its average score fall by 10 basis points to 5.31. With one exception, the bank's scores were lower across all categories – a marginal decline on the whole, although RM&CS was down 19 basis points to 5.55 and Value Delivered was down 31 basis points to a merely 'satisfactory' 4.74. Nevertheless, one European client praises a "top service level offered by the whole team. Always available and efficient to answer questions and resolve issues."

Citi

Citi is another provider that saw its average score decline year-on-year, down 15 basis points to 5.20, 28 basis points below the market average. Scores in five out of seven service categories are down, the biggest falls occurred in RM&CS and Asset Servicing. Citi is rated merely 'satisfactory' in two categories – Ancillary Services (4.98) and Value Delivered (down 24 basis points to 4.24). One global custodian client suggests that, "Citi Taiwan needs to be more flexible in support of its clients' foreign exchange requirements."

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Thailand

The Stock Exchange of Thailand (SET) has announced a target date of March 2018 for the implementation of T+2 settlement. SET has been working on two projects this year in advance of T+2—the first is an enhancement of its pre-settlement matching system (PSMS); the second is a new settlement model designed to be in line with international settlement standards.

Bangkok Bank Public Company Limited

Bangkok Bank carries out 32,600 transactions per month and estimates its market share of third party international business at 9%. The bank had a successful year—45% of its scores are in the six (very good) bracket. Its overall total of 6.18 is one of the highest globally and 82 basis points above its 2016 score. The bank saw high marks in all categories, but was most improved in Reporting and Technology, 1.4 points higher than 2016 in both categories.

Citi

Citi’s overall score of 5.40 is 14 basis points higher than previous years. But, while the bank gained in Settlement, recording a 54 basis point rise over 2016, and Reporting, 48 basis points more, it lost in Value Delivered which marked its only sub-five score this year. Relationship Management and Client Service (RM&CS) is not a strong suit for the bank—its score of 5.00 is 40 basis points below the country average and 59 basis points below the global figure.

Deutsche Bank AG, Bangkok Branch

Deutsche Bank scores well across all categories except in Value Delivered, where its mark fell 56 basis points to 4.69. It did, however, improve 61 basis points in Asset Servicing. Overall, it exceeds both market and global averages.

HSBC

HSBC received by far the most responses in this year’s survey. Its scores, however, were down on last year by 25 basis points overall. In particular the bank dropped 49 basis points in the RM&CS category. At an individual question level, clients rated the bank’s understanding of their business needs lower by a significant 70 basis points. Despite the slump, clients praised HSBC’s very efficient team and said that it was always ready to offer solutions.

Standard Chartered Bank

With Value Delivered just below 5.00 and all other categories comfortably in the Good range (5.00-5.99), Standard Chartered in Thailand surpasses both market and global averages in six out of the seven service categories. Year-on-year, its scores are also up in most categories. One sell-side client from within the region praises the bank’s “extensive market knowledge and high problem solving skills.”

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



Turkey

Turkey’s stock exchange Borsa Istanbul (BIST) has seen a few changes in its market structure in 2017. BIST completed the second phase of its migration to the Nasdaq OMX suite of market technologies in March to cover futures and options. The exchange plans to complete its initial public offering (IPO) next year.

Overall, the country scores a respectable mid-five in line with last year’s mark and slightly above the global average. Ancillary Services gained the most this year and currently sits well above the global average. Four banks are included in the current survey—BNP Paribas received the most weighted responses (38%), followed by Deutsche Bank (29%), Citi (20%) and Turkiye Is Bankasi (12%).

TEB Securities Services (BNP Paribas)

BNP Paribas received a range of positive comments this year. One client said its responsiveness and proactivity were “highly appreciated” and it was “a pleasure” to work with. Another described it as “client-centric.” Scores received are well above the global average. The bank particularly shines in Ancillary Services (6.11) and Relationship Management and Client Service (6.10). However the overall total did decline from 2016 by 26 basis points, with Reporting and Value Delivered slipping over 40 basis points each.

Citi

Citi’s scores underperform the country average in all categories,

though the bank is only slightly below the global average. Its year-on-year performance was good—up slightly from last year in all but Settlement. The decline in this category was reflected in the comments—one client said the time of reaction on settlement services was not always satisfactory, while another said that the bank does not have anyone available during lunch hours.

Deutsche Bank A.S.

Deutsche Bank estimates its share of cross-border assets under custody in Turkey to be 44%. Its average score was in line with last year, though it did significantly better in Ancillary Services—38 basis points more than 2016—but worse in Value Delivered—22 basis points down.

One client commented that there has been a deterioration in information on invoices after the bank’s platform change. Still, clients praised the bank’s polite and proactive team and its market knowledge.

Turkiye Is Bankasi

After a strong 2016, Turkiye Is Bankasi’s scores have declined across the board this year. Relationship Management was marked 93 basis points down, Asset Servicing 89 basis points and Ancillary Services 76 basis points. Yet, despite this, the bank remains comfortably in line with global averages with its aggregate score of 5.50. One client said the bank shows an “unparalleled understanding” of client needs.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



UAE

UAE’s average score was down 14 basis points this year, from 5.62 to a second quartile 5.48, eight basis points above the global average. However, as we shall see, this middling ‘good’ rating belies the fact that there are two very strong local providers, who between them account for no less than 11 ‘very good’ scores. The wider market overview is less rosy – scores have fallen in five of the seven service categories, most notably Asset Servicing, which is down 41 basis points to 5.32. Reporting and Technology rose, by 5 and 14 basis points respectively.

HSBC

With the largest number of responses and clients that include a number of demanding larger banks, HSBC sees a marginal decline in its average score, down six basis points to 5.31. Asset Servicing records the only really notable fluctuation, however, down 21 basis points to 5.22, 10 basis points below the market average. Across the remaining six service category scores, three are up, three down, and by small degrees. Relationship Management & Client Service (RM&CS) – at 5.62 – is the bank’s strongest suit, and that is reflected in client comments.

Deutsche Bank Investor Services, UAE

This year Deutsche Bank saw its average score decline by 28 basis points to 5.55 on the back of a 21% share of weighted

responses. Individual category scores are down across the board with the exception of Technology, where the bank actually saw a 49 basis point increase, taking that score to a ‘very good’ 6.21. One European fund client comments that, “The accuracy of settlement and the follow up by operations is excellent.”

National Bank of Abu Dhabi PJSC

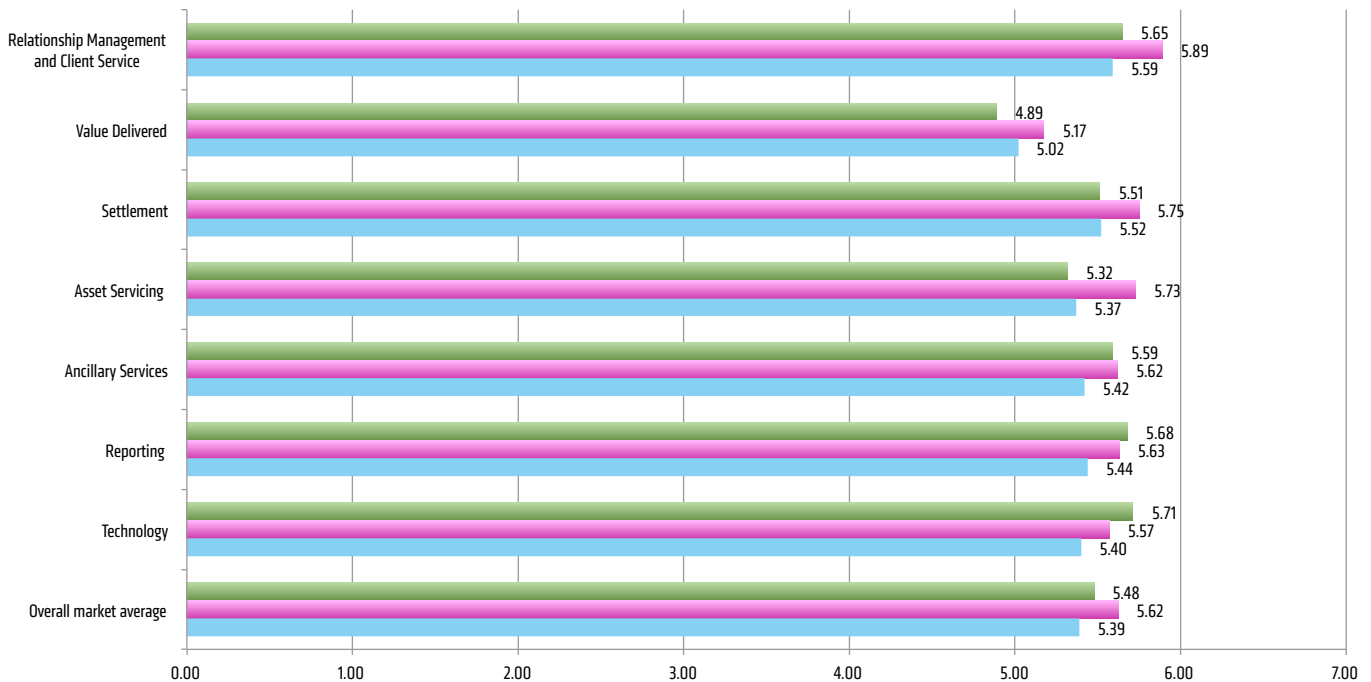
Once again NBAD has received a strong set of scores, this year propelling its score to a ‘Very Good’ average. A minor six basis point fall in the bank’s RM&CS score to 6.25 is nevertheless 60 basis points above the market average. “Always helpful and solution-oriented,” one client observes.

Standard Chartered Bank

Standard Chartered services a mix of Small and Large clients, and this year claims the joint highest average score: a very good 6.17, up a commendable 46 basis points since 2016. Scores are up across the board, and in five categories it is rated ‘very good’. Settlement is up by an impressive 71 basis points to 6.38, while the increase in its Technology score is even larger, up 101 basis points to 6.51 – the highest score in any category by any provider in the UAE. “Very strong in footprint markets,” notes one client.

AVERAGE SCORES BY CATEGORY

■ Market Average 2017 ■ Market Average 2016 ■ Global Average 2017



[SURVEY | AGENT BANKS IN EMERGING MARKETS]

ARGENTINA	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Banco Santander	17	4.73	4.58	4.90	4.46	3.88	4.17	4.58
HSBC	21	5.67	4.83	5.25	5.25	5.60	5.00	5.50
Industrial and Commercial Bank of China	15	5.00	5.00	5.00	n/a	4.00	5.00	5.00
Citi	46	5.76	4.58	5.22	5.04	5.56	5.21	5.23
BRAZIL	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Itau Unibanco	13	5.69	4.74	5.62	5.56	6.22	5.41	5.11
Citi	25	6.03	5.30	5.39	5.22	5.43	5.36	5.31
BNP Paribas	49	5.32	4.82	4.91	5.17	5.07	5.15	5.09
CHILE	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Banco Santander	13	5.40	5.19	5.37	5.08	5.19	5.75	5.14
Banco Itau	34	5.63	4.63	5.33	5.07	5.36	5.22	5.16
Citi	53	5.08	4.89	5.20	5.29	5.25	5.13	5.14
CHINA	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Deutsche Bank	10	5.71	5.07	6.00	5.54	5.50	5.43	6.00
Industrial and Commercial Bank of China	11	4.25	3.97	4.78	4.94	4.33	4.02	4.30
China Construction Bank	15	4.43	3.72	5.02	4.89	4.14	4.17	4.29
HSBC	32	5.73	4.38	5.33	5.12	5.31	5.31	5.34
Standard Chartered Bank	32	6.10	5.59	5.80	5.79	5.94	5.82	5.75
CZECH REPUBLIC	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Raiffeisen Bank International	8	6.36	5.00	5.58	5.36	5.25	5.52	5.67
Societe Generale Securities Services	10	5.36	5.32	5.02	5.19	4.86	4.97	4.60
Unicredit	28	5.47	4.24	5.30	4.64	5.03	5.04	4.88
CSOB	24	5.74	4.77	5.69	4.85	5.27	5.27	5.24
Citi	30	5.71	4.92	5.12	5.33	5.43	5.44	5.28
EGYPT	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
National Bank of Egypt	8	5.81	5.19	6.00	5.48	6.11	5.71	5.67
QNB Alahi	20	5.69	5.58	5.29	5.29	5.92	5.70	5.61
HSBC	26	5.06	4.10	4.38	4.67	4.56	4.75	5.24
Citi	46	5.67	5.10	5.29	5.16	5.14	5.17	5.21
HUNGARY	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Deutsche Bank	7	5.88	4.50	5.93	5.13	5.50	5.19	6.00
Raiffeisen Bank International	11	6.29	5.33	5.73	5.56	5.55	5.61	5.75
Unicredit	33	5.18	4.47	5.20	4.51	5.02	5.03	4.74
BNP Paribas	17	6.51	6.24	6.38	6.44	6.46	6.51	6.51
Citi	32	5.51	4.69	5.25	5.17	5.25	5.16	4.99
INDIA	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Citi	8	5.57	5.38	6.13	5.53	5.37	5.60	5.78
Societe Generale Securities Services	6	5.59	5.62	5.80	5.50	5.45	5.64	5.62
HSBC	23	5.57	4.97	5.63	5.46	5.48	5.34	5.30
Standard Chartered Bank	20	5.81	5.31	6.09	5.61	5.63	5.65	5.40
Deutsche Bank	27	6.60	6.14	6.54	6.50	6.39	6.47	6.33
Edelweiss	14	6.01	5.82	5.99	5.76	5.86	5.85	5.63

[SURVEY | AGENT BANKS IN EMERGING MARKETS]

INDONESIA	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Citi	10	5.80	5.35	6.17	4.90	5.60	5.43	5.33
Standard Chartered Bank	25	5.43	5.00	5.40	5.66	5.31	5.40	5.51
Deutsche Bank	33	5.99	5.01	5.76	5.79	5.51	5.64	5.51
HSBC	32	5.51	5.03	5.53	5.27	5.18	5.65	5.30
MALAYSIA	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
CIMB	5	5.08	5.17	5.26	5.60	6.00	5.83	5.80
Citi	11	5.75	5.20	5.47	4.93	5.65	5.60	5.21
Maybank	7	5.75	5.50	5.81	5.57	5.50	5.77	5.41
Deutsche Bank	21	5.59	5.24	5.41	5.40	5.27	5.75	5.62
Standard Chartered Bank	21	5.89	5.33	5.92	5.78	5.81	5.68	5.76
HSBC	35	5.96	5.13	5.92	5.71	5.50	5.82	5.55
MEXICO	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
BBVA Bancomer	14	4.90	4.69	4.50	4.00	5.00	4.44	4.31
Banco Santander	35	5.18	5.00	5.11	5.31	5.15	5.00	5.06
Citi	51	5.26	4.97	5.18	5.00	5.12	5.31	5.31
MOROCCO	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
BNP Paribas	7	5.00	5.00	5.50	6.00	6.00	6.00	6.00
Attijariwafa Bank	14	5.67	5.67	5.58	5.56	5.83	5.38	5.50
Citi	41	4.82	4.19	5.00	5.09	5.20	5.62	5.27
Societe Generale Securities Services	39	5.12	4.62	4.58	4.84	4.43	4.79	5.39
PAKISTAN	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Deutsche Bank	39	5.17	4.86	5.30	4.70	5.10	4.94	5.22
Standard Chartered Bank	23	4.62	4.56	5.01	5.10	4.56	4.76	4.85
Citi	39	4.66	4.78	5.25	5.02	4.98	5.22	5.42
PHILIPPINES	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Deutsche Bank	14	6.00	4.50	5.67	5.53	5.50	5.56	5.57
Citi	15	4.74	4.50	5.23	4.44	4.88	5.18	5.10
Standard Chartered Bank	28	5.35	5.10	5.67	5.51	5.42	5.36	5.46
HSBC	43	5.28	5.02	5.51	5.15	5.33	5.40	5.11
POLAND	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Raiffeisen Bank International	4	6.20	5.50	6.10	5.67	6.38	5.86	6.17
Deutsche Bank	4	6.38	6.08	6.00	6.62	6.50	6.50	6.11
ING Bank	7	6.22	5.89	5.94	6.00	6.19	6.13	6.00
Societe Generale Securities Services	8	5.45	5.18	5.23	5.54	5.75	5.60	5.58
Citi	24	5.52	5.23	5.12	4.99	5.31	5.10	4.87
Bank Pekao	31	5.37	4.55	5.47	4.94	5.22	5.66	5.21
BNP Paribas	22	6.31	5.86	6.10	6.00	6.12	5.96	6.14
QATAR	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Standard Chartered Bank	12	5.44	5.71	6.21	6.13	5.71	5.80	5.57
HSBC	88	5.77	4.97	5.59	5.36	5.47	5.53	5.57

[SURVEY | AGENT BANKS IN EMERGING MARKETS]

RUSSIA	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
UniCredit	8	5.71	4.58	6.00	5.14	5.46	5.67	5.61
Raiffeisen Bank International	13	4.96	4.67	4.98	4.76	5.06	4.72	4.66
Societe Generale Securities Services	13	6.05	5.85	5.33	5.69	5.40	5.49	5.27
Citi	19	5.42	4.52	5.25	5.01	5.36	5.31	5.81
VTB Bank	17	5.99	5.58	5.61	5.37	5.11	5.36	5.17
Sberbank	30	6.15	5.82	5.90	5.99	6.04	5.91	5.71
SLOVAK REPUBLIC	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Citi	24	5.87	4.85	5.46	5.23	5.08	5.75	5.48
CSOB	24	5.54	5.46	5.91	5.56	5.50	5.73	5.65
UniCredit	52	5.49	4.44	5.25	5.08	5.19	5.19	5.22
TAIWAN	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Citi	21	5.54	4.24	5.58	5.36	4.98	5.22	5.46
Deutsche Bank	15	6.10	4.86	5.71	5.83	5.83	5.65	5.65
HSBC	30	5.55	4.74	5.45	5.40	5.33	5.36	5.37
Standard Chartered Bank	34	6.07	5.26	5.89	5.94	5.88	5.66	5.77
THAILAND	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Deutsche Bank	7	6.06	4.69	5.86	5.81	5.44	5.71	5.75
Bangkok Bank	12	6.20	5.30	6.16	6.29	5.85	6.87	6.62
Citi	18	5.00	4.83	5.78	5.53	5.04	5.91	5.73
HSBC	29	5.15	5.05	5.45	5.31	5.27	5.22	5.19
Standard Chartered Bank	34	5.64	4.97	5.72	5.67	5.58	5.84	5.69
TURKEY	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Turkiye Is Bankasi	17	5.71	5.24	5.68	4.61	5.88	5.71	5.64
Citi	28	5.84	4.97	5.26	5.33	5.40	5.24	5.36
Deutsche Bank		5.71	4.75	5.50	5.41	5.60	5.42	5.54
BNP Paribas	28	6.10	5.19	6.01	5.92	6.11	5.76	5.79
UNITED ARAB EMIRATES	Market share (% of weighted responses)	Relationship Management and Client Service	Value Delivered	Settlement	Asset Servicing	Ancillary Services	Reporting	Technology
Standard Chartered Bank	12	5.78	5.76	6.38	6.30	6.12	6.35	6.51
National Bank of Abu Dhabi	14	6.25	5.92	6.06	6.20	6.12	6.39	6.28
Deutsche Bank	22	5.89	4.74	5.39	5.34	5.61	5.65	6.21
HSBC	52	5.62	4.67	5.53	5.22	5.36	5.42	5.32

