



2010  
Agent Banks  
in Major Markets  
Survey

# Methodology

This is the 21st year that our Agent Banks in Major Markets Survey has run. Since its inception, the survey has sought to measure the perceptions of the quality of the clearing and settlement and asset-servicing duties that the banks provide to their clients, which we have broken down into three types: Cross-Border/Non-Affiliated (CB-NA); Leading; and Domestic clients.

The first group comprises broker/dealers, fund managers and others based in a jurisdiction other than the agent bank that they are rating and not affiliated with that bank by ownership, joint venture or business alliance. Their scores make up the segment from which the CB-NA ratings are derived.

Leading Clients are a select group of 98 CB-NA respondents to the survey. They are chosen on one of two grounds: Either they have rated a minimum of ten separate agent banks, or they are widely recognized as larger and more experienced and knowledgeable than the generality of respondents but have not rated as many as ten agent banks.

The third group is third-party clients based in the same market as the agent bank that they are rating and from which they buy services in that market, as opposed to foreign markets. These clients make up the respondents from which the Domestic ratings are derived. Unlike CB-NA respondents, these respondents can be affiliated with the agent bank they are rating. Leading client ratings are considered on a market-by-market basis.

To secure a CB-NA rating, an agent bank must secure a minimum of 15 responses in all markets in the survey except Denmark, Finland, Portugal, Norway, South Africa and Sweden, which were set at ten. A Domestic rating is open to any agent bank that secures at least ten responses in all markets, save United Kingdom, which was set at five. This year we received a total of 4,265 authenticated responses. This represents a slight decrease by comparison with 2009, when 4,658 responses were authenticated. Of this total,

3,342 qualified as CB-NA responses, 797 as Domestic responses, and 2,103 as Leading Client responses. Responses from affiliated organizations are not counted toward a rating.

In all three client categories, agent banks are eligible for either Top Rated or Commended status. Top Ratings are awarded to any bank whose overall weighted average score equals or better the global weighted average (i.e. the weighted average of all scores given to all agent banks participating in the survey). Commended ratings are a more subjective category that takes into account factors other than scores alone. If a provider has sufficient responses to be rated, but scores are poor, it is marked Unrated. Providers who did not attract enough responses to be rated are marked Not Rated. It is a longstanding rule of the survey that no provider can fall or rise by more than one rating category a year, making it impossible to rise from Not Rated or Unrated to Top Rated in a single year, or to fall from Top Rated to Unrated or Not Rated in a single year.

Additionally, providers are eligible for Best in Class awards in each of the 11 service areas in the survey questionnaire (see the table below for a list of service areas). These go to any provider that achieves an overall weighted average score that equals or better the global weighted average score in that service area (i.e. the weighted average of all scores given to all agent banks participating in the survey in that service area).

In addition to single market ratings, providers are also eligible for Multi-Market ratings, designed to take account of the trend of the purchasing of packages of markets from a single supplier. Regional Multi-Market ratings are available in four regions (Asia/Australasia, Nordics, Western Europe and North America) and, since packages of markets are not bought on a regional basis only, on a Global basis as well. These are by definition available on the basis of CB-NA responses only.

## Best in Class (★)

	Value & Commitment	Client Service	Reporting	Corporate Actions	Proxy Voting	Cash & FX	Income Collection	Tax Reclaims	Sec Borrow/Lending	Settlement	Technology	Total
<b>Leading Client</b>	5.38	5.47	5.46	5.22	5.34	5.16	5.29	5.12	5.38	5.47	5.50	5.34
<b>CB-NA</b>	5.49	5.56	5.55	5.29	5.40	5.32	5.40	5.22	5.51	5.57	5.59	5.45
<b>Domestic</b>	5.72	5.78	5.71	5.61	5.71	5.76	5.79	n/a	5.52	5.89	5.73	5.72
<b>Global</b>	5.54	5.60	5.57	5.36	5.46	5.41	5.46	5.23	5.51	5.63	5.62	5.49

To secure a Regional Multi-Market rating, providers must secure enough CB-NA responses and scores of rateable standard from respondents who specified that they were buying a multi-market service in every market in Asia/Australasia, the Nordics and North America and in at least six markets in Western Europe, or be rated in every market on a standalone basis. A standalone rating requires an agent bank to provide some or all of a service in a local market, and not through a centralized operation. To qualify for a Global Multi-Market rating, an agent bank must secure ratings in at least two regions.

Respondents were asked to rate the quality of service from their providers on a scale of 1 to 7, where 7 is excellent; 6, very good; 5, good; 4, satisfactory; 3, weak; 2, very weak; and 1, unacceptable. Scores are weighted both for questions named by respondents as important and for the size of the respondent.

The questionnaire completed by respondents consisted of 70 questions divided into 11 service areas: Value and Commitment (questions 1-13); Client Service and Relationship Management (14-18); Reporting (19-24); Corporate Actions (26-31); Proxy Voting (32-35); Cash Management and Foreign Exchange (36-42); Income Collection (43-47); Tax Reclaims (48-52); Securities Borrowing and Lending (53-57); Settlement (58-65); and Technology and Connectivity (66-70). A full list of changes can be found at the Surveys section of our Web site, [www.GlobalCustodian.com](http://www.GlobalCustodian.com).

We are deeply conscious of the burden that the agent bank survey imposes on providers and their clients. We aim continuously to improve the quality of the process, especially through higher levels of automation. But whatever improvements we make to the process, and however hard we work to ensure the results are both accurate and fair, our survey will continue to impose a burden on agent banks and their clients. We remain grateful to them all for the time and effort they invest in the survey. We are especially grateful to the individuals and institutions that have worked with us year after year, some going back the full two decades. To them we extend a special note of thanks. As always, we are pleased to hear of any errors, omissions or shortcomings, and of suggestions for improvements to the questionnaire, the survey process, and the presentation of the results.

The data published here represent only a fraction of the vast amount of information collected through the survey. Full research reports, based on the survey data, are available in a variety of formats. Please contact our director of research, Muzaffar Karabaev, at [mkarabaev@globalcustodian.com](mailto:mkarabaev@globalcustodian.com) for details.

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🏆 = Leading Top Rated 🥈 = Leading Commended 🥉 = Top Rated 🏆 = Commended 🏠 = Domestic Top Rated 🏠 = Domestic Commended ○ = Unrated ⊕ = Not Rated



### CACEIS

🏆 LEADING 🥉 CB-NA 🏠 DOMESTIC

Scores from leading clients are down in half the questions, but the larger cross-border group has raised them up in three of out four. Among both, CACEIS shines in asset servicing, notably tax relief and reclaims, income collection, and (despite the lack of electronic support) proxy voting. The verdict in corporate actions is less clear-cut, but the scores are good, and there is praise for “corporate action follow-up.” Scores on the human side are middling. A cross-border client has noticed “turn-around time very slow on queries,” while a leading client who otherwise values his RM has noticed “delays with response to inquiries and proactiveness in communicating market changes.” But then France is not an easy market these days, with a ban on short selling of financials, a crackdown on tax evasion and pressure for shareholding disclosure, on top of the long transition to ESES. But if CACEIS owns a sizeable share of the sub-custody business in France, it dominates the domestic market. Scores from domestic clients are uniformly excellent.

### Citi

🏆 LEADING 🥈 CB-NA

Memories of a distinctly non-vintage 2008 are banished, with leading clients raising average scores in nine out of ten questions: more than the four out of five offered by cross-border clients, and to higher levels too. If Citi continues to do better in its traditional strengths (technology, settlement, reporting, value and commitment), the asset-servicing scores problematic a year ago have all improved significantly. Client service and relationship management is better still. “Excellent relationship manager,” writes a client. “Operational team is not up to the same standard in terms of responsiveness and quality”—though he adds that he has had a “good experience” on the payments side and corporate actions. Leading clients are often judging a Euronext package rather than Paris alone, but one appreciates “Citi’s extreme flexibility on requests.”

### BNP Paribas Securities Services

🏆 LEADING 🥈 CB-NA ⊕ DOMESTIC

France is home for BP2S, and where staff is concentrated, but the service is mostly bought as a package incorporating all Euronext markets. “A dominant player in the Euronext market,” notes a client. The slippage of 2008 is reversed. Across leading and cross-border clients, two-thirds of scores are up. The bank is strong in settlement and reporting, and the people impress. “Excellent reporting of unmatched and failed trades,” says a client. “Generally proactive in getting issues resolved. BP2S should be pleased with their staff, all of whom are efficient and very knowledgeable.” There are familiar gripes about price and rates, and process over customization, and asset-servicing scores are not the best. That said, although a client thinks the “corporate action department is weak,” it is actually among the top-scoring areas for BP2S.

### Deutsche Bank

🥈 CB-NA

This is not the highest-scoring location in the Deutsche network, but the German bank services mainly buy-side and banking clients active in France via its Amsterdam hub. Scores from a small set of leading clients have dipped, but that of a much larger group of cross-border clients is effectively unchanged. Both scores and comments suggest clients are more than satisfied with the core services of settlement and reporting and like the people who handle their accounts.

### Société Générale Securities Services

⊕ CB-NA

In the context of an evolving trading (Euronext) and market infrastructure (ESES, to which the French marketplace transitioned way back in November 2007), SGSS has not always emphasized the service it supplies in its home market. But it services some high-profile clients here. “Market knowledge,” writes one. “Good involvement of upper management in the relationship.” The comments include gripes about responsiveness, promptness and systems. The scores from leading clients are not high, but they are superior in most cases to those from a larger group of cross-border clients. A handful of domestic clients are much happier.

### Market Comments

Responses were also received for ABN Amro, the former Fortis Bank, which services the market remotely.

## Best in Class (★)

	Value & Commitment	Client Service	Reporting	Corporate Actions	Proxy Voting	Cash & FX	Income Collection	Tax Reclaims	Sec Borrow/ Lending	Settlement	Technology	Total
<b>LEADING CLIENTS</b>												
CACEIS	★			★	★	★	★	★	n/a		★	5.40
Citi	★	★	★	★	★				n/a		★	5.39
BNPPSS				★				★	★			5.34
Leading Local	5.31	5.33	5.36	5.23	5.26	5.12	5.11	5.20	5.59	5.37	5.39	5.30
Leading Global	5.38	5.47	5.46	5.22	5.34	5.16	5.29	5.12	5.38	5.47	5.50	5.34
<b>CROSS-BORDER/ NON-AFFILIATED</b>												
CACEIS	★			★	★	★	★	★	n/a		★	5.55
Citi	★	★	★						n/a	★	★	5.40
Deutsche			★		★	★		★	n/a	★		5.39
BNPPSS				★								5.34
CB/NA Local	5.39	5.42	5.43	5.25	5.24	5.24	5.22	5.25	5.40	5.46	5.44	5.34
CB/NA Global	5.49	5.56	5.55	5.29	5.40	5.32	5.40	5.22	5.51	5.57	5.59	5.45
<b>DOMESTIC</b>												
CACEIS	★	★	★	★	★	★	★	n/a	★	★	★	6.49
Domestic Market	6.11	6.24	6.24	5.99	5.80	6.14	5.99	n/a	6.42	6.26	6.28	6.15
Domestic Global	5.72	5.78	5.71	5.61	5.71	5.76	5.79	n/a	5.52	5.89	5.73	5.72

☺ = Leading Top Rated ☺ = Leading Commended ☺ = Top Rated ☺ = Commended ☺ = Domestic Top Rated ☺ = Domestic Commended ○ = Unrated ⊕ = Not Rated



### BNP Paribas Securities Services

LEADING CB-NA DOMESTIC

Frankfurt is a flagship operation in the BP2S network, and it does not disappoint. Scores are up strongly, and those on the human side are outstanding. “Our RM is highly attentive and shows no hesitation in getting right on anything that has been escalated,” says a client. “The RM always gives the impression that he is working on our behalf internally—which really gives confidence that we as a client are being listened to.” He adds that BP2S Frankfurt is a “stereotypically efficient operation.” Scores and comments from a group of mainly buy-side domestic clients—not much sign here of users of the Bremen-based domestic broker-dealer clearing service—are equally delighted.

### Deutsche Bank

LEADING CB-NA DOMESTIC

“Our best custodian” is the pithy verdict of a client. This is also the biggest and most prestigious operation in the Deutsche Bank network, and it earns terrific scores in the core areas—settlement, reporting, value and commitment—across all inbound business, but it continues to shine brightest in client service. “Excellent staff providing proactive and timely support,” says a leading client. “Strong market influence and highly automated systems and procedures.” Scores in asset-servicing are not quite as impressive, but are, nevertheless, ahead of the global benchmarks, and a client says the bank was “very helpful in providing information” and “finding a solution” for the proxy season this year. Scores from domestic clients are just as solid. A client praises the “knowledgeability of personnel on operational matters in this market” and the “proactivity of relationship manager.”

### Citi

LEADING CB-NA

Scores and comments suggest ample respect for the Citi people (“Proactive and very helpful”) and the settlement process (“Efficiency”), but the surge of 2009 has given way to scores that are static to falling. But this is a brutally competitive market—(annual reviews are common) in which clearing providers must battle with regulatory distaste for short selling and keep up with a trading, clearing and settlement infrastructure that is ambitious and innovative, but inadequate on the asset-servicing side—where the Citi scores are at merely satisfactory levels.

### BNY Mellon Asset Servicing

LEADING\*\* CB-NA DOMESTIC

This is a mostly happy swansong as an independent provider by the former BHF BANK. A long and complicated dalliance with BNY—dating back to the days when the American bank had a marketing alliance with ING, then-owners of BHF—was finally consummated in the spring of this year. Judging by comments and scores from cross-border and domestic clients, which are up in all service areas, most clients appreciate an end to the uncertainty sparked by the shunting of custody into a stand-alone subsidiary in October 2008.

### CACEIS Bank Deutschland

CB-NA DOMESTIC

CACEIS acquired a chunky business in terms of assets and staff, and it retains significant minority shares of both inbound and domestic custody of banks, broker-dealers and buy-side institutions. With scores from leading and other clients up somewhat more often than down, the overall outcome is slightly up on 2009. Domestic scores are less impressive.

### Market Comments

Responses were also received for ABN Amro, which services the market remotely, Société Générale Securities Services and Commerzbank, the somewhat reluctant new parents of DrK, but not in sufficient numbers to warrant a rating. Never the largest provider, Commerzbank was on something of a sabbatical from the survey this year.

## Best in Class (★)

	Value & Commitment	Client Service	Reporting	Corporate Actions	Proxy Voting	Cash & FX	Income Collection	Tax Reclaims	Sec Borrow/ Lending	Settlement	Technology	Total
<b>LEADING CLIENTS</b>												
BNPPSS	★	★	★	★	★	★	★			★	★	5.54
Deutsche	★	★	★	★	★	★	★	★		★		5.39
Citi	★	★							n/a			5.03
Leading Local	5.65	5.83	5.54	5.37	5.45	5.25	5.36	4.97	5.21	5.58	5.51	5.43
Leading Global	5.38	5.47	5.46	5.22	5.34	5.16	5.29	5.12	5.38	5.47	5.50	5.34
<b>CROSS-BORDER/ NON-AFFILIATED</b>												
BNY Mellon	★	★	★	★	★	★	★	★	★	★	★	5.98
CACEIS	★	★	★	★	★	★	★			★	★	5.67
BNPPSS	★	★	★	★	★	★	★		★	★		5.58
Deutsche	★	★	★	★	★	★	★	★		★		5.52
Citi	★	★							n/a			5.25
CB/NA Local	5.71	5.89	5.63	5.42	5.58	5.41	5.49	5.21	5.60	5.72	5.60	5.57
CB/NA Global	5.49	5.56	5.55	5.29	5.40	5.32	5.40	5.22	5.51	5.57	5.59	5.45
<b>DOMESTIC</b>												
BNY Mellon	★	★	★	★	★		★	n/a		★	★	5.94
BNPPSS	★	★			★			n/a	★			5.73
Deutsche					★		★	n/a	n/a			5.39
CACEIS					★			n/a				5.01
Domestic Market	5.59	5.63	5.54	5.54	6.20	5.36	5.75	n/a	5.08	5.64	5.67	5.60
Domestic Global	5.72	5.78	5.71	5.61	5.71	5.76	5.79	n/a	5.52	5.89	5.73	5.72

\*\* Were it not for the longstanding rule preventing a shift of more than one rating a year, this provider would be Not Rated.