GLOBAL INVESTOR | ISF FOW

Autumn Special 2020
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Custody

JP Morgan and Pictet maintained their dominance in the Global Custody Survey 2020

SECURITIES FINANCE

BNY MELLON AND CACEIS WERE THE TOP LENDERS IN ISF SURVEY 2020

+ Derivatives

Singapore Exchange was the top Asian exchange and Charles Li won the Lifetime Achievement Award

INVESTMENT EXCELLENCE

Michelle Scrimgeour, the Chief Executive of Legal and General Investment Management, wins our CEO of the Year Award


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Resilience allows firms to perform amid chaos

This issue of Global Investor celebrates the resilience displayed by the key firms across asset management, securities finance, custody and derivatives. The past six or so months have posed an unprecedented challenge for the firms we write about.

Lessons are already being drawn from the experiences of recent months and they will continue to be be clarified and implemented over the coming months and years.

One obvious conclusion from the COVID-19 pandemic is the importance of resilience and this is something that many in our industry demonstrated admirably as the markets responded violently to the escalating crisis.

The investment management industry was directly challenged by the collapse in global equity markets in March and April, which drove down their share prices across the board.

What was interesting was how some firms reacted to this. Our Asset Manager of the Year Legal and General Investment Management and its Chief Executive Michelle Scrimgeour, the Investment Excellence CEO of the Year for 2020, set the precedent in April by pledging to escalate its £20m partnership with Edinburgh University in response to Covid-19.

LGIM took this opportunity to highlight the need for research into social care for older people, an issue which has come to the fore in recent months.

LGIM said at the time: "The UK has been facing a social care crisis for some time, but a global pandemic that targets the elderly and frail has irreversibly exposed its weakness. The coronavirus pandemic highlights the fragility of the UK's social care system and underscores that quick action is needed to rethink and redesign care to look after the most vulnerable people effectively."

The firm also released in late April its ninth annual 'Active Ownership' report, revealing that over the course of 2019, it had opposed the election of some 4,000 company directors, in line with its pledge to effect long-term positive change within the companies and markets in which it invests.

Resilience was also evident in our ISF Survey 2020 where BNY Mellon, State Street, Citi, RBC Investor & Treasury Services and UBS repeated last year's results by filling the top five slots in the equity lending survey.

HSBC Securities Services dramatically improved on last year's performance by finishing sixth among lenders while CACEIS made strides to finish top among the smaller lenders. UBS was once again the top equity borrower and the best fixed income lender, as Natixis was the best of the smaller borrowers.

In our Global Custody Survey 2020, JP Morgan was the top-rated global custodian, followed by HSBC, BNY Mellon and Citi while Pictet swept the board in the unweighted category.

The Asia Capital Markets Awards also celebrated resilience among that region's derivatives firms with Singapore Exchange winning Exchange of the Year, Shanghai Futures Exchange securing the Emerging Market Exchange of the Year prize and EEX Group (EEX Asia) taking the Exchange Innovation of the Year award for its move into the Japanese power market.

A special mention is reserved for Charles Li, the long-serving and charismatic Chief Executive Officer of Hong Kong Exchanges and Clearing who announced as we were going to press that he is stepping down at the end of 2020. Mr. Li has always been a friend to our magazine and we are proud to extend to him the Lifetime Achievement for 2020. We wish him well in his retirement.

Mr Li himself has demonstrated huge resilience over his decade in charge of the exchange, not least in the past year as his firm was buffeted firstly by political unrest then the emergence of virus. As we consider an uncertain end to 2020, we could have far worse role models. ■

Luke Jeffs,
Managing Editor, Global Investor Group

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MIZUHO

Trading Places

Asset management, securities finance, custody and the derivatives industry saw more senior moves in the middle of 2020.

SECURITIES FINANCE:

Sec finance veteran joins State Street

State Street has named BNY Mellon's former head of EMEA securities finance James Day as its global head of product development.

Based in London, Day will be responsible for delivering new products, managing regulatory change and providing business solutions to the evolving securities lending market.

The securities finance veteran will join State Street's global management team and report directly to Martin Tell, State Street's global head of securities finance.

TMX names Everett head of collateral solutions

Canadian markets operator TMX Group has appointed Steve Everett as its head of collateral solutions.

The collateral expert joined the Canadian Derivatives Clearing Corporation (CDCC), part of TMX, in October 2019 to take on the role of senior manager, collateral.

Toronto-based Everett relocated from South Africa to Canada to join TMX and was responsible for the development of collateral management services for clients across the Canadian marketplace.

Pirum names Wyborn as new CCO

Pirum has named Karl Wyborn as the firm's new chief commercial officer (CCO), marking the second management team change under CEO Phil Morgan's leadership.

In his new position and based in London, Wyborn will be responsible for business development and marketing globally, overseeing all client and commercial activity across the firm, filling the void left by Morgan when he was promoted.

ASSET MANAGEMENT:

HSBC names fixed income ESG research head

HSBC Global Asset Management (HSBC GAM) has promoted Rachida Mourahib to lead its fixed income environmental social and governance (ESG) and green research.

Based in Paris, she joined the bank's global credit research team effective in September.

Reporting to Tina Radovic, global head of credit research at the bank, she will contribute to the bank's global ESG research, which is led by Xavier Desmadryl, global head of ESG research.

RACHIDA MOURAHIB

Asset management veteran joins Cooper Wood

Cooper Wood & Associates, a consultancy firm specialising in asset servicing, has appointed Mark Friend as an independent senior associate.

Friend joined the consultancy firm from Premier Asset Management where he served as chief operating officer (COO) for more than 20 years.

London-based Cooper Wood & Associates launched in June 2020 and was established by industry specialists, Rod Cooper and Tim Wood.

PGIM boosts its ESG team

Newark-headquartered PGIM Fixed Income has hired Eugenia Unanyants-Jackson to lead its environmental, social and governance (ESG) research, effective in early September.

In the newly-created role, based in London, she will report to Rich Greenwood, head of credit and head of the London office at PGIM Fixed Income.

The investment management arm of PGIM has appointed Unanyants-Jackson to oversee the integration of ESG research across the team.

EUGENIA UNANYANTS-JACKSON


JUSTIN MILLER


SPIROS GIANNAROS

CUSTODY:

Northern Trust expands Mena team

Northern Trust has grown its asset servicing business in the Middle East and Africa (Mena) by appointing Justin Miller as head of relationship management and Chris Dulieu as head of client services, effective from late September.

Miller is responsible for overseeing the strategic development of asset servicing relationships for the Chicago-headquartered bank's operations in the Mena region.

He has spent 18 years at the bank in multiple senior positions, most recently as head of client management for securities lending across Europe, the Middle East and Africa (Emea) for more than three years.

Euroclear Sweden names new CEO

Euroclear's Swedish central securities depository (CSD) has named Roger Storm as chief executive officer (CEO), effective October 12.

He will be take over from the Swedish entity's chief operating officer, Annelie Lindahl, who served as interim CEO after Michael Carty was appointed to lead Euroclear's UK CSD on June 12.

Storm joined the clearing house from SIX where he served as deputy head of CCP clearing for four years. Between 2018 to 2019 he also co-chaired the European Association of CCP Clearing Houses.

State Street's Charles River names CEO

State Street's Charles River Development (CRD) has named Spiros Giannaros as chief executive officer.

He was appointed as president of CRD in December 2019 and he will now be responsible for all aspects of the global business.

Based in Boston, he reports to John Plansky, global head of State Street Alpha. CRD, which provides front office software solutions for institutional and wealth management sectors, is a foundational technology of the bank's Alpha platform.

DERIVATIVES:

HKEX chief exec Charles Li to retire early

Hong Kong Exchanges and Clearing's (HKEX) said chief operating officer Calivin Tai is to step in as the group's interim chief from January 1 as it announced that current chief Charles Li will retire on December 31, adding that it has made "considerable progress" in its search for a new chief to fill the role.

Li announced his decision not to seek reappointment in May, saying at the time that he would continue leading HKEX until his contract expires in October 2021, or sooner if a successor is found.

Euronext, CDP in "exclusive talks" for Borsa Italiana

Euronext and Cassa Depositi e Prestiti Equity (CDPE) have confirmed they are in "exclusive talks" with the London Stock Exchange Group (LSEG) over the acquisition of Borsa Italiana Group.

Euronext said: "The proposed combination of Borsa Italiana and Euronext would create a leading player in continental European capital markets. This transformational project would position the newly formed group to deliver the ambition of further building the backbone of the Capital Markets Union in Europe, while at the same time supporting local economies."

Esma names Lober clearing committee chair

The European securities watchdog has appointed Klaus Lober as chair of the central counterparty (CCP) Supervisory Committee.

The European Securities and Markets Authority (Esma) announced the appointment of Lober and also named Nicoletta Giusto and Froukelien Wendt as independent members in late September.

Steven Maijoor, chair of Esma, said: "It is an important step in completing the implementation of the EMIR 2.2 regime to ensure consistent and effective supervision of EU and global clearing infrastructures." ■


NICOLETTA GIUSTO


KLAUS LOBER


FROUKELIEN WENDT

Breaking stories from Global Investor Group

Here are some of the top stories you may have missed at GlobalInvestorGroup.com

ASSET MANAGEMENT:

Aberdeen, BNP joint index up 12.9%

Aberdeen Standard Investments (ASI) and BNP Paribas' joint Global Risk Mitigation Index (GRM) was up 12.9% year-to-date (YTD), as of September 22.

The index, which seeks to provide institutional investors with tools to mitigate their equity risk and reduce portfolio volatility, had a soft launch in August 2019.

A spokesperson from ASI told Global Investor that the index has attracted over $120 million (£93.40 million) and has seen significant global interest, notably from institutional investors in Asia and Europe.

State Street to capitalise on opportunities in SA

State Street Global Advisors has said it is eyeing South Africa for growth, as changes in regulations have increased the market's attention on international asset managers.

Emmanuel Laurina, managing director and head of the Middle East and Africa (MEA) at State Street Global Advisors said: "Our strategy on the asset management side has been to seek out, on a very tactical basis, opportunities to expand our remit in other countries in the MENA region and more recently, into South Africa, which is a market that I took over in 2018.

"It is a market that has been insular for many years and through changes in regulations, is now starting to look outwards for international asset managers to a greater proportion than in the past. We see quite a bit of growth and a lot of potential there."

Asset managers must "raise the bar" on ESG

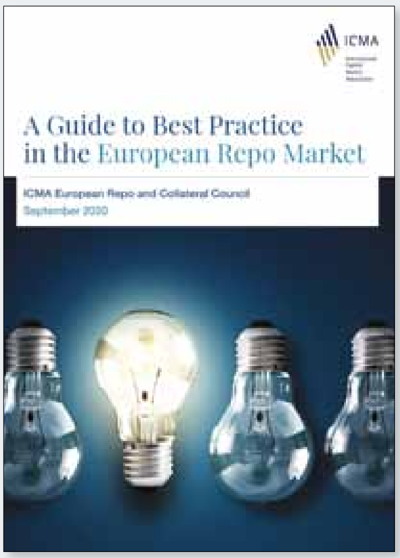
Asset managers still have a long way to go with their environmental, social and governance (ESG) efforts, as 39% of respondents could not give examples of climate change related engagement efforts, according to new research.

Surveying more than 104 asset managers across the world with $10 trillion (£7.8 trillion) in assets under management combined, Redington's manager research team, which steered the survey, also found that less than 62% of asset managers surveyed have an ESG engagement policy established.

SECURITIES FINANCE:

Icma publishes updated repo market guide

The International Capital Markets Association's (Icma) European Repo and Collateral Council (ERCC) has published the updated Guide to Best Practice in the European Repo Market.



The latest version of the guide, published in September, has introduced a number of new guidelines intended to address the issues that have arisen since it was last updated, in December 2018, as the market "continues to evolve and develop".

Icma said: "The Guide sets out standards for the orderly trading and settlement of repos. Its purpose is to help foster a smooth and orderly market in repo in Europe by recommending practices which market experience suggests can help avoid uncertainties or disagreements about transactions, and consequent delays or disruption to repo trading and settlement."

Esma suggests reforms to prevent future cum-ex

The European securities watchdog has proposed that National Competent Authorities (NCAs) "should be empowered" to share information with tax authorities following the alleged large-scale tax fraud carried out via cum-ex trades.

The European Securities and Markets Authority (Esma) published in September its final report on the cum-ex, cum-cum and withholding tax (WHT) reclaim schemes, and identified a number of measures adopted by member states to limit the risk of WHT reclaims schemes being pursued in future.

Asian investors "pointed" towards Japan and Hong Kong

There were still "pockets of lending activity" in Japan and Hong Kong, two of the more "mature and deepest" markets in the region, as short-selling bans were rolled out across Asia in response to the Coronavirous pandemic, the Pan-Asian Securities Lending Association (Pasla) has said.

PASLA communications officer Paul Solway said: "There hasn't been a huge amount of shorting in the market. Market participants interested in shorting or taking arbitrage positions are looking for the deep pockets of liquidity and these are more often found in developed markets."


TIM WOOD

CUSTODY:

"Difficult to explain" routine operations in London

The asset servicing sector may find it increasingly difficult to explain why routine operational tasks are still being carried out in expensive locations such as Central London, according to an expert.

Tim Wood, partner at recently launched Cooper Wood & Associates: "The trend I see particularly across the asset servicing sector is that it is becoming more and more difficult to explain why they would have lots of people doing operational tasks in central London or other expensive city centre locations.

"Nearly everybody has offshore or nearshore centres, but those were often set up quite a while ago so I think this is a timely opportunity for people to have a new look at their offshore and nearshore model and see how they can make better use of it."

Outsourced trading is the "optimal future state" – NT

Northern Trust believes concerns among fund managers about outsourcing their trading functions are dissipating and third-party trading services are increasingly being seen as an "optimal future state".

Gary Paulin, global head, integrated trading solutions at Northern Trust Capital Markets said in an interview: "Many funds are now looking at outsourcing, or component outsourcing, as an optimal future state and not necessarily as a way to address the problem.

"It's not simply a cost problem; I think that was the old narrative and that's the biggest change for me. It's becoming a proactive measure that allows for cost- contained growth, improved efficiencies, and enhanced systems of governance and control."

BNP sec services names India head

BNP Paribas Securities Services has promoted Akshay Thakurdesai to lead its business in India.

Thakurdesai joined the French bank in 2006 and has served in a multitude of senior positions, most recently as chief operating officer (COO) of BNP Paribas' brokerage business in India. Prior to that, he served as COO of the bank's securities services arm for just under two years.


AKSHAY THAKURDESAI

DERIVATIVES:

Dubai Financial Market to launch equity derivatives

Dubai Financial Market (DFM) has said it will launch an equity derivatives platform in October and has broader plans to widen its derivatives offering.

The exchange said in late September the platform will initially offer equity futures contracts on five of its most liquid equities: Emaar Properties, Dubai Islamic Bank, Emirates NBD, Emaar Development and Emaar Malls.

The contracts will be offered on singe stocks with tenors of one, two and three months, each based on 100 underlying shares.

SGX, NSE cement plans for Gift City connect

The National Stock Exchange of India (NSE) and Singapore Exchange (SGX) have dropped arbitration proceedings to bring their plan for a connect model for the trading of Nifty products in India's Gujarat International Finance TecCity, known as GIFT City, closer to operation.

The two exchanges received regulatory approval for the plan last year, which would allow members from both exchanges to trade Nifty derivatives in India's International Financial Services Centre (IFSC) while clearing through their respective central counterparties.

China to open markets from November 1

China has released the long-awaited regulations that will further open its markets and develop new channels for foreign investment from November 1.

"We have been waiting for this since the end of January last year, the implication is quite significant," Jeff Nie, co-chairman, Absolute Return Investment Management Association of China, said in late September.

In a statement, the China Securities Regulatory Commission (CSRC) in Beijing said the measures follow a consultation with market participants who unanimously supported promoting market internationalisation and developing existing channels for foreign investment. ■

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INVESTMENT EXCELLENCE AWARDS 2020

CHIEF EXECUTIVE OFFICER OF THE YEAR

MICHELLE SCRIMGEOUR | CEO of LGIM

ASSET MANAGER OF THE YEAR

LEGAL AND GENERAL INVESTMENT MANAGEMENT

Legal and General Investment management has had a year to remember. The UK manager accumulated almost $300 million (£228 million) of additional assets in 2019 to take its total assets under management to a record $1.4 trillion at the end of last year.

Legal and General Investment management has had a year to remember. The UK manager accumulated almost $300 million (£228 million) of additional assets in 2019 to take its total assets under management to a record $1.4 trillion at the end of last year.

This made LGIM the only British manager in the world top 20 by assets and the only UK fund manager with total assets over $1 trillion.

This also marked a nice settling in period for new chief executive officer Michelle Scrimgeour who assumed that role in July last year, replacing long-standing LGIM chief Mark Zinkula who officially left the firm in August.

LGIM's strong end to 2019 was underlined by net in-flows more than doubling, linked to solid growth in the firm's international business.

LGIM's 2019 results published in early March showed external net flows of £86.4bn in 2019, which was more than double its £42.6bn in 2018.

This increase in new flows was largely driven by the securing of a £37bn passive mandate from the Japan Government Pension Investment Fund, the largest retirement scheme in the world.

This piece of business took LGIM's Asia including Japan inflows to £39.7bn in 2019, compared with £3bn the previous year while its European excluding UK business reported flows of £11.6bn, compared with a £1.2bn outflow in 2018.

Of course the investment outlook changed dramatically in March as the coronavirus epidemic swept from Asia to Europe and the US. LGIM's share price did take a hit at this time in line with its peers but the firm sought to reassure investors by pledging on April 3 to pay its full year 2019 dividend at a time when many firms were cancelling theirs.

On April 15, LGIM said it had escalated its £20m partnership with Edinburgh University in response to Covid-19, recognising critical need for research into social care for older people

LGIM said at the time: "The UK has been facing a social care crisis for some time, but a global pandemic that targets the elderly and frail has irreversibly exposed its weakness. The coronavirus pandemic highlights the fragility of the UK's social care system and underscores that quick action is needed to rethink and redesign care to look after the most vulnerable people effectively."

The firm released on April 22 its ninth annual 'Active Ownership' report, revealing that over the course of 2019, it continued to vote globally, opposing the election of more than 4,000 company directors, as it seeks to effect long-term positive change within the companies and markets in which it invests.

Scrimgeour, whose appointment as chief executive of LGIM was announced to the stock market in February last year, has worked in various investments, distribution, product, operations, risk and control functions on the buy-side.

> Since joining LGIM, Scrimgeour has wasted no time in assembling her team.

Before joining LGIM, Michelle was chief executive officer, EMEA, at Columbia Threadneedle Investments, and a member of the Executive Leadership Team of Ameriprise Financial. Prior to that, she was chief risk officer at M&G Investments and a director of M&G Group Limited, which she joined in 2012 from BlackRock.

Scrimgeour held a number of leadership positions at BlackRock, and previously at Merrill Lynch Investment Managers and Mercury Asset Management, where her last role was as chief operating officer, International Fixed Income.

She also sits on the Board of the Investment Association and a member of the FCA's Practitioner Panel. Scrimgeour holds a BA (Hons) in French from the University of Sheffield.

Since joining LGIM, Scrimgeour has wasted no time in assembling her team. She hired Margaret Ammon as chief risk officer from M&G Investments in October 2019, Camille Blackburn as chief compliance officer from Aviva in December last year and Brenda Sklar as global chief operating officer from BlackRock in May this year. ■

EQUITIES MANAGER OF THE YEAR

BAILLIE GIFFORD

Baillie Gifford is proud of its history that can be traced back over a century to 1908 as a long-term investor. The firm is one of the last remaining private partnerships but is continually challenging itself to stay relevant as investor sentiments continue to change.

The Edinburgh-based firm published in May 2019 its first Governance and Sustainability report in which senior partner James Telfer commented: "Standing still isn't an option for us. We are working with our defined benefit clients to ensure we are offering them new strategies as their needs change. At the same time, we are adapting to these challenges by internationalising our firm and moving towards a different type of client base – more financial intermediaries, more financial institutions and more retail investors."

He added: "These are exciting times for Baillie Gifford. Our flagship investment trust, Scottish Mortgage, is in the FTSE 100; we now have more than 1,000 full-time employees; we are opening offices in Shanghai and Dublin; we are developing new investment strategies for our clients, such as Positive Change, which focuses on sustainable investing; and we've launched the most high-profile branding campaign in our history."

Baillie Gifford announced in May this year that its joint senior partner Charles Plowden will retire on April 30 2021, at which time Malcolm MacColl will become joint senior partner.

Telfer said: "Charles joined Baillie Gifford 37 years ago and has been at the heart of the firm's growth, notably in the UK Equities Team, the Global Alpha Strategy and as a leader of the whole investment department. This is a remarkable achievement in today's age. Most importantly, during this period, he has generated excellent investment returns for clients."

The firm stayed open throughout the coronavirus pandemic and issued this statement in June this year: "Baillie Gifford is fully operational during the Covid-19 pandemic, though the vast majority of staff are working from home. Our offices in Hong Kong and Shanghai are open as normal, but other offices remain closed to visitors. Client contacts are available as usual via email and telephone." ■

FIXED INCOME MANAGER OF THE YEAR

INSIGHT INVESTMENT

Insight Investment is a leading global asset manager responsible for over £735bn in assets under management across liability driven investment, fixed income and currency, multi-asset and absolute return.

Insight's clients include pension funds, corporates, local authorities, insurers, sovereign wealth funds, wealth managers, financial institutions and individual investors.

The UK-based manager moved quickly to update clients and partners on the firm's response to the coronavirus pandemic when Abdallah Nauphal, chief executive of Insight Investment, issued a statement on April 7.

He said: "We are confident that we can operate effectively in this 'new normal' environment for as long as is necessary. While the current market volatility is likely to create stresses within our industry, Insight's business model is quite resilient to these. Nevertheless, we do recognise that a key difference between organisations that succumb to crisis and those that survive is people."

He added: "What matters is how they come together during difficult times and how they live up to key values such as doing the right thing, putting clients first, owning the outcome, continuously learning and having a collective sense of success.

These have always been our core values and under the current circumstances we are leaning on them more than ever."

In June, Insight introduced a research rating system to assess issuers against a set of proprietary environmental, social and governance [ESG] risk metrics. More than 6,500 issuers covering 850,000 respective subsidiaries had been assigned an Insight ESG rating since its introduction late last year.

The firm issued a fixed income update in August. Insight said: "We expect returns to be flat across many asset classes until the new year and that most regions will not return to pre lock down levels of GDP until the end of 2021. Until then, we see more risks to the downside, except in emerging markets, and we have dialed down our risk accordingly. In this environment, there still remain a few pockets of value that we hope to exploit." ■

BOUTIQUE MANAGER OF THE YEAR

IMPAX ASSET MANAGEMENT

More than twenty years after Ian Simm formed Impax Asset Management to invest in companies designed to expedite the transition to a sustainable economy, the chief executive has a lot to reflect on as the world faces life after COVID-19.

The London-based asset manager performed relatively well in the early part of the year, with inflows of almost £1billion in the three months to the end of June - the peak of COVID-linked volatility – to take its assets under management above £18bn.

The Aim-listed firm's share price fell in line with the market in March to about £2 but beat its peers by bouncing back to £4 by the end of May and staying there since.

The pandemic has posed some interesting questions about the robustness of the incumbent investment strategies. It has also cast the spotlight on the business of environmental, social and governance (ESG) investment which has in recent years become popular among firms keen to demonstrate their ethical investment credentials to increasingly discerning customers.

Simm, who launched Impax before ESG existed as a term, is understandably sceptical about the influx of 'ESG' managers because his message has been consistent for more than two decades: "We have a distinctive investment philosophy - focused on investing in companies and assets that are well positioned to benefit from the transition to a more sustainable economy."

Simm believes sustainable investing is not desirable, it is necessary.

"As the world's population grows from where it is today to a larger number, more and more people are consuming more and more resources to support higher standards of living and more people are moving to cities against the back-drop of a finite planet with increasingly vulnerable air and water quality, increasingly scarce resources and an unstable climate.

"Against that back-drop, it is necessary and, to a significant degree inevitable, that society will find a way to adapt to those constraints, to become more environmentally aware and more efficient in the way that resources are being used," he said. ■

> Simm believes sustainable investing is not desirable, it is necessary.

EMERGING MARKETS MANAGER OF THE YEAR

ARTISAN PARTNERS

Artisan Partners is an independent investment management firm focused on providing high value-added, active investment strategies to sophisticated clients globally.

The company focuses exclusively on active, high value-added investment strategies where experienced investment professionals pursue superior results through a combination of original thinking and a disciplined approach.

The firm boasts a strong philosophical belief in the autonomy of each of its investment teams. Artisan provides each investment team with ample resources and support but does not deploy a centralised research function. Each investment strategy is focused on an area that the firm believes provides opportunities to generate returns in excess of the relevant benchmarks.

The business model is designed to attract, develop and retain talented investment professionals by allowing them to focus on portfolio management in an environment conducive to producing their best work on a consistent, long-term basis.

The firm's experienced business leadership team supports its investment management capabilities by managing a centralised infrastructure, which allows investment professionals to focus primarily on making investment decisions and generating returns for clients. Artisan is careful to ensure its interests are aligned with the long-term interests of clients.

Another feature is that investment professionals' incentives are directly tied to the growth in client capital generated by the strategies they manage; additionally, the leaders of the various investment teams have meaningful capital invested alongside clients in those strategies and are equity partners in the firm.

The company believes that evolution requires thoughtful growth. It writes: "A lack of growth or growth for growth's sake can make a business unattractive to investment talent. Our entrepreneurial mindset keeps us actively looking for ways to maximise long-term career opportunities for our existing investment professionals and make our business attractive to prospective investment talent."

Artisan also believes this ensures the company stays committed to providing investment solutions aligned with long-term global trends relevant to its many clients. ■

ETF MANAGER OF THE YEAR

DWS

The German asset manager has won the exchange-traded fund award for the second year running. DWS is the largest ETF provider in Europe with some £86bn of assets allocated to passive funds.

DWS underlined its commitment to ESG investments by announcing in May a plan to strengthen its stewardship practices by introducing "Smart Integration", a pioneering approach to ESG integration that goes beyond previous industry standards. Developed before COVID-19, it is expected to become even more important as the pandemic's fallout reinforces the need to build back our economy in a responsible and sustainable manner.

As an initial step, DWS said the new process will apply to approximately a fifth of its total global Assets under Management, targeting non-ESG focused funds in particular.

DWS went further in August by launching its new Xtrackers II ESG EUR Corporate Bond Short Duration UCITS ETF. The Euro-denominated ETF tracks the Bloomberg Barclays MSCI Euro Corporate Sustainable & SRI 0-5 Year Index. It complements sister fund Xtrackers II ESG EUR Corporate Bond UCITS ETF, which is based on the same bond index family, and five equity ETFs based on MSCI ESG indices.

Simon Klein, Global Head of Passive Sales at DWS, said in August: "Our latest launch reflects DWS's strong commitment to environmental and social responsibility. It builds on approximately EUR 4.7bn under management across our ESG ETFs globally, and our strong focus on corporate governance and on ESG thought leadership."

In September, DWS then launched a new ESG-filtered Xtrackers ETF on the USD corporate bond market.

The Xtrackers ESG USD Corporate Bond UCITS ETF provides exposure to over 1000 USD investment-grade corporate bonds complying with ESG criteria. In addition, DWS also launched a new EUR-hedged share class of its existing Xtrackers MSCI World ESG UCITS ETF, which tracks the MSCI World Low Carbon SRI Leaders Index.

"These are just the latest additions to our rapidly expanding suite of DWS Xtrackers ETFs designed to meet the surging demand for ESG exposure," said Klein. ■

ESG MANAGER OF THE YEAR

ROBECO

The Dutch manager has long been the market-leader in the increasing congested field of ESG investing.

Robeco is an international asset manager offering an extensive range of active investments, from equities to bonds. Research lies at the heart of its investment strategy, with a 'pioneering but cautious' approach that has been in its DNA since its foundation in Rotterdam in 1929. Robeco is committed to sustainability investing, quantitative techniques and constant innovation.

The Dutch manager currently has about €155 billion (£140bn) under management of which €144 billion are in ESG strategies, drawing heavily on its sustainability affiliate RobecoSAM, the leading experts in the field since launch in the 90s.

The firm tailors its solutions to individual risk budgets and sustainable investment needs, while ensuring ESG information is consistently integrated into investment processes.

With an extensive range of impact investing products, the firm also caters to investors with explicit ESG targets, like environmental footprint reduction, investors who wish to contribute to the sustainable development goals, or invest in themes, like water or gender equality.

Robeco's team of engagement specialists maintains an active dialogue with 200 companies to influence corporate behaviour. They also vote at around 5,000 shareholder meetings, creating real change. For example, following engagement, Shell agreed to set short-term targets for cutting carbon emissions, and will link executive pay to meeting these objectives for the first time.

The firm endorses numerous codes of conduct and principles. Robeco is a PRI signatory, a participant in the UNGC and the ICGN. It has also signed the Dutch SDG Investing Agenda and several local stewardship codes.

In 2020, Robeco and RobecoSAM were again awarded the highest possible A+ sustainability scores by the Principles for Responsible Investment (source: PRI).

Robeco published in September a report entitled Four ESG Trends that will shape the post-COVID-19 world, which outlined the increasing importance of: Increased regulation; Climate change; and Automation and Robotics. ■

MULTI-ASSET MANAGER OF THE YEAR

AVIVA INVESTORS

Aviva Investors, which has a total of $640 billion under management, has been managing multi-asset funds for over 40 years and currently offers a range of multi-asset products.

Aviva's multi-strategy philosophy is based on three principles:

Strong Construction: Creating a robust framework to deliver investment goals reliably over the long term

Responsibility Built-In: Environmental, social and governance factors are integrated into the investment process to improve outcomes and promote change

Dynamic Management: Drawing on the expertise of Aviva's global team to chart a course through dynamic market conditions.

Aviva has four key multi-asset and multi-strategy products:

The Aviva Investors Multi-Strategy (AIMS) Target Return draws on Aviva Investors' global expertise. This outcome-oriented AIMS Target Return Fund aims to deliver long-term capital growth while managing volatility

The Aviva Investors Multi-Strategy (AIMS) Target Income model is designed to deliver absolute income by targeting consistent, sustainable income while seeking to preserve capital.

The Aviva Investors Multi-Strategy (AIMS) Fixed Income model is an outcome-oriented fixed income strategy with a focus on diversified sources of return and downside protection.

The Aviva Investors Sustainable Income & Growth Fund is designed to deliver a high level of natural income and long-term capital growth, with sustainability built in to the strategy.

Sunil Krishnan, Aviva Investors' head of multi-asset funds, wrote in August a note on the medium-term implications of the coronavirus.

He said: "Our base case is for economic activity still to be five to ten percent lower than it was pre-COVID by the end of the year, with second-round effects in terms of company solvency and long-term unemployment yet to be seen."

Krishnan added: "In the same way investors were inclined to look through worse-than-expected first quarter results, they seem to now be looking through some of the positive surprises in the second quarter. With the US stock market up 45 per cent from the lows, some of that positive surprise is already reflected in prices and it makes sense to look further ahead." ■

ALTERNATIVES MANAGER OF THE YEAR

BROOKFIELD ASSET MANAGEMENT

Brookfield Asset Management is an alternative asset manager with approximately $550 billion in assets under management and a 120-year heritage as owners and operators of long-life, high-quality assets and businesses in more than 30 countries around the world.

Headquartered in Toronto and with offices in New York City, London, Rio de Janeiro and Sydney, Brookfield Asset Management holds a range of alternatives assets.

In real estate, Broomfield owns and operates a portfolio of iconic buildings around the world which are acquired on a value basis and developed through active operational improvements.

The firm has over $200bn in real estate assets under management and employs some 22,000 staff across these different properties.

Manhattan West is one of Brookfield's most ambitious large-scale development projects. The eight-acre, six-building, mixed-use complex includes all the elements of Brookfield's renowned placemaking destinations around the world.

Brookfield is also invested heavily in infrastructure, owning and operating assets across the utilities, transport, energy and data infrastructure. The firm has $78bn of infrastructure assets managed by 180 fund managers and analysts.

The Brookfield portfolio, grounded in 120 years of investment experience, provides diversified exposure to scarce, high-quality businesses with significant barriers to entry.

The firm invests in infrastructure assets that deliver essential goods and services—from the movement of passengers and freight over toll roads and rail networks to the distribution of energy and other products through ports and pipelines, and much more.

Brookfield is also a major investor in renewable power, with over 19,000 megawatts of generating capacity. Its assets, located in North and South America, Europe, India and China, comprise a diverse technology base of hydro, wind, utility-scale solar, distributed generation, storage and other renewable technologies.

Brookfield has $52bn of renewable energy assets under management which employ over 3,000 staff.

The asset management firm hit the headlines in late August when it said it had hired former Bank of England governor Mark Carney as its new vice-chairman to lead a push into sustainable investing. ■

WEALTH MANAGER OF THE YEAR

LOMBARD ODIER

Swiss bank Lombard Odier has claimed the Wealth Manager of the Year award for the second consecutive year.

Founded in 1796, the Swiss group has served clients for seven generations and grown stronger through 40 financial crises. Today, the bank looks after over CHF 287bn (£240bn) of total client assets.

The bank has in recent years been working hard to demonstrate its credentials in sustainable investing, drawing on a team of over 300 professionals worldwide, across offices in Europe, North America and Asia.

Lombard Odier and the University of Oxford announced in September 2020 the launch of a new multi-year partnership to foster research and teaching on sustainable finance and investment, with a particular focus on climate change, circular economy and nature.

The collaboration between Oxford University, one of the oldest centres of higher education, and Lombard Odier will provide a unique platform for knowledge exchange between scholarship and financial services and support sustainable finance.

It will support sustainable finance in becoming a major field of academic research globally, and harness the vast potential of the financial sector to drive environmental, social and economic.

The Swiss bank struck in July partnership with Plastic Bank to pioneer a solution to help prevent ocean plastic pollution, while creating long-term value for collector communities.

Lombard Odier and the WWF published in June a guide to philanthropy for individuals and private foundations wishing to make a meaningful contribution to reverse biodiversity loss and address threats to nature. The Donor's Guide to the Environment is intended as a useful resource for any philanthropist wanting to protect the environment and help fight climate change.

Written and published in partnership with the WWF, the guide aims to raise awareness and facilitate engagement and funding in this field. It provides information and analysis to better understand the scope of the nature and climate emergency. Drawing on the combined experiences of Lombard Odier Group and the WWF, it outlines concrete projects, expected outcomes and donor opportunities for preserving oceans, forests and freshwater habitats across the globe. The Guide also highlights case studies in the field of impact investing. ■

BROKER OF THE YEAR

BNP PARIBAS

The French bank and its rival Deutsche Bank announced in November 2019 that they had secured a green light to move ahead with their plan to move Deutsche's prime brokerage business, including its clients, staff and technology, into BNP Paribas.

The banks said at the time this important milestone was achieved within a short period thanks to the close collaboration between the teams of BNP Paribas and Deutsche Bank as well as the banks' strong commitment to ensure a continuity of service to their global institutional clients.

Speaking in June 2020, Olivier Osty, Head of Global Markets at BNP Paribas, said the transfer of Deutsche Bank's Global Prime Services and Electronic Equities businesses to BNP Paribas will bring clients a winning combination of Deutsche Bank's advanced technology and capacity and BNP Paribas' strong credit rating.

Together with Ashley Wilson, Co-Head of the Global Prime Finance Transition Unit at Deutsche Bank, Osty gave an update on progress of this transaction signed in September 2019 that involves the transfer of key staff and technology to BNP Paribas to serve alternative asset managers.

Osty said that despite the Covid-19 pandemic, the migration plan remains resolutely "on track". The transfer of technology and key staff has not been impacted by the obligation to work from home over the past few months.

Moreover, in spite of three months of crisis, Wilson said "we have accelerated the project in some aspects", notably with the "Fast Start" programme now live in the US and Asia ahead of schedule. This programme enables clients to face BNP Paribas while executing using Deutsche Bank's electronic equities execution technology.

Since the agreement, some new clients have been signed onto Deutsche Bank's platform with the expectation of moving across to BNP Paribas by 2021.

Wilson added that a few early movers have already transferred, as BNP Paribas' current technology can meet all their needs. Other clients will migrate between the end of 2020 and 2021 as BNP Paribas continues to build up its technology infrastructure for the integrated platform. ■

FUND ADMINISTRATOR OF THE YEAR

HSBC MARKETS AND SECURITIES SERVICES

HSBC Markets and Securities Services believes the COVID-19 situation has underlined the importance of automation and straight through processing (STP) to provide the optimum levels of control and scalability to support client demands in this "new normal" environment.

These are key attributes of the firm's cutting-edge solution for assisting clients with the following services:

- Rebalancing investment allocations;
- Allocation of cashflows;
- Order management of clients' investments into funds, or cashflow notifications to segregated mandate funds.

Traditionally the calculation and placement of orders has been performed by clients using manual processes with associated risk which do not provide scalability. HSBC now offers clients flexibility with multiple different rebalancing and cash allocation methodologies to support their specific requirements.

Shareholder exposure is managed by maintaining the minimum levels of cash within funds by utilising cashflows in the most efficient method and ensuring the minimum number of investment orders are required.

HSBC's fund administration services integrates with third parties such as policy administration systems and asset managers providing an end-to-end service which removes the need for client input unless there is a discretionary decision required.

For clients wanting an order management solution only, HSBC supports multiple order instructions methods (SWIFT, sFTP, AIM, etc.) from clients to meet their bespoke front office requirements. HSBC undertakes order validation, enrichment, FX execution, routing, management, confirmation validation, settlement and postings to custodians and fund administrators in a fully automated STP environment. The method in which orders are routed will be determined by HSBC to use the most efficient and appropriate method per client. This includes being able to route orders via SWIFT to Euroclear (FundSettle and EMX), Calastone and where required alternative means to trade funds which are not on mainstream platforms. ■

PRIVATE EQUITY FUND ADMINISTRATOR OF THE YEAR

NORTHERN TRUST

Northern Trust offers a complete range of solutions to help clients stay aligned with changing markets.

The service can help clients navigate complex alternative investment strategies, assist them in compliance with new regulations and meet reporting requirements. Northern Trust's support gives the flexibility to improve transparency and increase efficiency across an array of alternative asset types.

Northern Trust made in February a key hire, with the appointment of Sara Gilbert to spearhead business development for its alternatives asset servicing business in Europe. This appointment underscored Northern Trust's continuing strategic focus on alternatives, where it now supports over $1.4 trillion in assets on behalf of global asset managers and asset owners.

In her role as a senior executive for alternatives business development, Gilbert will be responsible for further accelerating Northern Trust's asset servicing solutions for multi-class strategies including private equity, private debt, real estate, infrastructure and hedge funds.

Northern Trust announced in December it had been selected by Nordic investment manager Storebrand Asset Management AS (Storebrand) as asset servicing provider to its AIF and UCITS funds domiciled in Luxembourg.

The bank provides global custody, fund administration, transfer agency, depositary, and company secretarial services for the Storebrand funds in Luxembourg.

Northern Trust will also service a range of alternative asset classes, including private equity and infrastructure assets, by supporting the launch of a Luxembourg reserved alternative investment fund where Storebrand Asset Management AS is acting as the advisor.

The banking group launched in September 2019 a range of new client dashboards for Omnium®, its middle- and back-office technology platform for alternative fund administration.

Designed to provide clients with greater transparency into workflows and metrics critical to efficient fund management, the web-based dashboards exemplify Northern Trust's commitment to innovative solutions that support the world's leading alternative investment managers. ■

> The banking group launched in September 2019 a range of new client dashboards for Omnium®

REAL ESTATE FUND ADMINISTRATOR OF THE YEAR

BNY MELLON

BNY Mellon offers a comprehensive solution set to support private real estate funds and REITs across a range of fund types.

The service delivers operational excellence, improve transparency and the ability for the US group to align itself as a strategic partner for real estate funds, enabling clients to focus on their investment strategies.

Its services include:

- Necessary support for property management oversight and joint venture oversight
- Customised portfolio management reviews, including variance analysis and property attribution
- Fund accounting, operations administration and financial statement preparation
- Investor servicing including investor transaction activity and reporting.

BNY Mellon was appointed in August 2020 by Deka Immobilien to provide global fund administration coordination and oversight for its Special Purpose Vehicles.

Much of Deka's €40 billion in real estate assets is invested globally via Special Purpose Vehicles (SPVs). BNY Mellon's role is to gradually coordinate accounting data from the SPVs around the world in which Deka funds invest, review the data, translate it into the required accounting standards (for example, IFRS) and provide it to Deka Immobilien for its NAV calculations.

The data is collected through BNY Mellon's Property Management Interface (PMI), a web-based application that enables local accountants across the globe to provide data in a standardised format and automated way.

Burkhard Dallosch, COO of Deka Immobilien Investment GmbH, said: "We were immensely impressed by the commitment and knowledge of the BNY Mellon team as well as with their technology, which significantly automates the data gathering process and enhances the oversight of our real estate investment."

Dallosch added: "This cooperation further contributes to the standardization and comparability of data in the real estate industry as other organisations are also using the expertise of BNY Mellon. The fund administration of Deka Immobilien has become more efficient and will be able to continue its growth." ■

TRANSITION MANAGER OF THE YEAR

BLACKROCK

BlackRock has been helping clients shift allocations and implement new investment strategies since 1995. Its goal is to manage transitions cost-effectively and with minimal disruption to portfolios through a full suite of transition services ranging from comprehensive cost analysis to advisory services and interim asset management, to full fiduciary transition service management.

BlackRock handled many hundreds of transitions globally in 2019 and focused on improving client service in three distinct ways:

- Redefining the transition manager role: Due to increasingly complex events, and greater regulatory burden, the traditional transition manager role has become too complex for one single individual. Consequently, BlackRock decided to split the role into two: Transition Project Manager and Transition Portfolio Manager. Clients benefit from having best-of-breed professionals working on their portfolio at each stage; a transition project manager, an expert on operational / process risks and a transition portfolio manager, an expert on managing the portfolio and investment risks.

- Responding to clients' needs for business transformation: 2019 saw Local Government Pension Scheme ('LGPS') consolidation accelerate. Whilst the pooling process reduces cost, it introduces complexity and operational risk. Following on from client education workshops and white papers delivered to LGPS community, BlackRock has been at the forefront of implementing these transitions in 2019.

- ESG: The dominant transition management theme BlackRock observed in 2019 was implementation of ESG factors to client portfolios. The Transition Management team played an active role in educating and assisting clients on how to make that move, by delivering end-to-end analysis, guidance and support to clients implementing these strategies. ■

TRANSFER AGENT OF THE YEAR

RBC INVESTOR & TREASURY SERVICES

RBC I&TS' integrated offering has allowed it to maintain its position as an industry leader, recognised both by its peers and clients, in the provision of transfer agency services. The key aspects of RBC I&TS' service that set it apart include:

A global reach to support the distribution of clients' funds in over 110 countries with extensive connectivity and long-established relationships with over 17,000 distributors to effect high levels of automated trade processing.

Prioritising the evolution of the digital investor experience as a key strategic pillar of the current and future transfer agency offering, including the efficient investor onboarding and day-to-day customer support via multilingual call centres in Europe and Asia.

Sharing deep expertise of the transfer agency service and thought leadership with clients which has been developed over decades of meeting the complex needs of sophisticated global asset managers across multiple product types and jurisdictions.

A commitment towards continuous evolution of the service evidenced by a significant investment in technology, product and service capabilities over recent years. This investment has funded Agile Labs in Luxembourg and Toronto to develop state of the art data and information exchange capabilities and customised data solutions to meet the unique needs of clients, providing them with the data they require across their businesses.

Maintaining a client-centric approach at the heart of the service. Having been long recognised for the quality of its client service, RBC I&TS has strengthened this reputation through establishing and building a collaborative partnership with clients and effectively engaging them to provide input towards defining the improvements and enhancements of the service.

Built in consultation with clients, the proprietary digital eco-system, RBC One, delivers dedicated distribution related applications and Advanced Programming Interfaces to streamline operational processes, provide access to the real time data to manage and oversee their transfer agency service.

Working closely with clients to create scalable operating models that minimise operational risk, deliver a high quality service to investors and effectively respond to growing complexities of the regulatory environment. ■

ASSET SERVICING CEO OF THE YEAR

TERESA PARKER, PRESIDENT, EMEA, NORTHERN TRUST

Teresa Parker, the President of Northern Trust in EMEA, played a key role in driving the US custodian's assets under custody and administration up above \$12 trillion to \$12.1 trillion in the three months to the end of June, the height of the coronavirus-related panic.

The US group's book of business at the end of June 2020 was up 11% from the end of March and 7% on its value at the end of June last year.

Parker has in the past year been vocal and, crucially, active in the promotion of diversity in the workplace.

Parker told Global Investor in July that within its board of 13 members, 38% are from Black, Asian and Minority Ethnic (BAME) backgrounds and 23% are women.

At the bank's management group of 11 people, two (18%) are from BAME backgrounds and three (27%) are women. At its executive vice president level, which is compromised of 53 people, 10% are from BAME backgrounds and 33% are women.

She said in July: "I think it's around attitude, inclusion, respect and culture. That means leaders need to understand what is happening, calling out issues, reinforcing good behaviour, and calling our bad behaviours, so that people feel comfortable bringing themselves to the office. I think the more diverse you are, the better you are at that and the more open minded you are, the better you are at having open conversations."

As an example of her commitment to diversity, Northern Trust hired in September Areej Al-Mokbel from HSBC as the US bank's chief operating officer (COO) for the Middle East and Africa.

Al-Mokbel is responsible for the bank's business operations for its offices in Riyadh and Abu Dhabi, as well as managing the operational and administrative capabilities to support the needs of its clients in the region.

With over two decades of industry experience, she joined Northern Trust from HSBC Saudi Arabia where she spent close to 13 years.

Parker also hired in April Alison Pain from Deutsche as chief technology officer (CTO) for the bank's Europe, Middle East and Africa (Emea) operations. ■

TECHNOLOGY INNOVATION OF THE YEAR

BNY MELLON DATA AND ANALYTICS SOLUTIONS

BNY Mellon Data and Analytics Solutions is building applications that address the unmet needs of institutional investment front offices. To that end, Data and Analytics Solutions has used its reach, market influence, and resources to address the growing need for both greater consistency in and increased access to the best practices of environmental, social, and governance (ESG) investment.

The ESG Data Analytics application is a cloud-based application that helps to address the need for specific ESG factors' demonstrability in investment portfolios to match investors' own preferences and values, enabling firms to leverage data strategically as an asset. The application is designed for ESG investment portfolio managers, research analysts, financial advisors, client reporting teams, securities borrowers and lenders. Built on the public cloud as a part of an open ecosystem of complementary solutions, ESG Data Analytics addresses the three core challenges to scaling sustainable investment:

- The need for customisation to reflect individual ESG preferences
- The manual intensiveness of sustainable investment screening
- The absence of commonly accepted sustainable investing standards

Developed in close collaboration with Data and Analytics Solutions' clients, ESG Data Analytics gives investment managers the flexibility to focus on the ESG criteria that matches their own priorities from a diverse universe of data sources and enables them to customise investment portfolios to match their individual ESG preferences. To provide guidance, the application provides dynamic mapping between these sources and commonly accepted taxonomies so data sources can be assimilated in a consistent and rigorous way.

Because there is no consistent standard by which to measure ESG investments and all individuals have their own preferences, the application also introduces crowdsourcing to inform emerging standards through investors' actions. The taxonomies Data and Analytics Solutions developed in ESG Data Analytics were informed and validated by both institutional investors and asset managers located across EMEA, North America, and APAC. ■

CLEARING HOUSE OF THE YEAR

EUREX CLEARING

Eurex Clearing is one of the world's leading central counterparties, assuring the safety and integrity of markets while providing innovation in risk management, clearing technology and client asset protection. The Frankfurt-based firm clears a broad scope of products under a single framework in Europe, both listed products and OTC, and accepts the world's most comprehensive spectrum of eligible collateral.

In light of the recent market volatility, Eurex Clearing has been proven resilient and stable. In times of crisis, Eurex Clearing excels with predictable margining and safe risk models. During this period, Eurex Clearing performed well in terms of limiting the number of exceedances and how quickly margins were adapted.

Ensuring the core function of the Clearing house, Eurex has not only proven resilient but also manifested its thought leadership on innovation and driving the industry's change:

In 2019-2020, Eurex Clearing developed a strong liquidity pool for clearing euro-denominated interest rate derivatives, mainly through its partnership program. This market-led initiative is designed to further accelerate the development of a liquid, EU-based alternative for the clearing of OTC interest rate derivatives. In 2019 / 2020, Eurex managed to build sustainable liquidity in OTC Interest Rate Derivatives. It benefits clients and the broader market place through greater choice and competition, improved price transparency, and reduced concentration risk.

Total notional outstanding of over EUR 18 trillion (end of February) keeps Eurex's overall market share at about 18%.

Most recently, Japan's Financial Services Agency has granted Eurex Clearing a license as a "foreign financial instruments clearing organisation." This enables Eurex's central counterparty to offer its clearing services not only in the European Union and the US but also in Japan, extending the global reach.

In parallel, Eurex Clearing has made progress in the FX space. Eurex envisions to be the innovator in the global FX markets offering side-by-side cleared exchange-traded as well as cleared OTC traded FX derivatives to allow a maximum of choice and efficiencies for its clients. ■

LSEG set to play unique role in green transition

David Schwimmer, the chief executive of LSEG, reflects on the exchange group's unique ability to work with firms to help them transition to a low carbon economy as LSEG wins the Investment Excellence Exchange of the Year award.

The needs of global investors are evolving at pace and the focus on 'green' continues to grow. According to the Global Sustainable Investment Alliance, between 2016 and 2018, global sustainable investment increased by 34% to more than $30 trillion.

The progress that has been made is due to a combination of market demand for green products and services; commercial innovation; and an evolving supportive regulatory environment. However, we can only respond to the challenge with global collaboration and it is important that policy formation and regulation work hand-in-hand with market-based solutions and standards. The market has been effective, for example, in defining standards on carbon emission reporting, green bonds, and on green taxonomies. Regulators can help to accelerate associated data disclosure and their application in the marketplace.

LSEG has many touch points with stakeholders that put us in a strong position to engage on and lead this discussion, playing a key role in the investment chain on sustainable investment. We provide companies and investors a comprehensive green and sustainable product offering in both our capital markets and index business.

For almost 20 years, FTSE Russell has been at the forefront of developing the tools, data and methodologies that have created globally recognised benchmarks that keep investors abreast of evolving sustainable investment approaches. Historically it has been a case of investors incorporating ESG weightings into their portfolios. Today, it is moving towards assessing and integrating how prepared and resilient a country is to climate change risk and whether a company is aligned with the UN sustainable development goals.

FTSE Russell's Green Revenues 2.0 data system, which is aligned with the EU taxonomy and TCFD, comprises over 130 micro-sectors of the economy that contribute to the Green Economy. This goes well beyond renewables and includes energy efficiency, water infrastructure, pollution control and waste management. It identifies green revenues for almost 15,000 companies worldwide and as well as providing associated data and analytics.

London Stock Exchange plc, our capital raising and trading venue in the UK, is home to many major global resources companies. And simultaneously, we are also the leading capital raising and trading venue for sustainable finance. There is no contradiction in being home to both. In fact, to be a venue for both sectors is arguably one of our biggest strengths. It puts us in a unique position to support market participants in navigating this transition in our economy and to join up the investment chain on sustainable investment.

In 2019, London Stock Exchange announced the launch of two initiatives that support sustainable finance on its markets. First, the Green Economy Mark (GEM) recognises companies and investment funds on all equity segments of the Main Market and AIM that derive 50% or more of their total annual revenues from products and services that contribute to the global green economy. There are currently 87 issuers to have been awarded the Mark across London Markets including Yangtze Power, the world's largest hydropower company, which is the first issuer from China to receive the GEM.

Second, the Sustainable Bond Market (SBM) builds on the existing green bond segment to incorporate new sustainability, social and issuer-level segments, in accordance with frameworks and taxonomies developed by ICMA as well as regional bodies in Europe and Asia. We are now working on developing this initiative further with the introduction of the SBM Advisory Group, to discuss the treatment of transition bonds on our markets. Through SBM, international issuers have been able to raise billions in capital to mitigate the impact of the COVID-19 pandemic, and proceeds have been directed towards access to essential services such as healthcare and projects that address employment.

In just a few short years since the 2015 Paris Climate Summit, disclosure has become, for many of our issuers, a new normal. Disclosure has been supported by the Task Force on Climate-Related Financial Discourse. The global TCFD framework is now, after three years, the accepted norm for issuers and investors.

This summer Mark Carney, UN special envoy for climate and finance, and I launched an initiative with the United Nations Sustainable Stock Exchanges (UN SSE) to encourage exchanges from around the world to do more to help their issuers transition towards net zero. The UN SSE is in the process of establishing a new workstream that LSEG will chair, to draw up best practice reporting guidance on climate disclosure. These guidelines can then be used by corporate issuers, wherever they are listed, to ensure globally consistent disclosures in line with TCFD recommendations. This global initiative is in advance of COP26 next year which is a significant milestone for progress towards a net zero economy.

In light Covid-19, it is more important than ever that the financial services community remains focused on long-term sustainable and resilient economic growth. At LSEG, we are committed to playing our part and will continue to support issuers and investors in the transition to a sustainable, low-carbon economy. ■

To find out more about sustainable finance at London Stock Exchange, visit: https://www2.lseg.com/sustainablefinance

TRADING SOLUTION OF THE YEAR

TETHYS TECHNOLOGY

Tethys Technology is an industry leader in financial software development, algorithmic trading and market microstructure research. The firm provides analytics and toolsets that enable clients to achieve optimal trade-execution.

The firm offers three main product lines: TethysAlgo, TethysEMS and Tethys Consulting Services.

The TethysAlgo suite of algorithmic trading strategies spans several asset classes including US and international equities, options and futures. The products are highly performance driven and designed to achieve optimal execution by using advanced quantitative logic and formulas, while maintaining pure neutrality to all venues and brokers. The technology was built with over a decade of input from customers who care about liquidity, performance, stability, confidentiality and integrity.

Tethys' algorithms include embedded advanced statistical and game theory techniques developed over the past ten years. This allows the algorithms to be highly adaptive and take into consideration important profiles such as expected volume and volatility, which can be dynamically estimated – thereby significantly reducing the slippage and removing the likelihood of being gamed or detected.

Tethys algorithms incorporate real-time models, which are continuously updated throughout the day for liquidity, risk, short-term alpha, game theory and smart-order routing. Ongoing market microstructure research allows Tethys to update its algorithms to reflect changes in the market and provide optimal performance in varying market conditions.

Tethys Technology's TethysEMS is a high-capacity, trade execution system supporting global trading of equities, options, FX and futures. In addition to supporting single orders, lists, and pairs, the multi-asset EMS platform supports broker-neutral algorithmic trading, strategy-based algorithms, and risk management, as well as pre-trade, post-trade and real-time execution analytics.

Tethys also offers a full suite of flexible, easily modified execution algorithms. Each algorithm can be tailored for the user's particular needs including their alpha profile, execution preferences and risk parameters. ■

COLLATERAL MANAGEMENT SOLUTION OF THE YEAR

SMARTSTREAM TECHNOLOGIES

SmartStream's TLM Collateral Management differentiates itself from other vendors through its depth of functionality, long serving support staff, reliable code, proven scalability and performance, and flexible deployment options. This is further enhanced through the low cost of ownership and ease of connectivity.

With over 20 years of continuous development, TLM Collateral Management represents the most functionally rich collateral management software in the market today. Recent functional enhancements cover regulatory requirements, like supporting the IM/IA approaches: Distinct, Allocated, and Greater Of. There is also the Triparty Verification Service which validates triparty allocations for eligibility, regulatory concentration and wrong way risk. Beyond OTC, the roll out of intra-day margining for Repo and Securities Lending has proved very popular.

The solution is driven by an exception-based approach. Automation is at the heart. TLM Collateral Management connects to Acadia Messaging, and can communicate calls and collateral bookings electronically. TLM also enables auto booking of incoming collateral, checking eligibility, and bypassing approvals based on specific criteria. Additionally, when receiving incoming calls, the system will look at the available inventory, and the eligibility and auto create collateral bookings and transition automatically. The principle being that only those calls that have exceptions need manual intervention. This approach is important to reduce staffing costs and fundamental during periods of high volumes as experienced during the last few months.

Flexible options for deployment ensures TLM Collateral Management can be tailored to clients of all types and sizes. The application can be deployed as an on-premise solution, utilising a Service-Oriented Architecture and enabling the system to achieve levels of scalability, availability and performance that supports horizontal and vertical growth.

TLM Collateral Management is also available as a hosted environment through its TLM Collateral OnDemand. The OnDemand service is cost-effective and allows clients to lean on SmartStream's technological and systems experience. ■

POST-TRADE SOLUTION OF THE YEAR

CASSINI SYSTEMS

Launched in 2017, Cassini Systems is the leading provider of pre- and post-trade margin analytics for derivatives markets.

The platform provides a full front-to-back solution that covers all margin, collateral and cost analytics for all derivative classes. Clients can process cleared and bilateral OTC, cleared repos and all listed futures and options through a single, consistent platform.

This creates a margin, collateral and cost analytics backbone across the whole organisation. It integrates into post-trade collateral management, treasury and risk systems, providing a new layer of transparency, risk controls and optimisation.

Cassini's pre-trade analytics bring post-trade data (collateral/counterparty agreements/funding cost) into the pre-trade process.

The platform's post-trade tools range from intra-day tracking of margin levels and collateral liquidity, to post-trade compression and novation optimisation, to end-of-day collateral optimisation and allocation.

Another unique feature is the integration and deployment model. Integration tools include REST web API, flexible file-based integration and rich web UI. Clients choose either single-tenant cloud-hosted or on-premise deployment. This ensures maximum data security for clients' highly confidential portfolio and counterparty agreement information.

Cassini is also integrated into key asset management platforms, including CRD, Simcorp, Thinkfolio and SmartStream, allowing clients to leverage analytics with little implementation overhead.

A broad range of asset managers, insurance firms and top-tier hedge funds leverage the platform to monitor, optimise and ensure transparency on their margin, and achieve collateral liquidity and efficient utilisation. This enables them to remove risk and uncertainty while lowering the carry cost of exchange-traded and OTC derivatives.

The market gyrations resulting from COVID-19 have highlighted the need for firms to fully understand margin obligations and post-trade costs of trades, identifying opportunities for capital efficiencies wherever possible. Cassini worked closely with clients during these challenging times, helping identify margin-reducing trades, explain margin movements, fully optimise collateral allocation and identify novation/switch-trade opportunities. ■

RISK MANAGEMENT SOLUTION OF THE YEAR

ALGODYNAMIX LTD

AlgoDynamix Ltd specialises in financial risk forecasting analytics. Its risk analytics engine is the foundation for five primary products (ALDX PI™, PI-X™, RAP-EQ™, Magnum and FICC) and many other bespoke solutions.

The engine provides advance warning of major directional market movements, from deep data agent-based algorithms scanning multiple quantitative primary data sources in real-time.

These algorithms analyse the dynamic behaviour of market participants – i.e. buyers and sellers – and cluster them based on common feature sets. Noise classification, cluster identification, and behavioural finance theory are part of the firm's unique core capabilities.

Prediction methodologies and calibration from past events are the foundations for most models used in today's financial services industry including portfolio diversification (Markovitz), option pricing (Black–Scholes), interest rate evolution (Black–Karasinski) and tail risk impact probabilities (VaR and others).

However, in order for these models to predict accurately, the future must imitate the same conditions as the past. This is not always the case; and we are seeing more 'never before seen' events (shocking election results, referendums, and a global pandemic). At best, these backward-looking models can only provide guesswork, as unprecedented events come with little or no past data.

AlgoDynamix is redressing these fundamental flaws using its analytic engine based on deep data from primary data sources (the world's global financial exchanges) and unsupervised machine learning algorithms.

Instead of relying on historical data or previous disruptive events, it crunches real-time market order book data to give clear forecasting insights based on the behaviour of other market participants. This enables the analytics engine to detect market anomalies and anticipate directional price movements ahead of time.

The machine learning analytics, when combined with existing human expertise, augments decision-making. Since alerts are issued in advance, it allows users to make all the critical, make-or-break calls before major market movements actually happen.

The analytics cover most asset classes including equities, commodities, fixed income, currencies and ESG investments. ■

OUTSOURCED SOLUTION OF THE YEAR

TORA

TORA provide everything clients need to run a fund. This includes Order and Execution Management Systems, embedded pre-trade Compliance, pre and post trade TCA, proprietary Pairs trader, and Reporting; all built in-house and available individually, or as an integrated, unified platform

TORA's outsourced trading capabilities have proved to be vital during the recent period of increased volatility and volume in the market. TORA has recently expanded its outsourced trading desk with two new hires in the New York office during the lockdown period, highlighting the increased demand for their excellent service.

TORA offers access to a leading team of traders with a combined industry experience of over 130 years across multiple asset classes and strategies. TORA customers can receive bespoke client solutions to suit their individual needs, coupled with the latest technology. TORA is broker agnostic and uncompromised in their outsourced capacity, preserving client-broker relationships.

For hedge fund clients, outsourced trading has been vital. TORA acts as the eyes and ears of the market for clients. Outsourced trading by TORA means there now is the opportunity for all types of trading styles to make money in one of the choppiest markets in years. By extending their trading day, via an outsourced desk, managers can really capitalise on this. Outsourcing can also extend a firm's presence internationally by allowing trading in new places without set-up costs.

TORA provides two trading models for its outsourced solution:

1) Pass-Thru Model: an optional model that means TORA transact in the client account as an authorised trader of the firm using the client's broker relationships, ensuring correct commission attribution
2) The Agency Model: meaning that TORA can act on the client's behalf while ensuring correct commission attribution.

Recent market turmoil provided a critical test for TORA – one that it passed. The OEMS had no performance issues despite spiking volumes and a shift to a completely remote working model. The cloud-based technology that underlines TORA's offerings allowed traders to find liquidity and opportunity in the turmoil. ■

REGULATORY SOLUTION OF THE YEAR

KAIZEN REPORTING

Kaizen Reporting was founded in 2013 by Dario Crispini, an ex-regulator with the FSA, with over 20 year's expertise in regulatory reporting.

Kaizen has continued to expand its services since then and has grown by 68% in the past three years alone, from a team of 14 to 44. The London-based firm now provides services to over 90 clients including investment banks, asset managers and brokers globally.

Regulatory reporting is a large burden on Compliance and Operations departments within financial firms. With new regulations being implemented and more in the pipeline, firms are desperately in need of services to help them with the complexity of regulatory reporting. Kaizen provides firms with the controls they need to meet their reporting obligations, effectively manage their reporting risk and in doing so avoid reputational damage, fines and the high costs of remediation. Most recently Kaizen's services have been enhanced to facilitate one of the most complex pieces of regulation to date, the Securities Financing Transaction Regulation (SFTR) which went live in July 2020.

Kaizen's accuracy testing service is a quality assurance solution that's designed to shield firms from these issues. Accuracy testing brings three essential components together, advanced data analytics and data engineering, a deep knowledge of the regulatory requirements and the market.

The platform represents a major breakthrough for firms and regulators alike because of its ability to test the accuracy of all reports that a firm submits. Before Kaizen, most firms were doing quality assurance testing in-house or using consultancies that didn't use thorough methods of data testing. This left firms exposed as they are unable to detect reporting errors and comply with the reporting requirements.

The service is innovative because it:

- Tests 100% of reports that a firm submits
- Identifies all reporting errors at source
- Provides full visibility of test coverage
- Allows full traceability of any identified issues so they can be fixed
- Delivers detailed metrics on reporting quality.

Accuracy testing is delivered as an automated, managed service with testing taking place monthly or quarterly depending on trading volumes. ■

GLOBAL INVESTOR | ISF FOW

ISF Survey 2020

The International Securities Finance survey celebrates the greatest contributions from agent lenders and prime brokers as well as the vendors of technology and data services

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ISF Survey 2020

The International Securities Finance survey 2020 monitors how the world's top securities lenders and borrowers rate each other across different asset classes, regions and functions.

The main body of the study covers equities lending and borrowing, breaking the constituent companies down into two groups, with group one (G1) comprising the 15 largest players and group two (G2) representing mid-tier financing firms. The survey also covers fixed income lending as well as technology vendors and data firms.

The survey publishes the leading six firms based on their counterparties' rankings across the different categories so the entire lists are not included.

The survey includes both weighted and unweighted scores. Weighted scores take into account the importance that the individual respondents give to that particular category while the unweighted scores are based on each category being given equal importance. ■

LIFETIME ACHIEVEMENT AWARD: Philippe Huyghues des Etages

Philippe Huyghues des Etages is a recognised expert in the securities finance industry, well respected by his peers and market participants for his innovative ideas, dedication to mastering the market and his devotion to mentoring others.

Based in Paris, Philippe has led a long and successful career spanning over more than 30 years. He entered the market in 1989 when he was appointed as a trader at Indosuez, where he remained for more than 15 years before becoming a broker at ETC Pollak, a French inter-dealer broker, in 2005, where he served for two years.

In 2007, Philippe joined Societe Generale Securities Services' securities lending arm, where he still works. He has represented the French bank at a number of industry events and has served as the face of the bank's securities lending division.

Maxime Leboyan, a colleague of Philippe's at Societe Generale based in London, said: "I have known Philippe for 12 years and thanks to his long and varied experience, he has always kept a keen eye for new and innovative ideas. We have worked together on many occasions on projects which were at the forefront of our market.

"Philippe knows how to find a good idea, nurture it and make sure it is implemented."

Leboyan commended Philippe on his ability to bring teams together and make each individual feel valued as he recollected a time when he was under Philippe's "calm lead and resolve".

Philippe will leave the securities finance market as a highly accomplished role model, added Gael Vourch, a securities finance flow trader at BNP Paribas. Vourch said: "Fully dedicated to his job, he always found the time to share his knowledge to his colleagues and his clients.

"Always fair in trading and close to his clients, we wish we could have a Philippe in each house we trade with. Despite all these years in the industry, he is still eager to learn, always humble and always challenging himself, as a junior should do. Our industry relies on gentleman's agreements, and that is exactly what Philippe is. Being a gentlemen and serving in our industry for all these years is a lifetime achievement."

Stephan Demoulin, head of securities lending and financing at Swiss bank UBS, has known Philippe for more than ten years and commented on the level of enthusiasm and energy that he brings to the market, adding that his prior experience at Indosuez and ETC Pollak gifted him with a "unique" view of the market.

Demoulin said: "During the years we have known each other, I have been able to understand where his determination and concentration derives from. He is extremely modest about his experience and market knowledge, but we all know that he is one of the pillars of securities lending and borrowing in Paris.

"Philippe has not only played an important part in my career, but his advice and our shared experiences have guided me and in turn allowed me to meet new and interesting people outside of the financing world."

G1 EQUITY LENDERS:

BNY MELLON:

BNY Mellon came top in both the weighted and unweighted Group One equity lending categories overall for the second year running. In the weighted category, the US firm scored 957.43, which was up significantly on last year's 812.96. BNY Mellon also topped the overall unweighted category in 2020 with an impressive score of 1,120 which was up nicely on last year's 973.9, which itself was a big jump on the previous year.

The US banking group also won the weighted and unweighted categories in the Americas with 402.79 and 463.67 respectively. BNY Mellon also came top in both versions of the EMEA survey with 357.8 in the weighted list and 422.50 in the unweighted section.

BNY Mellon was second in Asia based on the raw data and third in that region when the scores have been weighted. It was also top globally in the weighted and unweighted categories when rated by G1 borrowers, and claimed top spots in EMEA and the Americas when rated by its largest clients.

G1 LENDERS

Best Covid Crisis Management

BNY mellon

G1 LENDERS: GLOBAL — UNWEIGHTED

Rank		Score
1	BNY Mellon	1,120.00
2	State Street	953.67
3	Citi	814.17
4	RBC Investor & Treasury Services	534.00
5	UBS Switzerland	521.25
6	HSBC Securities Services	438.00

G1 LENDERS: GLOBAL — WEIGHTED BY IMPORTANCE

Rank		Score
1	BNY Mellon	957.43
2	State Street	835.77
3	Citi	724.59
4	RBC Investor & Treasury Services	457.43
5	UBS Switzerland	441.46
6	HSBC Securities Services	364.40

G1 LENDERS: AMERICAS — UNWEIGHTED

Rank		Score
1	BNY Mellon	463.67
2	State Street	393.67
3	Citi	225.50
4	RBC Investor & Treasury Services	219.83
5	UBS Switzerland	163.17
6	Blackrock	121.00

G1 LENDERS: AMERICAS — WEIGHTED BY IMPORTANCE

Rank		Score
1	BNY Mellon	402.79
2	State Street	341.45
3	Citi	201.83
4	RBC Investor & Treasury Services	188.73
5	UBS Switzerland	140.02
6	Blackrock	114.69

G1 LENDERS: EMEA — UNWEIGHTED

Rank		Score
1	BNY Mellon	422.50
2	State Street	332.17
3	Citi	329.00
4	UBS Switzerland	273.00
5	RBC Investor & Treasury Services	230.50
6	HSBC Securities Services	165.17

G1 LENDERS: EMEA — WEIGHTED BY IMPORTANCE

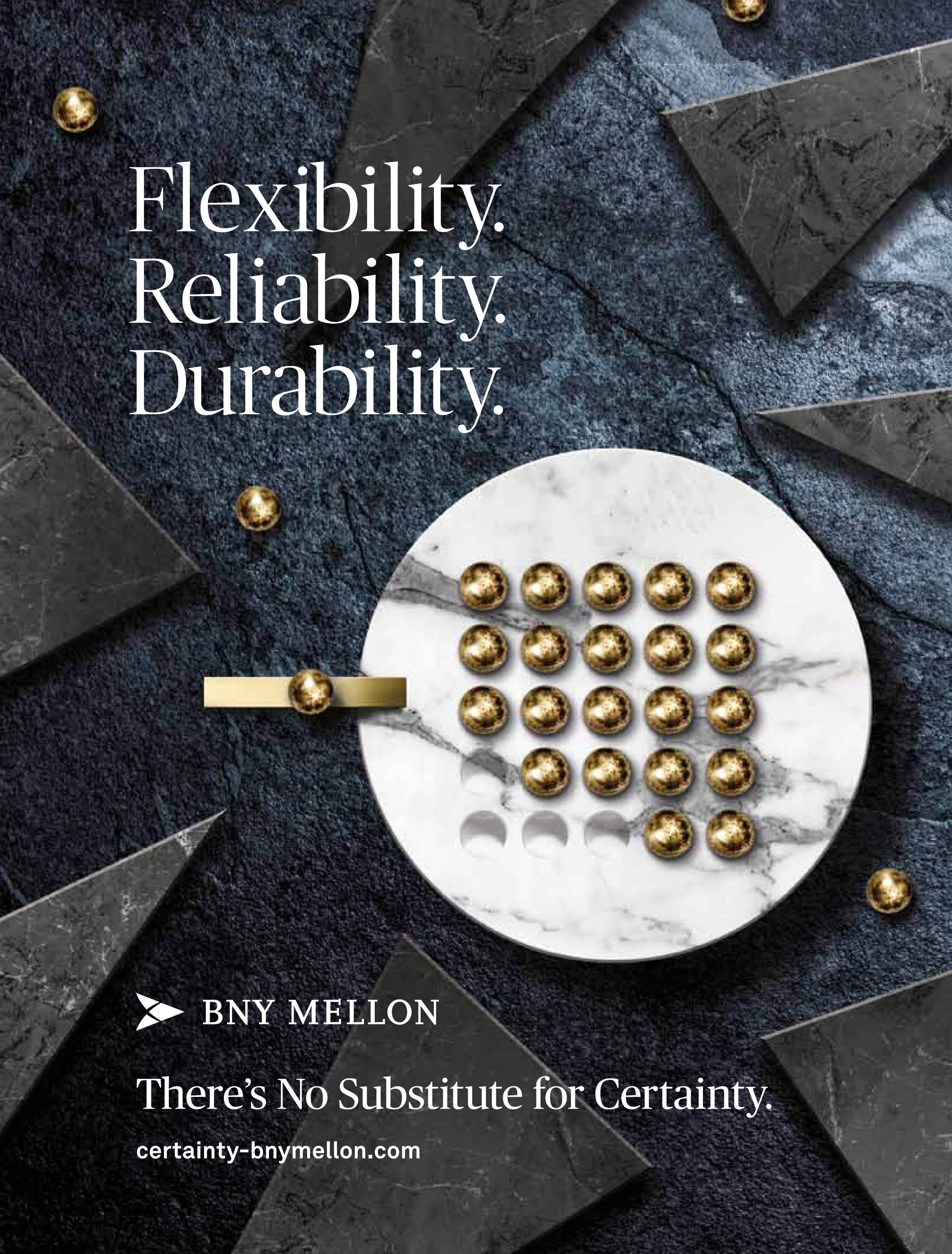
Rank		Score
1	BNY Mellon	357.18
2	State Street	290.18
3	Citi	287.48
4	UBS Switzerland	230.82
5	RBC Investor & Treasury Services	194.87
6	HSBC Securities Services	134.04

G1 LENDERS: ASIA-PACIFIC — UNWEIGHTED

Rank		Score
1	Citi	259.67
2	BNY Mellon	233.83
3	State Street	227.83
4	HSBC Securities Services	159.83
5	JPMorgan	95.33
6	UBS Switzerland	85.08

G1 LENDERS: ASIA-PACIFIC — WEIGHTED BY IMPORTANCE

Rank		Score
1	Citi	235.27
2	State Street	204.14
3	BNY Mellon	197.46
4	HSBC Securities Services	139.97
5	JPMorgan	86.54
6	RBC Investor & Treasury Services	73.83



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STATE STREET:

State Street repeated last year's strong performance in the Group One equity lenders survey. The US bank scored 953.67 in the global overall unweighted list, which was up from 938 last year, which itself was up from 800 in 2018. In the weighted global overall section, State Street came second for the second year running with a score of 835.77, an improvement on its total in 2019 when it scored 790.53.

State Street was second in the unweighted and weighted categories for the Americas and EMEA. It was also second in Asia Pacific in the unweighted section and third when the scores have been weighted accordingly.

The US group was also second in the weighted and unweighted lists when ranked by its largest Group One lenders. When rated by its most important clients, State Street was also second in the Americas, third in EMEA and second in Asia Pacific.

CITI:

The US bank was third for the second year running in the global overall Group One lenders survey in both the unweighted and weighted lists. Citigroup scored an impressive 814.17 in the unweighted survey, compared to 693.33 last year, and 724.59 in the weighted category, which was up significantly on last year's 590.07.

G1 LENDERS RATED BY G1 BORROWERS: GLOBAL

UNWEIGHTED

Rank		Score
1	BNY Mellon	812.00
2	State Street	693.17
3	Citi	618.67
4	RBC Investor & Treasury Services	377.00
5	HSBC Securities Services	335.33
6	UBS Switzerland	289.00

G1 LENDERS RATED BY G1 BORROWERS: GLOBAL

WEIGHTED BY IMPORTANCE

Rank		Score
1	BNY Mellon	689.87
2	State Street	605.18
3	Citi	549.64
4	RBC Investor & Treasury Services	321.96
5	HSBC Securities Services	275.25
6	UBS Switzerland	243.72

G1 LENDERS RATED BY G1 BORROWERS: AMERICAS

UNWEIGHTED

Rank		Score
1	BNY Mellon	317.67
2	State Street	271.83
3	RBC Investor & Treasury Services	165.33
4	Citi	142.67
5	UBS Switzerland	108.67
6	HSBC Securities Services	97.67

G1 LENDERS RATED BY G1 BORROWERS: AMERICAS

WEIGHTED BY IMPORTANCE

Rank		Score
1	BNY Mellon	273.85
2	State Street	235.38
3	RBC Investor & Treasury Services	140.78
4	Citi	127.67
5	UBS Switzerland	91.24
6	HSBC Securities Services	77.89

G1 LENDERS RATED BY G1 BORROWERS: EMEA

UNWEIGHTED

Rank		Score
1	BNY Mellon	320.67
2	Citi	261.67
3	State Street	241.00
4	RBC Investor & Treasury Services	151.33
5	UBS Switzerland	126.67
6	HSBC Securities Services	113.00

G1 LENDERS RATED BY G1 BORROWERS: EMEA

WEIGHTED BY IMPORTANCE

Rank		Score
1	BNY Mellon	268.85
2	Citi	230.00
3	State Street	208.05
4	RBC Investor & Treasury Services	127.52
5	UBS Switzerland	107.26
6	HSBC Securities Services	88.73

G1 LENDERS RATED BY G1 BORROWERS: ASIA-PACIFIC

UNWEIGHTED

Rank		Score
1	Citi	214.33
2	State Street	180.33
3	BNY Mellon	173.67
4	HSBC Securities Services	124.67
5	JPMorgan	83.33
6	Brown Brothers Harriman	67.33

G1 LENDERS RATED BY G1 BORROWERS: ASIA-PACIFIC

WEIGHTED BY IMPORTANCE

Rank		Score
1	Citi	191.97
2	State Street	161.75
3	BNY Mellon	147.16
4	HSBC Securities Services	108.62
5	JPMorgan	75.15
6	Brown Brothers Harriman	61.09


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Clearing, ESG and Securities Lending – 2020 and Beyond

Mike McAuley, Managing Director and Global Head of Product and Strategy and **Ina Budh-Raja,** EMEA Head of Product and Strategy for BNY Mellon's Securities Finance program, explain the growing role played by central clearing in securities lending and how the industry is assimilating the greater emphasis placed by clients on ESG.

How are changing regulations adding to the appeal of central clearing for securities lending?

Mike: We are at an important inflection point in the evolution of central clearing for securities lending. We have talked about it for a long time and it remains a nascent sector but I believe it could now become increasingly important and useful. In fact, it may become the most important distribution channel in the future growth of securities lending for beneficial owners.

Central clearing of securities lending through platforms like Eurex provides benefits to all parties in the transaction. Recent regulatory changes, such as the addition of the stressed capital buffer, have shifted the focus of most borrowers away from the balance sheet/SLR and onto risk-weighted assets (RWA).

Mike McAuley, Managing Director and Global Head of Product and Strategy

These platforms provide a solution that aligns with this new focus on RWA. Clearing allows the borrower to face the CCP as its risk counterparty and benefit from the low risk weighting of the clearing house as well as the certainty of collateral enforceability.

For beneficial owners, central clearing can provide increased utilization and revenue while reducing risk by diversifying counterparty exposure and transacting with a highly regulated market infrastructure entity whose only business is risk management. For certain beneficial owners disadvantaged under the capital rules, central clearing provides borrowers with a lower risk weight and certainty with respect to collateral enforceability, allowing those beneficial owners to access the market as a preferred counterparty .

I see Eurex and other platforms as important distribution channels for clients. The CCP distribution channel is probably the only place in securities lending where demand currently exceeds supply. This means that clients enjoy premium pricing and increased utilization. I would expect this to continue for a long time until it becomes oversupplied. In addition, transacting through a highly regulated CCP means lower risk which is further improved by the indemnification provided by lending agents.

What new requirements do CCPs impose on beneficial owners?

Mike: For models like Eurex, although no cash collateral is accepted, cleared transactions are not complicated and are almost identical to existing non-cleared transactions. To clear their transactions, beneficial owners must be members of Eurex Clearing. To accomplish this, Eurex has created the Specific Lender License that allows beneficial owners to become limited members of Eurex Clearing without any of the obligations of a traditional clearing member, other than agreeing to the clearing terms and conditions, which is basically the equivalent of the Global Master Securities Lending Agreement (GMSLA) for the non-cleared transactions. That means no default fund contributions, no margin requirements, and no loss mutualisation.

Cleared transactions begin like any other lending transaction: the agent and the borrower negotiate the loan and agree to clear it with Eurex. The borrowed securities and the collateral are delivered to Eurex which then accepts the transaction and completes settlement. Upon novation, Eurex be-

> "The CCP distribution channel is probably the only place in securities lending where demand currently exceeds supply. This means that clients enjoy premium pricing and increased utilization."

comes the borrower to the lender and the lender to the original borrower.

The transaction is then governed by the Eurex Clearing terms and conditions, which is similar to and operates much like the GMSLA does for existing non-cleared transactions.

The CCP also provides agent lenders with more capacity to provide indemnification by allowing them to better manage the regulatory constraints of single counterparty / large exposure limits and CCAR. In addition, clearing will help to preserve demand as borrowers become more capital efficient through increased internalization and use of synthetics. Central clearing may become an important distribution channel for beneficial owners who may not be able to access the market synthetically.

How are uncleared margin rules changing clients' approach to collateral management?

Mike: A key change in the near future will be the expiration of the exemption for European pension funds as well as smaller companies preparing themselves for the uncleared margin rules (UMR). While this doesn't generally create big issues around initial margin which can be posted in securities, it does create potential challenges with respect to variation margin. Most firms require this in cash, meaning the need for liquidity may increase, especially in light of market volatility like we saw earlier this year in response to the outbreak of Covid-19.

In the long-term, clients will need to become more efficient in meeting their collateral requirements. They will need to have an aggregated view of their assets and liabilities across their entire organization.

For example, a pension fund may hire 20 managers, who in turn hire prime brokers and clearing firms. The challenge is to make the best use of the client's assets, including cash, across the entire fund. That means they require an aggregated view of all their available collateral and all of their obligations across all transaction types both cleared and uncleared, repo, and securities borrowing all in one place.

Until the process has been centralized in this way, it will be very hard to carry it out efficiently. The new rules are putting aggregation and the ability to optimize collateral across all assets classes spanning the entire business at the forefront of change. That means finding the right partner to help them aggregate, optimize, transform, and execute.

How is the growing focus on ESG on the part of asset owners and regulators changing the requirements on securities lending participants?

Ina: The growing focus on ESG over the past few years and gradual mindset change by asset owners, has been remarkably accelerated by Covid-19. Where initially beneficial owners were most concerned with the governance pillar of ESG, the global pandemic has shifted the focus more broadly to the societal and environmental pillars. Driven by a recognition that a health crisis has become a societal crisis and an impending economic crisis, there is a changing sentiment and realization that as an industry we cannot ignore the risks of future crises, with the next possibly being a climate crisis, which threatens to dwarf the economic impacts of the pandemic, with devastating results. Consequently, there is more immediate focus now on the E and the S, as well as the G.

Ina Budh-Raja, EMEA Head of Product and Strategy, Securities Finance program

Crucially, we are increasingly seeing asset owners align with the UN Societal Development Goals (SDGs) and the UN Principles for Responsible Banking (UN PRI), as well as making commitments to the Taskforce on Climate Related Financial Disclosures (TCFD). Essentially I think we are seeing asset owners embrace the evolution of a new agenda, whether that be 'Build Back Better' or the 'Great Reset', as championed by the World Economic Forum, or the 'SDG-driven world economy' a notion pioneered by the World Pensions Council. Whatever term we choose to use, the reality is, ESG will become an over-arching theme permeating all products and services with expeditious pace over the course of this decade.

The question we are all familiar with is whether securities lending is indeed compatible with ESG. We certainly believe it is and going further, would argue that it is not only compatible, but is complementary to ESG objectives.

Conducted properly, securities lending is a valuable ESG tool. There is a clear expectation from regulators that every sector in financial services will play its part in generating funding for the global sustainable

"Whatever term we choose to use, the reality is, ESG will become an over-arching theme permeating all products and services with expeditious pace over the course of this decade."

> Among other benefits, central clearing can help clients who are disadvantaged under the capital rules by providing counterparties with a lower risk weight and certainty with respect to collateral enforceability.

agenda. Securities lending has an important role in keeping markets moving, promoting market integrity and enabling markets to be made in ESG stocks. More broadly, securities lending, as a vital tool for market liquidity and effective price discovery, is an essential component of the market infrastructure required for the effective movement of capital to sustainability projects, to enhance the flow of climate-aligned capital to support the urgency of transition to net zero and pursue efforts to limit global warming to 1.5C, in line with objectives of the Paris Agreement.

Turning to the much-debated topic of short-selling, we have once again seen, this time in the case of Wirecard, how short selling is an effective mechanism for scrutinizing corporate behavior and governance, and has, in fact, exposed misconduct and poor ethics. From an ESG angle then, there may be an opportunity for short selling to become a tool for impact investors to express a view, by providing a healthy challenge to verify the legitimacy of ESG stocks and potentially root out greenwashing.

In terms of impact on securities finance, the fact is securities lending is inherently intertwined with the G, in respect of voting, stewardship and transparency. As agent, we need to ensure our lending programme is adaptive to our clients' governance and stewardship policies, to enable clients to execute on their ESG strategies, by engaging in securities lending in a thoughtful, well-governed manner.

Looking at voting, recalling securities has always been a feature of a dynamic agency lending programme. Securities may be recalled at any time if a lender intends to exercise voting rights. Beneficial owners can reconcile their ESG requirements with securities lending, and evidence to their stakeholders that they are successfully fulfilling their long-term stewardship responsibilities, whilst at the same time exercising their fiduciary duty to generate revenue for their investors. That said, it will be imperative for agents to operate robust recall processes with optimal success rates, through increased automation; in the future state, predictive recall capabilities utilising AI could be a material differentiator.

Moving on to transparency, there are a number of safeguards in place from which clients can take comfort. The post-2008 financial crisis regulatory reform agenda has ensured that securities lending has emerged into the clear light of day, with unprecedented levels of transparency bringing a new confidence to this market.

Finally, we expect to see more nuance when it comes to collateral choices. Historically there have always been clients who have negatively screened certain collateral stocks. Going forward there is a need for ESG rating integration into collateral buckets, enabling clients to evaluate collateral from a sustainability perspective and properly attribute risk, incorporating the financial risks of negative externalities, e.g. pricing in the financial risks of climate change and the true cost of carbon emissions or conversely, pricing in the benefits of decarbonisation technologies.

There is an opportunity here, but also challenges to be solved for, given the lack of harmonization of ESG criteria, inconsistencies in ratings tools and the bespoke investing strategies from client to client, depending on their thematic drivers under the E, S or the G. Triparty collateral managers face a challenge to maintain an omnibus collateral structure with the benefits of scalability, alongside the bespoke ESG collateral parameters set by clients. There is inevitably a cost to customization, where utilization and revenue will be impacted. This is where regulatory convergence and clear taxonomies would be helpful to the market, in at least establishing some areas of common understanding and consistent interpretation.

There is also the question of whether pledged collateral will be out of scope for consideration of ESG factors, on the basis that the collateral receiver of pledged stocks is not generally considered the legal shareholder. It will be interesting to see how regulators view this and whether clients carve out pledged collateral from the scope of their ESG parameters. That approach would certainly seem to align with the shareholder analysis adopted in relation to SRD II and we welcome the European Commission's proposal announced last week under the CMU action plan, to introduce an EU-wide definition of a 'shareholder', which should have some positive implications for consistency of market approach on ESG collateral stocks.

> To meet the collateral requirements of the uncleared margin rules in the most efficient manner, clients need to have an aggregated view of their assets and liabilities across their entire organization.

What role are regulatory changes playing in ESG adoption?

Ina: By providing important safeguards to securities lending participants, regulations are playing a vital role in increasing investor confidence in the compatibility of securities lending with ESG concepts.

In Europe over the course of 2020, the SFTR transaction reporting regime has introduced granular transparency on securities lending transactions, including all lifecycle events and collateral. In excess of 150 data fields are reported to trade repositories on a T+1 basis. DAC 6 transparency requirements require market participants to report arrangements where the main benefit is, or can reasonably be assumed to be, a tax advantage. SRD II adds a further layer of protection through the identification of shareholders and voting rights, as well as increased duties around corporate event notification to shareholders. This will enable investors to be better equipped when applying their ESG policies on governance and voting. For example, enabling investors to make well-informed decisions on voting on issues material to their ESG strategy, whether that be on diversity & inclusion issues, environmental & climate change matters, human capital management, cybersecurity, business ethics, or other matters.

In addition to these new regulations are the protections provided under the MiFID II investor protection regime, coupled with the Market Abuse Regime, and applicable Market Codes, including the Bank of England Money Markets Code, the 2020 UK Stewardship Code and industry contractual agreements.

Looking at the broader regulatory landscape, we see a swathe of forthcoming ESG-specific regulation in the pipeline, front-led by Europe, such as the EU Sustainable & Green Agenda, the SFDR, EU taxonomy, as well as imminent changes to MIFID II, UCITS and AIFMD, all of which seek to incorporate ESG considerations into every aspect of portfolio management. These regulations cement the centrality of ESG as a reality – they will embed sustainability risks into all products. Fiduciary duties of asset managers will be redefined to include assessment of ESG factors, such as the financial and non-financial risks of climate change, for example.

> “CCPs are not subject to single counterparty/large exposure limits so they can be used to create capacity as well as lower risk-weighted assets.”

The lack of harmonization of global ESG regulation presents a current challenge though and we see this highlighted when we look at the recent statements from the US Department of Labor detailing that 401(k) plan fiduciaries must not take ESG into account within fiduciary duties, unless they can evidence pecuniary benefits from an ESG investment strategy. This is a very different approach to the changes mandated by UK and EU regulators, where it is becoming clear that ESG considerations should form an integral part of an investment manager’s role, irrespective of financial implications.

What progress is needed around the harmonisation of ESG ratings?

Ina: The lack of regulatory convergence across the different regions gives rise to the need for the industry to establish consensus-based best practice standards. We recognize that standardisation is not an achievable goal, as ESG is values-based and not rules-based and as a result there is a breadth of different approaches being taken both at investor level and between regulators. Therefore, there is a critical dependency to establish market guidance principles on ESG compatible securities lending.

BNY Mellon recently partnered with the ISLA Council for Sustainable Finance (ICSF) in support of global principles for sustainable securities lending (GPSSL). ICSF is a beneficial owner led standard setter, which is aimed at defining market best practice for sustainable securities lending and fostering collaboration towards liquid markets. The GPSSL will be helpful in serving as a flexible framework to drive a more consistent approach across this industry.

In terms of ESG ratings, we see a plethora of vendors in the market offering ESG rating tools and data analytics, however the lack of standardised underlying criteria presents a challenge for investors. Greater regulatory harmonisation, taxonomies and technology will help to solve for this over time. BNY Mellon has launched an ESG Analytics application, to help investors manage, monitor and analyse ESG factors across portfolios, by scoring portfolios against key ESG and sustainability metrics, using a consolidated view of the market, including multiple vendor outputs, combined with crowdsourced data, tailored to a client’s strategic ESG drivers, across the E, the S and the G. ■

> “The growing focus on ESG over the past few years and gradual mindset change by asset owners, has been remarkably accelerated by Covid-19.”

The US bank was third in the listings for the Americas and EMEA, in both the weighted and unweighted surveys, and first in Asia Pacific, beating State Street and BNY Mellon. Citigroup was third overall when rated by its largest Group One borrowing clients, coming fourth in the Americas, second in EMEA and top in Asia Pacific.

RBC TREASURY & INVESTOR SERVICES:

The Canadian lender came fourth in the global overall category for the second year running. RBC Treasury & Investor Services scored 534 in the unweighted survey and 457.42, which were slightly down on last year's 588.17 and 480.56 respectively.

RBC came fourth in both the unweighted and weighted categories in the Americas with scores of 219.83 and 188.73 and fifth in EMEA with scores of 230.50 and 194.87.

RBC Treasury & Investor Services was fourth globally among the large lenders when rated by Group One borrowers. The bank scored 377.00 in the unweighted category overall and 321.96 in the weighted section. RBC Treasury & Investor Services also came third in the Americas and fourth in EMEA when ranked by its largest Group One borrowing clients.

UBS SWITZERLAND:

The branch of the Swiss banking giant came fifth in the global overall ranking for the second year running. UBS Switzerland scored this year 521.25 in the unweighted section was significantly up on its 454.83 last year. The Swiss lender also scored 441.46 in the weighted section which was a dramatic improvement on last year's 371.81.

UBS Switzerland finished fourth in the EMEA tables with scores of 273 in the unweighted group and 230.82 in the weighted list. The lender also came fifth in the Americas overall and sixth globally when rated by Group One borrowing clients. UBS Switzerland was also fifth in EMEA when ranked by G1 borrowers and third globally when scored by Group Two borrowers.

HSBC SECURITIES SERVICES:

The custody arm of the British banking giant is one of the stand-out performers of 2020. HSBC Securities Services broke into the top six globally this year with a score of 438.00 in the unweighted section and 364.40 in the weighted list. HSBC was sixth in the Group One lenders list for EMEA where it scored 165.17 in the unweighted group and 134.04 in the weighted table.

The lender capitalised on its regional scope to finish fourth in Asia, breaking into the top six in that section also.

HSBC Securities Services was fifth globally when assessed by G1 borrowers, which reflected strong regional performance. HSBC was sixth in the Americas and EMEA, when ranked by large borrowers, and fourth in Asia Pacific.

G1 LENDERS RATED BY G2 BORROWERS: GLOBAL
UNWEIGHTED

Rank		Score
1	BNY Mellon	308.00
2	State Street	260.50
3	UBS Switzerland	232.25
4	Citi	195.50
5	RBC Investor & Treasury Services	157.00
6	Blackrock	129.83

G1 LENDERS RATED BY G2 BORROWERS: GLOBAL
WEIGHTED BY IMPORTANCE

Rank		Score
1	BNY Mellon	267.56
2	State Street	230.59
3	UBS Switzerland	197.74
4	Citi	174.94
5	RBC Investor & Treasury Services	135.47
6	Blackrock	117.41

G1 LENDERS RATED BY G2 BORROWERS: AMERICAS
UNWEIGHTED

Rank		Score
1	BNY Mellon	146.00
2	State Street	121.83
3	Citi	82.83
4	Blackrock	71.00
5 =	RBC Investor & Treasury Services	54.50
5 =	UBS Switzerland	54.50

G1 LENDERS RATED BY G2 BORROWERS: AMERICAS
WEIGHTED BY IMPORTANCE

Rank		Score
1	BNY Mellon	128.94
2	State Street	106.07
3	Citi	74.16
4	Blackrock	64.15
5	UBS Switzerland	48.78
6	RBC Investor & Treasury Services	47.95

G1 LENDERS RATED BY G2 BORROWERS: EMEA
UNWEIGHTED

Rank		Score
1	UBS Switzerland	146.33
2	BNY Mellon	101.83
3	State Street	91.17
4	RBC Investor & Treasury Services	79.17
5	Citi	67.33
6	HSBC Securities Services	52.17

G1 LENDERS RATED BY G2 BORROWERS: EMEA
WEIGHTED BY IMPORTANCE

Rank		Score
1	UBS Switzerland	123.56
2	BNY Mellon	88.33
3	State Street	82.13
4	RBC Investor & Treasury Services	67.35
5	Citi	57.48
6	HSBC Securities Services	45.31

G1 LENDERS RATED BY G2 BORROWERS: ASIA-PACIFIC
UNWEIGHTED

Rank		Score
1	BNY Mellon	60.17
2	State Street	47.50
3	Citi	45.33
4	HSBC Securities Services	35.17
5	Credit Suisse Zurich	32.00
6	UBS Switzerland	31.42

G1 LENDERS RATED BY G2 BORROWERS: ASIA-PACIFIC
WEIGHTED BY IMPORTANCE

Rank		Score
1	BNY Mellon	50.29
2	Citi	43.31
3	State Street	42.39
4	HSBC Securities Services	31.35
5	Credit Suisse Zurich	26.17
6	UBS Switzerland	25.41

G1 LENDERS

Most Improved

HSBC Securities Services

BLACKROCK:
The US asset management firm slipped out of the global top six this year, having finished sixth in the global overall list in 2019. BlackRock was rated sixth in the Americas with an unweighted score of 121.00 and a weighted total of 114.69, which were both up on last year's totals in the region of 118.33 and 104.24.

BlackRock was also sixth globally when rated by Group Two borrowers with an unweighted score of 129.83 and weighted score of 117.41. The money manager also did well in the Americas when rated by Group Two borrowers where it came fourth with an unweighted score of 71.00 and weighted total of 64.15.

BROWN BROTHERS HARRIMAN:
The US custody bank slipped slightly in the Asia Pacific Group One lenders rated by Group One borrowers survey where it finished sixth this year, compared to fourth last year. Its scores were down also, to 67.33 in the unweighted group from 81.00 last year and 61.09 in the weighted section from 70.80 in 2019.

CREDIT SUISSE ZURICH:
Credit Suisse Zurich broke into the Group One lenders rated by Group Two borrowers top six by finishing fifth with an unweighted score of 32.00 and a weighted total of 26.17.

JP MORGAN:
The US bank slipped out of the top six in the Americas Group One lenders group but broke into the top six in Asia Pacific where it finished fifth with an unweighted score of 95.33 and a weighted tally of 86.54. JP Morgan was also ranked fifth in Asia Pacific by Group One borrowers who gave the bank scores of 83.33 in the unweighted group and 75.15 in the weighted survey. ■

G1 LENDERS

Most Innovative

State Street

G2 LENDERS:

CACEIS:
The French lender claimed top spot in the overall global weighted and unweighted categories despite only having made sixth in the weighted category and fourth in Europe last year.

CACEIS scored a massive 448.58 in the unweighted survey, beating Natixis Asset Management Finance into second with 369.17. The French lender also dominated the global overall weighted list with 396.26, which compares favourably to the lender's 2019 score of 184.72.

CACEIS was top in EMEA with an unweighted tally of 307.42 and weighted total of 269.71, second in the Americas with 93.50 and 80.66 respectively, and fifth in the Americas with an unweighted score of 47.67 and weighted total of 43.24

In the Group Two lenders rated by Group One borrowers section, CACEIS claimed top spot in the un-

The French lender (CACEIS) claimed top spot in the overall global weighted and unweighted categories

G2 LENDERS: GLOBAL
UNWEIGHTED

Rank		Score
1	CACEIS Bank	448.58
2	Natixis Asset Management Finance	369.17
3	Sumitomo Mitsui	353.83
4	Amundi	350.33
5	Aviva	325.17
6	Nordea	302.67

G2 LENDERS: GLOBAL
WEIGHTED BY IMPORTANCE

Rank		Score
1	CACEIS Bank	393.62
2	Natixis Asset Management Finance	319.00
3	Amundi	306.97
4	Sumitomo Mitsui	304.95
5	Aviva	281.97
6	National Bank Financial	258.08

G2 LENDERS: AMERICAS
UNWEIGHTED

Rank		Score
1	National Bank Financial	234.67
2	BMO Global Asset Management	173.67
3	Natixis Asset Management Finance	164.00
4	Sumitomo Mitsui	88.50
5	CACEIS Bank	47.67
6	Santander	44.67

G2 LENDERS: AMERICAS
WEIGHTED BY IMPORTANCE

Rank		Score
1	National Bank Financial	203.15
2	BMO Global Asset Management	147.22
3	Natixis Asset Management Finance	140.61
4	Sumitomo Mitsui	76.40
5	CACEIS Bank	43.24
6	Santander	38.22

G2 LENDERS: EMEA
UNWEIGHTED

Rank		Score
1	CACEIS Bank	307.42
2	Aviva	281.33
3	Amundi	250.00
4	Nordea	239.00
5	Natixis Asset Management Finance	167.67
6	Sumitomo Mitsui	167.17

G2 LENDERS: EMEA
WEIGHTED BY IMPORTANCE

Rank		Score
1	CACEIS Bank	269.71
2	Aviva	245.38
3	Amundi	219.57
4	Nordea	202.83
5	Sumitomo Mitsui	147.53
6	Natixis Asset Management Finance	142.49

G2 LENDERS: ASIA-PACIFIC
UNWEIGHTED

Rank		Score
1	Sumitomo Mitsui	98.17
2	CACEIS Bank	93.50
3	Amundi	57.00
4	Aviva	39.67
5	BMO Global Asset Management	38.00
6	Natixis Asset Management Finance	37.50

G2 LENDERS: ASIA-PACIFIC
WEIGHTED BY IMPORTANCE

Rank		Score
1	Sumitomo Mitsui	81.01
2	CACEIS Bank	80.66
3	Amundi	50.27
4	Natixis Asset Management Finance	35.90
5	Aviva	33.88
6	BMO Global Asset Management	31.43

G2 LENDERS

Best Covid Crisis Management

CACEIS

weighted list with 280.67, by narrowly beating Aviva into second. In the global weighted group rated by Group One borrowers, CACEIS scored 245.00.

NATIXIS ASSET MANAGEMENT FINANCE:

The French lender came second overall in the Group Two lending survey for the second year running despite having increased its scores dramatically. Natixis scored 369.17 in the unweighted overall group compared to 309.50 last year and 319.00 in the weighted list versus 258.46 in 2019.

Natixis was third in the Americas, fifth in the unweighted list for EMEA and fourth in the weighted group for Asia Pacific. Natixis Asset Management Finance was also top in global unweighted group and second in the Americas where Group Two borrowers rate Group Two lenders.

AMUNDI:

The French asset management giant, which can count itself among the largest money managers in Europe, finished third in the weighted section and fourth in the unweighted list globally. Amundi's scores were up significantly on last year, to 350.33 in the unweighted survey from 283.67 last year, and 306.97 in the weighted group, up from 240.24 last year.

Amundi came third overall in Europe and Asia Pacific, and fourth in those regions where the Group Two lenders are rated by Group One borrowers. The manager was third globally when rated by Group Two borrowers, claiming second in EMEA and third in Asia by this measure.

SUMITOMO MITSUI:

Sumitomo Mitsui finished fourth in the global weighted section and third in the unweighted group. The Japanese firm scored 353.83 in the unweighted list, which compares favourably with its 256.33 last year, and 304.95 in the weighted category, which is up on 2019's 213.13. Sumitomo Mitsui was top in Asia Pacific, fourth overall in the Americas and fifth in EMEA.

When rated by Group One borrowers, Sumitomo Mitsui was third globally, second in the Americas, fifth in EMEA and first in Asia Pacific. The lender was fifth globally as rated by Group Two borrowers.

AVIVA:

The asset manager broke into the top six this year by finishing fifth with an unweighted score of 327.17 and a weighted total of 281.97. Aviva is particularly strong in Europe where it came second with an unweighted score of 281.33, compared to 256.33 last year, and a weighted total of 245.38, compared to 213.13 in 2019.

Aviva came fourth in the unweighted list for Asia Pacific with a score of 39.67, and fourth globally when ranked by Group One borrowers. It was second in EMEA and third in Asia Pacific according to Group One borrowers. Aviva is also third in EMEA when rated by Group Two borrowers.

G2 LENDERS RATED BY G1 BORROWERS: GLOBAL

UNWEIGHTED

Rank		Score
1	CACEIS Bank	280.67
2	National Bank Financial	262.67
3	Sumitomo Mitsui	260.17
4	Aviva	251.00
5	Nordea	247.33
6	Natixis Asset Management Finance	197.00

G2 LENDERS RATED BY G1 BORROWERS: GLOBAL

WEIGHTED BY IMPORTANCE

Rank		Score
1	CACEIS Bank	245.00
2	National Bank Financial	227.15
3	Sumitomo Mitsui	224.37
4	Aviva	217.67
5	Nordea	210.23
6	Amundi	171.01

G2 LENDERS RATED BY G1 BORROWERS: AMERICAS

UNWEIGHTED

Rank		Score
1	National Bank Financial	213.67
2	Sumitomo Mitsui	86.00
3	BMO Global Asset Management	83.67
4	Natixis Asset Management Finance	77.00
5	Zurcher Kantonalbank	42.00
6	Nordea	35.00

G2 LENDERS RATED BY G1 BORROWERS: AMERICAS

WEIGHTED BY IMPORTANCE

Rank		Score
1	National Bank Financial	185.15
2	Sumitomo Mitsui	74.75
3	BMO Global Asset Management	71.78
4	Natixis Asset Management Finance	66.00
5	Zurcher Kantonalbank	36.00
6	Nordea	30.00

G2 LENDERS RATED BY G1 BORROWERS: EMEA

UNWEIGHTED

Rank		Score
1	CACEIS Bank	210.67
2	Aviva	209.00
3	Nordea	183.67
4	Amundi	157.33
5	Sumitomo Mitsui	100.50
6	Natixis Asset Management Finance	100.00

G2 LENDERS RATED BY G1 BORROWERS: EMEA

WEIGHTED BY IMPORTANCE

Rank		Score
1	CACEIS Bank	184.69
2	Aviva	182.27
3	Nordea	155.96
4	Amundi	138.74
5	Sumitomo Mitsui	89.61
6	Natixis Asset Management Finance	83.83

G2 LENDERS RATED BY G1 BORROWERS: ASIA-PACIFIC

UNWEIGHTED

Rank		Score
1	Sumitomo Mitsui	73.67
2	CACEIS Bank	69.00
3	Aviva	39.67
4	BMO Global Asset Management	38.00
5	Amundi	36.00
6	Nordea	28.67

G2 LENDERS RATED BY G1 BORROWERS: ASIA-PACIFIC

WEIGHTED BY IMPORTANCE

Rank		Score
1	Sumitomo Mitsui	60.01
2	CACEIS Bank	59.66
3	Aviva	33.88
4	Amundi	32.27
5	BMO Global Asset Management	31.43
6	Nordea	24.26

How the securities financing industry is dealing with the Covid-19 crisis.

Dan Copin, Group Head for Securities Finance and Repo at CACEIS explains the factors shaping securities financing this year, and providing clients with clear insight on what to expect from the industry going forward.

The impacts of and adaptations to the current Covid-19 health crisis.

Whereas the 2008 crisis was financial in nature and provided various pointers as to its forthcoming arrival, the current crisis was sparked off by a non-financial event that was all but impossible to predict. This crisis has had a significant impact on the small and medium enterprises comprising the real economy, but a major impact on trading activities as well.

As initial reports of a lockdown in Italy hit the news at the end of February, European economies started to tremble but at the same time, with other countries following Italy's steps, some opportunities on the market arose. Indeed for the securities finance desk, this period provided excellent opportunities for business. The financing activities performed well as demand increased, driven by institutional clients' fears that an indefinite lockdown might hamper their treasury capacities over time and lead to a liquidity crisis. The timing played a big part as the crisis started around the end of March when quarterly statements were due. This is a key period regarding liquidity management as companies needs to honour payments obligations and seek to deliver a robust financial snapshot.

Demand for borrowing collateral also rose, and so became increasingly

expensive, even for very GC liquid securities. The main reason was the need to collateralise the many derivative products which experienced a drop in market valuation of sometimes more than 30% at the peak of the crisis.

Although many clients were very concerned by the situation, there was no accompanying panic and most of them stuck to their lending programmes throughout the crisis period. This level-headed reaction helped avoid a liquidity crisis in the market by making securities available. Central banks were also very active during March and April, providing a rapid, coordinated and wide-ranging response to the events. The economic strategies they employed efficiently absorbed the financial shock and spreads quickly returned to normal levels.

The speedy recovery to normality on the markets nevertheless saw opportunities in special situations, such as M&A, disappear due to companies' continued uncertainty and the excess liquidity in the market. The measures taken by central banks were necessary to avoid a liquidity crisis but markets have now lost momentum and become rather static.

During the turbulent period, communication with the clients had been a key to reassure them. Many clients were concerned that they may have to perform large scale sell-offs of positions, and with flashbacks to 2008, not have securities on loan returned to them. The demand for daily monitoring and reports by the executive committees saw a sharp uptick.

Industry players were quick to adapt their working methods to the crisis, implementing an agile strategy with teams spread across various sites. The complex infrastructure of dealing rooms was rapidly delocalised, leveraging technology and networks to permit smart-working, even for traders. Fortunately, today's technology permits such an operation as this would have been much more difficult in 2008. Whether remote-working continues remains to be seen, as it doesn't seem to be part of

> "Although many clients were very concerned by the situation, there was no accompanying panic and most of them stuck to their lending programmes throughout the crisis period."

the trading room mentality. Nevertheless, the exceptional situation showed it's possible and that our business continuity plans are solid.

> Taking on more risk is going to be essential if you're looking for additional yield but players will accept risk only if it can be perfectly controlled by risk departments.

A good year for financing activities, a challenging one for securities lending

The static nature of markets will continue with low levels of special situations activity due to most operations being on standby. The excess of liquidity in the market driven by central banks' quantitative easing strategies is also likely to continue for the rest of the year. Fixed income levels are very low, with risk premiums all but disappearing.

Banks themselves are currently very well funded, with reduced balance sheets and have little need to improve reserves by borrowing HQLA securities. This is actually good news for the real economy as it has avoided a crash so far but a recovery in the future remains uncertain, being heavily dependent on market and consumer confidence. Central banks have never done so much but now it seems there is not much left they can do.

Securities lending revenues for this year are unlikely to be good but financing revenues, on the other hand, bolstered by the high demand during the initial stages of the lockdown, should compensate. Clients, realising they had decent access to financing, performed large operations in March, April and May but since June, this demand has tailed off. Players with both securities lending and financing activities should see revenues balance out but for those focused purely on securities lending, the picture is unlikely to be rosy.

The future of the business depends on how things play out over the rest of the year, such as a new lockdown and the decisions on whether to extend measures to prop up businesses and help them avoid bankruptcy. While such government support measures are in place, companies won't need financing solutions. Governments' support measures, combined with central bank strategies, are planned to remain in place until market and consumer confidence returns but such measures cannot continue indefinitely. If the health crisis continues, measures will have to end at some point, with a strong negative impact for companies. This winter could prove to be a difficult period and everyone's hopes are pinned to the successful development and global roll out of a vaccine.

2021, a year to improve and adapt in a very uncertain environment

Making predictions for 2021 is hard because so much has changed. The good news is that it should at least be better than 2020. But much will depend on what happens over the coming months as the general trend points towards a gradual return to normal. Covid-19 testing programmes, although costly, are effective and so a second 'hard' lockdown seems less likely.

Most economists agree that if we are unable to make a return to normal quickly, many companies will not make it despite all the help governments and international institutions are providing. In this case, demand for securities will probably further decrease as supply rises because an increasing number of clients will join securities lending programmes in the search for additional performance.

Hopefully, with the help of the Central Banks and the action of the governments, the recovery will be quicker than initially expected and we will soon see the return of some M&A driven by the necessity for the companies to consolidate after a rough period for the business. This consolidation movement will be good news for the securities lending programs as it will lead to Special Situations opportunities.

Fixed income spreads will probably remain thin as they're so closely linked to central banks and HQLAs, so we will probably see spreads continue to reduce next year.

As for the impact of regulations, SFTR was implemented this year and will soon be behind us. CSDR, with its heavy burden, has been pushed back until 2022 so we have somewhat of a regulatory hiatus in 2021. Companies should take advantage of this period where they do not have to allocate resources for regulatory topics to rationalise processes and reduce costs in order to improve margins at a time when increasing revenues is hard.

But we are quite confident that, as always, our OTC industry will find a way out of these challenging times by continually innovating, using financial ingenuity to uncover new sources of revenue growth just like in the post-2008 period, where we saw the rise of the financing business.

The constant search for revenue will be accompanied by a broadening of the risk approach by both the providers and their clients. Taking on more risk is going to be essential if you're looking for additional yield but players will accept risk only if it can be perfectly controlled by risk departments. That is why resources must be allocated to improve and develop risk management tools where necessary.

Finally, a key aspect of our business has always been and will remain maintaining a close dialogue with clients to understand their needs, design appropriate products and deliver tailor-made solutions. Although trading is becoming ever more automated, the human element remains essential to the relationship side of the business, working together to find solutions for the future. ■

NATIONAL BANK FINANCIAL:

National Bank Financial broke the top six in the Group Two lenders global weighted category by finishing sixth with a score of 258.08. Impressively, the firm improved on last year's performance when it finished third in the Americas list by winning that section this year with an unweighted score of 234.67 and a weighted total of 203.15.

National Bank Financial was also second globally and top in the Americas when rated by Group One borrowers.

NORDEA:

The Nordic bank came sixth overall globally when the scores have been weighted with a total of 302.67, which is up from last year's 220.83. The Finnish-based firm also scored well in Europe where it amassed 239.00 in the unweighted category and 202.83 in the weighted sections, which are up on last year's 190.83 and 156.60 respectively. Nordea was also fifth globally and third in EMEA when rated by Group One borrowers.

BMO GLOBAL ASSET MANAGEMENT:

The Canadian lender continued its strong performance in the Americas by finishing second in that region this year with an unweighted score of 173.67 and a weighted tally of 147.22, which are both up on last year's totals of 160.00 and 134.43 respectively.

BMO Global Asset Management finished fifth in the unweighted section for Asia Pacific and sixth in the weighted survey.

BMO was third among the Group Two lenders rated by Group One borrowers in the Americas and fourth in the Group Two lenders rated by Group One borrowers in Asia Pacific.

BMO Global Asset Management came fourth globally and first in the Americas when rated by Group Two borrowers.

SANTANDER:

The Spanish banking giant came sixth among the Group Two lenders in the Americas, which is a strong return for the firm. Santander scored 44.67 to come sixth in the unweighted section and 38.22 for the same position in the weighted Americas table. Santander was also fourth in the Group Two lenders rated by Group Two lenders in the Americas.

ZURCHER KANTONALBANK:

The Swiss bank came fifth amongst the Group Two lenders rated by Group One borrowers with an unweighted score of 42.00 and a weighted total of 36.00.

SOCIETE GENERALE AGENCY LENDING:

The lending arm of the French bank was highly rated by smaller clients. Societe Generale Agency Lending came sixth globally when rated by Group Two borrowers with scores of 86.17 and 76.10, in Americas with totals of 27.00 and 23.17 and in EMEA with scores of 59.17 for the unweighted list and 52.93 when weighted. ■

G2 LENDERS

Most Innovative

CACEIS

G2 LENDERS RATED BY G2 BORROWERS: GLOBAL — UNWEIGHTED

Rank		Score
1	Natixis Asset Management Finance	172.17
2	CACEIS Bank	167.92
3	Amundi	157.00
4	BMO Global Asset Management	110.50
5	Sumitomo Mitsui	93.67
6	Societe Generale Agency Lending	86.17

G2 LENDERS RATED BY G2 BORROWERS: GLOBAL — WEIGHTED BY IMPORTANCE

Rank		Score
1	CACEIS Bank	148.61
2	Natixis Asset Management Finance	148.27
3	Amundi	135.96
4	BMO Global Asset Management	95.23
5	Sumitomo Mitsui	80.57
6	Societe Generale Agency Lending	76.10

G2 LENDERS RATED BY G2 BORROWERS: AMERICAS — UNWEIGHTED

Rank		Score
1	BMO Global Asset Management	90.00
2	Natixis Asset Management Finance	87.00
3	CACEIS Bank	46.67
4	Santander	44.67
5	Amundi	43.33
6	Societe Generale Agency Lending	27.00

G2 LENDERS RATED BY G2 BORROWERS: AMERICAS — WEIGHTED BY IMPORTANCE

Rank		Score
1	BMO Global Asset Management	75.43
2	Natixis Asset Management Finance	74.61
3	CACEIS Bank	42.59
4	Santander	38.22
5	Amundi	37.13
6	Societe Generale Agency Lending	23.17

G2 LENDERS RATED BY G2 BORROWERS: EMEA — UNWEIGHTED

Rank		Score
1	CACEIS Bank	96.75
2	Amundi	92.67
3	Aviva	72.33
4	Natixis Asset Management Finance	67.67
5	Sumitomo Mitsui	66.67
6	Societe Generale Agency Lending	59.17

G2 LENDERS RATED BY G2 BORROWERS: EMEA — WEIGHTED BY IMPORTANCE

Rank		Score
1	CACEIS Bank	85.02
2	Amundi	80.83
3	Aviva	63.11
4	Natixis Asset Management Finance	58.66
5	Sumitomo Mitsui	57.92
6	Societe Generale Agency Lending	52.93

G2 LENDERS RATED BY G2 BORROWERS: ASIA-PACIFIC — UNWEIGHTED

Rank		Score
1 =	CACEIS Bank	24.50
1 =	Sumitomo Mitsui	24.50
3	Amundi	21.00
4	Natixis Asset Management Finance	17.50

G2 LENDERS RATED BY G2 BORROWERS: ASIA-PACIFIC — WEIGHTED BY IMPORTANCE

Rank		Score
1 =	CACEIS Bank	21.00
1 =	Sumitomo Mitsui	21.00
3	Amundi	18.00
4	Natixis Asset Management Finance	15.00

G1 BORROWERS:

UBS:

UBS was once again voted the top borrower globally, winning the unweighted and weighted categories. The Swiss bank improved dramatically on last year's performance. In the unweighted global section, UBS scored 939.50, which was up on its 696.50 last year. In the weighted list, UBS scored 899.99, which was way up on last year's 610.48.

> UBS was once again voted the top borrower globally, winning the unweighted and weighted categories.

The Swiss borrower was top in both the unweighted and weighted lists for EMEA and Asia Pacific, and came second to Morgan Stanley in the Americas. UBS was also top globally in the survey that polls Group One lenders. Again, the Swiss bank was top in EMEA and Asia Pacific, and second in the Americas.

MORGAN STANLEY:

The US bank was in 2020 second in global list of Group One borrowers, with 904.83 in the unweighted section, compared with 671.50 last year, and 869.79 in the weighted list, which

G1 BORROWERS: GLOBAL
UNWEIGHTED

Rank		Score
1	UBS	939.50
2	Morgan Stanley	904.83
3	Citi	790.17
4	HSBC Bank Plc	419.92
5	JPMorgan	310.83
6	BMO Capital Markets	300.00

G1 BORROWERS: GLOBAL
WEIGHTED BY IMPORTANCE

Rank		Score
1	UBS	899.99
2	Morgan Stanley	869.79
3	Citi	739.96
4	HSBC Bank Plc	398.12
5	JPMorgan	313.39
6	BMO Capital Markets	277.64

G1 BORROWERS: AMERICAS
UNWEIGHTED

Rank		Score
1	Morgan Stanley	284.67
2	UBS	242.00
3	Citi	223.67
4	BMO Capital Markets	139.33
5	HSBC Bank Plc	107.33
6	Scotiabank	106.33

G1 BORROWERS: AMERICAS
WEIGHTED BY IMPORTANCE

Rank		Score
1	Morgan Stanley	284.13
2	UBS	222.66
3	Citi	209.68
4	BMO Capital Markets	128.83
5	Scotiabank	104.63
6	HSBC Bank Plc	99.40

G1 BORROWERS: EMEA
UNWEIGHTED

Rank		Score
1	UBS	380.83
2	Morgan Stanley	376.83
3	Citi	327.50
4	HSBC Bank Plc	208.92
5	Scotiabank	146.50
6	Goldman Sachs	131.42

G1 BORROWERS: EMEA
WEIGHTED BY IMPORTANCE

Rank		Score
1	UBS	364.12
2	Morgan Stanley	357.99
3	Citi	307.34
4	HSBC Bank Plc	200.04
5	Scotiabank	135.32
6	Goldman Sachs	128.44

G1 BORROWERS: ASIA-PACIFIC
UNWEIGHTED

Rank		Score
1	UBS	316.67
2	Morgan Stanley	243.33
3	Citi	239.00
4	JPMorgan	117.67
5	Barclays	110.33
6	HSBC Bank Plc	103.67

G1 BORROWERS: ASIA-PACIFIC
WEIGHTED BY IMPORTANCE

Rank		Score
1	UBS	313.21
2	Morgan Stanley	227.67
3	Citi	222.94
4	JPMorgan	122.21
5	Barclays	102.64
6	HSBC Bank Plc	98.68

compares well to 570.09 last year.

Morgan Stanley was the top-rated borrower in the Americas where it scored 284.67 in the unweighted section and 284.33 in the weighted category. The US borrower also finished second in EMEA and Asia Pacific.

It was also second overall when assessed by Group One lenders and took top spot in the Americas by this measure. According to Group One lenders, Morgan Stanley is the second best borrower in EMEA and the third best in Asia Pacific. The US bank swept the board when rated by Group Two lenders, winning top spot globally, and in the Americas and EMEA.

CITI:

The US bank once again came third among the Group One borrowers. Citi scored 790.17 in the unweighted list, which compares to 670.50 last year, and 739.96 in the weighted survey, which was up on 565.20 in 2019.

Citi was third overall in EMEA, the Americas and Asia Pacific. When judged by Group One lenders, Citi was third globally, in EMEA and in the Americas, and claimed second place in Asia Pacific.

HSBC:

HSBC has hugely improved its performance from last year. In 2020, HSBC came fourth globally whereas it only came sixth in Group Two Asia Pacific borrowers survey of 2019.

HSBC scored 419.92 in the unweighted category and 398.12 in the weighted section to cement its position as the fourth best borrower globally. The British bank was fifth in the Americas, fourth in EMEA and sixth in Asia Pacific.

When rated by Group One lenders, HSBC was fourth globally and in EMEA, fifth in the Americas, and sixth in Asia Pacific.

JP MORGAN:

JP Morgan retained fifth place globally despite its scores falling this year. The US bank scored 310.83 in the unweighted section and 313.39 in the weighted class, compared with 449.75 and 395.70 last year.

The US bank performed well in Asia Pacific where it came fourth in the unweighted table with 117.67 and the weighted category with 122.21. JP Morgan came fourth in Asia Pacific when rated by Group One lenders and third globally in the Group Two weighted lender list.

The bank was called second by Group Two lenders in the Americas and fourth in EMEA in the weighted survey.

BMO CAPITAL MARKETS:

The Canadian borrower made the global top six this year by finishing sixth with 300.00 in the unweighted list and 277.64 in the weighted section. BMO Capital Markets was particularly strong in the Americas where it finished fourth, with 139.33 in the unweighted table and 128.83 in the weighted group. BMO also finished fifth globally, fourth in the Americas and sixth in EMEA when rated by Group One lenders.

G1 BORROWERS RATED BY G1 LENDERS: GLOBAL — UNWEIGHTED

Rank		Score
1	UBS	877.67
2	Morgan Stanley	774.67
3	Citi	739.67
4	HSBC Bank Plc	404.00
5	BMO Capital Markets	294.33
6	Scotiabank	271.50

G1 BORROWERS RATED BY G1 LENDERS: GLOBAL — WEIGHTED BY IMPORTANCE

Rank		Score
1	UBS	840.03
2	Morgan Stanley	744.88
3	Citi	693.57
4	HSBC Bank Plc	387.19
5	BMO Capital Markets	271.57
6	Scotiabank	256.68

G1 BORROWERS RATED BY G1 LENDERS: AMERICAS — UNWEIGHTED

Rank		Score
1	Morgan Stanley	252.67
2	UBS	227.00
3	Citi	217.67
4	BMO Capital Markets	139.33
5	HSBC Bank Plc	107.33
6	Scotiabank	106.33

G1 BORROWERS RATED BY G1 LENDERS: AMERICAS — WEIGHTED BY IMPORTANCE

Rank		Score
1	Morgan Stanley	252.50
2	UBS	208.59
3	Citi	204.05
4	BMO Capital Markets	128.83
5	Scotiabank	104.63
6	HSBC Bank Plc	99.40

G1 BORROWERS RATED BY G1 LENDERS: EMEA — UNWEIGHTED

Rank		Score
1	UBS	334.00
2	Morgan Stanley	286.67
3	Citi	283.00
4	HSBC Bank Plc	193.00
5	Scotiabank	127.67
6	BMO Capital Markets	116.33

G1 BORROWERS RATED BY G1 LENDERS: EMEA — WEIGHTED BY IMPORTANCE

Rank		Score
1	UBS	318.23
2	Morgan Stanley	269.82
3	Citi	266.58
4	HSBC Bank Plc	189.11
5	Scotiabank	119.39
6	BMO Capital Markets	109.15

G1 BORROWERS RATED BY G1 LENDERS: ASIA-PACIFIC — UNWEIGHTED

Rank		Score
1	UBS	316.67
2	Citi	239.00
3	Morgan Stanley	235.33
4	JPMorgan	117.67
5	Barclays	110.33
6	HSBC Bank Plc	103.67

G1 BORROWERS RATED BY G1 LENDERS: ASIA-PACIFIC — WEIGHTED BY IMPORTANCE

Rank		Score
1	UBS	313.21
2	Citi	222.94
3	Morgan Stanley	222.56
4	JPMorgan	122.21
5	Barclays	102.64
6	HSBC Bank Plc	98.68

G1 BORROWERS
Most Innovative
Goldman Sachs

BORROWERS
Most Improved
Scotiabank

G1 BORROWERS RATED BY G2 LENDERS: GLOBAL

UNWEIGHTED

Rank		Score
1	Morgan Stanley	130.17
2	Goldman Sachs	126.58
3	Bank of America Merrill Lynch	82.67
4	JPMorgan	82.17
5	Societe Generale CIB	76.33
6	UBS	61.83

G1 BORROWERS RATED BY G2 LENDERS: AMERICAS

UNWEIGHTED

Rank		Score
1	Morgan Stanley	32.00
2	JPMorgan	24.00
3	Goldman Sachs	21.00
4	Deutsche Bank	19.00
5 =	Barclays	15.00
5 =	UBS	15.00

G1 BORROWERS RATED BY G2 LENDERS: EMEA

UNWEIGHTED

Rank		Score
1	Morgan Stanley	90.17
2	Goldman Sachs	86.08
3	Bank of America Merrill Lynch	73.67
4	Societe Generale CIB	64.83
5	JPMorgan	58.17
6	UBS	46.83

G1 BORROWERS RATED BY G2 LENDERS: ASIA-PACIFIC

UNWEIGHTED

Rank		Score
1	Goldman Sachs	19.50
2	Societe Generale CIB	11.50
3	Morgan Stanley	8.00

G1 BORROWERS RATED BY G2 LENDERS: GLOBAL

WEIGHTED BY IMPORTANCE

Rank		Score
1	Morgan Stanley	124.90
2	Goldman Sachs	121.20
3	JPMorgan	80.78
4	Bank of America Merrill Lynch	79.75
5	Societe Generale CIB	71.27
6	UBS	59.96

G1 BORROWERS RATED BY G2 LENDERS: AMERICAS

WEIGHTED BY IMPORTANCE

Rank		Score
1	Morgan Stanley	31.63
2	JPMorgan	22.52
3	Goldman Sachs	19.70
4	Deutsche Bank	17.60
5 =	Barclays	14.07
5 =	UBS	14.07

G1 BORROWERS RATED BY G2 LENDERS: EMEA

WEIGHTED BY IMPORTANCE

Rank		Score
1	Morgan Stanley	88.17
2	Goldman Sachs	83.65
3	Bank of America Merrill Lynch	72.67
4	JPMorgan	58.26
5	Societe Generale CIB	57.62
6	UBS	45.89

G1 BORROWERS RATED BY G2 LENDERS: ASIA-PACIFIC

WEIGHTED BY IMPORTANCE

Rank		Score
1	Goldman Sachs	17.84
2	Societe Generale CIB	13.65
3	Morgan Stanley	5.11

The US bank (Morgan Stanley) swept the board when rated by Group Two lenders, winning top spot globally, and in the Americas and EMEA.

Scotiabank broke into the top six Group One borrowers in the Americas

SCOTIABANK:

Scotiabank broke into the top six Group One borrowers in the Americas with an unweighted score of 106.33 and 104.63 in the weighted section, which placed it fifth. The Canadian borrower also finished fifth overall in EMEA. Scotia was also sixth globally, and fifth in the Americas and EMEA when rated by Group One lenders.

BARCLAYS:

The UK bank came fifth in Asia Pacific overall with scores of 110.33 in the unweighted section and 102.64 in the weighted survey. Barclays also came fifth among Group One borrowers rated by Group One lenders in Asia Pacific. Barclays also finished joint fifth in the Americas when rated by Group Two lenders with scores of 15.00 and 14.07.

SOCIETE GENERALE:

The French bank featured in the Group One survey in 2020 after missing out last year. Societe Generale CIB came fifth in the global list of Group One borrowers ranked by Group Two lenders with unweighted score of 76.33 and a weighted score of 71.27. The French bank was also fourth in the unweighted list of Group One borrowers rated by Group Two lenders with a score of 64.83. Societe Generale CIB was second in the unweighted list in Asia Pacific when rated by Group Two lenders with a score of 11.50 and second in the weighted table with 13.65.

BANK OF AMERICA MERRILL LYNCH:

Bank of America Merrill Lynch was third globally in the unweighted category when rated by Group Two lenders with a score of 82.67 and fourth in the weighted table with 79.75. The US bank also finished third in EMEA when ranked by Group Two lenders with a score of 73.67 in the unweighted list and 72.67 in the weighted section.

GOLDMAN SACHS:

The US bank hit the top six in EMEA with scores of 131.42 in the unweighted category and 128.44 in the weighted section, pitching Goldman Sachs at sixth in that survey. The US firm did particularly well when ranked by Group Two lenders who voted Goldman Sachs the second best borrower globally, narrowly behind Morgan Stanley. The US bank was third in the Americas as voted by Group Two lenders, second in EMEA and the top borrower in Asia Pacific accord to the Group Two lenders. ■

> Goldman Sachs did particularly well when ranked by Group Two lenders who voted Goldman Sachs the second best borrower globally.

G2 BORROWERS:

NATIXIS:

The French firm claimed top spot amongst Group Two borrowers. Natixis scored well with 787.00 in the unweighted category, which was up well on 609.00 last year, and 743.08 in the weighted section, which was an improvement on 531.61 in 2019.

The French borrower was also top-rated in EMEA, where it was top in both lists, and Asia Pacific, where it won the unweighted section and came second to Macquarie in the weighted list.

NOMURA:

The Japanese borrower was third overall, with an unweighted score of 547.37, which was down on last year's 601.67, and a weighted score of 515.83, which was up on 2019's 502.37. Nomura also came third in EMEA and Asia Pacific, and was rated second globally by Group One lenders.

> Natixix was top-rated in EMEA, where it was top in both lists, and Asia Pacific, where it won the unweighted section

G2 BORROWERS: GLOBAL
UNWEIGHTED

Rank		Score
1	Natixis	787.00
2	Nomura	547.17
3	Macquarie	398.33
4	ABN Amro	376.33
5	State Street Principal	353.83
6	SEB	327.33

G2 BORROWERS: GLOBAL
WEIGHTED BY IMPORTANCE

Rank		Score
1	Natixis	743.08
2	Nomura	515.83
3	Macquarie	374.34
4	ABN Amro	352.12
5	State Street Principal	345.23
6	SEB	305.46

G2 BORROWERS: AMERICAS
UNWEIGHTED

Rank		Score
1	Wells Fargo	167.00
2	National Bank Financial	151.50
3	Natixis	136.83
4	SEB	123.67
5	Fidelity Prime Services	105.83
6	Jefferies	93.17

G2 BORROWERS: AMERICAS
WEIGHTED BY IMPORTANCE

Rank		Score
1	Wells Fargo	161.46
2	National Bank Financial	143.72
3	Natixis	127.00
4	SEB	115.57
5	Fidelity Prime Services	107.75
6	State Street Principal	92.54

G2 BORROWERS: EMEA
UNWEIGHTED

Rank		Score
1	Natixis	398.67
2	ABN Amro	278.67
3	Nomura	262.33
4	SEB	156.33
5	ING	128.33
6	Jefferies	120.17

G2 BORROWERS: EMEA
WEIGHTED BY IMPORTANCE

Rank		Score
1	Natixis	378.58
2	ABN Amro	261.07
3	Nomura	246.11
4	SEB	146.52
5	ING	122.28
6	Jefferies	117.70

G2 BORROWERS: ASIA-PACIFIC
UNWEIGHTED

Rank		Score
1	Natixis	251.50
2	Macquarie	251.00
3	Nomura	198.67
4	State Street Principal	146.33
5	ABN Amro	93.00
6	Jefferies	69.00

G2 BORROWERS: ASIA-PACIFIC
WEIGHTED BY IMPORTANCE

Rank		Score
1	Macquarie	243.63
2	Natixis	237.51
3	Nomura	190.36
4	State Street Principal	142.28
5	ABN Amro	88.29
6	Jefferies	66.80

ABN AMRO:
The Dutch bank came fourth globally, with an unweighted score of 376.33, which was higher than last year's 346.50, and a weighted tally of 352.12, which was also up on its score of 307.25 in the 2019 survey. ABN Amro was second in EMEA overall, and third in that region when ranked by Group One lenders. The Dutch firm was second globally when scored by Group Two lenders.

G2 BORROWERS

Most Innovative

ABN AMRO

G2 BORROWERS RATED BY G1 LENDERS: GLOBAL		
UNWEIGHTED		
Rank		Score
1	Natixis	649.67
2	Nomura	485.33
3	Macquarie	383.33
4	State Street Principal	342.00
5	SEB	312.83
6	ABN Amro	261.33

G2 BORROWERS RATED BY G1 LENDERS: AMERICAS		
UNWEIGHTED		
Rank		Score
1	Wells Fargo	167.00
2	National Bank Financial	151.50
3	SEB	123.67
4	Natixis	112.83
5	Fidelity Prime Services	95.33
6	State Street Principal	79.33

G2 BORROWERS RATED BY G1 LENDERS: EMEA		
UNWEIGHTED		
Rank		Score
1	Natixis	306.33
2	Nomura	212.33
3	ABN Amro	163.67
4	SEB	141.83
5	ING	118.67
6	State Street Principal	116.33

G2 BORROWERS RATED BY G1 LENDERS: ASIA-PACIFIC		
UNWEIGHTED		
Rank		Score
1	Macquarie	251.00
2	Natixis	230.50
3	Nomura	198.67
4	State Street Principal	146.33
5	ABN Amro	93.00
6	Jefferies	69.00

STATE STREET PRINCIPAL:
State Street's borrowing arm was fifth globally after falling outside of the top six last year. State Street scored 353.83 in the unweighted category and 345.23 in the weighted group. State Street Principal was rated fourth in Asia Pacific, and fourth globally when judged by Group One lenders.

SEB:
The Swedish borrower broke into the top six globally with an unweighted score of 377.33 and weighted score of 305.45. SEB was fourth overall in the Americas and EMEA, and finished fifth globally when scored by Group One lenders.

G2 BORROWERS RATED BY G1 LENDERS: GLOBAL		
WEIGHTED BY IMPORTANCE		
Rank		Score
1	Natixis	615.85
2	Nomura	458.15
3	Macquarie	360.27
4	State Street Principal	332.65
5	SEB	292.01
6	ABN Amro	244.23

G2 BORROWERS RATED BY G1 LENDERS: AMERICAS		
WEIGHTED BY IMPORTANCE		
Rank		Score
1	Wells Fargo	161.46
2	National Bank Financial	143.72
3	SEB	115.57
4	Natixis	105.85
5	Fidelity Prime Services	95.84
6	State Street Principal	79.96

G2 BORROWERS RATED BY G1 LENDERS: EMEA		
WEIGHTED BY IMPORTANCE		
Rank		Score
1	Natixis	292.20
2	Nomura	199.18
3	ABN Amro	153.18
4	SEB	133.07
5	ING	112.95
6	State Street Principal	110.42

G2 BORROWERS RATED BY G1 LENDERS: ASIA-PACIFIC		
WEIGHTED BY IMPORTANCE		
Rank		Score
1	Macquarie	243.63
2	Natixis	217.80
3	Nomura	190.36
4	State Street Principal	142.28
5	ABN Amro	88.29
6	Jefferies	66.80

WELLS FARGO:
The US bank was the top Group Two borrower in the Americas with an unweighted score of 167.00 and weighted tally of 161.46. Wells Fargo was also top in the Americas when scored by Group One lenders.

NATIONAL BANK FINANCIAL:
National Bank Financial performed well in the Americas where it was second in the Group Two borrowers category, with an unweighted score of 151.50 and a weighted score of 143.72, and second when rated by its larger Group One lenders.

FIDELITY PRIME SERVICES:
The Prime Services arm of the US fund manager came fifth in the Americas, with an unweighted score of 105.83 and weighted total of 107.75, which were slightly down on last year's scores. Fidelity Prime Services was fifth in the Americas when rated by Group One and Group Two lenders.

JEFFERIES:
The US bank was sixth amongst Group Two borrowers in the Americas with an unweighted score of 93.17, and sixth in EMEA with an unweighted score of 120.17 and a weighted result of 117.70. Jefferies also came sixth in Asia Pacific with scores of 69.00 and 66.80. Jefferies was third globally and second in the Americas when rated by Group Two lenders.

ING:
The Dutch borrower came fifth in EMEA with an unweighted score of 128.33 and a weighted total of 122.28. These scores also made ING fifth in EMEA when rated by Group One lenders.

MACQUARIE:
Macquarie came third globally when rated by Group One lenders with an unweighted score of 383.33 and a weighted score of 360.27. The Australian borrower also came top in Asia Pacific when rated by Group One lenders, with an unweighted score of 251.00 and a weighted total of 243.63.

UNICREDIT:
The Italian borrower scored well when rated by Group Two lenders. UniCredit was fourth globally, with an unweighted score of 63.50 and a weighted total of 59.74. The Italian bank was third in the Americas, according to Group Two lenders, with an unweighted score of 15.00 and a weighted score of 14.07. UniCredit was also fourth in EMEA when ranked by Group Two lenders.

BANCO SANTANDER:
The Spanish bank was sixth globally amongst Group Two borrowers when marked by Group Two lenders with an unweighted score of 30.83 and a weighted tally of 28.92. Banco Santander was also sixth in EMEA when scored by Group Two lenders. ■

> Natixis claimed top spot when rated by G2 lenders Globally and also in Americas and Asia-Pacific.

G2 BORROWERS RATED BY G2 LENDERS: GLOBAL
UNWEIGHTED

Rank		Score
1	Natixis	137.33
2	ABN Amro	115.00
3	Jefferies	67.67
4	UniCredit	63.50
5	Nomura	61.83
6	Banco Santander	30.83

G2 BORROWERS RATED BY G2 LENDERS: AMERICAS
UNWEIGHTED

Rank		Score
1	Natixis	24.00
2	Jefferies	22.17
3	UniCredit	15.00
4 =	Nomura	11.83
4 =	State Street Principal	11.83
6	Fidelity Prime Services	10.50

G2 BORROWERS RATED BY G2 LENDERS: EMEA
UNWEIGHTED

Rank		Score
1	ABN Amro	115.00
2	Natixis	92.33
3	Nomura	50.00
4	UniCredit	48.50
5	Jefferies	45.50
6	Banco Santander	30.83

G2 BORROWERS RATED BY G2 LENDERS: ASIA-PACIFIC
UNWEIGHTED

Rank		Score
1	Natixis	21.00

G2 BORROWERS RATED BY G2 LENDERS: GLOBAL
WEIGHTED BY IMPORTANCE

Rank		Score
1	Natixis	127.23
2	ABN Amro	107.89
3	Jefferies	63.49
4	UniCredit	59.74
5	Nomura	57.68
6	Banco Santander	28.92

G2 BORROWERS RATED BY G2 LENDERS: AMERICAS
WEIGHTED BY IMPORTANCE

Rank		Score
1	Natixis	21.14
2	Jefferies	20.31
3	UniCredit	14.07
4	State Street Principal	12.58
5	Fidelity Prime Services	11.92
6	Nomura	10.75

G2 BORROWERS RATED BY G2 LENDERS: EMEA
WEIGHTED BY IMPORTANCE

Rank		Score
1	ABN Amro	107.89
2	Natixis	86.38
3	Nomura	46.93
4	UniCredit	45.66
5	Jefferies	43.18
6	Banco Santander	28.92

G2 BORROWERS RATED BY G2 LENDERS: ASIA-PACIFIC
WEIGHTED BY IMPORTANCE

Rank		Score
1	Natixis	19.70

FIXED INCOME LENDING:

UBS SWITZERLAND:

UBS Switzerland claimed top prize in 2020, winning the global unweighted and weighted categories. The fixed income lending arm of the Swiss group scored 1,097.00 in the unweighted category, compared to 892.50 last year, and 1,006.30 in the weighted list, which was well up on 2019's score of 791.93.

BNY MELLON:

The US bank came second in the global group, scoring 798.50 in the unweighted section and 737.40 in the weighted class. Both these results were lower that 2019 when BNY Mellon was the top-rated fixed income lender. BNY Mellon won in the Americas with scores of 426.00 and 389.70, and finished fourth in EMEA and Asia Pacific.

STATE STREET:

The US bank came third globally amongst the fixed income lenders for the second year, with scores of 647.00 and 586.42. State Street was also the second rated lender in the Americas, behind BNY Mellon, and the fifth highest firm in the EMEA list.

CLEARSTREAM:

The arm of the German exchange giant Deutsche Boerse retained fourth spot this year with scores of 630.50 and 584.75, which were well up on last year's totals of 499.50 and 457.88. Clearstream also performed well regionally, claiming second place in EMEA, fifth spot in Asia Pacific and sixth place in the Americas.

JP MORGAN:

The US banking group was fifth in the global weighted list with a score of 530.88, which saw JP Morgan break into the top six this year and improve on last year's score of 423.54. In the unweighted section, JP Morgan was sixth with 576.00, which was well up on last year's score of 468.50. The US lender was also third in the Americas and Asia Pacific.

CREDIT SUISSE ZURICH:

The fixed income lender came fifth in the global unweighted list with a score of 581.00 and sixth in the weighted table with a total of 519.26. Credit Suisse Zurich performed particularly well in EMEA where it scored 415.00 in the unweighted list, compared to 172.50 last year, and 374.17 in the weighted group, which compares to 156.35 in 2019. Credit Suisse Zurich was also top in Asia Pacific with scores of 99.00 and 87.27.

CITIGROUP:

The US bank came fourth in the Americas fixed income lending survey. Citi scored 196.00 in the unweighted list and 172.44 in the weighted rankings.

NORTHERN TRUST:

The US banking group came fifth in the Americas fixed income lending survey, with scores of 125.50 in the unweighted group and 113.69 in the weighted section. These were down on its scores of 146.00 and 133.49 last year.

BNP PARIBAS SECURITIES SERVICES:

The custody arm of the French banking giant was sixth in EMEA with a weighted score of 261.00 and an unweighted total of 238.97.

HSBC SECURITIES SERVICES:

The lending arm of the UK banking giant came sixth in Asia Pacific with an unweighted score of 35.00 and a weighted tally of 31.73. ■

GLOBAL FIXED INCOME — UNWEIGHTED

Rank		Score
1	UBS Switzerland	1,097.00
2	BNY Mellon	798.50
3	State Street	647.00
4	Clearstream	630.50
5	Credit Suisse Zurich	581.00
6	JPMorgan	576.00

GLOBAL FIXED INCOME — WEIGHTED BY IMPORTANCE

Rank		Score
1	UBS Switzerland	1,006.30
2	BNY Mellon	737.40
3	State Street	586.42
4	Clearstream	584.75
5	JPMorgan	530.18
6	Credit Suisse Zurich	519.26

AMERICAS FIXED INCOME — UNWEIGHTED

Rank		Score
1	BNY Mellon	426.00
2	State Street	336.00
3	JPMorgan	243.00
4	Citi	196.00
5	Northern Trust	125.50
6	Clearstream	110.00

AMERICAS FIXED INCOME — WEIGHTED BY IMPORTANCE

Rank		Score
1	BNY Mellon	389.70
2	State Street	301.17
3	JPMorgan	226.22
4	Citi	172.44
5	Northern Trust	113.69
6	Clearstream	99.26

EMEA FIXED INCOME — UNWEIGHTED

Rank		Score
1	UBS Switzerland	950.00
2	Clearstream	480.50
3	Credit Suisse Zurich	415.00
4	BNY Mellon	323.50
5	State Street	296.00
6	BNP Paribas Securities Services	261.00

EMEA FIXED INCOME — WEIGHTED BY IMPORTANCE

Rank		Score
1	UBS Switzerland	871.92
2	Clearstream	447.78
3	Credit Suisse Zurich	374.17
4	BNY Mellon	302.26
5	State Street	270.51
6	BNP Paribas Securities Services	238.97

ASIA-PACIFIC FIXED INCOME — UNWEIGHTED

Rank		Score
1	Credit Suisse Zurich	99.00
2	UBS Switzerland	93.00
3	JPMorgan	87.00
4	BNY Mellon	49.00
5	Clearstream	40.00
6	HSBC Securities Services	35.00

ASIA-PACIFIC FIXED INCOME — WEIGHTED BY IMPORTANCE

Rank		Score
1	Credit Suisse Zurich	87.27
2	UBS Switzerland	85.30
3	JPMorgan	81.80
4	BNY Mellon	45.44
5	Clearstream	37.71
6	HSBC Securities Services	31.73

TECHNOLOGY VENDORS:

PIRUM SYSTEMS:

Pirum Systems retained top spot in this year's survey of post-trade systems for the second year running. The tech firm came first with a global average of 6.25 and in Asia Pacific with a score of 6.33, and joint first in EMEA with a score of 6.38, which was up on last year's European score of 6.33.

EQUILEND:

EquiLend PTS, the post-trade solution, was top in the Americas with a score of 6.21 and joint top in EMEA with Pirum. EquiLend PTS was also second globally and in Asia Pacific. EquiLend/ BondLend NGT was the top trading platform globally and in Asia Pacific unweighted and the top vendor across the board when the scores are weighted by clients. EquiLend Spire/ Stonewain Systems was the top technology vendor for software solutions.

GLMX:

GLMX came top of the securities finance trading platforms in the Americas with an unweighted score of 6.58, narrowly beating EquiLend/ BondLend NGT into second place. GLMX was also second when the scores are weighted with 5.65 in the SBL trading platform category.

WEMATCH:

wematch is the top SBL trading platform vendor in EMEA using raw data with a score of 6.37. The fintech firm was second with a score of 4.55 when the scores are weighted based on trading volumes.

FIS LOANET:

The FIS post-trade system was rated third in the Americas with a score of 4.38.

BROADRIDGE:

The US technology giant was rated second in the Americas in the software solutions vendor category. ■

TECHNOLOGY VENDORS - POST TRADE SERVICES

GLOBAL			AMERICAS			EMEA			ASIA-PACIFIC		
Rank		Score	Rank		Score	Rank		Score	Rank		Score
1	Pirum Systems	6.25	1	EquiLend PTS	6.21	1 =	EquiLend PTS	6.38	1	Pirum Systems	6.33
2	EquiLend PTS	6.21	2	Pirum Systems	5.95	1 =	Pirum Systems	6.38	2	EquiLend PTS	5.99
			3	FIS Loanet	4.38						

TECHNOLOGY VENDORS - SBL TRADING PLATFORM (UNWEIGHTED)

GLOBAL			AMERICAS			EMEA			ASIA-PACIFIC		
Rank		Score	Rank		Score	Rank		Score	Rank		Score
1	EquiLend/BondLend NGT	6.12	1	GLMX	6.58	1	wematch	6.37	1	EquiLend/BondLend NGT	5.94
			2	EquiLend/BondLend NGT	6.52	2	EquiLend/BondLend NGT	5.95			

TECHNOLOGY VENDORS - SBL TRADING PLATFORM (WEIGHTED)

GLOBAL			AMERICAS			EMEA			ASIA-PACIFIC		
Rank		Score	Rank		Score	Rank		Score	Rank		Score
1	EquiLend/BondLend NGT	6.12	1	EquiLend/BondLend NGT	7.14	1	EquiLend/BondLend NGT	5.42	1	EquiLend/BondLend NGT	6.15
			2	GLMX	5.65	2	wematch	4.55			

TECHNOLOGY VENDORS - SOFTWARE SOLUTIONS

GLOBAL			AMERICAS			EMEA		
Rank		Score	Rank		Score	Rank		Score
1	EquiLend Spire/Stonewain Systems	6.65	1	EquiLend Spire/Stonewain Systems	6.36	1	EquiLend Spire/Stonewain Systems	6.92
			2	Broadridge	5.13	2	Pirum CollateralConnect	6.52

DATA VENDORS EQUITIES:

DATALEND:

DataLend was top when rated by clients that use a single data vendor in the Americas, and second in EMEA and Asia Pacific. DataLend also had the second highest global total and second highest average when rated by clients that use a single data vendor.

Where firms were using two data vendors, DataLend was second in each region and had the second highest average. Rated among clients using three data vendors, DataLend was top in each region and had the best average.

MARKIT SECURITIES FINANCE:

Markit Securities Finance had the highest score in EMEA and Asia Pacific among firms using a single data vendor and also had the highest average when rated by these clients. For firms using two data vendors, Markit Securities Finance had the best score in each region and the best average. In the three data vendor survey, Markit Securities Finance was second in EMEA and Asia Pacific, and had the second best average.

FIS ASTEC ANALYTICS:

FIS Astec Analytics came second in the Americas when scored by clients using three data vendors. ■

DATA VENDORS FIXED INCOME:

DATALEND:

DataLend came out top when rated by firms that use a single vendor, with an average of 5.25 out of 7. DataLend was the top-rated data vendor in EMEA with a score of 5.40, which was slightly down on last year's 5.56. DataLend was also the top data vendor overall where firms are using two or three data vendors with an average of 1.29 (where 1 is best) for two vendor firms and 1.90 for three vendor companies. The vendor was top in EMEA, the Americas and Asia Pacific for two vendor firms and best in the Americas for three vendor companies.

MARKIT SECURITIES FINANCE:

Markit Securities Finance was rated second in EMEA and the Americas for firms that use a single vendor. The firm was also second on average and across all three regions among firms that use two vendors. Markit Securities Finance was top in EMEA for clients that use three vendor solutions.

FIS ASTEC ANALYTICS:

FIS Astec Analytics was top in the Americas for firms that use one vendor with a score of 6.27 out of 7. The data vendor was also second on average among clients that use three data vendors. ■

DATA VENDORS — SINGLE VENDOR EQUITIES

VENDOR	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
DataLend	2nd (5.14)	1st (6.14)	2nd (6.50)	2nd (17.78)	2nd (5.67)
FIS Astec Analytics	3rd (3.50)	3rd (4.00)	-	3rd (7.50)	3rd (3.67)
Markit Securities Finance	1st (6.00)	2nd (5.57	1st (6.67)	1st (18.24)	1st (6.17)

DATA VENDORS — TWO VENDOR EQUITIES

VENDOR	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
DataLend	2nd (1.64)	2nd (1.45)	2nd (1.52)	2nd (4.61)	2nd (1.55)
FIS Astec Analytics	3rd (1.75)	3rd (1.76)	3rd (2.00)	3rd (5.51)	3rd (1.78)
Markit Securities Finance	1st (1.28)	1st (1.40)	1st (1.44)	1st (4.12)	1st (1.37)

DATA VENDORS — THREE VENDOR EQUITIES

VENDOR	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
DataLend	1st (1.63)	1st (1.49)	1st (1.19)	1st (4.31)	1st (1.48)
FIS Astec Analytics	3rd (2.43)	2nd (2.17)	3rd (2.90)	3rd (7.5)	3rd (2.35)
Markit Securities Finance	2nd (1.90)	3rd (2.34)	2nd (1.90)	2nd (6.14)	2nd (2.15)

DATA VENDORS — SINGLE VENDOR FIXED INCOME:

VENDOR	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
DataLend	1st (5.40)	3rd (4.00)	-	3rd (9.40)	1st (5.25)
FIS Astec Analytics	3rd (4.00)	1st (6.29)	-	1st (10.29)	2nd (5.14)
Markit Securities Finance	2nd (4.96)	2nd (4.50)	-	2nd (9.46)	3rd (4.87)

DATA VENDORS — TWO VENDOR FIXED INCOME

VENDOR	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
DataLend	1st (1.39)	1st (1.17)	1st (1.36)	1st (3.92)	1st (1.29)
FIS Astec Analytics	-	3rd (1.96)	-	-	3rd (1.96)
Markit Securities Finance	2nd (1.61)	2nd (1.29)	2nd (1.64)	2nd (4.54)	2nd (1.57)

DATA VENDORS — THREE VENDOR FIXED INCOME

VENDOR	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
DataLend	3rd (2.13)	1st (1.43)	-	1st (3.56)	1st (1.90)
FIS Astec Analytics	2nd (2.01)	2nd (2.00)	-	2nd (4.01)	2nd (2.01)
Markit Securities Finance	1st (1.86)	3rd (2.57)	-	3rd (4.43)	3rd (2.10)

EQUITY

The ISF Equity Lending Survey 2020 is designed to identify excellence in the industry.

Respondents – lenders or borrowers – are asked to rank their counterparties. There is a separate survey questionnaire for each side of the trade.

Respondents are asked to rank their top counterparties in each of the categories (see below) separately for each region.

A global entity is asked to rate its counterparties for every relevant geographical region: Europe, Middle East and Africa (EMEA), the Americas and Asia Pacific.

The region is defined by where the underlying securities are listed (not where either the respondent or counterparty is based). Therefore, global entity Lender X is asked to rank its top counterparties, in each category, for every region where the equities it trades are listed.

Overall scores are defined as ones where all the category scores are combined (there are global overall scores and regional overall scores)

Global scores are defined as ones where scores from all regions are combined (there are global overall scores and global category scores).

All entities that meet the qualification criteria are included in the appropriate tables regardless of whether the entity actively "participated" in the survey (i.e. circulated the survey in the industry).

MARKET DIVISION BY SCALE

Only the largest borrowers and lenders are eligible to be ranked in the survey. Likewise, these same two groups are the only entities eligible to rank their counterparts.

There is also a distinction between group one and group two entities. Group one consists of the largest counterparts and group two the remainder. This is to reflect the differences in the business models of these firms and ensure that more relevant comparisons are made.

Both group one and group two counterparties are asked to fill out an identical survey. All respondents are asked to rank seven group one counterparts in order of excellence exhibited in that category (from the list of group one counterparties). Similarly, all respondents are then also asked to rank their top seven group two counterparties. In theory any group two firm could receive a higher total score than any group one firm – however they will not be compared in the same tables.

However, the rankings provided by group two respondents have a lower weighting than those of group one when calculating the total scores (see details below under Calculation Method).

RESPONSE VALIDATION

A global entity is only allowed to rank its counterparties once for each region (i.e. two people from Bank X cannot rank its counterparties in the same category and same region). A global entity can rank its top counterparties in each category, for either one, two or all three regions.

If ISF receives multiple responses from the same entity for the same region we will ask the global head of the business to choose which should be used (Global Investor/ISF reserves the right to make the decision after reasonable efforts are made to get a decision).

Respondents are encouraged to rank as many counterparties in as many categories as possible. However, there is no minimum number required for the response to be valid and no categories are mandatory – e.g. a firm could choose to only rank their top 4 Group Two counterparties if they only use 4 from the approved list.

Responses are not permitted if they are submitted via one of the counterparties being ranked. IP addresses for all responses will be checked.

WINNERS AND HIGHLY COMMENDED

In line with the objective of recognising excellence in the industry, winners will be announced for the lenders and borrowers ranked highest by their counterparties.

In addition, a select group of firms will be declared highly commended. These are the borrowers and lenders that secured the next highest scores after the winners. For both group one and two a list of highly commended firms will also be published.

Winners and highly commended lists will be declared for the firms ranked highest on average for the following methodologies:

- Global overall
- Global categories
- Regional overall
- Regional categories

This list will be replicated for four groups:

- Group one lenders
- Group one borrowers
- Group two lenders
- Group two borrowers

QUALIFICATION

Fundamentally, winners and highly commended lists are calculated by the total amount of points accumulated. This means that only the most-qualified firms will be published.

CALCULATION METHOD

Unweighted

All respondents (groups one and two) are asked to rank their top seven counterparties in both groups for each category, in each region. The rankings are then inverted to provide scores (i.e. a number one rank produces a score of seven).

These scores are then added together and the firm with the highest total score is declared the winner (it does not matter which firm is ranked number one by the most counterparts). The counterparts with the next highest scores are declared highly commended.

Being ranked by a group one respondent results in a full score; being ranked by a group two counterpart results in 50% of the inverted score being added to the total.

Rank	Group one respondent score	Group two respondent score
1	7	3.5
2	6	3
3	5	2.5
4	4	2
5	3	1.5
6	2	1
7	1	0.5

Weighted by importance

In the survey questionnaire, respondents are asked to rank the categories according to how important they consider that attribute to be. These ranks are combined to provide weightings theoretically between 0 and 2 (but are likely to be much less extreme) for each category.

For example, if relationship management is considered very important by respondents and generates a weighting of 1.5, and Bank X achieves a score of 25 in that category, 37.5 will be added to the overall score (1.5 x 25 = 37.5).

These weightings are calculated on a global basis and applied to all overall tables (even if there is a disparity between how important attributes are between the regions).

Therefore the combined scores are calculated as follows:

- Regional categories: All scores for the relevant category, for the relevant region, are simply added together.
- Global categories: All scores for the relevant category, for every region, are added together.
- Regional overall: Regional category scores are weighted by importance and then added together to create an overall score for that region.
- Global overall: Global category scores are weighted by importance and then added together to create an overall score for the entire globe.

CATEGORIES & OPERATIONS SUB-CATEGORIES

When respondents rank counterparties they are asked to do so for nine categories including three operations categories. However, the three operations categories are combined into one operational efficiency category for the purposes of creating overall tables (global overall and regional overall).

Therefore, when calculating overall scores (combining categories) the operations scores count for one third as much as each of the other categories.

Likewise, when respondents are asked to rank the categories by importance the operations categories are combined into a single operational efficiency category.

Lenders rating borrowers

1 Breadth of demand – including general international markets, exclusives, corporate actions and emerging markets
2. Stability of demand – including overnight balance and term balance
3. Collateral funding capabilities
4. Trading capability – including idea generation, product knowledge and automation
5. Relationship management – including senior management engagement, trading desk engagement, sales desk engagement and coordination/communication between internal desks globally
6. Operational efficiency
a. Trading connectivity & automation
b. Trade matching and settlement
c. Dividend collection and fees & billing
7. Reliability, connectivity and communication throughout the Covid crisis

Borrowers rating lenders

1. Breadth of supply – including general international markets, exclusives, corporate actions and emerging markets.
2. Stability of supply – including recall frequency and transparency around stability
3. Trading capability – including idea generation, product knowledge and automation
4. Collateral funding capabilities
5. Relationship management – including senior management engagement, trading desk engagement, sales desk engagement and coordination/communication between internal desks globally
6. Operational efficiency
a. Trading connectivity & automation
b. Trade matching and settlement
c. Dividend collection and fees & billing
7. Reliability, connectivity and communication throughout the Covid crisis

VOTING CATEGORIES

In addition to ranking counterparties, respondents are invited to nominate individuals for our lifetime achievement award and elaborate on why their nomination should receive this accolade.

The 'Most Innovative' awards are calculated as in previous years from the highest total votes.

- Lifetime achievement award
- Most innovative borrower of the year (Group One)
- Most innovative borrower of the year (Group Two)
- Most innovative lender of the year (Group One)
- Most innovative lender of the year (Group Two)

DATA PROVIDER VOTING

We are also asking all respondents (both borrowers and lenders) to score their securities lending data vendors (DataLend, IHS Markit Securities Finance and FIS Astec Analytics) while completing each region of the equity lending survey.

We kindly ask respondents to respond for all vendors that they are using.

The scores will be across 7 categories.

- Breadth/coverage of data
- Speed/frequency of data

- Reliability of data
- Client service - helpdesk responsiveness
- Innovation
- Usability & interaction
- Reliability, connectivity and communication throughout the Covid crisis

For voters with one data source, please rate it between 1 for unacceptable to 7 for excellent.

The scores will be averaged to provide global, regional and category scores for the qualifying data providers. These will be published in separate tables alongside the equity lending survey.

For voters with two or three data sources, please rank them on each category for a comparative result in each area.

Minimum qualification requirements for the data vendors:
Global tables: qualification in two regions
Regional tables: 7 votes for Americas, 7 votes for EMEA, 5 votes for Asia-Pacific
Category tables: qualification in two regions.

FIXED INCOME

The ISF Fixed Income Lending Survey 2020 is designed to identify excellence in the industry, and is designed to complement the highly regarded and longstanding Equity Lending Survey.

Borrowers are invited to rank their lending counterparties.

Respondents are asked to rank their top counterparties in each of the categories separately for each region.

There are three geographical regions. Global entities are asked to rate their counterparties for every relevant region: Europe, Middle East & Africa (EMEA), the Americas and Asia Pacific.

Regions are defined by where the underlying securities originate (not where either the respondent or counterparty is based). Therefore, global entity Borrower X is asked to rank its top counterparties, in each category, for every region where the fixed income securities that it trades originate.

Overall scores are defined as ones where all the category scores are combined (there are global overall scores and regional overall scores)

Global scores are defined as ones where scores from all regions are combined (there are global overall scores and global category scores).

All entities that meet the qualification criteria are included in the appropriate tables regardless of whether the entity actively participated in the survey (i.e. helped to circulate the survey in the industry).

RESPONSE VALIDATION

A global entity is only allowed to rank its counterparties once for each region (i.e. two people from Borrower X cannot rank its counterparties in the same category and same region). A global entity can rank its top counterparties in each category, for either one, two or all three regions.

If ISF receives multiple responses from the same entity for the same region we will ask the global head of the business to choose which should be used (ISF reserves the right to make the decision after reasonable efforts have been made).

Respondents are asked to rank seven counterparties in as many categories as possible. However, there is no minimum number required for the response to be valid and no categories are mandatory.

Responses are not permitted if they are submitted via one of the counterparties being ranked. IP addresses for all responses will be checked.

WINNERS AND HIGHLY COMMENDED

In line with the objective of recognising excellence in the industry, winners will be announced for the lenders ranked highest by their counterparties.

In addition, a select group of firms will be declared highly commended. These are the lenders that secured the next highest scores after the winners.

Winners and highly commended lists will be declared for:
- Global overall
- Global categories
- Regional overall
- Regional categories

CALCULATION METHOD

Respondents are asked to rank their top seven counterparties. These rankings are then inverted to create scores.

These scores are then added together and the firm with the highest total score is declared the winner (it does not matter which firm is ranked number one by the most counterparts). The counterparties with the next highest scores are declared highly commended.

All respondents are asked to rank their top seven counterparties for each category, in each region. The rankings are then inverted to provide points awarded (i.e. a number one rank produces a score of seven).

Rank	Score
1	7
2	6
3	5
4	4
5	3
6	2
7	1

TECHNOLOGY & VENDOR

All securities finance market participants are invited to rate three types of technology provider: securities finance trading platform, post-trade service and software solutions.

Respondents are asked to rate these providers between 1 (unacceptable) and 7 (excellent) across several service categories. Six of these categories are the same for each of the provider types and three or four categories are unique to each.

TABLES

The responses of borrowers and lenders are combined, averaged and presented in an overall table for each technology provider type.

There will be regional tables for EMEA, Asia-Pacific and the Americas. The respondent's specified location will determine the region of the response.

A firm will need to qualify in at least 2 of the 3 regions to qualify for the overall table.

There will also be category tables to highlight areas of excellence among qualifying firms.

Trading Platform will have both unweighted and weighted overall tables.
Unweighted will be the average score divided by the number of responses – as has been the case in previous years.

Weighted tables will apply a multiplier to a respondents vote based on the approximate annual balances on that platform as follows:

Approximate annual balance of respondent (%)	Weighting multiplier
0-25	0.7
25-75	1.0
75-100	1.3

QUALIFICATION FOR SECURITIES FINANCE TRADING PLATFORM AND POST-TRADE SERVICES:

Overall
Firms need a minimum of 12 responses to qualify overall. The firm must also qualify in a minimum of two regions (EMEA, Asia-Pacific, Americas). If two or more people from the same entity rate the same provider in the same region, the ratings will be averaged and the responses will count as a single response for qualification and table calculation purposes.

Regional
For regional tables the qualification requirements are 7, 7 and 5 responses for EMEA, Americas and Asia Pacific respectively.

QUALIFICATION FOR SOFTWARE SOLUTIONS

Overall

Firms need a minimum of 10 responses to qualify overall. The firm must also qualify in a minimum of two regions (EMEA, Asia-Pacific, Americas). If two or more people from the same entity rate the same provider in the same region, the ratings will be averaged and the responses will count as a single response for qualification and table calculation purposes.

Regional
For regional tables (EMEA, Asia-Pacific, Americas) firms need a minimum of 5 responses to qualify.

CATEGORIES

The following six categories are applied to all three technology provider types:
- ROI/Value-for-money
- Ease of integration
- User interface – including system responsiveness/speed
- Client service & responsiveness/relationship management
- Innovation
- Reliability, connectivity and communication throughout the Covid crisis

In addition, each type of technology has unique categories

Securities Finance Trading Platform
- Footprint/breadth of functionality – including available inventory management
- Reliability of platform
- Order management/STP process
- Post trade/lifecycle management

Post-trade Services
- Reconciliation ability (including overnight versus intraday processing)
- Proportion of STP/Effectiveness of trade lifecycle processing
- Market connectivity

Software Solutions
- Inventory management/collateral optimisation
- Connectivity (e.g. to external infrastructure, internal systems)
- Front to back lifecycle support (e.g. margin calls, corporate actions, settlement, trade lifecycle event automation, reporting)

PRACTICALITIES & DISCLAIMER

Respondents may re-enter their survey form after completion. Even if the form is finished and submitted, the respondent may revise their answers until the final deadline. Reactivation codes are available from gisurveys@euromoneyplc.com.

All responses are strictly confidential. Borrowers and lenders will never be able to find out which counterparts ranked them.

ISF reserves the right to amend the methodology or invalidate results in the event of genuine anomalies – however we will remain transparent and publicise if this is ever the case.

Saudi market to "fundamentally change" – State Street

State Street pushes forward on its MENA expansion with the Saudi market having the most potential in the Gulf. After opening its Riyadh office on August 13, a decision that was taken in October 2018, State Street plans to expand its footprint in the region.

Oliver Berger, senior vice president, head of the Middle East and North Africa (Mena) at State Street says: "Saudi is the biggest market in the Gulf with the biggest potential very clearly and it is the country with Vision 2030 at the forefront. We've been in the UAE for many years and it is our home base but if Saudi really takes off the way we think it will, we need to carefully consider any further expansion in the GCC and key priorities. We also believe that the whole market is going to fundamentally change in terms of where you need to service."

The bank is now fully up and running and has obtained four licenses in Saudi Arabia. It has completed all the hiring needed to complete its expansion. In both locations, from Riyadh and its regional hub in Abu Dhabi, it has full capabilities across the bank.

Saudi Arabia has undergone many changes to support the opening of foreign international investments, including changes to regulation and with Vision 2030, the country's blueprint announced in 2016 to further develop the domestic economy.

Through this strategic framework, the Kingdom plans on reducing its reliance on oil, becoming a global investment powerhouse and transforming the country into a 'global hub' connecting Asia, Europe and Africa by being the epicentre of trade.

Haifa AlGoufi, chief compliance officer for State's Streets MENA hub, comments: "We see significant government initiatives to support the international appearance in Saudi, such as changes to regulation. Following extensive gap-analysis, the government has pro-actively invested time and effort to progressively close these gaps, which previously existed, owing to the age of the Saudi market.

"The Saudi government has been very supportive of opening foreign international investment in Saudi and adding more value from their experience, as well as adding more variety to the market. They are very serious about attracting international investment and foreign firms to invest in Saudi Arabia."

Alongside government support, international advancements such as FTSE Russell completing the inclusion of Saudi Arabian stocks to its global equity index series in June, and the country's inclusion in the MSCI emerging market index in May 2019 have boosted the economy further.

Emmanuel Laurina, managing director and head of Middle East and Africa (MEA) at State Street Global Advisors, adds: "The inclusion of Saudi Arabia and the UAE in emerging market indices by FTSE and MSCI are the sort of advancements that have given us the confidence to start investing in those markets on behalf of international investors, as well as local investors.

"We are now in a position to deploy standalone regional asset management capabilities that will provide targeted exposure to the Gulf markets or the MENA markets, either passively or actively. My ambition on the asset management side is to start developing that aspect of our business in the future."

Despite its progressive ambitions, Laurina defines the Saudi market as containing "a lot of idiosyncrasies" which require dedicated attention. As such, Berger believes the market will change fundamentally in terms of where banks need to service. Financial centres in the region such as the Dubai International Financial Centre or the Abu Dhabi Global Market are being built up, with money largely deriving from government institutions.

"I think they want to see that volume come to their fund centres. We want to be there in the local fund centres to provide the custody service, fund administration services and other services that come within the front-to-back investment cycle," adds Berger.

As such, the bank's decision to open its office in the capital and hire Saudi nationals with capital markets expertise was a way to build and grow an extension to the franchise it has had in the region for over two decades, aligning itself with the Kingdom's ambitions under Vision 2030.

Despite its ambitions, the Covid-19 pandemic may disrupt the country's progress. The International Monetary Fund said in June that Saudi Arabia's projected Gross Domestic Product would drop by 6.8% this year, a change from its previous estimation made in April of a 2.8% decline. Coupled with lower oil prices that have affected state revenues, and a drop in tourism as a consequence of the pandemic, it remains to be seen whether the country can complete its economic reform programme as planned. ■

JP MORGAN

JP Morgan has won the coveted weighted category for 2020, marking the second year of success for the firm. The US bank had the highest average score of the various firms that qualified in all three regions of EMEA, the Americas and Asia. The bank had a global total of 20.68 and an average of 7.00.

JP Morgan's success was due to a strong performance in EMEA where it came second with 6.88, narrowly behind HSBC, and in the Americas where the bank won that region comfortably with a score of 7.64. JP Morgan also performed well in Asia where it came fourth with a score of 6.16 behind HSBC, Northern Trust and Citi.

JP Morgan was also rated best when weighted by firms that use multiple custodians, scoring 7.31, ahead of HSBC in second and BNY Mellon in third. The US bank was also top in the weighted category when scored by pension funds, beating HSBC into second.

Last year JP Morgan achieved an average global score of 7.54 in the overall weighted table, climbing to the top of the rankings on the back of strong scores in EMEA (7.71) and Asia Pacific (7.19). 2019 was the second year in a row that the bank had been ranked as the highest performer in EMEA in the overall weighted table.

> JP Morgan has won the coveted weighted category for 2020, marking the second year of success for the firm.

OVERALL (WEIGHTED)

COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	4.64		5.20	9.84	5.09
BNY Mellon	6.02	7.04	5.57	18.63	6.58
Citi	6.32	6.50	6.34	19.16	6.39
HSBC	**6.99**		**7.09**	14.08	**7.05**
JPMorgan	6.88	**7.64**	6.16	**20.68**	7.00
Northern Trust	5.20	4.92	6.78	16.90	5.33
Pictet	5.76	5.38	5.57	16.71	5.65
RBC Investor & Treasury Services	4.63	3.86	4.55	13.04	4.27

OVERALL (UNWEIGHTED)

COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.39		5.13	10.52	5.47
BNY Mellon	5.47	6.02	6.60	18.09	5.90
Citi	5.86	5.95	5.08	16.89	5.75
HSBC	6.11		5.99	12.10	6.03
JPMorgan	5.76	5.81	5.34	16.91	5.73
Northern Trust	5.38	5.76	5.42	16.56	5.59
Pictet	**6.39**	**6.25**	6.78	**19.42**	**6.39**
RBC Investor & Treasury Services	6.26	5.83	**6.83**	18.92	6.16

OVERALL SERVICE CATEGORIES (WEIGHTED)

COMPANY NAME	CASH MANAGEMENT	CLASS ACTIONS	CLIENT SERVICES	COMMISSION RECAPTURE	CORPORATE ACTIONS	COVID CRISIS MANAGEMENT
BNP Paribas					4.84	
BNY Mellon	6.34	6.26	6.77	6.00	6.42	6.76
Citi	5.95		6.42		6.36	6.77
HSBC	**6.83**		**7.40**		**7.14**	**7.74**
JPMorgan	6.39	**6.67**	7.20			7.22
Northern Trust	5.04	5.33	5.51	5.83	5.88	5.81
Pictet	4.83		5.78			5.54
RBC Investor & Treasury Services	3.70		4.17		4.17	4.31

OVERALL SERVICE CATEGORIES (UNWEIGHTED)

COMPANY NAME	CASH MANAGEMENT	CLASS ACTIONS	CLIENT SERVICES	COMMISSION RECAPTURE	CORPORATE ACTIONS	COVID CRISIS MANAGEMENT
BNP Paribas					5.27	
BNY Mellon	5.73	**5.86**	6.17	5.65	5.89	6.15
Citi	5.55		5.86		5.70	6.23
HSBC	5.97		6.32		**6.10**	**6.56**
JPMorgan	5.37	5.37	5.94			5.96
Northern Trust	5.22	5.52	5.76	**5.80**	5.78	5.98
Pictet	**6.02**		**6.75**			6.43
RBC Investor & Treasury Services	6.00		6.21		5.97	6.39

HSBC

HSBC improved significantly its score in EMEA to 6.99 from 6.59 last year in the overall weighted group, and came top in the Asia Pacific region in the overall weighted list with 7.09, comfortably beating Northern Trust in second with 6.78. The British banking group recorded a global total (comprising its scores in EMEA and Asia Pacific) of 14.08 and an average of 7.05, which were both slightly down on last year.

HSBC came top in the weighted cash management, client services, corporate actions, Covid crisis management, innovation and technology investment, network, performance measurement, risk management and safety of client assets lists.

The group also came second in the weighted Asia Pacific section for clients with multiple assets and had the second highest average in this category of 7.09.

HSBC was also second in EMEA in the weighted section of the single custodian table, scoring 6.69 behind Citigroup's 7.09.

Last year, HSBC performed well across the regional categories for EMEA and Asia Pacific. It came in first place in the multiple custodian weighted table in Asia Pacific (7.92) and second in EMEA (6.99); and first in Asia Pacific and second in EMEA for the assets under management greater than $3 billion weighted table, with scores of 8.18 and 7.28, respectively.

OVERALL SERVICE CATEGORIES (WEIGHTED)

COMPANY NAME	DERIVATIVES	EXECUTION SERVICES	FOREIGN EXCHANGE SERVICES	FUND ACCOUNTING INVESTMENT ACCOUNTING	INCOME COLLECTIONS
BNP Paribas					4.91
BNY Mellon	**6.32**	6.69	5.98	6.15	6.42
Citi		6.36	5.90		6.51
HSBC					7.06
JPMorgan		**7.15**	**6.99**	**6.19**	**7.21**
Northern Trust		5.41	5.28	5.30	5.55
Pictet		5.28	4.53	5.02	5.39
RBC Investor & Treasury Services					3.98

OVERALL SERVICE CATEGORIES (UNWEIGHTED)

COMPANY NAME	DERIVATIVES	EXECUTION SERVICES	FOREIGN EXCHANGE SERVICES	FUND ACCOUNTING INVESTMENT ACCOUNTING	INCOME COLLECTIONS
BNP Paribas					5.42
BNY Mellon	**5.68**	6.07	5.52	5.88	5.88
Citi		5.71	5.18		5.87
HSBC					6.00
JPMorgan		5.83	5.51	5.53	5.85
Northern Trust		5.68	5.39	5.57	5.77
Pictet		**6.42**	**5.87**	**6.42**	**6.58**
RBC Investor & Treasury Services					6.32

OVERALL SERVICE CATEGORIES (WEIGHTED)

COMPANY NAME	INDUSTRY KNOWLEDGE & INFLUENCE	INNOVATION & TECHNOLOGY INVESTMENT	NETWORK	PERFORMANCE MEASUREMENT	RELATIONSHIP MANAGEMENT
BNP Paribas					
BNY Mellon	6.37	6.21	6.33	5.99	6.82
Citi	6.36	5.97	6.56		6.51
HSBC	7.01	**7.02**	**7.17**	6.72	7.31
JPMorgan	**7.09**	6.95	**7.17**		**7.40**
Northern Trust	5.57	5.32	5.45		5.52
Pictet	5.16	5.04	5.32		5.64
RBC Investor & Treasury Services	4.06		3.96		4.15

OVERALL SERVICE CATEGORIES (UNWEIGHTED)

COMPANY NAME	INDUSTRY KNOWLEDGE & INFLUENCE	INNOVATION & TECHNOLOGY INVESTMENT	NETWORK	PERFORMANCE MEASUREMENT	RELATIONSHIP MANAGEMENT
BNP Paribas					
BNY Mellon	5.81	5.72	5.79	5.91	6.23
Citi	5.88	5.43	5.91		6.02
HSBC	5.98	6.05	6.03	**6.09**	6.23
JPMorgan	5.80	5.63	5.92		6.11
Northern Trust	5.60	5.59	5.52		5.84
Pictet	**6.38**	**6.36**	**6.39**		**6.61**
RBC Investor & Treasury Services	6.25		5.96		6.26

OVERALL SERVICE CATEGORIES (WEIGHTED)

COMPANY NAME	REPORTING	RISK MANAGEMENT	SAFETY OF CLIENT ASSETS	SETTLEMENTS	TAX SERVICES
BNP Paribas					4.60
BNY Mellon	6.74	6.32	6.78	6.57	5.90
Citi	5.97		7.00	6.47	5.80
HSBC	6.74	**6.88**	**7.63**	7.18	
JPMorgan	**6.94**		7.21	**7.28**	**6.53**
Northern Trust	5.35	5.54	5.74	5.27	5.28
Pictet	5.46	4.56	5.16	5.50	
RBC Investor & Treasury Services	4.00		4.31	4.30	

OVERALL SERVICE CATEGORIES (UNWEIGHTED)

COMPANY NAME	REPORTING	RISK MANAGEMENT	SAFETY OF CLIENT ASSETS	SETTLEMENTS	TAX SERVICES
BNP Paribas					5.13
BNY Mellon	6.16	5.92	6.17	6.02	**5.42**
Citi	5.49		6.32	5.97	5.12
HSBC	5.82	5.91	6.45	6.15	
JPMorgan	5.67		5.96	5.94	5.33
Northern Trust	5.56	5.55	5.97	5.56	5.40
Pictet	**6.46**	**6.19**	**6.50**	**6.48**	
RBC Investor & Treasury Services	5.94		6.32	6.33	

BNY MELLON

BNY Mellon was second in the overall weighted category when ranked against other firms that qualified in each of the three regions. BNY Mellon scored an average of 6.58 and a global total of 18.63, which put it behind JP Morgan. This performance was linked to solid scores across the regions. BNY Mellon came fourth in EMEA with 6.02, second in Americas with 7.04 and joint fourth in Asia with 5.57.

The US custodian was ranked top among peers in the weighted list for commission recapture and derivatives, and second for reporting and tax services. BNY Mellon was also ranked top in the weighted category for Americas with 7.23 and second in EMEA with 6.68 where clients use multiple custodians. The bank was also top-ranked in the weighted category by European pension funds and in the Americas by mutual funds.

BNY Mellon claimed last year top spot in the weighted overall table when it came to the highest total global score (19.05). In 2019, it was also the most highly-ranked global custodian in the Americas (8.20), maintaining the leading position it achieved in this region in 2018.

> The US custodian was ranked top among peers in the weighted list for commission recapture and derivatives, and second for reporting and tax services.

PICTET

Pictet followed last year's success in the unweighted lists, which give equal important to all clients, with another strong performance in 2020. Pictet had the highest unweighted average at 6.39, the highest global total of 19.42, won in EMEA and Americas with 6.39 and 6.25 respectively, and came narrowly second to RBC Investor & Treasury Services in Asia Pacific with 6.78.

Among the service categories, Pictet won cash management with 6.02, client services with 6.21, execution services with 6.42, foreign exchange services with 5.87, fund accounting and investment accounting with 6.42, income collections with 6.58, industry knowledge and influence with 6.36, network with 6.39, relationship management with 6.61, reporting with 6.46, risk management with 6.19, safety of client assets with 6.50 and settlements with 6.48.

Pictet was the top-rated custodian in the unweighted category in EMEA and the Americas among firms that use multiple custodians, with scores of 6.40 and 6.25 respectively. The bank also had the highest global total of the firms that qualified in two regions and the highest average overall in the unweighted multiple custodian category.

Last year Pictet swept the board in the unweighted service categories, taking the top spot in all 16 functions. It also came out on top in the overall unweighted table, scoring 6.57 in the Americas and 6.75 in Asia Pacific, as well as the highest global total score (19.53) and the highest average score (6.4).

> Pictet followed last year's success in the unweighted lists

MULTIPLE CUSTODIAN (WEIGHTED)					
COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.04				5.30
BNY Mellon	6.68	7.23		13.91	7.01
Citi	5.67	6.40	6.34	18.41	6.15
HSBC			6.97		7.09
JPMorgan	7.88	6.90		14.78	7.31
Northern Trust	5.47	5.50	6.54	17.51	5.78
Pictet	6.65	5.38		12.03	6.32
RBC Investor & Treasury Services	5.24	4.82		10.06	5.05
State Street	3.65	4.28		7.93	4.26

MULTIPLE CUSTODIAN (UNWEIGHTED)					
COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.52				5.49
BNY Mellon	5.50	5.87		11.37	5.83
Citi	5.59	5.74	5.08	16.41	5.52
HSBC			6.01		6.06
JPMorgan	5.74	5.34		11.08	5.58
Northern Trust	5.25	5.72	5.42	16.39	5.48
Pictet	6.40	6.25		12.65	6.36
RBC Investor & Treasury Services	6.15	6.08		12.23	6.12
State Street	4.60	3.73		8.33	4.32

SINGLE CUSTODIAN (WEIGHTED)					
COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNY Mellon	4.82	6.70	4.43	15.95	5.83
Citi	7.09	6.75		13.84	6.96
HSBC	6.69				6.96
JPMorgan	5.46	8.62		14.08	6.54
Northern Trust	4.67	4.55		9.22	4.80
Pictet	4.70		3.36	8.06	4.48
RBC Investor & Treasury Services	3.10	2.90	4.55	10.55	3.50

SINGLE CUSTODIAN (UNWEIGHTED)					
COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNY Mellon	5.42	6.30	6.27	17.99	6.02
Citi	6.17	6.49		12.66	6.29
HSBC	6.02				5.97
JPMorgan	5.80	6.45		12.25	5.95
Northern Trust	5.63	5.78		11.41	5.73
Pictet	6.37		6.80	13.17	6.44
RBC Investor & Treasury Services	6.53	5.59	6.83	18.95	6.21

MUTUAL FUND/UCITS (WEIGHTED)					
COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas			5.26		5.31
BNY Mellon		7.39			7.39
Citi	5.10				5.61
HSBC			6.20		6.20
JPMorgan	7.22				7.78
Northern Trust		6.56	8.24	14.80	7.23
Pictet	6.97				7.88
RBC Investor & Treasury Services	4.67				5.13
State Street		6.21			6.21

MUTUAL FUND/UCITS (UNWEIGHTED)					
COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas			5.23		5.76
BNY Mellon		6.71			6.71
Citi	5.75				5.59
HSBC			5.20		5.20
JPMorgan	5.87				6.08
Northern Trust		5.71	5.61	11.32	5.67
Pictet	6.90				6.88
RBC Investor & Treasury Services	6.60				6.57
State Street		5.26			5.26

CITI

The US bank showed strong improvements in the overall weighted section. Citigroup scored 6.32 in EMEA this year compared to 5.70 last year and was rated 6.34 in Asia Pacific in 2020 compared to 5.92 last year. The bank's global total was 19.16 which left it second only to JP Morgan's 20.68 and was an improvement on last year's 18.97. Citigroup's global average also increased to 6.39 from 6.37 in 2019.

Citi was rated third in the weighted lists of functions for Covid crisis management, execution services, foreign exchange services, income collection, industry knowledge and influence, network, safety of client assets and tax services.

Citigroup performed particularly strongly among clients that use a single custodian. It was top in EMEA and second in the Americas, and had the joint highest average of 6.96 with HSBC.

> Citi was top in EMEA and second in the Americas, and had the joint highest average of 6.96 with HSBC.

The US banking group also recorded the highest global total in the weighted multiple custodian category, scoring 18.41. Among clients that use multiple custodians, Citi was third in the Americas and Asia Pacific.

In 2019, among respondents that utilise a single custodian, Citi was seen as the top provider in EMEA (5.86), up from fourth place in 2018's survey. It also overtook four other custodians over the year to gain the highest average score and highest global total score among mutual funds in 2019's unweighted table.

NORTHERN TRUST

The US banking group recorded a strong weighted overall score in Asia of 6.78, which put Northern Trust behind only HSBC in that region.

This performance left Northern Trust's global total at 16.90 as its average fell slightly this year to 5.33 from 5.65 in 2019.

Northern Trust also recorded the second highest global total in the weighted multiple custodian category with 17.51. The banking group was also second in EMEA weighted group for clients that use a single custodian.

ASSETS UNDER MANAGEMENT GREATER THAN $3BN (WEIGHTED)

COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	7.23		5.20	12.43	6.46
BNY Mellon	6.60	7.34		13.94	7.04
Citi	**7.18**	7.37	6.34	20.89	7.07
HSBC	6.99		**7.45**	14.44	**7.27**
JPMorgan	7.16	**7.64**	6.16	**20.96**	7.17
Northern Trust	5.92	6.59	6.78	19.29	6.42
Pictet	7.17	6.69		13.86	7.19
RBC Investor & Treasury Services	6.54				6.39
State Street		4.28			4.68

ASSETS UNDER MANAGEMENT GREATER THAN $3BN (UNWEIGHTED)

COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.26		5.13	10.39	5.46
BNY Mellon	5.55	5.96		11.51	5.84
Citi	5.90	**6.21**	5.08	**17.19**	5.84
HSBC	6.11		**6.06**	12.17	6.08
JPMorgan	5.82	5.81	5.34	16.97	5.77
Northern Trust	5.41	5.61	5.42	16.44	5.49
Pictet	**6.21**	6.14		12.35	**6.22**
RBC Investor & Treasury Services	5.98				5.90
State Street		3.73			4.14

ASSETS UNDER MANAGEMENT LESS THAN $3BN (WEIGHTED)

COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	2.69				2.69
Citi	**4.01**				3.43
Northern Trust		**3.59**			3.44
Pictet	3.29	3.19		6.48	3.28
RBC Investor & Treasury Services	3.19	3.09	**4.55**	**10.83**	**3.46**

ASSETS UNDER MANAGEMENT LESS THAN $3BN (UNWEIGHTED)

COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.48				5.48
Citi	5.75				5.36
Northern Trust		5.87			5.77
Pictet	**6.69**	**6.42**		13.11	**6.64**
RBC Investor & Treasury Services	6.46	5.85	**6.83**	**19.14**	6.26

The US banking group recorded a strong weighted overall score in Asia of 6.78

Northern also had this year the second highest overall average in the weighted list of custodians rated by clients with under $3bn under management, that is smaller custody clients.

In 2019, Northern Trust had the highest global total score in the unweighted table for respondents with more than $3 billion worth of assets under management. It also performed well in Asia Pacific, taking third place in the multiple custodian weighted table (6.95) and fourth place in the overall weighted table (6.87).

BNP PARIBAS

The French banking group improved its performance in Asia Pacific where it scored 5.20 in the overall weighted group this year compared to 4.93 last year. BNP Paribas also scored 4.64 in EMEA leaving it with a global total of 9.84 and an average of 5.09.

BNP came third in the unweighted category relating to firms providing custodial services to bank or broker dealer clients and was top-ranked among weighted custodians supplying services to clients with assets under management of greater than $3bn with a score of 7.23.

Last year, BNP Paribas received solid scores across the EMEA region. This includes the overall unweighted table (5.38), multiple custodian unweighted table (5.39), single custodian unweighted table (5.37), mutual fund / UCITs unweighted table (5.42), and the AuM greater than $3 billion weighted table (5.74).

RBC INVESTOR & TREASURY SERVICES:

RBC Investor & Treasury Services returned a strong performance in unweighted overall categories with 6.26 in EMEA, 5.83 in the Americas and 6.83 in Asia Pacific, which was up from 5.89 last year. RBC Investor & Treasury Services had an unweighted global total of 18.93, which was up from 18.59 last year, and an average of 6.16, which put it second behind Pictet.

RBC Investor & Treasury Services came second behind Pictet in several unweighted categories including cash management, corporate actions, income collections, industry knowledge and influence, relationship management and settlements.

RBC Investor & Treasury Services came second in the unweighted category for firms that use multiple custodians for the overall average and in EMEA and the Americas. RBC also was top in EMEA and Asia Pacific in the unweighted category for firms that use a single custodian.

The Canadian banking group was top in the unweighted list when rated by Asian pension funds and European banks and broker-dealers.

Last year RBC scored the highest global total in both the weighted and unweighted single custodian tables. In the latter, the bank was also recognised as top in the regional EMEA and Americas categories, with 6.43 points in each.

STATE STREET

State Street scored 4.60 in EMEA and 3.73 in the Americas in the unweighted multiple custodian category, and 3.65 in EMEA and 4.28 in the Americas in the weighted equivalent for clients that use multiple custody providers.

The US banking group also scored 5.26 in the unweighted category and 6.21 in the weighted list in the Americas when rated by mutual fund clients. ■

The Canadian banking group (RBC Investor & Treasury Services) was top in the unweighted list when rated by Asian pension funds and European banks and broker-dealers.

BANK/BROKER DEALER (WEIGHTED)

COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	2.87				2.87
BNY Mellon	4.27				5.12
Citi	4.66	**4.11**		**8.77**	4.39
HSBC			**5.24**		**5.49**
Pictet	4.88				4.88
RBC Investor & Treasury Services	**5.29**				5.29

BANK/BROKER DEALER (UNWEIGHTED)

COMPANY NAME	EMEA	AMERICAS	ASIA-PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.87				5.87
BNY Mellon	5.51				6.01
Citi	5.82	**5.21**		**11.03**	5.52
HSBC			**6.33**		6.21
Pictet	6.51				6.51
RBC Investor & Treasury Services	**6.82**				**6.82**

Move fast, don't break things

Sarbjit Panesar, Global Head of Business Development, Asset Managers at Societe Generale Securities Services (SGSS) discusses the digitalisation legacy of Covid-19, how change management is a vital piece of technology adoption and what challenges are thrown up by the rapid shift to ESG funds.

How has Covid driven digitalisation and what will be its legacy?

Digitalisation was a process that was well established already but the strictures imposed by the Covid pandemic have accelerated it considerably. Across the fund management industry from the investment process, through client engagement to the practicalities of end investors making purchases, the speed of adoption has dramatically increased since March. From e-signatures to home-based traders and the expansion of web portals to buy funds, all elements of digitalisation have taken a large and sudden step forward.

Now that the speed of change has increased, I don't think it will slow. You can't put the genie back in the bottle: boards have seen that many of the processes they thought could not be digitalised, such as signatures, work adequately, and in many cases better, than their manual predecessors.

Secondly, the full cost savings associated with digitalisation will only come when processes are completely digitized. With the race now half run, and large amounts of money spent, management will be impatient to get to the finishing line to harvest these financial savings. The pace of change will slow eventually when these benefits start being released: I don't expect it this to happen for at least 18 months.

What has this greater speed meant for outsourcing choices by fund managers?

This rapid process of digitalisation has increased scrutiny on the quality of services from external firms, and the level of co-operation and engagement that is required to make such partnerships succeed. In ten years, fund managers have gone from a stranglehold on their IT systems – building and running their

networks, using their own code and so on – to the possibility of full middle and middle and back office outsourcing. In the same way the coming years will see a similar road travelled, albeit at a faster speed, for other functions.

Fund managers are getting smarter about what parts of the business they should outsource. They have learned the benefits of modularity: it is easier and safer to outsource small chunks of an operation. While fund administration or accounting lift outs have become relatively straightforward, far more commitment is required from both parties when it comes to middle and back office outsourcing.

The process is neither cheap nor easy, and the prospect has raised key questions about what is at stake. An outsourcing relationship can see the heart and lungs of a company moved from internal to external control. A lot can go wrong: unsuccessful outsourcing processes lead at best to severe limits on future growth and at worst can destroy an organisation.

Choosing the right partner is not just a question of functionality; it means buying into the ethos of the organisation. Fund management companies are looking for a partner that can deliver the wider change agenda alongside the technology piece.

Can you illustrate why change management is integral to the adoption of new technology?

It is often a challenge to persuade stakeholders that the benefits of increased speed provided by automating a process do not mean losses in terms of quality.

One example is our Factsheet service that uses Artificial Intelligence (AI) to generate sections of fund commentary. It can produce a first version of investment performance commentaries by generating simple sentences attributing the wider performance of the fund to its component holdings (as well as other factors), using basic return data.

Sometimes we have found managers are initially sceptical of the benefits, believing that this is an area requiring their skill and insight – that the AI will therefore not be able to do the job as well as them. Certainly, this is true for that section of investment reports that contain genuine insight – the forward-looking material that typically follows the past performance commentary. But there is plenty of generic spadework that comprises the first few lines of a fact sheet where a manager's time can be saved.

Once the fund manager can see how the AI is taking out the generic tasks, leaving him or her to concentration on the insight tasks, the advantages become clear. Some of these firms have thousands of fund fact sheets to generate per month.

The process is not unlike the conversations we had around reconciliation tools in the past. Before digitisation, a

> "Fund managers are now diversifying their ESG strategies and how they implement them; where the industry moves will shape what intervention is needed."

back-office professional might spend 90 per cent of their time on matching values that agree and only 10 per cent on resolving those that don't. Automated tools mean that this is the other way round: they now spend 90 per cent of their time resolving issues and 10 per cent overseeing the process of matching.

How has this year's volatility changed what clients are asking of you?

The market volatility of this year has seen growing number of funds with multiple share classes asking for hedges on those share classes to be executed as close as possible to the valuation point of the underlying fund.

As has happened in the past, this year's increased volatility has seen growing divergence between the core fund return and share class return, where the time of day of hedge execution and of fund valuation differ. If my local share class is 3% down on the core strategy, as an investor I will question the value of the share class. Should I be buying the underlying fund and hedging the FX risk myself?

So, we have had several requests for hedging solutions that can flex around agreed timed executions, thereby matching as closely as possible the core fund valuation times (4pm in many cases).

These types of requests have cropped up following volatility periods in the past. What's different this time is the engagement of regulators. Both local and pan-European regulators have prioritized the interests of end investors in recent years, meaning increased scrutiny on how funds are described and whether they are providing investors with value for money. So we expect to see sustained pressure for change here rather than the issue dropping of the radar as volatility recedes.

How far can technology accelerate the adoption of ESG practices?

Among various demonstrations of the speed with which the industry is embracing ESG comes with the news that MIFID 2 effectively directs wealth managers to offer ESG share classes in all funds. This means that European fund manufacturers will have to respond in order to be on the platforms or lists of private banks.

The big problem the industry faces currently is one of harmonization of measuring standards. Currently there are a number of competing agencies and organisations providing data for managers' ESG models, with other managers building them on their own. There is considerable divergence between measuring and scoring systems.

The situation is not unlike that faced by credit rating agencies early in the development of that industry. Over the years the movement of senior staff between rating agencies cross-pollinated best practices and a process of convergence and harmonisation took place. Today an added spur to industry efforts will be provided by regulators and governments.

The industry is moving fast but still has a long way to go. Many investors expressed concern at ESG rating systems following publicity around fast-fashion retailer Boohoo. Thanks in part to a high rating from MSCI, many ESG funds were holding the stock when it was hit with allegations about poor working practices in factories that make its clothes.

What role do governments or regulators have to play in ESG standardisation?

As with auditors, ESG rating agents will on occasion miss things or make mistakes. Despite the strong momentum generated by investors, the path to compliance will not be a straightforward one and there is a central role for government to play to drive standardisation.

Here, national governments have already taken large strides, focusing on different parts of the puzzle. In France the emphasis has been on environmental credentials, with every company obliged to publish a detailed account of its carbon footprint and energy use. The UK has focused, in part through the Investment Association and through work by the FCA, on governance. In Germany, there is a heavy emphasis on the social dimension.

Fund managers are now diversifying their ESG strategies and how they implement them; where the industry moves will shape what intervention is needed. For example, whereas traditionally the norm was to divest from or avoid companies that performed poorly on ESG measures, many funds today are taking an activist approach deliberately targeting poor performing stocks to drive change.

How can your experience help clients build up their ESG offerings?

Our experience in France and Germany is particularly useful here. Here we have typically been providing multi-managers' portfolios with an integrated resource through which to collate information and provide a single ESG score. For single fund managers, similarly, we have offered an ESG picture of the portfolio at both pre and post trade. Our SGI indices group, meanwhile, which manufactures ESG compliant benchmarks on a no-name basis for a number of managers, is another important resource. Finally, the skills from various ESG advisory committees that we employ across the organisation can be drawn on. ■

Global Custody Survey 2020 – *methodology*

SYNOPSIS

Asset managers, asset owners and banks are asked to rate their global custodians.

Results for custodians that qualify will be published regardless of whether or not they actively participated in the survey.

CATEGORY TABLES

There are 21 service category tables. Each of these categories is broken down into sub-categories, on which the global custodians are actually rated by respondents

Respondents are asked to rate their global custodians from 1 (very poor) to 7 (flawless) in each of the sub-categories (see list below). The scores of these sub-categories are combined to create an overall score for that service category.

For example, for the tax services category, respondents are asked to rate global custodians in three sub-categories: efficiency of obtaining tax relief at source; efficiency of reclaiming taxes; and solicitation of timely tax documentation. Each of the sub-categories is given an equal weighting and combined to create a table for tax services to be published in the magazine.

The all responses category tables, both raw data and weighted, will appear in the magazine, but others such as for multiple custodian may only be available online.

HEATMAP TABLES

The overall tables are presented in the 'heatmap' format this year. Global custodians' results are presented in alphabetical order with the winning score in each column highlighted. There are two global columns – global total and global average. There are three regional columns for Emea, the Americas and Asia Pacific (defined by where the respondent is based).

There will be at least six heatmap tables published in the magazine:

- All responses (weighted & raw data)
- Multiple custodian (weighted & raw data)
- Single custodian (weighted & raw data)
- Other heatmaps are published at the discretion of Global Investor/ISF, depending on the editorial value they represent, in print and/or online

HEATMAP CALCULATION METHODS

Raw data

The Raw data tables (labelled unweighted in previous surveys) simply contain an average of the relevant scores of the category tables (which are themselves averages of the sub-category scores). Each category is assigned an equal weighting, regardless of how many sub-categories there are for that category or how important they are considered by respondents.

Weighted

The weighted tables contain a two stage calculation process for the first time, combing stages that allow for the respondents AuM and the importance that the respondents attach to each service category.

Stage 1: Weighted by AuM: The first stage attributes greater weight to the ratings of respondents with larger amount assets under management (AuM). Each respondent is put into a quartile depending on its AuM. The scores of the respondent are then given a weighting based on this quartile. As the boundaries of each quartile are determined by all the responses received in this year's survey, the boundaries are unknown until the survey closes.

Note: This stage is the entire methodology of the weighted service category tables (as category importance is not relevant) and is the first stage of creating the weighted overall tables. The weighted category tables are published in print and online.

Criteria	Weighting
AuM in lowest quartile	0.5
AuM in middle two quartiles	1
AuM in the top quartile	1.5

Stage 2: Weighted by category importance. The respondents are asked to rank the service categories (not sub-categories) in order of importance. The core and value added categories are mingled in this list (i.e. some value added services may be considered more important than some core categories). An average is then created based on the rankings of all respondents. These weightings are then applied to the weighted (by AuM) service category tables to create the overall weighted tables.

The more important a category is considered, on average by all respondents, the greater the weight is attached to that category (and by extension all the sub-category scores in that category). Weightings are normalised around 1 to preserve comparability with the raw data scores.

QUALIFICATION CRITERIA

All responses tables

To be included in the global average and global total columns, a global custodian needs to qualify in at least two geographical regions. Global custodians need to receive a minimum number of respondents to qualify for a region: 7 in the Americas; 7 in Emea; and 3 in Asia Pacific.

Multiple custodian tables

Only scores from respondents that deal with more than one custodian are included. To qualify for the global columns, a minimum of 6 responses and qualification in two regions is required. 3 responses are required for each of the regional columns.

Single custodian tables

Only scores from respondents that deal with one custodian are included. A minimum of 4 responses and qualification in two regions is needed to qualify for the global columns. 2 is required for each of the regional tables.

Bank/Broker Dealer, Mutual Fund/UCITS, Hedge Fund, Insurance Company, Pension Fund

A minimum of 4 responses and qualification in two regions is required to qualify globally. 2 responses are needed to qualify for a region. Scores from respondents that deal with multiple custodians and single custodians are included. Global Investor/ISF reserves the right to publish whichever tables it deems appropriate.

Respondents with AuM greater than $3bn tables

Only scores from respondents with assets under management of more than $3bn are included. A minimum of 6 responses and qualification in two regions is needed to qualify for the global columns. 3 is required for each of the regional tables.

Respondents with AuM less than $3bn tables

Only scores from respondent with assets under management of less than $3bn are included. A minimum of 6 responses and qualification in two regions is needed to qualify for the global columns. 3 is required for each of the regional tables.

Category tables

To qualify for a category a global custodian must reach the qualification criteria for the relevant heatmap table, i.e. for the all responses category table a global custodian must qualify in two regions. A respondent must rate the custodian in one or more of the sub-categories for it to be considered a legitimate response for the purposes of qualification for that category.

Valid responses

If different people from the same entity in the same region rate the same global custodian the responses are treated a single grouped response for the purposes of qualification. The two or more responses are averaged (where only one respondent rated the firm in for a particular sub-category this score is used unchanged).

CATEGORIES

Category (table published)	Sub-category (respondent rates)
Settlements	Efficiency of pre-settlement matching and reporting Failed trade management Straight through processing efficiency Competitiveness of cut off times Provision and scope of contractual settlements
Corporate Actions	Accuracy and timeliness of notifications Proxy voting services Provision of standing instructions Competitiveness of response cut off times
Income Collections	Accuracy and quality of income processing Quality of the assured income programme (contractual settlement income programme) Responsiveness and effectiveness of problem solving
Cash Management	Competitiveness of rates Integration of cash products (pooling, target balances etc) with custody solution (n/a for third-party relationships) Competitiveness of cut off times
Tax Services	Efficiency of obtaining tax relief at source Efficiency of reclaiming taxes Solicitation of timely tax documentation (n/a for third-party relationships)
Class Actions	Efficiency of reporting events Quality and efficiency of processing and paying proceeds
Reporting	Flexibility of delivery channels Quality and timeliness of Swift and other reporting Data strategy – near real time activity updates and enhanced activity throughout lifecycle
Client Services	Quality of subject matter expertise Responsiveness and effectiveness of enquiry management Availability and calling frequency
Relationship Management	Understanding of your business needs Ability to identify new product needs and solutions Quality of subject matter expertise Responsiveness and effectiveness of enquiry management
Network	Quality and timeliness of market information Access to market expertise Quality of network management resources Network management risk – monitoring sub-custodian credit risk and regulatory compliance
Risk Management	Credit risk Regulatory risk Market risk Information risk
Commission Recapture	Quality of services
Foreign Exchange Services	Competitiveness of rates offered Transparency of rates provided Transparency of reporting Quality of automated FX solutions
Fund / Investment Accounting	Quality & timeliness of NAV processing Quality of reporting
Performance Measurement	Quality of performance measurement services Timeliness and flexibility of reporting
Derivatives	Quality of exchange traded services Quality of OTC services
Industry Knowledge & Influence	Quality of reporting of regulatory changes and impacts Quality of subject matter expertise Engagement and leadership in shaping market practices and regulation
Execution Services	Quality and expertise in execution to custody services Quality of execution processing and reporting
Safety of client assets	Qualify and performance of depository function
Innovation & Technology Investment	Distributed leger technology Big data Cyber security Robotics process automation
Covid/Crisis Management	Operation resilience in crisis scenario Provision of regular market insights during covid crisis Support of client service, network and operational staff during covid crisis.

Note: Where a respondent ticks the n/a box, the sub-category is ignored when calculating the category score (i.e. for derivatives, if the respondent gives a score of 5 for quality of exchange traded services and ticks n/a for quality of OTC services, the score for derivatives is 5).

Broadening the horizon of proprietary traders

Building a financial career as a proprietary trader is no longer restricted to the world's major financial centres, or to people from narrow socio-economic and educational backgrounds who live within commuting distance of a physical exchange.

This is the vision of OSTC, a derivatives trading and education firm based in Greater London, which is on a mission to identify traders who have strong potential but little or no experience, and transform them into profitable, high-volume market participants.

"We very much believe that in the modern age, in the fourth industrial revolution, finance is no longer the preserve purely of the major hubs of London, New York and Tokyo, that in fact you can trade Japanese government bonds from your mobile phone on a beach in Kenya," said chief executive officer Lee Hodgkinson in an interview with Global Investor.

"If you go to university in Gdansk and once you've graduated if you want a job in finance, broadly speaking you have to leave the country, you've got to go to Frankfurt or to London.

Hodgkinson: "We very much believe that in the modern age, in the fourth industrial revolution, finance is no longer the preserve purely of the major hubs of London, New York and Tokyo, that in fact you can trade Japanese government bonds from your mobile phone on a beach in Kenya."

"What we do is seek out talented and ambitious people, largely in emerging markets, and create an opportunity for them to be plugged into the capital markets of the world. And in doing that we are creating value for them, we're creating value for us, we're creating value for the local economy, the exchanges and our service partners."

Hodgkinson, who was CEO of Euronext London, started his career at the London Stock Exchange, and is a former CEO of SmartPool, NYSE Euronext's European dark pool joint venture with JP Morgan, HSBC and BNP Paribas. He also led the European and Asian sales and client divisions of the LIFFE and NYSE Euronext businesses.

Hodgkinson joined OSTC as CEO in April 2018 on what he describes as the cusp of Mifid II regulation, setting himself the task of transitioning the company, which was 15 years old at the time, into an elevated, next-level business.

OSTC in its current form emerged in 2005 when founding company On Screen Trading merged with Trading Connections. In the same year, OSTC opened an office in Warsaw, followed in 2009 by a Swansea office, a joint venture with Kondor.

In 2011, the company established a presence in Brighton and Mumbai, and two years later expanded into Russia, where it is a majority owner of a joint venture with investment company Aton. A China office followed two years later in partnership with Chinese broker Yongan Futures.

OSTC now operates 12 offices across six countries, including five in Poland

and one in Spain, has a workforce of 480 and last year traded 110 million lots across 126 products and 21 exchanges.

Hodgkinson is wary of what he calls the celebrity CEO culture.

"Fundamentally no CEO can be successful alone," he said. "Strategy is meaningless without execution, and to execute you need a very powerful and committed team. Leadership is more about inspiring a collective to achieve beyond their individual capabilities."

That collective includes five new top executives, including chief operating officer and deputy CEO Ian Cohen, who was managing director, global head of market structure and execution strategy at HSBC Global Asset Management, and Peter Lenardos, who joined as chief financial officer. He was most recently with Cinnober Financial Technology where he was group CEO.

"We've got a very powerful blend of OSTC leaders from previous days, and we've augmented those people with external top guns, so we've got a cognitively diverse team," Hodgkinson said.

With the new team in place, Hodgkinson set about building a shared vision, with a focus on steering the company away from a founder-led business to a comprehensive trading and ed-tech model.

"We have a very powerful vision centred around two words, Potential Unbound; it's really tied up with the ethos of the organisation that anyone anywhere can learn and trade and change their lives for the better," Hodgkinson said.

Part of that vision entailed a period of divesting non-core assets and investing in operational process maturity, risk management and growing the derivatives trading business through product diversification. The company also embarked on a strategy to rapidly grow its education and technology brand ZISHI, which is knowledge in Mandarin.

Key to OSTC's new direction is its remote model, which seeks to build the number of digital employees who are trained and mentored through ZISHI programmes before deployment to new markets. Once new traders move into their primary role, they are given the

Beyond the Algorithm

To add scale, scope and geographic reach to OSTC's ZISHI ed-tech division, the company is fast-tracking a growth strategy through bolt-on acquisitions and capital-raising.

"There are 1.8 billion people aged between 10 and 24 in the world and they're all looking for education, ultimately they're all looking for jobs, and most of them live outside of the traditional western geographies," Hodgkinson said. "And so our business model in terms of creating opportunity in these developing economies is almost unlimited."

The offering falls into three product pillars: Cornerstone, the core offering of accredited trading education courses and qualifications; Adaptive, which applies artificial intelligence and cognitive technology to help individuals understand their strengths and weaknesses; and Elite, OSTC's biometric, wearable device that allows users to recognise and utilise periods of optimal performance.

Ian Cohen, chief operating officer since February, said ZISHI Elite, the ed-tech and cognitive profiling business, demonstrates the essence of OSTC's focus on innovation and insight. "It really does speak to where I think the industry is going," he said. "If you will, beyond the algorithm."

Elite, whose sporting ambassador is Welsh rugby legend Alun Wyn Jones, was developed with academics and analysts at Bangor University who have worked with athletes and sporting bodies at international levels.

"We devote a lot of technology to algorithms, but what about the person?" Cohen said. "We haven't really used technology to get the best out of the person and actually to build teams that work together. Think about it as going beyond the Fitbit."

OSTC has linked ZISHI Elite to trading P&L, using the data anonymously to generate a study that shows a clear correlation between the physiology of the individual, including sleep pattern, diet, stress and resting rate, and when they take the best P&L decisions.

In April, OSTC took ZISHI back to the sports field by giving 400 free Cornerstone financial training places to players from football, rugby and cricket clubs as well as various sports bodies including the FA, The Premier League, The Rugby Players' Association and The Professional Cricketers' Association, to help keep their staff mentally fit during the lockdown.

"These are very uncertain times for people, and we've started to give them an opportunity to think about dual career development, about life after sport," Hodgkinson said. "Even if it ends up being nothing other than an interesting distraction, that's a good thing too."

opportunity to work in or near a satellite office, or from home.

ZISHI is also being developed for individuals and organisations outside the company, and is key to OSTC's strategy to grow revenue from non-trading sources.

"The business's revenue today is overwhelmingly on the trading side," Hodgkinson said. "But in the coming two to three years we'll push the non-trading revenues in excess of 20% as a proportion".

Lenardos, who joined as CFO in June to drive capital raising to fund acquisitions, is focusing his efforts on growing the ZISHI business. At Cinnober, he oversaw the strategic turnaround and subsequent sale of the publicly listed Swedish fintech company to Nasdaq for $220 million (£166.6m).

"We're in growth mode in both of our business lines, we're profitable, highly cash flow generative, we're going to have a record year in terms of revenue and profit, and we just are keen to get on with it," Lenardos told Global Investor.

According to the latest publicly-available figures, OSTC's full-year turnover stood at £49.5m in 2019, up from £48.8m in the previous year, while profit at £2.2m was down from £2.9m in 2018 as a result of rationalising operations and divesting non-core businesses. As at March 31, 2020, cash balances stood at £13.9m and the group held a further £14.4m at clearers.

Lenardos declined to give details on financial performance in the year-to-date but said: "We're in a very good position from a P&L point of view, our cost-based is really well controlled, our revenue is going to be up double digits this year and our key profitability metric, which is adjusted EBITDA, should more than double this year.

"Ian Cohen and I are firmly tasked with growing the business further in 2021 and 2022," Lenardos added. "We are highly confident that ZISHI can achieve profitability in the next two years and can scale-up nicely, but it's not going to be a meaningful part of the business unless we do M&A.

"We're in a fundraising process that's just commencing, and we have a bolt-on M&A announcement imminently. We're taking a global search, we started with a list of hundreds of targets, and have narrowed it down to a few dozen that we think are an optimal fit for us."

OSTC will also focus on geographical growth, said COO and deputy CEO Cohen.

"I think OSTC is way ahead of its peers: Onshore in China for a number of years, onshore in India, onshore in Russia, onshore in Poland," Cohen said. "That's geographic growth that we will continue, we will expand in China, we will expand in India, we're looking at other geographies."

Currently, OSTC has a team of around 50 in Hangzhou, China, and sees an opportunity to double or treble the size of that team over the next couple of years with its partner Yongan as China opens up its derivatives markets to international investors.

OSTC also sees a fertile market in China and India for its cognitive technologies. "We haven't really exploited our technology series in China yet," Cohen said, "so one of our key objectives is to take the ZISHI proposition into China, as well as into India."

In lockdown, OSTC's cognitive profiling business has taken on greater significance, helping staff as they adapt to remote working, and catching the attention of other firms.

"The environment forced upon us due to Covid means that organisations are much more concerned about the physiology of their employees than they were previously," Hodgkinson said, "and we're in advanced conversations with third parties on selling that technology, which is getting very, very interesting.

"So we're pleased the third iteration of the biometric product rolls out in September with an even broader range of content for traders; more videos, more articles on mental wellbeing, mental health, nutrition, exercise, all tailored specifically to the needs of the individual trader based on their physiological markers."

Cohen: "I think OSTC is way ahead of its peers: Onshore in China for a number of years, onshore in India, onshore in Russia, onshore in Poland. That's geographic growth that we will continue, we will expand in China, we will expand in India, we're looking at other geographies."

According to Hodgkinson, the pandemic has also accelerated OSTC's remote working model.

"If you look throughout history, companies that survive and thrive in crisis environments are those that are most open to reinvention. We chose to follow that reinvention path by accelerating our digital workforce activities.

"These were plans we already had in place, we just narrowed the focus and accelerated what we were doing. Our investment in digital education and our investment in AI and biometrics mean that we've got the tools and capabilities to do that safely, so it's been quite a powerful outcome."

Looking ahead, Hodgkinson's ambition is to see OSTC build on its presence in India and China, and expand into South America and Africa.

"I am really passionate about the purpose-driven element of the company so I would love to see OSTC activities on every continent in the world," he said. "Growth needs to be correctly paced, and Africa is some way off, but I do believe that in many countries our business model and the opportunity we present could be significant." ■

"Group think is dangerous"

OSTC is implementing a diversity and inclusion strategy linked to its core philosophy that group think is dangerous.

"Look at 2008 the global financial crisis," said CFO Peter Lenardos, a member of the lesbian, gay, bi and trans (LGBT) community. "People who looked alike and thought alike brought the world to its knees.

"For example, if you only hire straight, white Christian men who were all educated at the same place, well they might all think alike.

"But if we bring in diversity by gender, by sexual orientation, by background, by race, by ethnicity, suddenly you get diverging opinions. We have robust discussions in our meetings, we can disagree on points, can thoroughly debate them, and that is healthy."

OSTC in February appointed Faizah Tahir as diversity, inclusion and wellbeing manager and is pursuing an ongoing process to ensure a diverse executive committee by gender and race. "Only a single digit percentage of our traders are female and we're taking drastic steps to increase that," Lenardos said.

The company's remote working capability means that it offers a hybrid model, facilitating home working so that traders can accommodate childcare and other needs.

In May, OSTC signed up to a Diversity Champions programme run by Stonewall, which promotes LGBT equality. Other participants include Barclays, HSBC, the Bank of England and the Financial Conduct Authority.

The partnership reflects OSTC's commitment to ensuring a wide range of voices contribute to its business development and strategy, as well as promoting morale, productivity and commitment.

"One of the mistakes that people are making about the entire diversity topic is they're forgetting that it's not just about moral justice, which is critically important, but it's about premium commercial outcomes," CEO Lee Hodgkinson said.

Lenardos: "If we bring in diversity by gender, by sexual orientation, by background, by race, by ethnicity, suddenly you get diverging opinions. We have robust discussions in our meetings, we can disagree on points, can thoroughly debate them, and that is healthy."

"Organisations that have diversity of thought and diversity in their decision making do better, the science proves it.

"If the evidence is there, and it's there in abundance, that diverse organisations where people can be themselves outperform because they avoid group think, why would you not pursue that?"

Hodgkinson also believes that a sound business case can be made for understanding the workforce's cultural and social needs.

"80% of our company is below 40 and 50% is below 30, we're a very young organisation," he said. "Young people care about social matters to levels that are far greater than at any time in the past, and want to feel like they're making a valid contribution.

"Employers that embrace those cultural needs fully and authentically I believe will not only attract the best talent, but will retain it."

China's options market benefits from opening up

By **Wendy Lisney**

China's options market is heading for rapid growth and is unique in the Asia Pacific region because it leans towards commodities and is less focused on equities, a panelist has said.

Charles Lui, managing director at Optiver China in Shanghai, said during the FOW Trading Asia conference that China's options market will grow on a different trajectory as a result of this difference.

Lui, a panelist at the two-day conference in September, highlighted the rapid growth of the nation's options market since the launch of the first contract in 2015, noting that in the first year the average daily volume was 200,000 contracts compared to 134 million in March this year.

"Close to 40% of the options the market currently transacts each day in China are in the commodity space," he said "So that's a huge liquidity pool different to what we're used to participate in.

"When we talk about Hong Kong Exchanges and Clearing (HKEX) it's equity-based," he said. "Osaka, equity-based again; Korea, equity-based; in Taiwan, the index options, equity-based."

The commodity space is more global, Lui said, while equities are more regional. "Gold, it's the same gold, it's the same oil," Lui said, "so that's where the potential growth can be very different in China versus other regional exchanges."

According to Lui, another significant influence on the market's development will be Sino-American geopolitical tensions, with the US taking a more inward looking, protectionist stance, while China continues to open up and attract more offshore interaction in financial markets.

"I think, going forward, the speed of opening up, the speed of welcoming international participation to the local market is going to be fast," he said.

In Hong Kong, the options market is highly developed and diverse, according to HKEX's Chris Lee, managing director, global client development and market development.

In addition to the traditional market making or fund businesses, HKEX's options are heavily used by banks and Hong Kong's huge retail sector, Lee said.

"If you look through the products that we've listed options on over the years, you're talking everything from exchange traded funds, to currencies, to the stable index futures and then the stocks.

"It's built such an array of client base that Hong Kong itself has become quite known for its options businesses, the clearers are here, the market makers are here and it's quite diverse."

Asia Pacific as a whole offers a mature, highly liquid market, said Russell Beattie, director, head of Asia Pacific futures and options, OTC clearing and FX prime brokerage at BofA Securities. "It seems to be that most of us are looking for access into new liquidity and looking at new markets where we can access that liquidity.

"We've proven that we can handle the volatility over the first quarter of this year and obviously the future over the next couple of years will be about plugging into new pockets of liquidity, and more importantly, new investors coming into the market."

China released in late September the long-awaited regulations that will further open its markets and develop new channels for foreign investment from November 1.

In a statement, the China Securities Regulatory Commission (CSRC) in Beijing said the measures follow a consultation with market participants who unanimously supported promoting market internationalisation and developing existing channels for foreign investment.

"We have been waiting for this since the end of January last year, the implication is quite significant," Jeff Nie, co-chairman, Absolute Return Investment Management Association of China, told Global Investor on Friday.

At a webinar in July hosted by Global Investor Group, Alex Lenhart, chief representative US and UK at the Singapore Exchange, said western investors are increasingly turning to Asian exchanges for access to markets in less accessible jurisdictions.

HKEX in June expanded its offering of futures and options linked to shares in US-listed Chinese tech firms with the launch of futures and options in Chinese e-commerce company JD. ■

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ASIA CAPITAL MARKET AWARDS 2020

LIFETIME ACHIEVEMENT AWARD

CHARLES LI | Hong Kong Exchanges and Clearing

Hong Kong Exchanges and Clearing chief executive Charles Li has been the charismatic leader of the Hong Kong exchange for over a decade, having celebrated his ten year anniversary in early 2020. Li then said in May he would not seek re-election when his current tenure as chief executive runs out in October 2021.

Hong Kong Exchanges and Clearing chief executive Charles Li has been the charismatic leader of the Hong Kong exchange for over a decade, having celebrated his ten year anniversary in early 2020. Li then said in May he would not seek re-election when his current tenure as chief executive runs out in October 2021.

Li has achieved much in his time, working hard to establish Hong Kong as the international gateway to China's vast onshore markets.

“We will move beyond spot market connectivity to derivatives, we will move beyond secondary market connect to the primary market, and we will build up our suite of products, allowing more efficient, reliable and safe capital flows between the international and Chinese markets.”

Among his many successes is the £1.4billion ($2.2 billion) acquisition of the London Metal Exchange in late 2012, making Hong Kong exchange a leading market operator in the global commodities industry.

The deal was one of the last major exchange acquisitions in a decade marked by many failed exchange mergers. More recently, Hong Kong has listed US dollar denominated London Metal mini futures, based on the flagship base metals contracts traded on the London market.

Another major achievement was the establishment of various equity and bond trading links with mainland China, cementing HKEx's international status as the platform to mainland China.

Li, who oversaw the establishment of the first Stock Connect link between Hong Kong and Shanghai in November 2014, said this year the exchange plans to go further.

He said in early 2019: “We will move beyond spot market connectivity to derivatives, we will move beyond secondary market connect to the primary market, and we will build up our suite of products, allowing more efficient, reliable and safe capital flows between the international and Chinese markets.”

He added: “We will work to replicate the Stock Connect model for commodities trading and clearing, connect the prices of the Chinese and international commodities markets through product cross-listings and developing price benchmarks, and accelerate the internationalisation of onshore physical deliveries in China.”

Li has achieved much in his tenure and will leave the exchange well-positioned to benefit further as China opens up to international traders. ■

HKEX looks to bright future with MSCI

By **Wendy Lisney**

Hong Kong Exchanges and Clearing sees a compelling future for its suite of products based on MSCI indexes tracking Asian and emerging markets, according to Kevin Rideout, managing director, head of global client development.

"We're on the doorstep of China, which is going to become an influential participant in global markets," Rideout said.

"The MSCI franchise allows us to branch beyond our doorstep into the rest of the world, so all of a sudden we've got open interest in Thailand, Malaysia, Australia and India, all here in Hong Kong, so I think it's incredibly exciting for both parties, and increasingly for the market as well."

Under its deal with MSCI, HKEX has licensed the indexes for 37 options and futures contracts. In the Asia-Pacific, the indexes had been licensed to the Singapore Exchange (SGX), which from February next year will no longer list products related to these indexes, but will retain its partnership with MSCI for Singapore index products.

"I often talk about why it is that MSCI and HKEX joined arms, as it were, and I think from the MSCI perspective it's really the ecosystem that Hong Kong offers," Rideout said.

That ecosystem includes Stock Connect, HKEX's investment channel connecting the Shanghai and Shenzhen stock exchanges with over HK$2 trillion (£199 billion) in assets; an options market trading close to a million contracts a day; and the world's largest structured products markets.

"We've also got one of Asia's largest exchange-traded fund (ETF) markets, so that product ecosystem is already very exciting, and marries up to what we do in futures, which has until now really focused on products around the Hang Seng Index and Hang Seng China Enterprises Index," Rideout said.

Alexander Siu, senior vice president, co-head of equities product development, said the MSCI suite sets HKEX on a very different path from a derivatives standpoint, as the exchange can now serve a much broader audience.

"You don't get too many venues that list 30-odd contracts over such a short period of time," he said. "Most of that suite was launched in a staggered manner between July and August to give the market time to onboard and engage with the contracts, and to build the market-making behind them."

The listings were issued in tranches starting with 10 US dollar-denominated futures on July 6 tracking underlying equities in markets including Australia, mainland China, India, Indonesia, Japan, Malaysia, Taiwan and Thailand. A further seven followed on July 20, eight on August 3 and another eight on August 17. More contracts will be launched on September 28 and later in the year.

When HKEX entered its deal with MSCI, Siu said, not all the contracts previously listed at SGX had open interest. Currently, open interest is building in 11 contracts with a particular focus on MSCI Taiwan (USD) Index futures, USD futures on the MSCI China Free Index which tracks large and mid-cap Chinese companies, and MSCI EM Asia Net Total Return (USD) Index futures.

According to Rideout, growth in open interest in China Free is particularly encouraging.

"In the cash market, we're seeing a 'back home to Hong Kong mantra' that keeps coming off the US market," Rideout said. "If you look at that China Free contract, some of the underlying stocks are now trading in Hong Kong, so if you believe that futures like to trade around the underlying cash market, then that's probably the clue as to why China Free is quite popular already."

Taiwan index futures have also proved popular, leading HKEX to expand its offering with the launch of futures on the MSCI Taiwan 25/50 Index scheduled for September 28. That contract is also being introduced for regulatory reasons due to the index weighting of stocks in the existing MSCI Taiwan index futures contracts, which did not align with the requirements of the Commodity Futures Trading Commission for approval in the US.

According to Rideout, there is already significant interest in the upcoming contract.

"The question that I get the most from the banks in particular is: when is it coming, can you make it come faster?," he said.

Looking ahead, key markers for the full MSCI suite's open interest development fall on the quarterly rolls at the end of September and again in December.

"Broadly speaking we do see the growth coming," Siu said. "It's taken a little bit of time for the market to assess and view, but we've got a lot of good datapoints around our market makers, liquidity provision and how our order book is building."

As liquidity develops, HKEX has big plans for product development around its MSCI Index franchise.

"One of the key strengths of Hong Kong is the size of our options market, so ultimately you'd want to see options building out on the MSCI suite, as well as ETFs down the road," Rideout said.

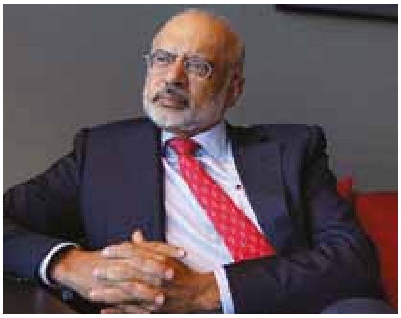
Rideout also believes that, with the addition of China A-shares to the MSCI Emerging Markets index in 2018, the direction of travel is now much more towards Asia.

"Once China gets its full weighting, say in four or five years' time, the vast majority of the emerging market weighting will be in Asia. So it makes sense for the MSCI suite to live and breathe next to the markets that operate here." ■

CEO OF THE YEAR

PIYUSH GUPTA | DBS Bank

DBS Bank chief executive Piyush Gupta could not have known what was facing him as he celebrated in November 2019 his tenth anniversary running the Singapore bank. The bank saw its profits fall in the first half of 2020 as did all of its peers but it beat analyst forecasts and is in good shape heading into the end of the year.



Born in India, Gupta studied at St. Stephen's College, Delhi University and then the Indian Institute of Management in Ahmedabad for a post-graduate diploma in management.

He started his career at Citibank where he served in many roles before transferring to Singapore in 1991. He then held various roles at the US bank including Citibank's country managers for Indonesia and Malaysia before becoming chief executive officer of Citibank South East Asia, Australia and New Zealand in 2008.

Gupta joined DBS Bank as chief executive in November 2009 and has overseen significant growth within the Singapore-based bank as it implemented its strategy of becoming a pan-Asian commercial bank.

Gupta is also a huge advocate of technology innovation and has worked hard to establish DBS Bank as one of the premier digital banks in Asia

Under Gupta, DBS has supports many important social ventures. In June, DBS Bank partnered with The Food Bank Singapore to enhance Singapore's food donation ecosystem, and better address food gaps for the vulnerable by connecting corporate donors to food support organisations via food banking app.

The chief executive has served on many industry boards and committees, including the Institute of International Finance, Washington and The Institute of Banking and Finance, and is an ambassador for an Indian children's charity.

The recent approval to launch a Chinese brokerage shows that Gupta is looking ahead already to further growth and to explore new opportunities as the Asian market continues to grow and evolve. ■

RISING STAR OF THE YEAR

RAY ANG ZHI RUI | EEX Group (EEX Asia)

EEX Group (EEX Asia) has emerged in the past year as the world's largest dry freight market under the leadership of Ray Ang Zhi Rui, the chief executive of the EEX Group (EEX Asia) Singapore-based market.

A founding member of EEX Group (EEX Asia) (formerly known as Cleartrade Exchange), Ray became chief executive in January 2020 after four years as chief operating officer and six years as an operations director.

Before joining Cleartrade in 2010, Ray worked at Barclays Capital in Singapore and Freight Investor Services in London either side of his Masters in Mathematical Trading and Finance from the Cass Business School.

Ray's main achievement this year was making EEX Group (EEX Asia) the largest dry freight derivatives market by taking the majority market share in seaborne dry freight from rival the Singapore Exchange.

EEX Group (EEX Asia) said in June its volume share of the market hit 50.5%, up from just 3.5% last year, while its share of OI also jumped to 54% from 7.7% last year. The share of options OI was 50.3%, while futures achieved an OI share of 56.7%.

In April, EEX Group (EEX Asia) said it had gained the majority share of open interest (OI) in the combined futures and options freight market for the first time at 52%.

EEX Group bought Nasdaq Futures' (NFX) futures and options business in November, acquiring its core assets and portfolio of open interest in US Power, US Natural Gas, Crude Oil, Ferrous Metals and Dry Bulk Freight contracts.

EEX Group (EEX Asia) migrated 90% of NFX freight open interest to its clearing house in February while the remaining 10% went to SGX. At the time EEX Group (EEX Asia) said it had a 46% market share in the freight derivatives market.

EEX Group (EEX Asia) said its freight market has grown significantly over the past 18 months, with an increase of 109% compared to last year. Volumes in the first quarter exceeded the volume generated in 2016, 2017, 2018 and 2019 combined. ■

EXCHANGE OF THE YEAR

SINGAPORE EXCHANGE

Singapore Exchange has continued to perform in what was a difficult year for Asian markets and actually increased its share price by one third in the judging period. The longest trading hours in the region allowed clients access to a wide range of counterparties and the exchange's investment in capacity meant there were no issues in a period of extreme trading volatility and volumes.

The exchange began the judging period by merging its cash and derivatives channels as part of an organisation restructure to boost opportunities for growth.

SGX has operated under four segments all reporting into chief exec Loh Boon Chye from July 1.

The cash equities and equity derivatives businesses merged to fall under a single equities umbrella. They operate under a single platform for both retail and institutional clients, offering trading, clearing, post-trade and research services across all equities products.

Michael Syn, formerly head of derivatives, was promoted to head of equities.

He said at the time: "Our expertise and market leadership in equity derivatives will be leveraged to internationalise our cash equities proposition through the introduction of new derivatives products, structured products and offshore risk management capabilities."

He added: "By focusing on equities as a single asset class, product and service innovation can span both cash and derivatives channels to address client needs holistically."

The exchange launched in November a low sulphur fuel oil futures contract and it made a strong start.

SGX said various trading firms including CSC Commodities, SDTR Marine, Theme International Trading and BPI Financial traded the Platts Marine Fuel 0.5% FOB Singapore futures contract in its first week after launch.

SGX also said that various brokers are offering the product including Freight Investor Services (FIS), DBS, Marex Financial, Credit Suisse Securities Singapore and CGS-CIMB Securities (Singapore).

Singapore Exchange then launched in late February cash-settled methanol futures and swap contracts based on the S&P Global Platts daily methanol prices.

SGX introduced the contracts to help producers, traders and users more effectively manage risk, whilst also improving price discovery.

Commenting on the launch, petrochemical product manager at SGX, William Prajogo, said: "In today's evolving market, international traders are seeking more transparency and better price-discovery and risk-management tools to hedge methanol prices and exposure."

Singapore Exchange has also reiterated its plan to launch more environmentally friendly products to reflect "the global quest towards a greener environment".

The Singapore-based group, which launched a low sulphur futures fuel oil futures product in November last year, said more green products are consistent with its status as the "international commodities trading hub".

Lee Beng Hong, SGX's senior managing director, head of Fixed Income, Currencies and Commodities, said: "Moving forward, we are exploring how we can play a bigger role in the global quest towards a greener environment."

Lee said: "Singapore has emerged as the international commodities trading hub, supported by a diverse and vibrant ecosystem of participants. Building on this, we have over the years developed key pricing and risk-management tools for key elements of global trade, including freight, rubber, petrochemicals and iron ore – Asia's first truly global commodity and a barometer of Asia's economic activity."

Lee continued: "Today, SGX's role in delivering price-discovery and risk-management solutions has never been more relevant. Since launching the world's first cleared iron ore swaps in 2009, we continue to innovate with new tools such as the world's first high-grade (65% Fe) iron ore derivatives, Asia's first electricity futures, and rubber contracts that serve as the global price benchmark for physical rubber, just to name a few."

Lee's comments came after SGX's head of commodities said the exchange is researching products relating to "all things clean and green", with a focus on carbon, liquefied natural gas (LNG) and energy metals. ■

> "Singapore has emerged as the international commodities trading hub, supported by a diverse and vibrant ecosystem of participants. Building on this, we have over the years developed key pricing and risk-management tools for key elements of global trade, including freight, rubber, petrochemicals and iron ore – Asia's first truly global commodity and a barometer of Asia's economic activity."

EMERGING MARKET EXCHANGE OF THE YEAR

SHANGHAI FUTURES EXCHANGE

Shanghai Futures Exchange delivered impressive year-on-year growth in the early part of 2020 despite significant headwinds. The SFE's bitumen and fuel oil contracts as well as its base and precious metals were the stand-out performers.

Shanghai launched in August its yuan-denominated natural rubber futures, the technically specified rubber (TSR) 20 futures.

The TSR 20 futures was the country's fourth commodities futures open to both home and overseas investors after crude oil futures, PTA futures and iron ore futures.

Largely produced in Southeast Asian countries like Indonesia and Thailand, the natural rubber TSR 20 is the main raw material for tires.

China has become a major consumer of TSR 20 as the country sees a growing automotive industry, with total import volume of natural and synthetic rubber exceeding 3 million tonnes in the first half of 2019. The whole industry chain has been calling for risk management tools to hedge against price fluctuations.

Jiang Yan, chairman of the Shanghai Futures Exchange, said the launch of TSR 20 trading will promote risk management in related industries using the futures market and form a multi-layer system interconnecting domestic and overseas markets.

The previously-launched natural rubber futures in the Shanghai Futures Exchange mainly reflect the market supply and demand at home, while TSR 20 futures is a good complement as it is a truly global product.

In recent years, China has opened more commodities futures to overseas investors and improved corresponding institutional systems and processes, said Fang Xinghai, vice chairman of the China Securities Regulatory Commission, at the launching ceremony.

The Shanghai International Energy Exchange (INE) began testing low-sulphur marine fuel oil futures in June 2020 after a public consultation on the draft contract.

INE made the announcement as the China Securities Regulatory Commission said it had granted approval for the exchange to officially begin trading low-sulphur fuel oil futures from June 22 to open the market to overseas investors and promote the development of the low-sulphur fuel oil industry. ■

> China has opened more commodities futures to overseas investors

OTC VENUE OF THE YEAR

TRADEWEB

Tradeweb has seen impressive growth in most of the main fixed income markets in Asia including bonds and interest rate swaps. The firm, which has a presence in China, Japan, Hong Kong and Singapore, has also worked with China's Bond Connect platform to attract trading volume to that service.

The firm said in September it had allowed clients to centrally clear exchange traded funds (ETFs) via a new arrangement with EuroCCP, an Amsterdam-based clearing house.

Both firms said they had teamed up to provide ETF clearing in a move which should "streamline settlement and minimise costs."

Tradeweb, headquartered in New York, is one of the pioneers of the request-for-quote (RFQ) system in electronic fixed income markets.

Commenting on the move, Jason Warr, head of global markets at BlackRock iShares - the largest provider of ETFs in the world - described the partnership as an "important market structure enhancement" to improve the clearing, settlement and utility of ETFs.

Tradeweb launched in September last year multi-asset package (MAP) trading on its global Interest Rate Swaps (IRS) platform with the intention of simplifying the labour intensive process of trading multi-asset package and offering clients more competitive prices and execution speeds.

Chief exec Lee Olesky said in August he sees significant opportunity for the business to build-on efforts to cultivate new markets and to enhance and streamline trading strategies and workflows.

Key drivers are its innovations like its rules-based execution tool called Automated Intelligent Execution (AiEX) along with the Mifid II tailwind, which helped boost investor confidence in the depth of the market.

Treasuries are also benefitting from the AiEX – which has been expanded to other asset classes – as well as direct streaming, which now accounts for as much as 10% of trading.

Tradeweb's $1.1 billion initial public offering on Nasdaq in April 2019 was the second-biggest listing of 2019 at the time. ■

CLEARING HOUSE OF THE YEAR

LCH

LCH continued its strong performance in the Asian region. The London-based clearing house became in June the clearing agent to a new scheme allowing London to tap China's institutional investor base and vast equity market.

The London-Shanghai Stock Connect, which also gives Shanghai-listed companies an opportunity to raise funds via London's stock market, went live after four years of development.

"This new scheme will deepen and strengthen connectivity between UK and China capital markets to the advantage of both countries," Andrew Bailey, chief executive of UK regulator the FCA, said in a statement.

Mizuho Securities became in September the first Japanese firm to sign up to clearing service run by LCH's Paris arm, LCH SA.

"By joining the service, Mizuho is now able to access the largest netting pool of Euro-denominated debt, allowing it to benefit from the risk management and operational efficiencies of central clearing," LCH wrote.

The clearing house named in April Yutaka Imanishi from CME Group as its new head of Japan, saying the appointment demonstrates the London-based clearing house's long-term commitment to the country and the wider Asia Pacific region.

At CME Group, Imanishi was executive director, optimisation Japan. He also held the position of CEO Asia Pacific, TriOptima, where he oversaw TriOptima's compression and portfolio reconciliation business in the Asia-Pacific region.

At LCH, Imanishi reports to head of Asia Pacific Kate Birchall, who said he brings extensive experience of the derivatives markets and serving clients from Japan and across the world. "His appointment will support and enhance LCH's presence and continued growth in Japan," Birchall said. "LCH is committed to our partnership with the Japanese market and he will be an undoubted asset in leading our team in Japan." ■

> The clearing house named in April Yutaka Imanishi from CME Group as its new head of Japan

EXCHANGE INNOVATION OF THE YEAR

EEX GROUP (EEX ASIA) JAPANESE POWER FUTURES

The launch of the EEX Group (EEX Asia) clearing offering for Japanese power futures, which followed almost two years of development, extended the exchange's offering on its power derivatives platform to 21 market areas.

The product offering from EEX Group (EEX Asia) represented the first Asian market area on the EEX Group (EEX Asia) power derivatives platform and also the first EEX Group (EEX Asia) product specifically designed for the Asian market.

EEX Group (EEX Asia) said in August trading volumes on the Japanese power market since its launch in May were equivalent to the consumption of 40,000 households, according to the Deutsche Boerse-owned exchange's power derivatives director.

In the run-up to the EEX Group (EEX Asia) 100th day of Japanese power trading on August 26, EEX's derivatives director Steffen Riediger told Global Investor that trading volumes stood at more than 160,000 Megawatt hours at the end of last week."

In May, 11,760 MWh were traded, while June saw volumes of 104,520 MWh. Volumes dropped sharply during July's holiday season to 36 MWh, while August levels are at 45,360 MWh. "July, frankly, was really quiet," Riedeger said, "but looking at August we are seeing a very positive trend… we are close to 50,000 MWh again.

"What we're seeing now in August is people taking on long-term positions so they hedge their winter season, they hedge their full calendar year. I think that's an important signal to the market, and it shows that people see us as a credible partner."

Market participants included 12 brokerage firms from Europe, Japan and Singapore, such as Tullett Prebon Energy Singapore, Ginga Global Markets, Nissan Securities and Enechain.

In addition, Japanese utilities including Tohoku EPCO are active in the market, as well as Japanese participants trading via the EEX Group (EEX Asia) list of clearing banks.

Riedeger highlighted RWE Supply & Trading's announcement in July that it had entered the Japanese power trading market by establishing a subsidiary in Tokyo, as well as the participation of ENGIE Global Markets. "We have, I tend to say, the Who's Who of commodity trading, of power trading, in all sorts of international markets currently going to Japan," he said. ■

TECH INNOVATION OF THE YEAR

AXETRADING

AxeTrading's AxeTrader has enjoyed success in Asia as the firm has established itself in Hong Kong and grown its presence in Singapore and Sydney but the delivery of its version 5 has strengthened the firm's position in the region. Version 5's internal liquidity pool, which allows traders to see an aggregated view of the firm's many trading positions, is particularly powerful.

AxeTrading is the award winning global fixed income trading software company that enables unique market making, price making and order execution with AxeTrader. This provides traders access to optimised, personalised and intuitive workflows delivered by highly flexible, agile and efficient technology.

AxeTrader interacts seamlessly across over 22 execution venues and connects to 11 leading market data sources.

AxeTrading launched in May version 5 of AxeTrader, the award winning fixed-income trading solution for the sell side, buy-side and agency brokers. This latest upgrade to the leading dedicated fixed income market making and order execution workflow tool delivers more power in pricing, quoting and algorithmic risk analytics.

Traders experience significant benefits from a range of new capabilities including:

A sandbox mode which enables Traders to model the impact of price changes on a trading book and manipulate prices to develop their pricing strategy, while continuing to quote live prices to the market.

Reconfiguring pricing sheets without turning off quoting, so eliminating any interruption to trading.

The ability to integrate with FX algo pricing to stream FX rates into tickets and hedge FX risk. Internal sharing of inventory to create a "liquidity pool" across multiple trading desks, offices and legal entities through automated or manual rule-based RFQ ticket forwarding to provide flexibility and reduce operational risk in back-to-back tickets.

A server scheduler to help Traders meet their market making obligations by automatically putting the interface online at a time of their choice.

Introduction of futures to Trader's workflows to deliver improved hedging capability. ■

EQUITY TRADING PROVIDER OF THE YEAR:

ITIVITI

Itiviti has built on its successes in Europe by growing its presence and client-base in Asia.

The Swedish firm said in October 2019 that Huatai Financial Holdings (Hong Kong) Limited (Huatai Financial), a wholly-owned subsidiary of Huatai Securities, one of China's largest brokerages, had successfully deployed Itiviti's connectivity solution to expand its overseas footprint and provide new financing and investment services to its global clients.

Itiviti's connectivity solution, which includes UL Bridge, a renowned multi-protocol and low-latency connectivity platform as well as a powerful all-in-one administration and monitoring tool, enabled Huatai Financial to connect to the London Stock Exchange (LSE), and issue and trade global depository receipts (GDRs) through the Shanghai-London Stock Connect. The Itiviti team worked closely with Huatai Financial to ensure a smooth delivery of the project within a very tight timeline.

Ryan Zhang, Head of Information Technology, Huatai Financial commented: "Huatai Financial's IT strategy is to form long-term partnerships with leading technology providers like Itiviti, together with our group's strong R&D capability, to improve our time-to-market for new services enablement with advanced technology stack."

Itiviti said in in November SMBC Nikko Securities Inc., one of Japan's largest brokerages, had implemented Itiviti's high capacity low-latency market connectivity solutions for trading the Japan Stock Exchange (JPX) and regional exchanges.

Jay Beddow, General Manager, Equity Business Development Division, Equity Group, SMBC Nikko Securities Inc., said: "Itiviti's solutions enable SMBC Nikko Securities to effectively manage the technology underpinning our global trading business and to provide top-tier services to our global clients. Their connectivity solutions provided the reach, speed and performance we asked for. We also value that Itiviti's modular technology is highly scalable, so that we can add new execution modules as needed to support our expanding trading operations."

The firm also said in November it developed new gateways to the Stock Exchange of Thailand and the Thailand Futures Exchange, enabling its domestic and international customers to trade listed equities and derivatives in the Thai markets. ■

FIXED INCOME TRADING PROVIDER OF THE YEAR

BLOOMBERG

Bloomberg has maintained its leading position in fixed income trading by moving steadily into the vast onshore Chinese bond market.

Bloomberg's fixed income trading platform and complete execution management solution provides liquidity, trading functionality and straight-through processing for all fixed income securities, derivatives and futures.

FIT, Bloomberg's fixed income trading platform, links all available fixed income electronic trading products into one portal and provides multi-dealer, executable composite pricing, so clients can stage, monitor, trade and allocate trades through a single function on the Bloomberg Terminal.

The FIT market monitor allows clients to watch the current bid and ask prices for a type of security within their chosen market, so they can follow market movements and identify the rates at which they want to trade.

Bloomberg BOLT is a list trading platform that allows clients to access a deep pool of liquidity for investment grade, high yield, emerging markets (EM), credit default swaps (CDS), interest rate swaps (IRS) and municipal bonds.

Bloomberg announced in January that it and its global affiliates will start to provide qualified investors with channels to access China's interbank bond market ("CIBM").

Global investors can now trade onshore Chinese bonds via the Bloomberg Terminal. Bloomberg was the first global trading platform connected to CFETS that will offer access to both CIBM Direct and Bond Connect, the two most popular schemes used by offshore China investors.

"For some time now, we have been working closely with the People's Bank of China, CFETS, Hong Kong Exchange and other parties to advance China's bond market development and facilitate greater investor access," said Mary Schapiro, Vice Chair for Global Public Policy and Special Advisor to the Founder and Chairman of Bloomberg L.P.

"With these two new access channels, we expect the appetite to seek yield, liquidity and alpha in China's $12 trillion bond market to grow further. As China continues to deepen its financial reform, China's bond market is an opportunity many investors can no longer ignore." ■

DERIVATIVES TRADING PROVIDER OF THE YEAR

TRADING TECHNOLOGIES

Trading Technologies has had a year to remember in Asia.

The US-based firm partnered in November with the Thailand Futures Exchange (TFEX) to enable TT clients access to TFEX's portfolio of listed derivatives, including futures, options and options on futures in equities, debt instruments and commodities.

Mark Pottle, regional executive sales director for TT, said: "The expansion of the TT platform into Thailand to include TFEX reflects the continued growth and demand of our customer base across Asia. TFEX presents an exciting new market for our customers to trade."

Dr Rinjai Charkornpipat, managing director of TFEX, added: "Having Trading Technologies support access to TFEX is an exciting addition for the exchange. This addition will provide a new high-performance route for the international trading community."

TT announced in May plans to open the Chinese derivatives markets to its global trading clients for the first time via an agreement with Zhengzhou Exchange.

Under the deal, TT and Zhengzhou Exchange's subsidiary Zhengzhou Esunny Information Technology will develop a technology solution to link their platforms, providing TT's clients with access to markets including the China Financial Futures Exchange, Dalian Commodity Exchange, International Energy Exchange, Shanghai Futures Exchange and Zhengzhou Commodity Exchange.

TT's president and chief financial officer Michael Kraines said: "By partnering with a local industry leader like Esunny, TT customers can now access this very dynamic area of the markets that previously could not be traded easily and affordably alongside the world's other trading centres."

Kraines added that the deal gives TT's customers access to the "huge" Chinese market at a time when it is opening up at an accelerating pace. "As Chinese regulators continue to relax restrictions and introduce new international derivatives products, the opportunities to trade profitably will only increase," he added.

The firm has also improved its cryptocurrency coverage, which is of particular interest to Asian clients, and positioned the firm in the key Japanese and Hong Hong-based datacentres to offer the fastest access to those markets. ■

TT announced in May plans to open the Chinese derivatives markets to its global trading clients for the first time

MULTI-ASSET PROVIDER OF THE YEAR

HORIZON SOFTWARE

Horizon is one of the few truly multi-asset trading platforms that can handle a range of instrument types from foreign exchange, to bonds, equities and listed derivatives. The European-based fintech has in recent years developed strong relationships across Asia, including in Thailand, Vietnam, Hong Kong, Singapore, Indonesia and mainland China.

The fintech firm announced in August a "Penetration Mode Connectivity Upgrade" for futures trading. The market connectivity upgrade was developed in response to the "Notice on Further Strengthening the Collection of Information on Clients' Trading Terminals in Futures Operating Agencies" requirements in China, which enforce the need for transparency and monitoring of the local futures trading market.

The firm followed up by announcing in September the opening of its Shanghai office to demonstrate its support of the rapidly growing financial markets in Asia.

The new office, strategically located in the heart of Shanghai's central business district, focuses on addressing the huge potential in mainland China as Chinese financial regulation authorities promote the opening of local capital markets to attract more long-term overseas capital.

Horizon announced in October its support for covered warrants on the fast-growing Vietnamese market.

Horizon Software started to collaborate with the Ho Chi Minh Stock Exchange (HOSE) back in 2017 with the organisation of early workshops dedicated to transfer its expertise on covered warrants market making. Today Horizon Software serves some of the largest local banks in derivatives market making, especially covered warrants.

In September 2020, Horizon announced the appointment of Emmanuel Faure as Head of Sales APAC to support its rapid growth in the region. Emmanuel has exceptional experience and leadership, having worked as a Managing Director and Head of Business Development in the financial industry in Asia for over 20 years.

Prior to join Horizon, Faure served in various Management positions for 14 years at Fimat, a global brokerage organisation and part of Société General group, in Japan and Hong Kong. ■

Horizon announced in October its support for covered warrants on the fast-growing Vietnamese market.

POST-TRADE PROVIDER OF THE YEAR

SMARTSTREAM AIR

SmartStream Air, made available in September 2019, is an entirely new approach to reconciliations. The Air product, which stands for Artificial Intelligence Reconciliations, is designed to allow firms to manage their outstanding reconciliations on an ad hoc basis and is set to deliver additional efficiencies to this area.

SmartStream Technologies launched SmartStream Air as a new revolutionary approach for reconciliations that allows business users to reconcile complex sets of data in seconds. The solution is immediately accessible and uses transformative artificial intelligence (AI) algorithms to auto-configure reconciliations of any data structure – unlike other solutions on the market today, which only understand certain domains, coupled with long implementation times.

SmartStream Air provides true AI - it has been proven in a number of tier one banks and other customers who are now implementing the solution. It eliminates a great deal of time and effort, as well as making business users far less reliant on support from teams of operations and IT staff.

Haytham Kaddoura, CEO, SmartStream, said at the time of the launch: "SmartStream Air is like having a highly skilled virtual operations team on hand that you can tap into on demand. It is the only truly instant reconciliations solution currently available, producing accurate results within seconds. The solution is underpinned by sophisticated machine learning technology and it is continuously improving, meaning that results only get better as time goes by."

SmartStream strengthened in May 2020 its presence in South-East Asia and Hong Kong with the appointment of Victoria Harverson. In her leadership role she joined the sales team in the regional head office based in Singapore, and reports to Radha Pillay, Head of Sales Apac.

Harverson joined SmartStream from Duco where she served as Business Development Director and Head of Sales Apac. ■

RISK MANAGEMENT PROVIDER OF THE YEAR

NUMERIX

Numerix is the world's preeminent analytics company providing capital markets institutions with scalable software solutions and advanced quantitative services for derivatives risk management, valuations and pricing.

Numerix's diverse team of highly experienced risk professionals, product specialists, financial engineers, quantitative analysts and actuaries are able to provide meaningful analysis on the most important issues moving today's financial markets.

Through Numerix Oneview, Numerix has delivered a cutting edge risk platform that covers various asset classes from the most standardised, high-volume products to the most complex OTC derivatives. The firm has also used emerging fintech solutions to ensure its solution is flexible and easily deployed by users.

Numerix Oneview is a comprehensive, real-time front-to-risk system that empowers sales, traders and risk managers with a holistic, multi-dimensional view of their derivatives and structured products businesses. Powered by the industry's most sophisticated cross-asset analytics and optimised for performance, Oneview's wide range of modules enable powerful decision insights and uncompromising accuracy.

Oneview provides a broad perspective across the entire derivatives business, helping users make the right decision when it matters most. It delivers real-time decision support and end-of-day reporting with speed, accuracy, and ease of use, so clients can focus on running and optimising the business instead of scrambling to produce and aggregate the numbers.

Much in demand at the moment as uncleared margin rules are being rolled out next year is Oneview for Margin which allows clients to make better use of collateral, reduce margin costs, drive more profit and reduce risk in the non-cleared derivatives book.

Its features include:

- Officially licensed by ISDA to provide SIMM™ calculations
- Both pre-deal and post-trade SIMM™ analytics
- Produce CRIF files for counterparty reconciliations and regulator engagement
- Streamlined and simplified Initial Margin (IM) workflows
- Advanced SIMM™ analytics such as SIMM™ Explain, to identify key drivers influencing IM values ■

COLLATERAL MANAGEMENT PROVIDER OF THE YEAR

FIS APEX COLLATERAL

Financial institutions must optimise the use of assets across business lines and transform their collateral management infrastructure to handle the increased volume and complexity of collateralised trading business.

High quality collateral has become a scarce commodity and collateral management has transformed from a back-office operational function to a proactive, business critical discipline. Financial institutions on the sell and buy-side are challenged to establish sound collateralisation operations and optimisation processes in order to make most efficient use of collateral.

A tier one bank announced an expected 63% increase in the number of collateral calls, an 83% increase in collateral movements and a 1000% increase in the number of collateral substitutions as firms adapt to the new regulations and market conditions and move to proactive collateral asset management and optimisation of the collateral portfolios.

The status quo at many financial institutions is still a siloed architecture with segregated collateral pools for the various business lines. This leads to an inability to optimise the allocation of collateral assets centrally and makes collateral operations inefficient and hard to scale.

To address these time critical collateral management challenges, FIS has offered Apex Collateral, a unique and innovative solution that offers enterprise-wide collateral management, optimisation and trading on a single platform which can be deployed on site or as cloud based. Apex Collateral helps financial institutions to make the best use of their inventory and to handle the fast increasing volume and complexity of collateralised trading activities.

Apex Collateral is structured in a modular way as not all institutions will want to replace their collateral management infrastructure wholesale. This allows customers to pick and choose the elements of the platform that best fit their specific requirements. Apex Collateral is built around five key modules:

- A global, real-time, cross-asset inventory
- Securities finance and collateral trading
- Lean operations platform that automates the collateral management across processes (cleared, non-cleared, triparty, third party…)
- Collateral optimisation to maximise return on inventory
- Connectivity server providing real-time, out of the box connectivity to all the major collateral market utilities, CCPs, exchanges and triparty agents. ■

TRADING AND EXECUTION PROVIDER OF THE YEAR

TRADINGSCREEN

TradingScreen began the judging period by hiring two in Singapore to work on developing the adoption of the firm's execution and workflow management system for investment managers in the region.

QUO hired in October 2019 Kunal Singh as head of sales for South and Southeast Asia, and Deepshikha Chaudhary as product manager.

Singh is responsible for growing QUO's presence across Asia, selected for his in-depth knowledge and wealth of experience across the industry and region previously holding positions at Edelweiss, DE Shaw & Co and Wingate Group.

Chaudhary, previously assistant vice president of sales at the Singapore Exchange, is responsible for developing QUO's product offering in collaboration with TS's industry benchmark order and execution management system (OEMS), TradeSmart, and its team of 230 employees and 550 FIX connections globally.

"Driving QUO's expansion is an increasing demand from wealth managers for efficient execution across multiple workflow streams, via one consolidated platform, so they can focus their efforts on what matters most: delivering superior returns to investors," said Will Lawton, global head of QUO.

The US-based SAAS firm followed this up by pledging new functionality specifically for Asian clients.

In June, TradingScreen reached an agreement with MARKTS to build out a network for institutional market participants to access crypto exchanges and employ institutional-grade tools for trading Bitcoin and other cryptocurrencies via spot and futures.

TradingScreen and Imagine Software, a post-trade solutions expert, enhanced in August their partnership by developing a full front-to-back office solution aimed at hedge funds and asset managers.

TradingScreen and Imagine worked together to combine TradingScreen's trading and order management systems with Imagine Software's risk and compliance tech into a packaged solution.

Bernie Ho, head of Asia Pacific Sales and Operations at TradingScreen, said in the statement: "With an immediate need to reduce their technology spend, we are finding different types of hedge funds and asset managers seeking a trading solution that is easy to deploy and use." ■

REGULATORY REPORTING PROVIDER OF THE YEAR

DTCC

DTCC has established itself as the leading trade repository service provider in the past few years. Recently, it has developed additional services to allow clients to report OTC derivatives and has become the only trade repository licensed by the Singapore regulator. DTCC's Global Trade Repository handles over 3 million open positions across a range of Asian reporting regimes.

The US-based firm started the year strongly by announcing in June that Barclays, Goldman Sachs and JP Morgan had agreed to funnel securities finance transaction data to DTCC's trade repository.

A statement from the US post-trade group – which has a London-based trade repository - said the banks will use the data warehouse to comply with Securities Financing Transactions Regulation (SFTR).

The reporting aspect of the European legislation requires firms to submit data on their stock loan and repo activity to a trade repository.

In August, the DTCC's Global Trade Repository upgraded its GTR 2.0 user interface for Asia-Pacific data insights supporting the ASIC and MAS jurisdiction.

DTCC's Global Trade Repository 2.0 enhances access to derivative trade data and provides improved performance and control benchmarks leveraging a common interface across all regions.

The user-friendly, self-service portal gives clients direct electronic access to the data stored in the DTCC repository and enhances the user's ability to query the data and provide valuable insights in the form of a client analytics dashboard with a focus on completeness, accuracy, consistency and timeliness.

The home page of GTR's 2.0 APAC Portal is a gateway to an expanded set of user tools that puts data queries and analysis at clients' fingertips. Client can access an enhanced landing page showing a snapshot of data from the previous reporting day with a glance of key statistics.

GTR's safe and robust infrastructure accommodates the reporting of cleared and uncleared derivatives transactions across all five derivatives asset classes – credit, equity, interest rate, commodity and foreign exchange. ■

BANK OF THE YEAR

DBS BANK

The Singapore-based bank has been working hard over the past year to explore new, innovative ways to support small, growing business including through the deployment of emerging technologies such as blockchain. The bank was also quick to offer COVID-19 relief packages to customers as well as to pay for meals and care packages to those at risk.

More recently, DBS has received approval from the China Securities Regulatory Commission to establish DBS Securities (China) Limited, a joint venture securities company in which DBS Group will have a controlling stake.

DBS Securities will be an important part of DBS Group's strategy in China. Businesses that it will engage in include brokerage, securities investment consulting, securities underwriting and sponsorship, as well as proprietary trading. DBS Securities is committed to providing best-in-class onshore products and services for domestic and international customers.

Piyush Gupta, CEO of DBS Group, said: "We are very pleased to receive CSRC approval to establish DBS Securities. This year marks the 30th anniversary of diplomatic relations between China and Singapore. Likewise, DBS Group has been supporting China's financial development in the past 30 years. The ability to set up a securities company in China represents yet another key milestone, enabling us to make available the best of DBS' capabilities and offerings, and provide customers in China with a full range of onshore and offshore financial services."

Neil Ge, China head of DBS Group said: "The establishment of DBS Securities will further support the long-term sustainable development of DBS Group in China and meet the changing needs of customers in multiple aspects. With the continuous expansion of DBS' onshore business platforms, the Group is committed to providing more comprehensive financial services to Chinese customers."

Shanghai-based DBS Securities (China) has registered capital of 1.5 billion RMB and is 51%-owned by DBS as well four Chinese firms. ■

NON-BANK FCM OF THE YEAR

GF FUTURES (HONG KONG)

The long-established Chinese broker has once again secured various accolades through the year and grown its business across various key markets including the London Metal Exchange where it is the only Chinese ring dealing member. The broker has also enjoyed success with some of Singapore Exchange's new contracts and among various OTC products in the region.

GF Financial Markets is a derivatives broker providing execution and clearing services across a wide range of international markets. The company has had a long history of providing high quality customer service to participants in the commodity markets.

By using its in-depth knowledge of international futures markets, advanced management experiences, superior product design ability, outstanding risk control skills and leading information technology systems, GF Financial Markets (UK) Ltd. is dedicated to provide secure, professional and efficient services into the global market place for our Chinese and international customers.

GF Financial Markets offers execution and clearing services. Its execution business has partnered with Patsystems, Trading Technologies and ATP.

GFFM also offers an efficient and comprehensive clearing service based on the following:

- An experienced clearing and client services team.
- In-depth market knowledge, from contract mechanics and warrant processing to initial margin calculations and position transfers.
- Timely delivery of recaps, reports and statements via email and sFTP.
- Data extracts for positions, trades, margins, balances, stocks etc.
- System flexibility with support of an in-house London IT development team.
- GF Financial Markets (UK) Limited is authorised and regulated by the Financial Conduct Authority and provides clients with access to the following exchanges:
- London Metal Exchange (Category 1 membership)
- ICE Futures Europe and ICE Futures US
- Chicago Mercantile Exchange ("CME"), Chicago Board of Trade, Inc ("CBOT"), New York Mercantile Exchange, Inc ("NYMEX") and Commodity Exchange, Inc ("COMEX"), HKEX and SGX ■

CHINESE NON-BANK FCM OF THE YEAR

MINMETALS & JINGYI FUTURES

The Shenzhen-based brokerage has leveraged its significant capital-based, which makes it one of the most secure broker's in the business, to win lots of new business in 2019.

The broker's trading activity increased dramatically last year and again in the early part of the year as volumes spiked. Minmetals has enjoyed particular success with Shanghai Futures Exchange's base metal contracts.

Minmetals & Jingyi Futures is dedicated to assisting commercial clients to identify their trading and hedging needs, attracting leading enterprises to participate in futures trading and supporting them to actively involve their downstream clients in futures market.

In 2019, Minmetals & Jingyi Futures participated in promoting "Insurance + Futures" model with an investment in "Targeted Poverty Alleviation Project". The project has offered an effective approach to hedge the price risk of agricultural products for a vast number of farmers.

The company's International Business Division has built a complete system combining customer service, trading and support. The team consists of industrial veterans and talented young professionals supporting international investors with a deep understanding of the derivatives market as well as the legal and regulatory systems of different exchanges.

Keeping up with the pace of Chinese financial market's opening-up, the International Business Division offers a full range of dedicated services to CTA / CPO, QFII, WOFE, Banks, Broker Dealers, and Introducing Brokers to facilitate their investment activities.

Minmetals & Jingyi Futures has built several data centers in many Chinese cities. With high-performance and low-latency servers and network infrastructure, the company can reduce the network latency to microsecond level for connection with all Chinese futures exchanges.

The broker offers advanced technical measures such as double-line connection, hot-backup system and network load balancing system to ensure fast, stable, and safe trading routes for clients. ■

> The broker's trading activity increased dramatically last year and again in the early part of the year as volumes spiked.

CLIENT CLEARING PROVIDER OF THE YEAR

CITIGROUP

The US bank has established itself at the forefront of over-the-counter swaps clearing through the region as the uncleared margin rules are being rolled out. Citigroup is top-ranked across many of the world's key swaps clearing houses and has enjoyed significant growth in Asia as well as various clearing firsts in the region.

Citi's history in the Asia Pacific region dates back to 1902. Today, the bank employs more than 50,000 people across 16 countries and jurisdictions in the region, including Australia, Bangladesh, China, Hong Kong, India, Indonesia, Korea, Macau, Malaysia, New Zealand, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam. The bank in Asia supports 17 million direct consumer clients and several thousand institutional clients. Asia Pacific generates around a quarter of Citi's earnings and is the bank's largest regional contributor outside of North America.

Citi's Institutional Clients Group business in Asia comprises Corporate and Investment Banking, Treasury and Trade Solutions, Markets and Securities Services and Citi Private Bank.

Supported by ongoing growth in intra-Asia trade flows and activity, the business continues to see strong momentum in Corporate Banking and Treasury, and Trade Solutions across various areas including cash management and trade finance. Citi supports Asia Pacific's leading corporates across 50 markets with over 20 Asia desks worldwide and has the largest network along the Belt and Road Initiative (BRI), with the ability to do business in 60 out of 70 BRI markets.

The Citi Asia institutional franchise is recognised as the leader in the brokerage business, having been consistently ranked at the top spot by Greenwich Associates for being able to increase market share across fixed income, currencies, commodities and equities. In the past year to the first quarter of 2018, Citi in Asia raised more than $150 billion for Asian clients from international capital markets and advised on over $100 billion of M&A.

Citigroup is also the top fixed income bank for Asia Pacific excluding Japan this year by market share, according to a Greenwich Associates survey of debt market professionals that focuses on the secondary market. ■

CONNECTIVITY PROVIDER OF THE YEAR

PICO

Pico has established itself as the leading network and connectivity provider for financial firms, boasting many of the world's top banks, market-makers and exchanges as clients. The firm deploys regional networks known as a mesh to connect clients into its international community.

Pico's Asian mesh connects the main regional centres for electronic trading of Singapore, Hong Kong and Tokyo with resilient circuits and continues to grow as the firm expands its infrastructure footprint to new markets and colocation facilities.

Pico provides a best-in-class portfolio of innovative, transparent, low-latency markets solutions coupled with an agile and expert service delivery model. Instant access to financial markets is provided via PicoNet, a globally comprehensive private ultra low-latency proprietary network mesh.

Extremely flat, minimising hops and latency wherever possible, PicoNet is ultra-resilient and fault-tolerant, providing the fastest path connections between on-net co-location sites. Clients choose Pico when they want the freedom to move fast and create an operational edge in the fast-paced world of financial markets.

Over the past 18 months, Pico has expanded its APAC presence with strategic hires, new offices and additional data center presences. The PicoNetT backbone has continued to extend its connectivity presence and on-net offering to interconnect all financial markets in APAC. Currently, Pico remains on track to add a further data centres in the region in the next 12 months.

As a committed partner to more than 400 leading banks, exchanges, asset managers and trading firms globally, Pico is the market leader in giving financial markets the freedom to have their technology needs delivered globally as a service and operate with new levels of agility, accuracy and transparency.

Pico's strong engineering acumen, high levels of customer satisfaction and ability to deliver bespoke solutions that cost-effectively accelerate clients' speed-to-market with best-in-class capabilities, are among the reasons Pico maintains its market leadership position. ■

> Over the past 18 months, Pico has expanded its APAC presence with strategic hires

DIGITAL BANK OF THE YEAR

CIMB BANK PHILIPPINES

CIMB Bank Philippines rolled out in 2019 a world-class digital banking platform that incorporates artificial intelligence to streamline onboarding and face recognition technology to simplify the customer experience.

With the mission to provide the best value through a seamless digital banking experience for every Filipino while promoting financial inclusion, CIMB Bank Philippines formally opened its doors on December 2018 as it deployed its winning proposition of (a) offering relevant and compelling products, (b) being a platform digital bank, while (c) using market-leading technology for seamless customer experience.

CIMB Bank Philippines offers two flagship products, Savings and Loans:

The UpSave Account is where customers can get as high as 4% interest rate per annum. On top of the exceptionally high interest rates, CIMB Bank Philippines offers free Life Insurance for customers who reach P100,000 average daily balance in a month. Insurance coverage will amount to the average daily balance of the eligible customer up to P1,000,000. The UpSave account can be digitally opened through the CIMB Bank PH app using just one valid ID, with the entire application process taking only less than 10 minutes, all KYC assisted by technology.

The Brand's Personal Loans allow Filipinos to digitally apply for P30,000 – P1,000,000 worth of personal loan all through the CIMB Bank PH app, and get their initial approval response in just 10 minutes. The service solves the hassle of having to prepare traditional documents to obtain personal loans. Now, loan applicants can do away with traditional banking requirements.

CIMB Bank Philippines' brand has been recognised as the Fastest Growing Digital Bank not just in the Philippines but in ASEAN as well. To date, The Brand has been able to secure over 2,500,000 customers 30% of which are first-time to have a bank account; and has been recognised for 14 international awards since its inception. ■

> CIMB Bank Philippines' brand has been recognised as the Fastest Growing Digital Bank not just in the Philippines

ASSET MANAGER OF THE YEAR

CHINA SOUTHERN ASSET MANAGEMENT

China Southern Asset Management is a pioneer in Asian ESG investing.

With the mission of continuously creating value for customers, China Southern Asset Management Co. has the investment philosophy of long-term investment, value investment and responsible investment.

In June 2018, Southern Asset Management became a signing member of the PRI, promising to abide by the six principles of ESG investment in the United Nations Socially Responsible Investment Guidelines, including incorporating ESG into the investment analysis and decision-making process, becoming an active owner and integrating ESG issues into ownership policies and practices, appropriate disclosure of ESG matters, establishment of cooperation mechanisms with the industry and promotion of the industry's acceptance of ESG investment concepts, and reporting of activities and processes of the implementation of ESG investment principles.

Southern Asset Management has been exploring the application of ESG localisation. The company has established an ESG business management structure and related institutional processes to ensure the effective development of ESG business. The company established the Southern ESG theme equity securities investment fund in 2019.

This fund refers to the company's existing ESG rating database and listed company ESG negative public opinion tracking in investment decisions. It is an important carrier for the company to explore the integration of ESG investment research. In the actual operation, Southern Asset Management continuously optimises the ESG evaluation system and database, ESG risk management system.

In addition, the company is actively exploring the application of ESG's active shareholder strategy in the A-share market. After organising the exchange of experience with overseas institutions, the company's equity research, listed company issue communication and voting process system are sorted out to strive to maximise the promotion of listed companies to pay more attention to ESG issues in the manufacturing process.

The company is a founding member of China's ESG leader organisation. Through active communication with member units, Southern Asset Management continues to publish research results in the field of ESG and improve the awareness of ESG investment concepts in the region. ■

ETF MANAGER OF THE YEAR

CSOP ASSET MANAGEMENT

CSOP Asset Management has for a decade been among the leading ETF firms in Asia. More recently, the manager has rolled out the city's first two-time inverse product, a type of exchange-traded fund (ETF) that acts as a risk-hedging tool.

The group is headquartered in Shenzhen, China, with branch offices in Beijing, Shanghai, Nanjing, Hefei and Chengdu. The company's total AUM exceeded $150 billion as of Dec 31 2019 and its indexing investment department is managing 19 ETFs and 19 other index funds. Southern Asset Management ranks in the top two among ETF managers in China both in terms of total AUM and in terms of the number of ETFs.

The flagship product is Southern Asset Management CSI 500 (a China A-shares mid-cap broad market index) ETF (Bloomberg Ticker 510500 CH Equity), which is the largest equity ETF in China with AUM $6.95 billion as of Jan 20 2020. The firm is committed to providing clients with various categories of equity ETFs and other index funds, classified as broad market, sector, thematic, cross border and smart beta.

Supported by the intelligent quantitative trading system, the CSI 500 ETF delivers steady excess returns as well as outstanding tracking accuracy.

Besides offering quality products, Southern Asset Management helps clients with research services, including market insights, investor education, customised indexing, asset allocation research and ESG research.

Southern Asset Management has an outstanding professional investment team that focuses both on the research and on the operation of ETFs. The indexing investment team has 13 members in total, with over 80% of us hold master or higher degrees while its portfolio managers have an average of at least 10 years of experience. The members have diversified academic backgrounds, including mathematics, financial engineering, computer science. More than 50% of the firm's members have study and working experience overseas. ■

> Southern Asset Management has an outstanding professional investment team

MARKET-MAKER OF THE YEAR

JANE STREET

Jane Street has set itself apart from the competition in Asia through its success in the ETF and fixed income trading markets. Jane Street Asia Limited, based in Hong Kong, also leverages the firm's global coverage to offer 24-hour trading.

Founded in 2000 by three traders and technologist, Jane Street has grown in two decades to become the leading market-maker in Asia and beyond. The firm currently employs over 1,000 staff across its four offices in New York, London, Amsterdam and Hong Kong.

Jane Street currently trades each day over $21 billion of equities, bonds, exchange-traded funds, options, futures, currencies, commodities and fixed income on 200 trading venues. In total, Jane Street traded over $10 trillion of products in 2019, according to the firm.

Jane Street is particularly strong in ETFs and has become in recent years one of the largest ETF liquidity providers in the world. The firm traded $2.7 trillion globally in ETFs in 2019.

Jane Street's traders have a long history in ETFs, dating back to the 1993 launch of SPY, the first-ever ETF in the United States. Currently, the firm is active in over 4,500 ETFs worldwide and has committed to refine continuously its quantitative models and cutting-edge technology to provide order-book liquidity in over 45 countries.

The firm is highly regarded by counterparties for quoting consistently deep and reliable markets, both on- and off- exchanges. The firm maintains strong relationships with the major ETF providers, and is adept in ETF structure and mechanics.

Jane Street's trading strategies are based on its proprietary models where its quantitative analysis and insights into related markets enable the firm to make competitive markets in even the most complicated products. Technology is at the core of Jane Street's proposition and the firm considers itself as much a technology company as a trading firm. ■

> Jane Street has grown in two decades to become the leading market-maker in Asia and beyond.