

TRADE FINANCE

The global magazine for export and commodity finance

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Awards 2009: Conquering adversity

BEST DFI FINANCE ARRANGING BANK

Winner: Citi

**BEST TRADE & SUPPLY CHAIN
FINANCE BANK**

Winner: Citi

BEST FI TRADE SERVICING BANK

Winner: Citi



*Trade Finance
Awards for
Excellence 2009*



Recognising consistent achievers in troubled times

When we ran the Awards for Excellence last year it was a far different picture, with many banks entertaining a 'fill your boots' philosophy. Gone are those days, as we have been through the worst of times in what has been an unprecedented past nine or 10 months. Banks have shut down operations – such as the closing of commodities with HSH Nordbank and KBC. Other banks have been effectively nationalised – such as RBS, as it took in the full impact of the sub-prime crisis and the ABN takeover. And elsewhere, bank consolidation has also contributed to a trimmed market. The banking sector will never be the same again.

With these wholesale changes, banks, insurers, lawyers

and other service providers have also had to face the global economic crisis and the downturn in trade volumes. The risk profile of most has changed markedly. It is now certainly a trade finance market where 'cherry-picking' is the norm as most banks move back to servicing so-called 'core business'. And in some cases, such scale-backs have been dramatic. There does come a time when you need to develop new business in order to survive and grow.

Traditionally, in times of crisis the trade finance market has stood up well. There has been nothing traditional about the crisis over the past year though. Even so, trade continues to move and global values are up, even if volume is down. This business only moves ahead with the hard work and dedication of those within the trade finance industry and the *Trade Finance Annual Awards for Excellence* stands to recognise these achievements of all those within the sector.

This year we have revised some of the categories to reflect changes in the market. In particular, with so much global trade business now being supported and done by the export credit agencies (ECAs) and developmental financial institutions (DFIs), we have included categories for each region rather than one overall global award. In this case, this does not necessarily mean the best ECA or DFI operating only in that region, it means the best operating in that region but also an institution which may do business in other regions.

We have also expanded the regional categories for banks in order to recognise some of the regional expansions and specialisations which exist in the market. At the same time, we have introduced categories to take in the growing influence of Islamic financing. *Trade Finance* welcomes comments and suggestions from those active in the market with views on how we may improve the category classifications.

Voting logistics and notes

This year, all voting took place online over an approximate six-week period between early April and mid-May. The bulk of votes are from corporates.

Votes returned are scrutinised closely and invalid voting forms are discounted – in the main these include anyone who has voted for their own institution, forms where voters personal details have not been filled in, forms where every category has been filled in for one institution (and we do get a lot of these!), and of course spoiled ballots.

In the global awards this year we had significantly more votes than last. The most popular categories for voting this year were: Best Trade & Supply Chain Bank; Best Online Trade Finance Bank; Best FI Finance Bank; Best Short-Term TF Bank; Best Export Finance Bank and Best DFI Arranging Bank.

Changes in positions from last year, as well as new categories, are denoted in red. As can be seen from the summary table, there are numerous major changes this year.

Trade Finance also continues to do the Asian Regional Awards, the results of which are summarised on the following page. A separate Asian awards dinner and presentation takes place in Hong Kong on 9 July at The Conrad, for the Asian Deals of the Year and Asian Awards for Excellence. Full reporting on the Asian awards will be in the July/August issue of *Trade Finance* magazine. **JB**

| Category | Winner | Highly commended |
|---------------------------------------|----------------------|--------------------|
| Best energy finance bank | BNP Paribas | Deutsche Bank |
| Best metals finance bank | Natixis | Société Générale |
| Best softs finance bank | Standard Chartered | Société Générale |
| Best commodity bank | Société Générale | BNP Paribas |
| Best commodity/trade finance law firm | Denton Wilde Sapte | Clifford Chance |
| Best trade & supply-chain bank | Citi | HSBC |
| Best online TF bank | HSBC | Citi |
| Best FI trade servicing bank | Citi | Deutsche Bank |
| Best short-term trade bank | Deutsche Bank | Citi |
| Best forfaiting institution | London Forfaiting | Deutsche Bank |
| Best factoring institution | HSBC | Deutsche Bank |
| Best trade finance boutique | Falcon Trade | Texel Finance |
| Best export finance bank | Société Générale | Citi |
| Best DFI arranging bank | Citi | Deutsche Bank |
| Best ECA/DFI – Americas | IADB | IFC |
| Best ECA/DFI – Europe | Euler Hermes | EBRD |
| Best ECA/DFI – Middle East | JBIC | IFC |
| Best ECA/DFI – Africa | Afreximbank | US Ex-Im |
| Best ECA/DFI law firm | Gide Loyrette Noel | Norton Rose |
| Best Islamic TF bank (EMEA) | HSBC Amanah | Standard Chartered |
| Best Islamic TF law firm | Norton Rose | Clifford Chance |
| Best private insurer in trade | Zurich | Coface |
| Best insurance broker | BPL Global | Marsh |
| Best collateral manager | SGS | Cotecna |
| Best trade bank – W Europe | Deutsche Bank | Citi |
| Best trade bank – Nordics/Baltics | SEB | Nordea Bank |
| Best trade bank – E Europe | UniCredit Group | RZB |
| Best trade bank – MENA | HSBC | Standard Chartered |
| Best trade bank – SS Africa | Standard Bank | Standard Chartered |
| Best trade bank – N America | Wells Fargo/Wachovia | Citi |
| Best trade bank – C Am/Carib | Scotiabank | Santander |
| Best trade bank – S America | BBVA | Santander |
| Best intl trade bank – Russia | RZB | Deutsche Bank |
| Best local trade bank – Russia | VTB | Sberbank |
| Best intl trade bank – Brazil | Santander | Citi |
| Best local trade bank – Brazil | Banco Itau | Banco do Brasil |

BEST DFI FINANCE ARRANGING BANK



Winner: *Citi* Highly commended: *Deutsche Bank*

Showing the way forward

The introduction of this new category in the awards is designed to recognise the increased volume of work now being done by commercial banks arranging deals with developmental finance institutions, whether they be multilateral or bilateral entities. Considering this is the inaugural year for this award, there was plenty of attention devoted to it. The worthy winner is Citi, which was quite some way in front of the competition.

“We are delighted to win this inaugural DFI arranger award and of course this represents the joint success of Citi and the contribution of our DFI partners around the world. These institutions play a key role in providing untied, long-term finance. DFIs are going through change, however, with some impacted by the global liquidity situation, but they remain key partners willing to consider participating in the entire capital structure of a borrower or project including equity and mezzanine commitments.”

Speaking to *Trade Finance*, Patrick Brockie, global business manager at Citi export and agency finance in London, comments: “We are delighted to win this inaugural DFI arranger award and of course this represents the joint success of Citi and the contribution of our DFI partners around the world. These institutions play a key role in providing untied, long-term finance. DFIs are going through change, however, with some impacted by the global liquidity situation, but they remain key partners willing to consider participating in the entire capital structure of a borrower or project including equity and mezzanine commitments.”

He adds: “Citi has spent time developing risk sharing agreements with both Overseas Private Insurance Corporation (Opic) and Netherlands Development Corporation (FMO) and these partnerships have been valuable in our ability to be more responsive to borrowers.

Combining Citi’s unique global trade network in over 100 countries around the world with DFI motivation to support new investment in emerging markets, as well as trade finance flows to emerging markets, we have been able to close many important projects together.

During 2008, Citi arranged over 50 DFI and MLA-supported financings totalling a volume in excess of \$2.9 billion.” Some examples of the path-leading DFI deals arranged by Citi include:

- **Eletrobras:** In August 2008, Citi successfully closed a \$ 600 million Corporación Andina de Fomento (CAF) A/B loan for Centrais Eletricas Brasileiras, Brazil to finance its general capital expenditure in Brazil. The financing represents CAF’s largest A/B Loan ever, and the largest A/B Loan closed in the Brazilian market.

- **Digicel Honduras:** In August 2008, Citi successfully closed a \$428 million multi-DFI transaction for Digicel Honduras, for the financing of Digicel’s cellular telephone rollout under its Central American operations. The overall financing package includes a local currency tranche in Honduran Lempira as well as equity investment. This financing was successfully syndicated to IFC, EDC, DEG and FMO as well as some international banks.

- **Celtel Tanzania:** In January 2008, Citi successfully arranged a \$270 million multi-tranche, multi-agency financing for Celtel Tanzania, the second largest operator in the country. The facilities consisted of a US dollar term loan, a local currency term loan and a local currency revolving facility. This financing is the largest commercial deal done in Tanzania for which the MLAs brought 14 partners to the table including Proparco, FMO, DEG and EDC.

Best DFI finance arranging bank

Winner: *Citi*

Highly commended: *Deutsche Bank*

3. HSBC/Société Générale
 4. Standard Chartered
 5. BNP Paribas/Calyon
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BEST TRADE & SUPPLY CHAIN FINANCE BANK

Winner: *Citi* Highly commended: *HSBC*



Recognising trade success

This is certainly one of the most sought after awards in our polls. The buzz word of supply chain financing always attracts considerable attention and historically this award has always attracted the highest levels of voting within the trade services categories. Every year we have banks that set their sights on this section of our awards as the one to win big in, which is reflected in the popularity of the regional and Asian country categories.

In the end of course there can only be one winner and Citi has topped the voting this year to secure this award. John Ahearn, managing director and head of trade services and financial institutions at Citi in New York, comments: "We are very pleased to be recognised with so many wins in the *Trade Finance Awards for Excellence*. We are especially pleased because the recognition comes from our clients as we continually strive to deliver our unique abilities and tailor made solutions.

"Citi's far-reaching global network in strategic countries in every major region around the globe enables us to offer a wide range of products and services. Executing large, complex financings in all these major countries

inclusive of ECA and traditional trade financing, as well as meeting correspondents' daily needs for LC confirmations, negotiations, and the like, provides our clients with the specialised and broad approach required to help navigate today's trade marketplace."

In addition, Ravi Saxena, Asia-Pacific trade head and global trade services head, notes: "In the current global market environment trade finance supply is being frequently questioned and linked to falling trade volumes, this award recognition is a validation of Citi's enhanced commitment to the business and the trade finance needs and facilities of our clients in these times."

Best trade & supply chain finance bank

Winner: *Citi*

Highly commended: *HSBC*

3. Deutsche Bank 4. Standard Chartered

5. JPMorgan/RBS

(2008 winner: Deutsche Bank)

BEST FI TRADE SERVICING BANK

Winner: *Citi* Highly commended: *Deutsche Bank*



Helping banks act bigger

The provision of trade finance solutions to financial institutions (FI) by banks is a vital component of the trade services sector. The 'white labelling' of products to allow smaller FIs to provide the most up-to-date solutions to their clients without having to invest in the technology and development smoothes the flow of trade around the world through enhanced efficiency and connectivity.

This year the award is won by Citi. Also placed are Deutsche Bank, HSBC, The Bank of New York Mellon and Standard Chartered. This is a game for the big banks that have the muscle and capacity to invest in their trade solutions and enhance their own trade finance and relationships by providing these products to partner banks. A theme that is emerging from the financial crisis is that of partnership and the Best FI Trade Servicing Bank celebrates this ideal.

Citi's trade services for FIs, includes its 'white label'

solutions, that enable FI clients to act bigger, providing a broad range of services to importers and exporters under their own name, from issuing and paying letters of credit to handling settlement and administration of documentary collections. The trade processing platform, combined with a robust Internet portal, allows for customised trade outsourcing solutions that are tailored to meet FIs' specific requirements and FIs' customers' demands for quality and efficiency.

Best FI Trade Servicing Bank

Winner: *Citi*

Highly commended: *Deutsche Bank*

3. HSBC

4. The Bank of New York Mellon

5. Standard Chartered

BEST TRADE FINANCE BANK – WESTERN EUROPE

Winner: Deutsche Bank Highly commended: Citi

Home is where the heart is

Given that many of the largest trade banks in the world are headquartered in Western Europe and that more attention is being given to home markets during these difficult times, it felt appropriate to include this new category in the awards.

Deutsche Bank won through with a convincing lead, though as with all new categories the total number of votes cast was significantly lower than in some of the more established ones – hence why we have ties for both third and fifth places. This will certainly be a category to watch in the future given the changing landscape of European banking. For 2009 though Deutsche Bank is a deserving winner with its solid trade finance offering, sound reputation, and leading edge in innovative trade solutions.

“Given that Western Europe is our home market, we are extremely proud to have won this inaugural award category from *Trade Finance* magazine,” says Daniel Schmand, head of trade finance EMEA at Deutsche Bank. “Our presence and reputation is, of

course, very strong in Germany, but the award reflects our strength across the other key western European markets where we have local expertise.”

He adds: “We have large networks in Italy and Spain as well as sizeable presence in the UK, Netherlands, Belgium, Sweden, France, Greece, Turkey, Austria, Switzerland and Portugal offering the full range of our superior trade and supply chain solutions. We are focusing on Western European clients looking to undertake business in this and other regions, as well as our global clients with subsidiaries in European markets.”

Best trade finance bank – Western Europe

Winner: Deutsche Bank

Highly commended: Citi

3. BNP Paribas/Société Générale

4. HSBC 5. BBVA/Commerzbank



BEST EXPORT FINANCE ARRANGER

Winner: Société Générale Highly commended: Citi

Arranging to the highest standard

The Best Export Finance Arranger award is always particularly hotly contested, although this year more so than ever with Société Générale (SG) winning and Citi running in a close second. These two banks were light years from the rest of the competition in terms of votes counted. With export finance being firmly back in vogue and carrying the flag for the trade finance industry overall, it is little wonder that this category is keenly fought over.

Commenting on winning the award, Denis Stas de Richelle, global head of export finance, SG CIB Capital Raising & Finance, states: “Reaching the TFM excellence awards 15th anniversary, the Best Export Finance Arranger category is a vestige of the trade finance industry, making it one of the much-coveted rankings on the market. Obtaining this title for the eighth consecutive year, demonstrates how, with SG’s strong global network and innovative approach, the bank continues to address the evolving needs of its clients and provides support to win business overseas.

“The outbreak of the current crisis and its spill-over in the world have created new opportunities on one hand and threats on the other hand. The trick is to adequately meet the increasing demand for export financing and the control of risk pressures, capital consump-

tion, and liquidity cost together with new regulations.

“We can also observe that the reduction in global trade flows engender an explosive interest for export financing when dealing with capital goods, while at the same time some financial institutions are disappearing from this structured finance activity.”

He concludes: “Our approach to develop optimised export finance strategies involving a combination of multisource ECA-backed financings, multilateral agencies structures and PRI covered commercial loans in bilateral or club deals is being fruitful in today’s market. This is an achievement shared with all our clients and partners in order to promote export financing solutions in tomorrow’s world.”

Best export finance arranger

Winner: Société Générale

Highly commended: Citi

3. BNP Paribas/Deutsche Bank

4. HSBC/ Standard Chartered

5. Calyon/ING

(2008 winner: Société Générale)



BEST TRADE FINANCE BANK – NORTH AMERICA

Winner: *Wells Fargo/Wachovia* Highly commended: *Citi*

Coast to coast solutions



With the United States at the eye of the economic storm that has gripped the world over past year, US banks have had a rough ride. By contrast, across the border in Canada the different regulatory environment and attitude has largely shielded banks from the worst effects of the crisis. In short, banks in North America have suffered a mixed fortune over the last year making it tough to predict any clear winner.

The flux in the banking sector has led two of the largest trade banks in the US to join forces as Wells Fargo took over Wachovia on 1 January. Even in a fairly low voting category their combined vote put them way ahead of the pack. Wells Fargo and Wachovia as a combined entity is expected to prove a forceful player on the trade finance scene – though details of how the combined trade teams will function within the overall entity have yet to be released. The combined company will be headquartered in San Francisco, home to Wells Fargo, and Charlotte will be the headquarters for the combined company's East Coast banking operations.

Commenting on the win Sanjiv Sanghvi, chief executive officer of Wells Fargo HSBC Trade Bank, says:

"On behalf of Wells Fargo HSBC Trade Bank, I want to thank *Trade Finance* magazine and their readers for this recognition. At challenging times like these in our economy and industry, receiving this recognition from our global colleagues is reaffirming and encouraging. We remain committed to deepening relationships with our customers and being their bank of choice for their international financial needs."

This is another area worth watching as a stronger Canadian banking sector coupled with further investment into trade finance and supply chain by US banks will only make this category more competitive in the next 12 months.

Best trade bank– North America

Winner: *Wells Fargo/Wachovia*

Highly commended: *Citi*

3. The Bank of New York Mellon
 4. JPMorgan/Scotiabank
 5. BBVA
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BEST SHORT-TERM TRADE FINANCE BANK

Winner: *Deutsche Bank* Highly commended: *Citi*

Feasting on trade's bread and butter



A refreshing aspect of the troubles in the financial markets is the return to tried and tested solutions to meet client needs on a day-to-day basis. Short-term trade finance is the lifeblood of international flows of goods, and being able to do it as quickly, efficiently, and with the highest level of service as possible wins a bank the respect, appreciation, and continued business of its clients.

In 2009 Deutsche Bank has successfully claimed the crown for this award from 2008 winner Citi. This is one of the most hotly contended categories and Deutsche Bank, Citi and HSBC consistently fight it out for the top spot underlining the importance of short-term transactions to the trade finance sector. Standard Chartered has jumped up the results table this year, but not quite enough to close in on the top three. However, this is definitely a category to watch in 2010 as the market picks up and we move out of recession.

"In light of current market conditions, short-term trade finance transactions are key in providing much-needed liquidity for corporates and we are extremely pleased to have won recognition of our efforts in this

area," says Marilyn Spearing, global head of trade finance and cash management corporates.

She adds: "There is currently a big demand for these types of transactions from corporates looking for short-term risk-mitigation and efficiency gains, and we pride ourselves on being able to offer a quick turnaround and best-in-class client servicing. Deals of this type currently represent the bread and butter of the trade finance industry and we look forward to continuing meeting the needs of our clients as they navigate the choppy waters of recession and position themselves to capitalise on recovery."

Best short-term trade finance bank

Winner: *Deutsche Bank*

Highly commended: *Citi*

3. HSBC
 4. Standard Chartered
 5. Commerzbank/ Société Générale
-

BEST INTERNATIONAL TRADE FINANCE BANK – BRAZIL

Winner: Banco Santander Highly commended: Citi

Staying the course

Brazil's solid macro-economic scenario and its strong commodity business flows means that the country continues to be in the trade finance spotlight. Banking insiders stress that although the adverse market conditions of the last nine months have placed a strain on cross-border trade, there is still a huge demand for all trade-related services.

Brazil is a massive trade market, and as such this category is one that has been closely monitored and competed for. Santander has emerged as a worthy winner this year having fought off close rivals to retain the title. The bank sent out a strong message to its clients this year when it refused to reduce its cross-border limits for Brazil during the turmoil, and has continued to support them in the most difficult moments of liquidity scarcity. In January the bank was instrumental in Petrobras securing commitments for a \$1.5 billion medium term facility to support its investment plans.

Commenting on the win, Clovis Ikeda, Santander's new head of trade finance in Brazil, says: "It is a great pleasure for Banco Santander to be recognised by our clients as the Best International Trade Bank in Brazil for the second consecutive year. This award is a result of a strong efforts made jointly by our local and global

trade finance teams. The recognition comes at a very important moment since we face an adverse economic scenario with very tight competition with other global banks. Even under this adverse economic environment our team members have a comprehensive understanding of the complex financial issues of our clients offering customised structured trade solutions.

"Our key strategy is to be the leading provider of trade finance solutions to our target clients using our global expertise and local strong franchise. We have a dedicated global team based in São Paulo, Madrid, London, New York and Hong Kong. Given our long lasting relationship with those clients we have been able, and well equipped to capture their end-to-end cross-border trade flows, thus providing integrated finance solutions with enhanced risk. Our ambition is to continue supporting Brazilian international trade business and to be the best bank in Brazil for our chosen clients."

Best international TF bank – Brazil

Winner: Santander

Highly commended: Citi

3. BBVA 4. HSBC 5. Deutsche Bank



BEST ONLINE TRADE FINANCE BANK

Winner: HSBC Highly commended: Citi

Improving efficiency and convenience

For the third time in a row HSBC has secured this coveted award. Citi has taken the highly commended spot and Standard Chartered has pushed its way into third place.

In the international trade and supply chain space, HSBC has developed a range of cutting edge online trade products and solutions to help improve the efficiency of its clients' trade operations, whether they are an importer or an exporter. These solutions reduce trade cycles, automate supply chains and cut operating costs, and as the voting shows HSBC's client base is clearly appreciative in these difficult times.

With innovation a priority, HSBC delivers the flexibility, convenience and efficiency needed to conduct business in today's rapidly changing economic environment. The bank has the Internet Trade Services product, an internet-based system that allows clients to initiate trade transactions and enquire about facilities in addition to outstanding documentary credits (DCs) and collec-

tions. The service allows clients to apply for and amend DCs, transfer DCs and access an electronic copy of DCs online. In addition, clients can arrange bill settlement instructions and view trade account status all online.

The technology of course is only one part of the offering. Where HSBC has really stood out from the competition is in its ability to back the technology up with the appropriate support and the right level of customer service. Banks can innovate but ultimately it has been HSBC's dedication to good old basics which has made the difference here.

Best online trade finance bank

Winner: HSBC

Highly commended: Citi

3. Standard Chartered 4. Deutsche Bank

5. RBS

(2008 winner: HSBC)

