

EUROPEAN SECURITIES PROVIDER OF THE YEAR: CITI



Winner



Nominations

The Bank of New York Mellon
BNP Paribas Securities Services
Citi
HSBC Securities Services
J.P. Morgan
Northern Trust
Société Générale Securities Services
State Street Corporation

Richard Hyam, client and sales
management, Securities and Fund
Services

EUROPEAN SECURITIES SERVICE PROVIDER OF THE YEAR: CITI

“Citi makes maximum use of its solid infrastructure to offer intelligent, forward thinking solutions, which have clients’ interests firmly in mind”

ICFA winner review



THE judges described Citi’s achievements in Europe over the last 12 months as ‘unparalleled’. In terms of market coverage and pre-trade, post-trade and issuer services, the judges felt that Citi’s offering provided incredible breadth. With the addition of Ukraine and Kazakhstan in 2008 to its proprietary custody network, Citi now offers direct market access in 28 EMEA markets. The addition of three markets in the UAE in December will bring the worldwide total to 57. According to the judges, this provided great leverage for European clients who are increasingly seeking to access emerging markets. In addition, exchange derivative clearing was introduced in four new markets, along with the introduction of account operator services in Turkey in late 2007.

The judges were impressed with Citi’s response to the impact of MiFID on the European and settlement landscape, which included the development of a series of integrated, regional solutions that built upon Citi’s unique network to benefit clients. Of particular note was Citi’s multi-market general clearing member only services launched in August 2008. This offered a single point of access for trading members to all MTFs and clearing houses across Europe, while allowing broker-dealer

clients to retain their existing settlement bank arrangements. Praise was also given to Citi’s single integrated electronic execution and custody solution to settle and provide custody in all major execution venues and exchanges, using Citi’s Lava Technology markets access platform, CitiConnect for Securities together with Citi’s proprietary custody branch network.

The appointment of Citi as settlement agent to most major CCPs providing or looking to provide multi-market clearing in Europe was impressive. At the trading platform level, the development of smart order-routing and integrated post-trade solutions to deal with trade fragmentation at both the execution and settlement stages was seen as innovative and to be applauded. The judges noted recent wins included Nasdaq OMX amongst others. The fact that CSDs increasingly looking to develop an international capability identified Citi as their first choice underlined Citi’s capabilities in this area, according to the judges.

On the post-trade side, judges were dazzled with the host of innovations from Citi. In particular, the judges applauded Citi for their asset pooling launch that made them the first provider to put in place an advanced, cross-border asset

pooling solution capable of pooling pension, insurance and retail fund assets irrespective of home country. The judges also noted their fund of fund solutions for a client, which broke new ground with an aggregated execution-to-settlement solution spanning multiple funds with multiple underlying fund investments.

In terms of issuer services, Citi took the lead in facilitating the issuance of covered mortgage-backed/structured bonds in the UK giving investor clients the option to access the Bank of England’s discount window with residential mortgage backed securities leading to Citi acquiring a 50% market share in this area. Another first for Citi was in the Euro Commercial Paper (ECP) and Medium Term Note (MTN) markets by developing the connectivity to allow issuer clients that act as dealers on their own programmes to request and receive ISIN Codes from the European Pre-Issuance Messaging (EPIM) platform.

Overall, the judges felt that Citi’s phenomenal growth record over 2008 cemented a commanding position in market-side settlements for MTFs in Europe. In addition, their focus on market leading, innovative solutions to provide significant savings in time, resource and costs for clients was truly inspiring.

“On the post-trade side, judges were dazzled with the host of innovations from Citi”

ICFA winner review

REGIONAL SUB-CUSTODIAN OF THE YEAR: SOUTH EUROPE CITI



Winner



Nominations

BNP Paribas Securities Services
Citi
Eurobank EFG
Société Générale Securities Services

Alex Todds, director, client and sales management,
Securities and Fund Services

Citi continues to assert its dominance in the provision of sub-custody services for the southern region. The judges felt that Citi's local expertise supported by globally consistent platforms was key to their ability to respond quickly and accurately to the changing needs of clients.

Citi's approach by partnering clients as well as country and European regulators and authorities was well thought through in terms of their ability to improve client access to new products, according to the judges.

The judges noted that Citi's straight through processing rates (STP) for each country were consistently above 95%, giving them a clear advantage. Country by country growth was impressive with major new mandates being awarded.

The judges were impressed with the number of new initiatives Citi had undertaken. Of note was the introduction of on-exchange derivative clearing to Greece and Turkey, allowing clients to consolidate their cash securities and derivatives clearing.

In Turkey, Citi also supported Takasbank's integration of SWIFT into its delivery versus payment (DvP) system, contributing to the development and implementation of auto pre-matching.

This enabled Citi to become the first custody provider capable of using Takasbank's facility via full scale automation, which gave clients improved efficiency and timeliness in areas such as settlement and reporting. Judges commended Citi for its work with Takasbank, the clearing and settlement infrastructure institution for Turkey, which has assisted efforts to automate corporate actions information through SWIFT for the benefit of foreign investors.

In terms of market development, the judges felt that Citi's work to smooth out the loan cancellation process was crucial in pushing forward the concept of securities lending in Spain. In Portugal, the implementation of Citi's Quick Refund for Tax Reclaim product was well received by clients.

The judges agreed that this relief at source product simplified the withholding reclaim process by leveraging Citi's global footprint to provide the Portuguese tax authorities with a broader view of the withholding tax process across a number of markets.

In conclusion, the judges felt that Citi's highly visible presence, as well as actively initiating new projects to drive the southern European markets forward, was of great benefit to clients investing in the region.