

Custodian of the Year: France BNP Paribas Securities Services



Nathalie Prunier, head of relationship management, banks and brokers, BNP Paribas

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As the country's largest custodian bank, BNP Paribas Securities Services has some €3.7 trillion of assets under custody in France as at August 2014 – an increase of 17% from last year. The bank also saw the number of new mandates rise 5% from 2013.

The biggest challenge in the French market this year, according to Alan Cameron, head of relationship management, international banks and brokers at BNP Paribas, has been significant service upgrades. “We have applications that look and feel more modern and up to date and are user-friendly, both internally and externally. It is a big thing and our clients have really noticed the difference,” he says.

Nathalie Prunier, Paris-based head of relationship management for banks and brokers, comments, “2014 saw a significant increase in assets under custody in the French market. What is really interesting is the variety of client types that have contributed to this: from large insurance companies appointing us as custodian, as well as for Solvency II reporting and middle-office services, to banks and central securities depositories centralising their local European assets with us ahead of Target2-Securities. Not to mention the success of new services such as Liquidity Access, which appeals to new and existing clients.”

Indeed, the launch of Liquidity Access responds to a client need to rise to the challenge of managing liquidity in the face of regulatory and market demands. “The service enables clients to better anticipate liquidity requirements using information from the cash forecast and intraday liquidity reporting solutions. These provide a more accurate and timely understanding of local liquidity needs, allowing for better forward planning,” says Cameron. In addition, clients can also leverage on their assets and meet intraday and overnight liquidity requirements – a need prompted by regulatory changes, requiring

greater transparency regarding intraday and overnight funding. The system also helps to optimise cash management in an increasingly complex operating environment, simplifying daily treasury management and operational processes.

In 2014, BNP Paribas also launched online reporting for private equity and real estate clients, offering direct access to their fund accounting data and saving them time.

Hugh Stevens, head of solutions for private equity and real estate clients at BNP Paribas, explains, “The service responds to managers’ needs by giving them direct and easy access to the information on their funds online. Although clients will continue to receive static reporting from our specialist teams of private equity or real estate fund accountants, they now have the ability to drill down into their funds and conduct flexible interrogations of the accounting data through an online interface.”

The system is compatible with all major fund accounting and administration platforms used by the bank's clients, and is part of NeoLink – BNP Paribas’ client information portal. The launch is the first milestone of a major initiative to roll out comprehensive online services for private equity and real estate managers and investors.

Going forward, the firm intends to continue to help its clients address new regulations. In the case of the Alternative Investment Fund Managers Directive (AIFMD), the firm believes it has the geographical reach, the product range and the relationships with regulators – including the European Commission – to support and educate clients.

“In the case of AIFMD, we have been acting as a depository for more than 20 years and have provided depository services in the European markets for many years prior to AIFMD. This means we are ideally positioned us to support clients with proven expertise,” says Stevens.



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