

# Rising to the challenge in Global Custody

**As the financial landscape has grown more complex, the global custody industry has faced increasing challenges. Meeting these requires investment and a strong commitment to client service, as Guillaume Passebecq, Head of Private Banking & Wealth Management at Bank One, explains.**



## **Global Finance: What are the biggest challenges for global custody today?**

**Guillaume Passebecq:** Right now, there are several challenges facing the industry. Not least are cost pressures. As custody services have become more highly commoditized, pressure on custodians to deliver high-quality services at competitive prices while maintaining profitability has grown. Client expectations have also changed, meaning custodians need to provide customized, real-time reporting, analytics and self-service platforms.

Because of increasing geopolitical and economic uncertainty, custodians must manage risks from geopolitical disruption, market fluctuations and changing regulations. All this requires robust investment in business continuity and disaster recovery plans to safeguard operational resilience. What's more, globalization makes an understanding of local market practices, legal frameworks and settlement systems even more important.

## **GF: How has Bank One evolved as a custodian bank amid changing client needs and market dynamics?**

**GP:** Crucially, we have invested in people and developed a clear digital transformation strategy. We offer clients comprehensive reporting, with real-time access to portfolio information, customized reports, performance analysis and risk assessment tools. We also have dedicated relationship managers to support them.

## **GF: How are Bank One's global custody services distinctive among Sub-Saharan African banks?**

**GP:** Firstly, asset safekeeping. Our access to Euroclear and our safekeeping services offer strong control measures to protect investors' assets. We also monitor and execute corporate actions, such as dividend payments, stock splits and rights issues. We collect and manage investment income, simplifying the process for investors, ensuring accurate and timely reconciliation.

Additionally, we have systems to make settlement transactions more efficient, with clearing and settlement services across major markets. And in terms of asset servicing, we manage administrative tasks, such as corporate events, reconciliation, reporting and compliance.

## **GF: How have developments in the bond market since the first rate hike in March 2022 influenced demand for bonds among private and institutional investors?**

The rise in bond yields from 0.25% to 5.50% has propelled sovereign bonds to attractive levels, particularly among high-net-worth individuals. Simultaneously, institutional investors are amplifying their presence in the bond market, both sovereign and corporate. We expect further inflows into these fixed-income securities, reflecting the heightened demand for bonds.

## **GF: How is Bank One serving the increased appetite for bonds among your customers?**

In response to the surging demand for fixed-income securities, we have enhanced our support and execution capabilities. We disseminate market updates through our weekly newsletter, accessible via email, on our website and social media channels, which now include a dedicated LinkedIn investments page.

We have expanded our list of counterparties to ensure liquidity and optimal execution, seek best prices and offer tailor-made security lists. Our offerings include sovereign bonds from developed and emerging markets, investment-grade corporate bonds and high-yield bonds. Alternatively, we provide tailored bond funds suited to specific needs.

Bank One publishes a weekly newsletter offering financial market updates and displaying its diverse partners, including asset managers and fund houses. They also provide a list of funds with easy access to downloadable factsheets.

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