



Striving for growth

Markets know what they have to do, but building long term savings markets is proving neither quick nor easy.

Romania is joining the first wave of Target 2 Securities (T2S) implementation. It may seem an unusual choice, both for the market itself and also to those in charge of implementing the most fundamental change in European capital markets since the implementation of the euro.

However Romania embodies in many ways the what the commercial aspect of the European Union is all about; helping some less developed countries move their economies forward through encouraging adoption of standards and technology that future economic success will require. Romania itself is not short on ambition in terms of its economic and financial market development.

With a population of almost 20 million people, it is the seventh largest country in the EU, but is also among the poorest. The benefits for everyone in the EU of moving Romania forward are considerable.

The main local bank, Banca Comerciala Romana (BCR) is also looking forward to implementation of T2S which, as noted by Cristian Pascu, head of Securities Services and Correspondent Banking, will offer “clients the ability to process real-time transaction settlements on foreign markets as well as on local market, according to CSD time frame, regardless the volumes and type of transactions.” He also expects the process of improvement to continue and cites BCR’s ability to “flexibly, proactively and continuously with regulators and the CSD.”

By participating in regular debates surrounding regulations and changes on market infrastructure BCR believes it can deliver real value to clients both at home and overseas.

Banca Comerciala Romana

Banca Comerciala Romana (BCR) was established in 1990, when it took over the commercial activity of The National Bank of Romania. It is the largest Romanian bank in terms of AuM and client base. BCR is a member of the Erste Group, which is one of the largest CEE financial services providers.

Almost 40 percent of BCR's responses were from Asset Managers, while almost 50 percent of overall responses came from companies managing less than \$100 million AuM. This no doubt helped from a scoring perspective. Nonetheless BCR's scores across all ten categories were very high, with the lowest average score of 6.55 out of 7 (for Value Delivered) still ranking between Very Good and Excellent. Amongst its highest scores were Fund Accounting and Valuation (6.97) and Reputation and Commitment, where BCR received a perfect score. The client comments generally reflect the average provider scores received by BCR. The majority of participants considered Reputation and Asset Safety to be the bank's main strength, whilst a few clients singled out "competitiveness of fees charged" as the area where they would like to see improvement of service. Comments are consistent with the fact that Value Delivered was BCR's lowest average score.

Technology was another area that some clients felt required improvement, and cash management, specifically flexibility of deadlines for same day cash settlement was also mentioned.

However, the majority of respondents considered that there were no specific areas where improvement was needed, reflecting the generally very high scores. Furthermore, all respondents mentioned particular strengths of the provider.

These included positive remarks about the quality of personnel and the excellence of trustee services. Overall, BCR's scores indicate it is doing very well, and is in a good competitive position. Clearly it has the opportunity to extend its market share as opportunities develop within the Romanian market.

Romania: Type of respondent



- Asset manager – 38.0%
- Mutual fund manager – 24.8%
- Pension fund manager – 10.7%
- Insurance company – 26.4%
- Broker or dealer – 0.0%
- Other – 0.0%

Romania: Size of respondent (AuM)



- Up to US\$ 100 million – 49.6%
- US\$ 100 to 500 million – 27.3%
- US\$ 500 to 1,000 million – 10.7%
- US\$ 1,000 to 5,000 million – 12.4%
- Over US\$ 5,000 million – 0.0%

Service area scores

Service area	Romania
Relationship management & client service	6.84
Value delivered	6.55
Settlement	6.63
Asset servicing	6.92
Non-domestic assets	6.68
Reporting	6.61
Technology	6.71
Fund accounting & valuation	6.97
Trustee & fund administration	6.78
Reputation & commitment	7.00