



# *Domestic Survey* **India**

# Same summit, different ledges

Domestic Indian institutions rate their securities services providers highly, but not necessarily in the same way as their cross-border counterparts.

In the previous survey cycle, we invited Indian securities services providers to encourage responses from domestic, as well as international, institutional clients. Given the size of the Indian securities markets and the historical engagement of local participants, we were intrigued to learn whether or not foreign and domestic respondents converged in their assessments.

Sufficient data was gathered to compare four providers in this regard in addition to an overall market review.

Starting with the latter, it is clear that domestic clients are in general as appreciative as their foreign peers of the services they receive. In both cases, scores in all but two categories are above 6.00 (with 7.00 being the highest possible score). Differences between the ratings of the two respondent groups are for the most part insignificant. On a positive note though, domestic clients pull away from their foreign peers in three categories: innovation, risk management and technology. Their assessments are higher in these areas by, respectively, 16%, 10% and 9% (See Table 1). Conversely, in only one area, cash management and FX, do domestic respondents have a significantly lower opinion of their providers and it is unlikely that their need for these services rates particularly highly, given that they are operating in their home market.

Table 2 breaks out these comparisons at an individual provider level for the four service providers rated. What is clear at a glance is that Deutsche Bank's reputation among its Indian institutional clients is even higher than it is among its broadly appreciative foreign client base. Conversely, Kotak Mahindra is relatively

TABLE 1: DOMESTIC VERSUS CROSS-BORDER CATEGORY SCORES

Category	Domestic Scores	X-BORDER scores	% difference
Innovation	6.96	6.00	16.00
Risk Management	6.64	6.02	10.30
Technology	6.85	6.26	9.42
Regulation and Compliance	6.74	6.31	6.81
Pricing	6.23	5.91	5.41
Client Service	6.57	6.34	3.63
Account Management	6.03	5.85	3.08
Liquidity Management	6.45	6.26	3.04
Relationship Management	6.12	6.10	0.33
Asset Safety	6.04	6.19	-2.42
Asset Servicing	5.90	6.11	-3.44
Cash Management and FX	5.30	6.01	-11.81
Overall	6.25	6.10	2.46

TABLE 2: PERCENTAGE DIFFERENCE WITH CROSS-BORDER CATEGORY SCORES

Category	BNP Paribas Securities Services	Deutsche Bank	Edelweiss Custodial Services Limited	Kotak Mahindra Bank
Account Management	-1.27	5.90	7.53	-29.12
Asset Safety	-18.04	11.11	4.87	-32.67
Asset Servicing	-8.09	11.11	8.81	-24.01
Cash Management and FX	-52.21	10.24	-2.02	-23.57
Client Service	0.61	17.25	2.64	-37.60
Innovation	4.50	10.06	9.41	9.55
Liquidity Management	21.53	8.05	6.21	-22.51
Pricing	0.52	7.53	0.76	-30.65
Regulation and Compliance	-6.22	4.01	3.99	5.90
Relationship Management	4.84	12.24	-22.84	-31.88
Risk Management	20.27	2.94	7.75	-36.51
Technology	4.17	5.92	13.58	12.18
Overall	30.21	8.71	2.96	-20.00

better liked by its foreign clients, while BNP Paribas and Edelweiss results are mixed, the latter's tacking fairly closely to

those of its foreign response base and the former varying more widely.

# Provider performance

## BNP Paribas Securities Services

Of the four banks rated here, BNP Paribas records the widest spread of category scores. While its results for cash management and FX is weak, it has a perfect 7.00 for liquidity management and risk management and an impressive 6.60 for client service, similar in fact to that recorded from its third-party international clients. Client comments are positive across all categories. One local asset manager complements the bank's "great team" in account management, while in asset servicing, it highlights "error-free processing of corporate actions." Unusually for a client perception survey, pricing actually receives some praise. "Very efficient pricing offered and flexible to our requirements," says one client.

Tellingly, one respondent not only confirms its faith in the bank, but points to tangible proof: "We have recommended them to some of our clients and one of them has already started a relationship with them," they comment.

## Deutsche Bank

With the largest sample of domestic responses, Deutsche bank has outshone its own impressive results in the cross-border survey. Not only has it exceeded the market average in all service categories, but it has beaten all its own already outstanding cross-border scores. By way of managing expectations, these scores will be impossible to beat in any future survey.

Client comments were numerous and unanimously upbeat. "We look forward to consolidating other business with Deutsche Bank," says one asset management client. It is a sentiment expressed by others. Many service categories find respondents reaching for superlatives.

## Edelweiss Custodial Services Limited

A small response sample means any overall conclusions drawn about domestic client perceptions are necessarily tentative. Nevertheless, Edelweiss has exceeded the market average in all categories with the exception of innovation, where the difference is virtually unnoticeable. All category scores are comfortably in 'Very Good' range (>6.00).

## Kotak Mahindra Bank

Having clearly impressed its cross-border clients in the latest Agent Banks in Emerging Markets survey, Kotak Mahindra has recorded a strange set of scores from its domestic respondents. On the one hand, it has a perfect score of 7.00 for innovation, regulation and compliance and technology, while relationship management and client service (4.38 and 4.00 respectively) are well below the scores awarded by the bank's foreign clients. No client comments are available to add colour to these results, but with no category scores falling below Satisfactory level (4.00), clients are unlikely to be in a rush to explore alternatives.

TABLE 3: DOMESTIC CATEGORY SCORES

Category	Country Scores	BNP Paribas Securities Services	BNP Paribas Securities Services (% Var to Market)	Deutsche Bank	Deutsche Bank (% Var to Market)	Edelweiss Custodial Services Limited	Edelweiss Custodial Services Limited (% Var to Market)	Kotak Mahindra Bank	Kotak Mahindra Bank (% Var to Market)
Account Management	6.03	6.21	2.99	7.00	16.09	7.00	16.09	4.43	-26.53
Asset Safety	6.04	4.86	-19.54	7.00	15.89	6.67	10.43	4.43	-26.66
Asset Servicing	5.90	5.45	-7.63	7.00	18.64	6.92	17.29	5.00	-15.25
Cash Management and FX	5.30	2.38	-55.09	7.00	32.08	6.29	18.68	4.67	-11.89
Client Service	6.57	6.60	0.46	7.00	6.54	7.00	6.54	4.00	-39.12
Innovation	6.96	6.50	-6.61	7.00	0.57	6.86	-1.44	7.00	0.57
Liquidity Management	6.45	7.00	8.53	6.98	8.22	6.67	3.41	4.75	-26.36
Pricing	6.23	6.25	0.32	7.00	12.36	6.64	6.58	4.30	-30.98
Regulation and Compliance	6.74	5.88	-12.76	7.00	3.86	6.78	0.59	7.00	3.86
Relationship Management	6.12	6.50	6.21	6.97	13.89	5.00	-18.3	4.38	-28.43
Risk Management	6.64	7.00	5.42	7.00	5.42	6.67	0.45	4.00	-39.76
Technology	6.85	5.00	-27.01	6.98	1.90	6.86	0.15	7.00	2.19