

## Corporate Churn Levels Rise in Asia Banking

(20<sup>th</sup> June – Asia) East & Partners' latest Asian Institutional Transaction Banking Markets report has revealed that switching intentions across Asia's Top 1,000 Corporates are on the rise again after two years of GFC-induced decline.

- Although 55.0 percent are continuing to say that it is highly unlikely that they will move from their current primary transaction banker and a further 13.3 percent saying that they definitely not considering a move, a climb in the proportion of top Asian businesses looking to make such a move has been picked up for the first time since late 2007.
- Fully 18.9 percent are actively considering changing their primary transaction bank in the coming six months
- Key reasons tabled by those corporate considering a move in whole or part, are dominated by:
  - A need for improved debt offerings and more relaxed security / covenants
  - A lack of added value in the current relationship
  - Value for money improvements being sought

Paul Dowling, Principal Analyst with East & Partners, commented that “We may be seeing the start of a return to normality in corporate banking behaviour in Asia as credit markets normalise post the GFC experience.”

“Lending based churn has historically been high in Asian markets and does drive much transaction banking engagement by large businesses. With access to credit easing, corporates are again starting to reassess their transactional provider relationships”, he added.

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## About East & Partners' Asian Institutional Transaction report

East & Partners' Asian Institutional Transaction Banking Markets report examines market share and bank-by-bank customer satisfaction performance across key service and relationship attributes in Asia's transaction banking markets. The twice yearly produced report is based on direct interviews with the Top 1,000 institutions in ten Asian countries excluding Japan.

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