

## Asian Institutions on the Move

(20 May 2013 – Asia) Asia’s top 1000 institutions are increasingly on the move, with more than six percent – or more than 60 leading companies - indicating they intend to change their primary banking relationship in the next six months.

An East & Partners Open Markets Briefing in Hong Kong and Singapore was told that in addition to those institutions definitely planning a banking change, the number of those indicating they would “probably” or “possibly” change was also on the rise, with the number of restless customers at 42.7 percent in research conducted in November 2012, up from 37.9 percent in the previous research round in May 2012.

The East research shows that debt offerings are the most common reason for bank churn, nominated by 83 percent of Institutions, while 67.3 percent indicated that a lack of value in the relationship was the second most important churn driver. Value for Money was ranked as the third reason.

### Main Reasons for Institutions Changing Bank

	% of Reasons Reported	
	May 2012 (N: 146)	Nov 2012 (N: 165)
Improved debt offerings and securities	81.5	83.0
Lack of added value in relationship	63.7	67.3
Value for money	60.3	64.2
Lack of competitive pricing	38.4	42.4
Service levels and performance	25.3	23.6
International capabilities and network	20.5	21.8
Support and responsiveness	13.0	11.5
Alternative / competitive bank approaches	4.1	3.6
Other	—	—

Note: sums to over 100 percent due to multiple responses

Source: East & Partners Asian Institutional Transaction Banking Markets Program

Lachlan Colquhoun, Head of Markets Analysis at East & Partners, said the firm’s research on product importance and customer satisfaction showed wide gaps between expectation and delivery, gaps which were driving churn.

“We see that to drive growth, debt is the most important tool for the institutions, and yet this is the main factor driving them to change banks,” said Colquhoun.

#### East & Partners Pty Ltd

Level 39, 2 Park St Sydney NSW 2000 Australia

phone: +61 2 9004 7848 fax: +61 2 9004 7070

www.east.com.au

ABN: 23 151 025 599

“This restlessness is also the reason we see Institutions spread their wallet among several providers, as a way of managing their own risk in their exposure to debt providers.”

“Our research shows that the wallet share for primary transaction banking relationships is in a steady decline, while that for secondary relationships is rising across the board.”

“This, of course, presents opportunities for banks as secondary providers as these secondary relationships can often develop into primary relationships if the banks can prove themselves to the client.”

East & Partners held the inaugural Asia Open Markets Briefings at the Four Seasons Hotel in Hong Kong and The Fullerton Hotel in Singapore last week, with a strong attendance by senior bankers and stakeholders in the financial industry.

East presented the latest findings from their bi-annual Asia Institutional Transaction Banking Markets program which analyses the top 1000 institutions by revenue across ten Asian countries (ex Japan).

#### **About East & Partners**

East & Partners is a leading banking research and advisory firm providing the financial services industry across the Asia Pacific with independent market wide research, analysis and customer insight on the institutional corporate and business banking markets.

For more information on this briefing or to interview East & Partners, please contact:

Sian Dowling  
Marcomms & Client Services  
East & Partners  
t: 02 9004 7848  
m: 0420 583 553  
e: [sian.d@east.com.au](mailto:sian.d@east.com.au)