

Media Release

Performance gaps in Asia Trade Financing open up

(12 March 2014 – Asia) US bank JP Morgan and Singapore's DBS have been rated as Best of Breed trade finance banks by Asia's Top 1000 corporates, according to new research from market analysts East & Partners Asia and trade finance professional development and search firm Franklin Phillips.

According to the research, the trade expertise of JP Morgan and DBS bankers is rated significantly higher than the three dominant Asian providers, Standard Chartered, HSBC and Citi.

East executed the research with Franklin Phillips as part of East's inaugural Asian Trade Finance Markets program, set to be launched in January. The program interviews the CFOs or Treasurers at the 100 largest corporates by revenue in each of ten Asian markets, ex-Japan.

Corporates were asked to rate the expertise and skills of bankers within their current primary trade finance provider on a scale of 1 to 5, where 1 is "very high" and 5 is "poor."

On this scale, JP Morgan was rated at 1.74 with DBS second at 1.98. Standard Chartered was rated third at 2.03, followed by HSBC at 2.23 and Citi at 2.29. An aggregation of "other" un-named banks – with individually low market shares - was rated at 2.94 and the average market score was 2.42.

Paul Dowling, East & Partners principal analyst, said the results confirmed the positive feedback East has been receiving over an extended period about the trade offerings of JP Morgan and DBS.

"While these banks do not have the market share of the Big Three, clearly they understand their customers' specific needs and are delivering to a high level," Mr Dowling said.

"They both have well defined customer profiles, and have been able to tailor their product and service proposition to those particular customer niches.

"The ratings for the Big Three are also high and are better than the market average, but perhaps serving their larger and more diverse customer bases makes for more challenges in meeting every trade customer's expectations."

"Trade finance, when it is well delivered, is a very 'sticky' product for the bank and produces excellent cross sell opportunities across the entire banking product suite," said Mr Dowling.

“To have large gaps opening across providers in the experience of their top-end corporate customers is producing significant market share opportunities.”

Vivianne Arnold, CEO and co-founder at Franklin Phillips, said “we have found varying confidence and ability of trade sales and distribution teams across Asia. There are pockets of strong trade sales confidence and equally impressive cross sell into other banking solutions. Unfortunately this is not consistent across the region with some key markets failing to achieve a high level of trade financing knowledge, resulting in a lack of self-assurance that leaves potential and current clients underserved and revenue not realized.

“Traditional trade, supply chain finance, structured trade and project finance can be of great benefit to the clients and banks. The implementation of smart new trade products and the ability to win new customers and retain key accounts hangs on a relationship management team that is ready to identify trade opportunities through their informed and confident understanding of trade finance solutions.”

About East & Partners Asia Trade Finance Report

East & Partners Asia Trade Finance report is a six-monthly program monitoring trade finance engagement by Asia's Top 1000 corporates, ex-Japan. Covering the Top 100 corporates by revenue in 10 Asian markets, the program reports on trade finance products and relationships, including market share and wallet share analysis and satisfaction and importance ratings.

For more information or for further interview based insights from East & Partners Asia on the Asian Trade Finance Report, please contact:

Sian Dowling
Marcomms & Client Services
East & Partners
t: 02 9004 7848
m: 0420583553
e: sian.d@east.com.au

In Kai Khor
Head Asia Client Support Service
East & Partners Asia
t: +65 6579 0533
m: +65 98203716
e: inkai.khor@east.com.au