

Competitor Pitching on the Increase

(22 September 2014 – Asia) Banks are stepping up their efforts to poach the trade finance business of Asia's Top 1,000 corporates, with the incidence of unsolicited pitching on the increase.

East & Partners' bi-annual Asian Institutional Trade Finance report shows that nearly half of the region's top 1,000 corporates by revenue, ex Japan, were approached by a non-incumbent bank for all or part of their trade finance business in the last six months.

In the July 2014 research round, 48.4 percent of the Top 1000 had received a trade finance pitch, against 41.2 percent in the previous round in January.

One leading global bank approached 8.0 percent of the Top 1000 for their trade business, while an aggressive – and quite recent – competitor in the Asian markets approached 7.3 percent, up from the 5.1 percent this bank approached in January.

The intensified poaching efforts come as the Top 1,000 indicate a higher inclination to change their trade finance provider.

While in January, 6.6 percent of the Top 1000 indicated they were "very likely" to change their primary trade financier in the next months, that figure had increased to 7.3 percent in July.

At the same time, the percentage saying that a change was "possible" increased from 20.9 percent to 21.7 percent.

"Trade is definitely a major focus of regional and global banks in Asia at the moment," said Darryl Ye, Lead Analyst for East & Partners Asia.

"The increased competition is not just about trade, but creating a 'Trojan Horse' to develop a relationship and cross sell other banking products.

"It means that trade margins are under pressure, that demand for trade finance talent is growing, and that customers are looking more critically at their trade financiers and wondering if they can do better."

Competitor Pitching in Trade Finance

% of Top 1,000

	Jan 2014	July 2014
Total Approaches	41.2	48.4
Approaches by Asia's Top 3 Banks	18.7	20.1

Source: East & Partners Asian Institutional Trade Finance Markets Program

About the Asian Institutional Trade Finance Markets Program

The Asian Institutional Trade Finance Markets Program analyses the Top 1,000 institutions by revenue across Asia's ten largest markets, excluding Japan. It measures banks' Market, Mind and Wallet shares across the spectrum of Trade Finance, together with Importance and Satisfaction levels across 20 product, service and relationship attributes. Drivers of Customer Churn are also analysed, delivering insight on attracting new Trade Finance customers. The report also examines customers' trade aspirations by geography to deliver a comprehensive view of trade finance needs and comparative bank performance in Trade Finance across Asia.

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