

## Media Release

# Trade Finance providers win more wallet share

(14 April 2014 – Australia) Australian business are committing significantly more of their spend to their primary Trade Finance providers, leaving a much smaller wallet share for secondary providers.

The results are drawn from East & Partners Trade Finance report, now entering its tenth successive year. The research program provides detailed market analysis based upon direct interviews with over 1,859 importing and exporting firms across SME, corporate and institutional business segments.

Since 2010 primary Trade Finance wallet share has increased 16.1 percent within the institutional segment comprising businesses with annual turnover of \$725 million-plus.

In that time, market average wallet share has gone from 59.1 percent to 68.6 percent in the most recent report, completed in February. Best of breed wallet share from the top ranked provider is now at 82.1 percent.

Over that same period, secondary wallet share almost halved to a market average of 13.5 percent in February, against 26.0 percent in 2010.

Both corporate and SME sized businesses exhibit a similar relationship, as customers choose to allocate a greater proportion of their Trade Finance wallet to their primary banker.

Trade Finance has unmistakably become more 'sticky' as both Australian and International lenders enhance their product and service offerings.

Wallet share remains inextricably linked to customer satisfaction ratings, given that positive sentiment converts directly into a higher percentage share of Trade Finance business per customer.

Twenty key service satisfaction and importance factors captured by the biannual research sweep indicate which banks are successfully addressing the most important customer satisfaction expectations.

Letters of Credit continue to rate highly among SMEs yet do not feature prominently with the Top 500 institutional enterprises.

A bank's perceived global representation does not rate highly with smaller businesses, yet larger businesses nominate this element as one of the most important factors in fostering a closer Trade Finance relationship.

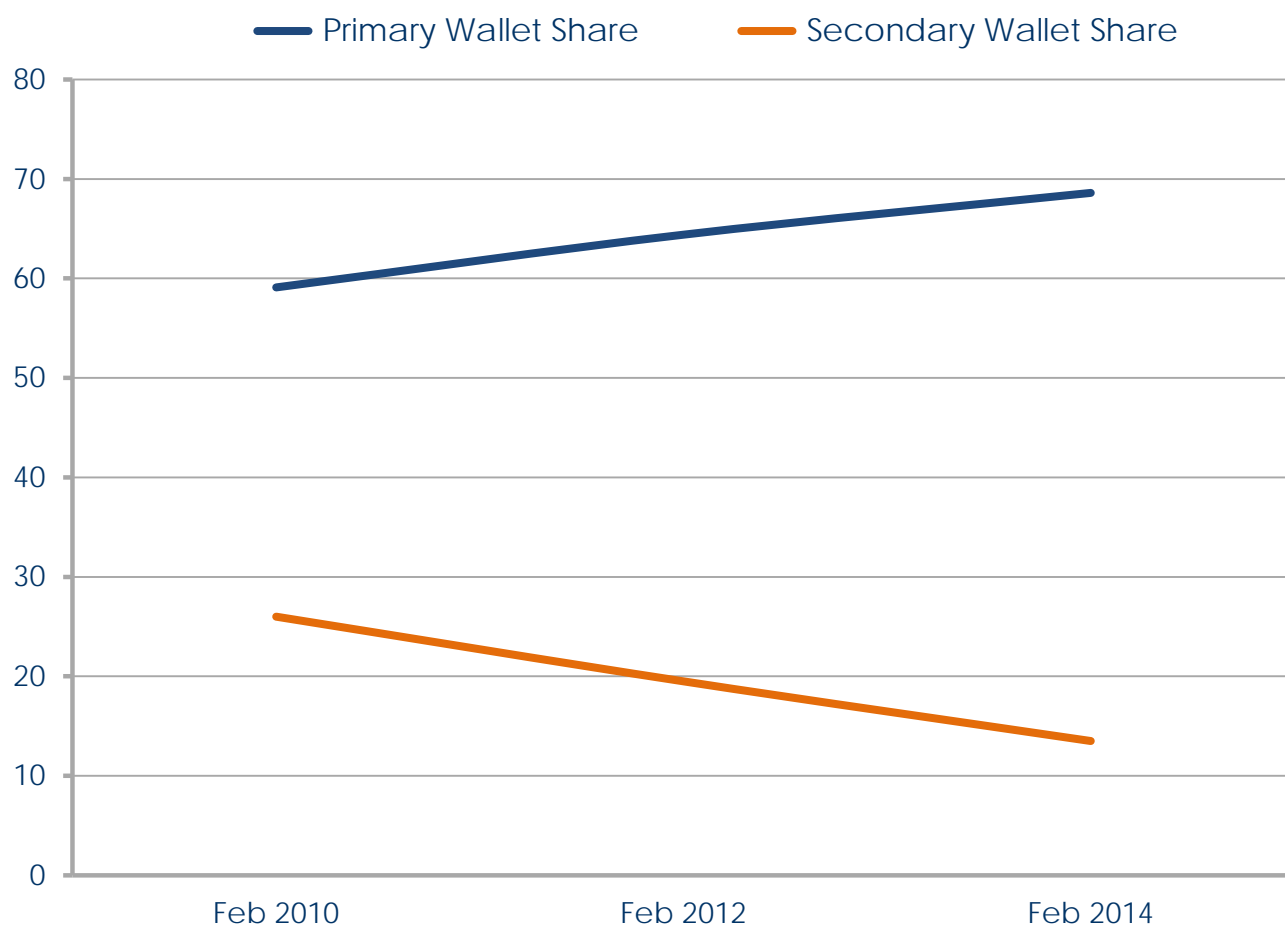
East & Partners Senior Markets Analyst Martin Smith points to the differing fortunes of Business Foreign Exchange and Trade Finance products in terms of wallet share.

“Declining wallet share remains a defining characteristic of Spot FX, Options and Forward FX products, posing a unique challenge to both Australian and foreign banks. Customers encounter little difficulty using multiple FX providers for their Business FX requirements in the pursuit of value for money and useful e-Trade solutions.”

“Trade Finance appeared to be heading in a similar direction, yet the ability of the banks to pinpoint key product and service factors has resulted in a successful, direct strategic response that customers are responding to favourably.”

## Primary Trade Finance Providers Winning More Wallet Share

Average % Share of Business per Own Institutional Customer



Source: East & Partners Trade Finance Report

## About the East & Partners Trade Finance Report

Reliable and cost effective Trade Finance solutions are of strategic importance and directly attributable to Relationship Positioning within Trade Customer Demographics, Market Share, Competitive Positioning, Service Factor and Customer Satisfaction ratings between banks. The Trade Finance Markets report, released twice a year, forecasts demand for trade related banking services and products among institutional businesses comprising Australia's Top 500 corporations by revenue, Corporates turning over A\$20-725 million and SME's in the A\$5-20 million segment.

For more information or for further interview based insights from East & Partners on this Trade Finance report, please contact:

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