

Media Release

Asian corporates jittery on interest rate impacts

(27 June 2016 – Asia) Banks and other financial institutions are caught in a rising interest rate environment, while corporates are experiencing something of a pinch in the availability of working capital funding, new research from market analysts East & Partners Asia shows.

With accelerating innovation in the finance industry and the disruptive impacts coming from the “fintech” sector, treasurers are sensing that alternative solutions are imminent but remain cautious about embracing them wholesale.

Quick Facts

- Overall wallet share fell this round, mainly attributed by the total primary wallet share which declined by 0.9 percent.
- Product Satisfaction Ratings are showing improvement across most categories, except for Liquidity Management and Short Term Debt which have experienced declining satisfaction ratings with 0.05 points and 0.02 point drops respectively.
- All twenty-six service attributes assessed in the program are recording satisfaction ratings at better than average (1.62; on a 1-5 scale where 1=most satisfied).
- Eight in ten corporates in Asia cite “value for money” as the number one reason they are switching providers.
- HSBC maintains its ‘mind share’ lead with one in three corporates recalling the bank as a provider of e-Banking Services.

Jonathan Chng, Senior Analyst with East & Partners Asia commented:

“Spurred by an increased availability of financial products and providers, Asian corporates continue to raise the bar on what they expect from transaction banking partners. According to the research, they are looking to their providers to go above and beyond the norm in providing them with value added services while maintaining what they perceive as value for money.

“Although fintechs and startups are beginning to make headway in the Asian market, incumbent providers are responding to the challenge by innovating in their product solutions and service delivery.

“As the regulatory environment across Asia further enables new entrants to flourish, banks will be expected to keep transforming their products in order retain their corporate customers and hold new and existing competitors away.”

The Asian Institutional Transaction Banking Markets Index

This report is the twenty eighth in a six-monthly series of market analysis monitoring demand in the Top 1,000 Institutional Asian markets for Transaction Banking products and relationships (outside Japan). This Institutional Transaction Banking service complements another service focused on service provider market share and customer performance in Asia's trade finance markets.

About East & Partners Asia

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

East & Partners Asia provides bespoke research for clients across ten countries in Asia. Customised research reports can consist of selected analytics from our core research programs; or be based on bespoke market analysis under proprietary engagements with clients.

The firm is part of East & Partners' broader coverage of Australasian, UK, European and North American trade markets.

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