

Asia's Businesses Stick with their Banks

(16 December 2009 – Asia) Asia's biggest institutions are planning to stick with their current banks over the first half of 2010 as guaranteeing debt becomes the primary focus, according to East & Partners' latest research report.

East & Partners' latest six monthly research into the banking relationships of Asia's top 1000 businesses shows that future intention to change banks has dropped to its lowest level in six years of reporting.

Just 6.1 percent of businesses believe there is a chance they will change banks in the next six months, with only a third of these businesses definite that they will make a move. Before the global financial crisis, almost 32 percent had intentions to move, nearly five times the current level.

With debt playing an increased role in overall banking relationships, securing debt is the primary objective. Of those businesses that are looking to make the move, almost all are doing so for improved debt offerings.

"Debt has increased its status as the fundamental deciding factor in business banking relationships. More and more businesses have to stick with the provider who gives them debt in the short term, despite the declining customer satisfaction that continues to occur", East & Partners' financial markets analyst, Peter Drennan, said.

"Banks are still performing well at delivering the basic banking services to their business customers. It is, however, the debt related areas of service, including credit approval, advice and value for money that are pulling down the overall relationship", Mr Drennan said.

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About East & Partners' Asian Institutional Transaction Banking Markets Program

East & Partners' Asian Institutional Transaction Banking Markets Report is an ongoing six-monthly research service designed to deliver accurate market intelligence on Asia's Institutional transaction banking markets. The report provides a range of relevant analytics including clear measures of competitive market share, customer churn and mind share. It also includes extensive analysis of product and service satisfaction.

The report is based on interviews with the Top 100 companies by revenue in each of the following markets: Singapore, Hong Kong, Malaysia, India, Indonesia, Philippines, South Korea, Taiwan, Thailand and China.

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