

## Borrowing intentions on the rise

(25 March– Australia) Corporate borrowing intentions are clearly on the rise according to East & Partners' latest Corporate Banking Report. The number of Australian corporates (businesses turning over between A\$20 and A\$340 million per annum) looking to borrow in the next six months has risen from 54.1 percent in July 2009 to 69.3 percent in January 2010.

Of equal significance is the sharp decline in the number of corporates who have no intention of borrowing over the next six month period. This number has plummeted from 39.1 percent in July 2009 to 12.5 percent in January 2010.

"The increase in the number of businesses intending to borrow clearly reflects the growing confidence in the economy," Robert Morgan, East & Partners' head of market analysis said.

"However, it also shows that access to credit for these businesses is not as big an issue as it was six months ago, further fuelling a renewed appetite for debt," Mr Morgan added.

Nevertheless, a growing number of businesses are cautious about the economy and general lending conditions, evidenced by the fact that the number of businesses unsure about their future borrowing intentions has almost trebled in East & Partners' latest report.

"It seems that while confidence is returning, there is still an air of caution and uncertainty amongst businesses regarding how the domestic and global economies will unfold from here as well as the borrowing environment," Mr Morgan concluded.

### About East & Partners' Corporate Banking Markets Report

East & Partners Corporate Banking Markets Report is an ongoing six-monthly research service designed to deliver a range of analytics including bank market share, customer satisfaction, mind share, engagement and appetite for debt, balance sheet and treasury products among companies turning over A\$20 to 340 million per annum. Each report is based on direct interviews with a structured, natural sample of +/- 880 Corporate businesses.

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