

Offering a refuge against risk

Over the last 12 months the global financial crisis has led international customer orders to tail off and lending lines to shrivel. The region's leading cash management providers have benefited from the consequent flight to quality, and they are trying to help newly fearful companies access liquidity and manage what money they have. Richard Morrow reports.

The past 12 months have demonstrated far more effectively than any marketing pitch why cash management is vital for any business to succeed.

In September 2008 the world's economy began to implode, as billions of US dollars of credit-linked instruments collapsed into near-worthlessness. These failing instruments left enormous holes in the balance sheets of banks across the world, which created enormous counterparty problems. US investment bank Lehman Brothers fell into bankruptcy, and several others look set to follow.

As the ramifications of these problems stretched out over months they have stressed international cash flows in almost every way. Credit market spreads blew outwards while banks grew scared to deal with each other. Trade finance flows dwindled, and finding credit became a tremendous worry for companies and institutions of all sizes.

In these torrid times, cutting risk and finding cash have been top priorities for every corporate and bank.

"Simply put, the services provided by global transaction services have never been more relevant to our clients," says Ivo Distelbrink, Asia-Pacific head of treasury and trade solutions at Citi. "Across the region, irrespective of country, clients are looking to enhance bottom line performance."

"The cash management and transaction banking business has been impacted substantially in the past six to nine months, with volumes dropping as economies struggled," adds John Ball, head of Asia Pacific financial institutions cash management for Deutsche Bank. "That's led financial institutions to reassess their priorities and examine the strength of their providers and the sustainability of the business models they offer. The phrase 'flight to quality' may be hackneyed, but it's been true."

Banks that could convince clients that they were strong counterparties with cash services that could help in troubling times have most benefited. And as our latest cash management poll reveals, two banks in particular stand out.

Citi easily stands tall as the preferred global cash management bank among both corporates and financial institutions across Asia-Pacific. The US bank was voted top by small, medium and large corporates, while it was also crowned number one for small and medium financial institutions, a result that the bank is particularly glad about, as it had focused on growing its business there.

"In 2008, we established the bank services and public sector group as a strategic line of business within global transaction services to deepen our penetration of our correspondent banking network and to capture the securities wallet of banks through our white-label and infrastructure outsourcing solutions," says Distelbrink. "[It is] a sector where we have made significant inroads."

The only blemish in this otherwise flawless result was in the large financial institutions category, where Deutsche Bank came top and J.P. Morgan eased into second place. Deutsche also enjoys a vibrant level of support from regional treasurers and chief financial officers, being voted second in all other categories.

Given that this was by far our largest cash management poll in terms of responses, it was a healthy bill of support for both banks. Overall 2,548 corporates and 449 financial institutions participated.

RELIABILITY A FACTOR

The success of Citi in this poll may seem a little odd, given that the US bank suffered some major losses in the past year as a result of its own exposure to sub-prime debts and ailing business lines.

But the US institution has consistently had two points in its favour. One is the fact that while it was far from the only institution affected by the crisis it was one of the first to gain explicit state support. The US government injected money and made clear that it was a bank that was too big to fail. In that sense Citi is the ultimate safe-play in terms of counterparty risk.

"The key has always been transparency, and our clients have come to expect that from Citi over the years," says Distelbrink. "Across the board, we have reworked our balance sheet, capital position and strategic focus, while keeping clients informed."

Second is its consistently strong performance in the cash management space. Citi combines developed technological systems and an intimate knowledge of company cash needs with a global branch network. Combined with government backing, the US bank continues to be a very strong counterparty.

"Certain clients did revisit their treasury policies and counterparty concentration limits, but this was not a pure Citi phenomenon," points out Distelbrink. "It was an issue with all international cash management banks as risk management came front-and-centre during the height of the crisis. In fact, Citi was a net benefactor in clients and deposits."

Deutsche is in an even stronger financial position. It did not need any state support at all, but would be assured of it were it to be required. However, while the bank has flourished in tough times it lacks the scale of Citi's cash management business. Instead it concentrates on large multi-national corporates from the US and Europe, or internationalising regional companies that might enjoy an annual turnover of US\$1 billion to US\$20 billion or more.

Even so, its ability to rank so consistently second goes a long way to revealing how respected it is for its services. And like Citi, it has benefited from the fear-fuelled flight to the strongest cash management providers.

"Changing providers is a big decision but we've definitely seen movement as clients shift towards those deemed the strongest providers," says Ball. "It peaked during the fourth quarter of last year, and has stabilised or reversed a little."

MAKING MORE FROM LESS

Yet while a handful of cash management providers have prospered, the overall market remains grim for many companies and banks.

Cash management thrives off the back of companies buying and selling goods or investing, and financial institutions funding such activities. But trading flows between many markets have collapsed due to economic contraction in Europe and the US, while a combination of that and legacy exposures to bad debt has curtailed the desire of many banks to lend.

Dropping cash flows and less access to credit led to a vicious circle, where companies and banks worried about business partners going out of business. Combine this with the fact that credit and equity markets across Asia were shut for six months or more while volatility raged, and many companies and banks have been under pressure to monitor their exposures, and squeeze the last drop of capital and performance out of their existing cash flows.

"Clients need to make more out of less," says Ball. "We are trying to help them do that by talking to them about specific products... essentially saying to them 'why don't you consider value-added services which may enhance your alternative revenue streams?' We do reviews across their whole level of transactions to help these institutions squeeze more money out of what they have available."

"Given the market conditions it should come as no surprise that liquidity and investment solutions have witnessed a sizable pick up in client interest," agrees Distelbrink. "Over the past 12 months, we have seen significant diversification by corporates, which have led to a spike in interest of these solutions."

Investment solutions are industry-speak for ways of making money off of any cash hanging around on a balance sheet for a few weeks, days or even hours. While many forms of structured product have lost appeal, there are simple ways to make a bit of money by taking simple positions in currencies.

Maximising liquidity on the balance sheet meanwhile requires a company knowing exactly where all of its money is, and it getting payments as quickly as possible from its customers while having cash available to cover costs.

Cash management providers meet these needs through two main ways: working capital management and supply chain management.

The former minimises the time between a company paying to make a product and it being paid after selling the product, while the latter consists of IT programmes and management techniques to oversee the timely delivery of products.

"In the current environment, we've seen a significant surge in demand for integrated products such as supply chain management, working capital management, as well as solutions that rely on a global network to achieve maximum impact," says Citi's Distelbrink. "Working capital solutions did not receive adequate attention pre-crisis."

He notes that clients increasingly want supply chain solutions that eliminate any manual element, to save costs. That means that automated supply chain solutions between buyers and suppliers throughout a transaction's life cycle are gaining popularity.

"Clients in the consumer goods and retail industries in particular are looking for solutions related to supplier and distributor financing and supply chain management," agrees Mahesh Kini, regional head of cash management corporates for Deutsche Bank. "It's interesting as you have pressure from the depressed market environment and there is limited access to working capital, but there is potentially growth in markets like China and India."

OUTSOURCING TECHNOLOGY

Another way for banks in particular to cut their costs is to reconsider making continuous investments into cash management information technology.

Maintaining the software and hardware is a continued drain on the resources of these banks. It's easy to see why it's increasingly tempting for them to let an international bank come in and offer its own cash management IT solutions instead.

"Clearly banks are looking at their strategic investments in technology and infrastructure and deciding whether they can afford to do it alone or outsource it to a regional or global provider," says Ball. "Instances of banks looking to outsource have begun to appear in the past six months."

Of course, it requires a lot of continuous investment by the cash management banks if they are going to be able to offer good enough systems for the clients to consider outsourcing. Distelbrink of Citi notes that it requires constant upgrades.

"Our US\$1 billion annual commitment to technology helps us evolve ahead of the market, but like our competitors in this space we can't be expected to rest on our laurels. We must constantly be looking at our existing technology, exploring new ideas and innovating with existing systems."

While cutting IT costs helps, a big problem for companies is accessing

funding to support their trade flows. Banks remain cautious in many instances, unwilling to offer anything except loans linked to letters of credit, and tending to charge relatively high rates to do so.

One way that clients can help themselves is to gain the backing of an export credit agency. The importance of these institutions has surged as companies have tried to gain their backing in order to get cheaper funding for their trading or investment needs.

"As a result of the tight liquidity from the bond markets and banks, even corporations with strong balance sheets face higher costs and risk in raising capital. The scarcity of liquidity plays to the strength of export credit agencies and other government entities, which have filled the gap as an alternative trade financing solutions," says Distelbrink.

He notes that Citi's relationships with 60 export credit agencies across the world helped it appeal to companies and banks alike.

DIVIDE TO SURVIVE

While this year's winners have done well in large part because of a flight to quality, this does not mean that they will gain larger parts of business from clients.

In previous years banks were keen to grab as large a slice of a company's cash flow business as possible. But now these clients are terrified at the prospect of being exposed to purely one institution, with all the counterparty risks that entails. Instead, they are looking for at least one backup provider. Multinational companies will often have many more.

"Clients are increasingly considering keeping one, two or even three providers so that they are not in situation of having all their eggs in one basket," says Ball. "As last year revealed in terms of risk management mitigation, it makes a lot of sense."

Providers think that this change, along with the need to genuinely seek balance sheet liquidity, will remain for some time to come.

"I think that this particular crisis will be remembered for years to come in the minds of people as they manage risk," says Kini. "The consolidation [of cash management services into one provider] had been happening over the last three or four years has reversed, and companies are diversifying among a good few banks for several years to come."

Nevertheless, the banks remain hopeful that Asia will witness increasing numbers of overall companies and banks desiring cash management services. Hopes ride especially high in China.

"China accounts for 25% of the payment volumes in our space. It's one of the key markets for all cash management providers and we've increased our resources there in the past two years," says Ball.

The country's continued demand for resources and materials has helped prop up the economies of many Asian economies. Other regional nations also offer opportunity. India's large and growing economy, while more domestically-focused than China's, also has huge expansion potential. The populous countries of Vietnam and Indonesia offer opportunities as well.

"We are really stepping up our presence and image as we position ourselves for recovery in 2010," Ball says. "That entails a lot of close dialogue with clients and sharing market updates, all of which we've done a lot more of in the past six to nine months. Now is the time to impress clients with your abilities, not when the markets have rebounded."

TECHNOLOGY TASKS

It's not just a story of geographic opportunity either. Distelbrink notes that a key for the coming months will be enhancing high-tech internet solutions to an increasingly demanding customer base.

"We plan to significantly enhance internet banking platforms with new interfaces and continue our investment in new technologies that will continue to revolutionise cash management," he says, noting that companies and banks alike want cash management providers to offer unique, customised solutions rather than off-the-shelf products.

Citi is not the only one aiming to innovate. "In the last six months, we have introduced close to six new cash management products and most have been implemented or customised here for Asia, to facilitate collection management, receivables management and FX manage-

ment,” says Kini. “And we’ve also introduced 100 new features on our electronic platform.”

Conducting continual improvements in cash management services will be an important step to giving clients comfort and help them assess their cash flows. And that will be very important for the year to come.

Asia’s companies and banks are better placed than those in other parts of the world but they stand to be affected by the ongoing recession west-

ern countries. To flourish, these companies will need to understand and able to target problems in their balance sheets as quickly as possible.

The challenge of these companies and banks is to remember the lessons of the past year, but not let fear paralyse their ability to do business. For the leading cash management banks, the biggest focus will be to help their clients find the information and cash flows that they so badly need to operate. ▲

BEST CASH MANAGEMENT SERVICES AS VOTED BY FINANCIAL INSTITUTIONS, 2009

BEST AT UNDERSTANDING BUSINESS STRATEGIES, OBJECTIVES AND REQUIREMENTS			
2008 Rank	Bank		%
1	1	Citi	17.01
2	2	Deutsche Bank	15.74
3	6	J.P. Morgan	13.79
4	5	SMBC	6.81
5	3	HSBC	4.85
6	7	Korea Exchange Bank	4.35
7	4	Wachovia	4.18
8	8	The Bank of New York Mellon	3.66
9	9	Standard Chartered	3.57
10	-	Bank of Tokyo-Mitsubishi UFJ	3.33

BEST AFTER-SALES CUSTOMER SERVICE			
2008 Rank	Bank		%
1	1	Citi	16.52
2	2	Deutsche Bank	16.10
3	3	J.P. Morgan	13.61
4	5	SMBC	9.05
5	6	Wachovia	5.69
6	8	Korea Exchange Bank	4.23
7	4	HSBC	4.09
=8	-	NAB	2.98
=8	7	The Bank of New York Mellon	2.98
10	-	Bank of Tokyo-Mitsubishi UFJ	2.96

BEST USD CASH MANAGEMENT SERVICES			
2008 Rank	Bank		%
1	1	Citi	21.17
2	2	J.P. Morgan	21.00
3	4	Deutsche Bank	13.67
4	3	Wachovia	7.15
5	6	The Bank of New York Mellon	6.61
6	5	HSBC	5.30
7	7	Bank of America - Merrill Lynch	4.46
8	8	Korea Exchange Bank	4.26
9	10	SMBC	2.82
10	-	Standard Chartered	2.20

BEST ELECTRONIC BANKING PLATFORM			
2008 Rank	Bank		%
1	1	Citi	20.08
2	4	Deutsche Bank	14.15
3	3	J.P. Morgan	13.07
4	5	SMBC	9.48
5	2	HSBC	4.94
6	6	Wachovia	4.27
7	7	Korea Exchange Bank	4.14
8	-	Bank of Tokyo-Mitsubishi UFJ	3.64
9	10	The Bank of New York Mellon	2.37
10	9	Standard Chartered	1.81

BEST EUR CASH MANAGEMENT SERVICES			
2008 Rank	Bank		%
1	1	Deutsche Bank	38.95
2	2	Citi	7.39
3	8	J.P. Morgan	5.53
4	5	Korea Exchange Bank	5.07
5	6	Commerzbank	4.39
6	-	Standard Chartered	3.84
7	4	Dresdner Bank	3.83
8	7	HSBC	3.79
9	9*	RBS	2.96
10	10	ING	2.59

* RBS - 2008 ranking of ABN AMRO

BEST AT IMPLEMENTING CASH MANAGEMENT SOLUTIONS			
2008 Rank	Bank		%
1	1	Citi	16.98
2	2	Deutsche Bank	16.37
3	4	J.P. Morgan	14.52
4	5	SMBC	8.53
5	3	HSBC	4.64
6	6	Wachovia	4.51
7	7	Korea Exchange Bank	4.15
8	-	Bank of Tokyo-Mitsubishi UFJ	3.26
9	8	The Bank of New York Mellon	3.23
10	10	Standard Chartered	2.38

BEST GLOBAL CASH MANAGEMENT SERVICES IN ASIA-PACIFIC AS VOTED BY FINANCIAL INSTITUTIONS, 2009

SMALL				MEDIUM				LARGE			
Rank	2008 Rank	Bank	%	Rank	2008 Rank	Bank	%	Rank	2008 Rank	Bank	%
1	1	Citi	32.30	1	1	Citi	21.76	1	2	Deutsche Bank	18.09
2	4	Deutsche Bank	16.21	2	2	Deutsche Bank	21.51	2	4	J.P. Morgan	15.94
3	7	J.P. Morgan	13.40	3	5	J.P. Morgan	16.31	3	1	Citi	15.56
4	2	HSBC	8.99	4	4	Wachovia	12.34	4	3	SMBC	9.75
5	3	Wachovia	8.16	5	8	SMBC	8.06	5	5	HSBC	3.78
6	8	SMBC	7.32	6	3	HSBC	5.59	6	8	Bank of Tokyo-Mitsubishi UFJ	3.71
7	5	Standard Chartered	4.60	7	-	Standard Chartered	5.19	7	7	The Bank of New York Mellon	3.49
8	10	Bank of Tokyo-Mitsubishi UFJ	3.31	8	7	The Bank of New York Mellon	4.51	8	6	Wachovia	3.47
9	6	The Bank of New York Mellon	2.68	9	9	Bank of Tokyo-Mitsubishi UFJ	2.10	9	-	Bank of America - Merrill Lynch	2.59
10	-	Barclays	0.91	10	-	Mizuho Bank	1.26	10	10	Standard Chartered	1.72

BEST LOCAL CURRENCY CASH MANAGEMENT SERVICES (BY CURRENCY)					
Australia: AUD	NAB	Japan: JPY	SMBC	Singapore: SGD	United Overseas Bank
China: RMB	ICBC	Korea: KRW	Korea Exchange Bank	Taiwan: TWD	Chinatrust Commercial Bank
Hong Kong: HKD	HSBC	Malaysia: MYR	Maybank	Thailand: THB	Siam Commercial Bank
India: INR	State Bank of India	The Philippines: PHP	Citi	Vietnam: VND	Deutsche Bank
Indonesia: IDR	Bank Mandiri				

BEST GLOBAL CASH MANAGEMENT SERVICES IN ASIA-PACIFIC AS VOTED BY CORPORATES, 2009

SMALL				MEDIUM				LARGE			
2008	Rank	Bank	%	2008	Rank	Bank	%	2008	Rank	Bank	%
1	1	Citi	13.50	1	1	Citi	18.42	1	1	Citi	21.27
2	3	Deutsche Bank	12.04	2	3	Deutsche Bank	10.01	2	3	Deutsche Bank	11.86
3	4	SMBC	6.58	3	2	HSBC	6.37	3	2	HSBC	6.57
4	2	HSBC	4.34	4	5	SMBC	6.29	4	5	SMBC	6.04
5	5	Standard Chartered	2.18	5	4	Standard Chartered	3.22	5	4	Standard Chartered	4.21
6	7	Bank of Tokyo-Mitsubishi UFJ	1.42	6	7	Bank of Tokyo-Mitsubishi UFJ	1.81	6	7	Bank of Tokyo-Mitsubishi UFJ	2.95
7	6*	RBS	0.92	7	-	Mizuho Bank	1.14	7	-	Mizuho Bank	1.57
8	-	Mizuho Bank	0.77	8	6*	RBS	1.09	8	9	J.P. Morgan	1.17
9	9	Bank of America - Merrill Lynch	0.20	9	10	BNP Paribas	0.50	9	8	Bank of America - Merrill Lynch	1.09
10	8	BNP Paribas	0.13	10	9	J.P. Morgan	0.26	10	6*	RBS	1.00

** RBS - 2008 ranking of ABN AMRO*

BEST FOREIGN CASH MANAGEMENT BANKS AS VOTED BY CORPORATES, 2009 (according to the size of annual sales turnover of each corporate respondent)

AUSTRALIA		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	SMBC	26.66
2	Citi	15.28
3	Bank of Tokyo-Mitsubishi UFJ	9.27
MEDIUM		
1	Citi	55.45
2	SMBC	23.64
3	Standard Chartered	13.64
LARGE		
1	Citi	49.85
2	HSBC	16.07
3	SMBC	8.04
CHINA		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	SMBC	47.97
2	Deutsche Bank	23.44
3	Citi	8.25
MEDIUM		
1	SMBC	32.40
2	Deutsche Bank	26.21
3	Citi	18.32
LARGE		
1	Citi	39.06
2	Deutsche Bank	24.04
3	SMBC	15.86
HONG KONG		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Citi	43.32
2	Deutsche Bank	20.60
3	SMBC	9.65
MEDIUM		
1	Citi	43.31
2	Deutsche Bank	13.39
3	SMBC	12.76

HONG KONG CONT.		
LARGE		
Rank	Bank	%
1	Citi	45.90
2	SMBC	14.01
3	Deutsche Bank	11.54
INDIA		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Deutsche Bank	54.74
2	Citi	18.17
3	HSBC	10.02
MEDIUM		
1	Deutsche Bank	35.86
2	Citi	28.34
3	HSBC	11.80
INDONESIA		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Citi	26.52
2	Deutsche Bank	15.90
3	HSBC	15.16
MEDIUM		
1	Citi	43.64
2	Deutsche Bank	22.30
3	HSBC	9.58
LARGE		
1	Citi	32.79
2	Deutsche Bank	18.14
3	Standard Chartered	14.30
JAPAN		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Deutsche Bank	26.30
2	Citi	15.19
3	Kasikornbank	9.30

BEST FOREIGN CASH MANAGEMENT BANKS AS VOTED BY CORPORATES, 2009 CONT.

JAPAN CONT.		
MEDIUM		
1	Deutsche Bank	21.83
2	HSBC	21.13
3	Siam Commercial Bank	20.42
LARGE		
1	Citi	36.67
2	Deutsche Bank	21.84
=3	HSBC	10.42
=3	J.P. Morgan	10.42
KOREA		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Citi	83.85
2	Deutsche Bank	8.95
3	HSBC	3.04
MEDIUM		
1	Citi	81.85
2	HSBC	5.95
3	Deutsche Bank	4.99
LARGE		
1	Citi	62.02
2	Deutsche Bank	16.19
3	Bank of America - Merrill Lynch	7.86
MALAYSIA		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	OCBC Bank	47.11
2	Deutsche Bank	18.12
3	Citi	16.52
MEDIUM		
1	OCBC Bank	50.71
2	Citi	14.53
3	HSBC	13.72
LARGE		
1	OCBC Bank	44.67
2	Citi	18.47
3	Deutsche Bank	14.97
THE PHILIPPINES		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Deutsche Bank	41.98
2	Citi	41.82
3	HSBC	9.18
MEDIUM		
1	Citi	50.00
=2	Deutsche Bank	18.62
=2	HSBC	18.62
LARGE		
1	Citi	42.77
2	Deutsche Bank	24.14
3	HSBC	19.20

SINGAPORE		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Citi	35.64
2	Deutsche Bank	13.51
=3	SMBC	13.07
=3	Standard Chartered	13.07
MEDIUM		
1	Citi	36.18
2	SMBC	18.70
3	Deutsche Bank	12.44
LARGE		
1	Citi	41.86
2	HSBC	11.81
3	Deutsche Bank	11.53
TAIWAN		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Deutsche Bank	46.23
2	SMBC	16.60
3	Citi	15.64
MEDIUM		
1	Citi	32.78
2	RBS	17.08
3	SMBC	15.70
LARGE		
1	Citi	39.37
2	HSBC	19.18
3	SMBC	12.66
THAILAND		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Citi	27.41
2	Deutsche Bank	26.18
3	United Overseas Bank	13.84
MEDIUM		
1	Deutsche Bank	29.49
2	Citi	25.86
3	SMBC	15.88
LARGE		
1	Citi	34.36
2	Deutsche Bank	24.95
3	United Overseas Bank	11.56
VIETNAM		
BEST FOREIGN CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Citi	42.61
2	SMBC	18.52
3	Deutsche Bank	15.34
MEDIUM		
1	Citi	43.10
2	Deutsche Bank	15.48
3	HSBC	14.50
LARGE		
1	Citi	48.49
2	Deutsche Bank	35.40
3	HSBC	10.07

BEST LOCAL CASH MANAGEMENT BANKS AS VOTED BY CORPORATES, 2009

(according to the size of annual sales turnover of each corporate respondent)

AUSTRALIA		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	ANZ	59.46
2	Commonwealth Bank	23.42
3	Westpac	13.51
MEDIUM		
1	NAB	72.00
2	ANZ	20.00
3	Westpac	8.00
LARGE		
1	ANZ	67.47
2	Commonwealth Bank	11.99
3	Westpac	10.62
CHINA		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Bank of Communications	31.53
2	China CITIC Bank	25.14
3	China Merchants Bank	10.70
MEDIUM		
1	Bank of Communications	40.50
2	China Merchants Bank	12.96
3	ICBC	10.30
LARGE		
1	Bank of Communications	47.45
2	China Merchants Bank	13.91
3	Bank of China	10.33
HONG KONG		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	HSBC	70.30
2	Standard Chartered	17.68
3	Hang Seng Bank	10.33
MEDIUM		
1	HSBC	71.83
2	Standard Chartered	17.12
3	Bank of East Asia	5.20
LARGE		
1	HSBC	61.70
2	Standard Chartered	36.22
3	Bank of East Asia	2.08
INDIA		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Kotak	36.34
2	HDFC Bank	19.47
3	ICICI Bank	15.48

INDIA CONT.		
MEDIUM		
1	Kotak	31.58
2	HDFC Bank	21.00
3	ICICI Bank	15.94
LARGE		
1	HDFC Bank	30.22
2	Kotak	23.11
3	ICICI Bank	15.14
INDONESIA		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Bank Central Asia	32.58
2	Bank Mandiri	16.09
3	Bank Danamon	13.30
MEDIUM		
1	Bank Central Asia	33.00
2	Bank Mandiri	19.00
3	Bank Danamon	11.67
LARGE		
1	Bank Mandiri	28.25
2	Bank Central Asia	25.56
3	Bank Danamon	11.66
JAPAN		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	SMBC	56.98
2	Bank of Tokyo-Mitsubishi UFJ	24.69
3	Mizuho Bank	17.98
MEDIUM		
1	SMBC	50.94
2	Bank of Tokyo-Mitsubishi UFJ	35.97
3	Mizuho Bank	13.08
LARGE		
1	SMBC	47.58
2	Bank of Tokyo-Mitsubishi UFJ	30.75
3	Mizuho Bank	19.81
KOREA		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Shinhan Bank	23.22
2	Kookmin Bank	18.91
3	Hana Bank	15.45
MEDIUM		
1	Shinhan Bank	25.62
2	Hana Bank	19.91
3	Kookmin Bank	15.25

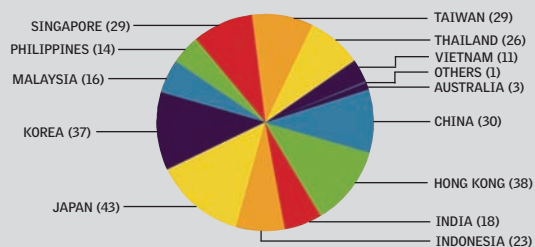
BEST LOCAL CASH MANAGEMENT BANKS AS VOTED BY CORPORATES, 2009 CONT.

KOREA CONT.		
LARGE		
1	Korea Exchange Bank	21.65
2	Shinhan Bank	18.60
3	Hana Bank	14.94
MALAYSIA		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank%	
SMALL		
1	CIMB	41.45
2	Maybank	20.47
3	Public Bank	13.78
MEDIUM		
1	CIMB	43.58
2	Maybank	24.70
3	RHB Bank	18.28
LARGE		
1	CIMB	40.47
2	Maybank	39.71
3	Public Bank	10.16
THE PHILIPPINES		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Bank of the Philippine Islands	46.51
2	Banco de Oro	23.36
3	Union Bank of the Philippines	11.57
MEDIUM		
1	Bank of the Philippine Islands	58.46
2	MetroBank	15.38
3	Banco de Oro	12.31
LARGE		
1	Bank of the Philippine Islands	46.67
2	Banco de Oro	42.67
=3	Asia United Bank	4.00
=3	Security Bank	4.00
SINGAPORE		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	United Overseas Bank	59.44
2	DBS Bank	22.24
3	OCBC Bank	17.61
MEDIUM		
1	DBS Bank	39.86
2	United Overseas Bank	38.28
3	OCBC Bank	21.85
LARGE		
1	United Overseas Bank	35.61
2	OCBC Bank	35.37
3	DBS Bank	29.02

TAIWAN		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Chinatrust	60.12
2	Mega International Commercial Bank	5.77
3	Hua Nan Commercial Bank	4.96
MEDIUM		
1	Chinatrust	60.25
2	Mega International Commercial Bank	8.66
3	Bank of Taiwan	5.04
LARGE		
1	Chinatrust	61.73
2	Mega International Commercial Bank	11.21
3	Bank of Taiwan	7.68
THAILAND		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Siam Commercial Bank	65.60
2	KasikornBank	16.69
3	Bangkok Bank	9.40
MEDIUM		
1	Siam Commercial Bank	66.19
2	KasikornBank	21.19
3	Bangkok Bank	5.64
LARGE		
1	Siam Commercial Bank	57.44
2	KasikornBank	21.51
3	Bangkok Bank	12.21
VIETNAM		
BEST LOCAL CASH MANAGEMENT BANK (across all categories)		
Rank	Bank	%
SMALL		
1	Vietcombank	55.74
2	Sacombank	31.15
=3	Asia Commercial Bank	4.92
=3	Vietnam Export Import Bank	4.92
MEDIUM		
1	Vietcombank	34.48
=2	Vietnam Export Import Bank	24.14
=2	TienPhongBank	24.14
LARGE		
1	VietinBank	37.21
2	AGRIBANK	34.88
3	Vietcombank	16.28

2009 FINANCIAL INSTITUTIONS CASH MANAGEMENT POLL - METHODOLOGY

In the 7th annual Financial Institutions Cash Management Poll *Asiamoney* sent the questionnaire to over 1,000 individuals responsible for cash management or correspondent banking within financial institutions across Asia-Pacific. A total of 472 individual responses were received. After auditing 23 questionnaires were made void due to their failure to fulfill requirements. The 449 valid responses came from 318 different institutions across the region. The geographical breakdown of respondent institutions is as follows:



The first part of the questionnaire allowed *Asiamoney* to collect qualitative data regarding the cash management industry. In the second part respondents were asked to nominate three preferred cash management providers for the following categories:

- best USD cash management services
- best EUR cash management services
- best JPY cash management services
- best local currency cash management services
- best at understanding business strategies, objectives and requirements before recommending cash management solutions
- best at implementing cash management solutions
- best after-sales customer service
- best electronic banking platform
- best for overall cash management services

For all nominations, a first place ranking was awarded three points, second place two points and third place one point.

To avoid any one institution having more influence than others of equal size, multiple responses were fractioned according to the total number received from that one institution.

The votes are weighted according to the total asset size of each respondent's institution:

Total asset size	No. of responses	Weight
<US\$5bn	83	1
US\$5.01bn-25bn	77	2
>US\$25bn	158	4

A country weighting is also applied, according to the location of each respondent's cash management provider:

Countries	Weighting
China	5.5
Hong Kong	5
Taiwan	4.5
Japan & Singapore	4
India & Korea	3.5
Australia & Indonesia	3
Malaysia & Thailand	2.5
The Philippines & Vietnam	2
Others	1

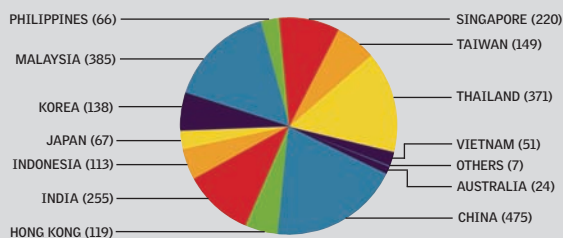
* 2008 SWIFT traffic volumes (excluding intra-regional and intra-company traffic) have been taken into account, as well as the economic importance of each market.

Asiamoney would like to thank those who helped design the questionnaire, as well as respondents for taking the time to participate. Further results are available on the *Asiamoney* website, www.asiamoney.com.

2009 CORPORATE CASH MANAGEMENT POLL - METHODOLOGY

In the 19th annual Corporate Cash Management Poll *Asiamoney* sent the questionnaire to approximately 7,000 senior treasury and finance executives in listed companies, multinationals, SMEs and unlisted companies across Asia-Pacific. A total of 3,019 individual responses were received. After auditing 471 questionnaires were made void due to their failure to fulfill requirements.

The 2,548 valid responses came from 2,440 different companies - the geographical breakdown is as follows:



The first part of the questionnaire allowed *Asiamoney* to collect qualitative data regarding the cash management industry. In the second part respondents were asked to nominate three preferred cash management providers for the following categories:

- most innovative cash management solutions
- best cash management solutions for liquidity management, receivables and payables
- best at understanding business strategies, objectives and requirements before recommending cash management solutions
- best at implementing cash management solutions
- best electronic & online capabilities
- best after-sales customer service
- best corporate cash management outsourcing capabilities

Respondents were also asked to nominate their top five cash management providers for domestic services, as well as for cross-border services. Finally they were asked to nominate their two preferred local cash management banks (excluding foreign and foreign joint-venture banks).

For the categories requesting three nominations a first place ranking was awarded three points, second place two points and third place one point. For categories requesting five nominations a first place ranking was awarded five points, second place four points, third place three points, fourth place two points and fifth place one point. For the local cash management bank category, first place received two points and second place one point.

To avoid any one institution having more influence than others of equal size, multiple responses were fractioned according to the total number received from that one institution.

The rankings have been broken down according to the annual sales turnover in Asia (including Japan) OR Australia for each respondent's company.

	Annual Sales Turnover in Asia	Annual Sales Turnover in Australia	No. of replies
SMALL	<US\$100m	<US\$35m	1,360
MEDIUM	US\$101m-500m	US\$36m-100m	582
LARGE	>US\$500m	>US\$100m	498

For the overall Asia-Pacific rankings of the global banks, the accumulative scores across all categories (excluding best local cash management bank) have been weighted according to the location of each respondent as follows:

Countries	Weighting
China, Hong Kong, India & Singapore	3
Indonesia, Japan, Korea & Thailand	2.5
Australia, Malaysia, the Philippines & Taiwan	2
All other markets	1

* Market depth & economic importance, product sophistication and scope of cash/treasury services used in the market have been taken into account.

Asiamoney would like to thank those who helped design the questionnaire, as well as respondents for taking the time to participate. Further results are available on the *Asiamoney* website, www.asiamoney.com.

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