

Top Trade Finance Banks Help Asian Companies Battle COVID Dislocations

2021 Greenwich Leaders: Asian Large Corporate Trade Finance

Q3 2021

Although global trade volumes have rebounded from the depths of the crisis last year, Asian companies are still battling dislocations caused by COVID-19—and they are looking to their trade finance providers for help.

Supply chain disruptions, surging shipping costs and elevated commodities prices are just a few of the pandemic-related challenges still roiling the businesses of large Asian corporates. That's in addition to concerns about the strength of the global economy in the face of virus variants and political risks arising from continued tensions between the United States and China, and other factors.

“The cases of COVID-19 in Indonesia and India are high, which affects our business and increases the difficulties in communicating with the customers,” says the representative of a large Asian corporate. “The trade war has negatively impacted the whole supply chain of raw materials and key components,” adds a treasury executive at another large Asian company. “We are also concerned about the costs due to inflation.”

Top Concerns for Large Asian Companies



41%

Supply chain risks

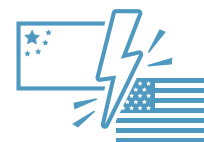
(Shortage of raw materials, freight prices, SC reconfiguration)



34%

Economic risks

(COVID business impact, volatility of demand, travel restrictions)



30%

Geopolitical risks

(China-U.S./Australia trade tensions, Myanmar, Taiwan straits)

Note: Based on 559 respondents.

Source: Coalition Greenwich 2021 Asian Large Corporate Trade Finance Study

In this difficult environment, large Asian corporates are asking their trade finance providers for support and advice. Companies participating in the Coalition Greenwich 2021 Asian Large Corporate Trade Finance Study say they are particularly interested in receiving useful advice on geopolitical and country risk, as well as ideas about how to best hedge FX risks and other exposures. In terms of immediate challenges posed by the pandemic, companies are looking for their trade finance providers for proactive market updates, advice on operational issues like supply chain, work-from-home and digitization, and specific advice on financing, working capital and liquidity management.

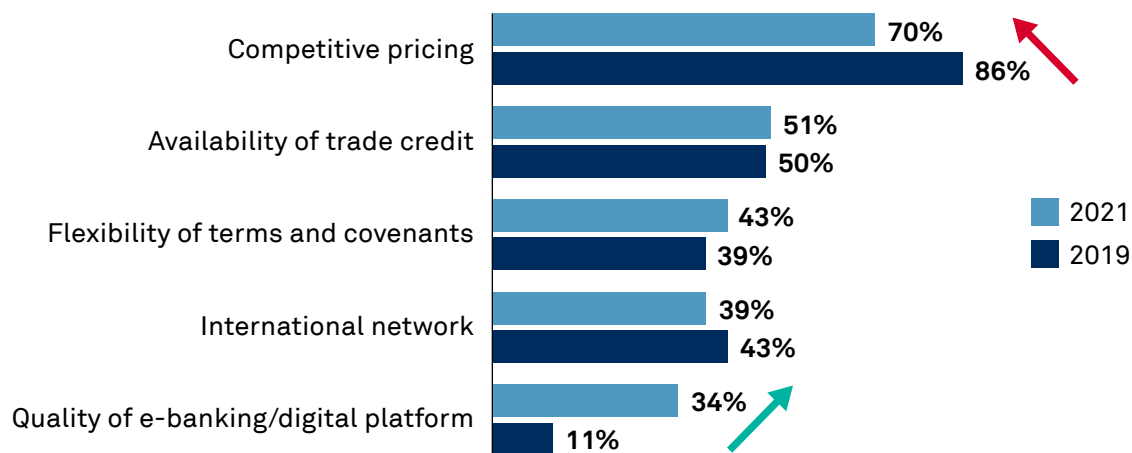
All of the 2021 Greenwich Share Leaders for Asian Large Corporate Trade Finance won accolades from corporate clients for delivering on these and other counts during the crisis. The 2021 Greenwich Share Leaders are BNP Paribas, HSBC, Standard Chartered Bank, DBS, and Citi. “All five of these providers were named a top bank for ‘delivering distinctive advice in times of need’ by the large companies participating in this year’s study,” says [Gaurav Arora](#), Head of Asia at Coalition Greenwich.

The 2021 Greenwich Quality Leaders in Asian Large Corporate Trade Finance are Bank of America and BNP Paribas.

Digital Acceleration

Trade finance has been one of the last areas of financial services to go digital. Asian large corporates continue to use paper-based, manual processes for many trade-related functions. The COVID-19 crisis could mark a moment of transformation. From 2019 to 2021, the share of large Asian companies citing “quality of e-banking/digital platform” as a key consideration in their selection of a trade finance provider tripled to 34%. “Given the pressure on bank margins in Asian trade finance, providers are eager to facilitate the shift to digital channels,” says Coalition Greenwich consultant [Winston Jin](#). “By forcing companies to adopt digital tools just to keep their businesses running during lockdowns and work-from-home, the pandemic accelerated the digitization of trade finance, not just in Asia, but around the world.”

Companies’ Top Criteria When Selecting Trade Finance Providers



Note: Based on 249 respondents in 2019 and 272 in 2021.
Source: Coalition Greenwich 2021 Asian Large Corporate Trade Finance Study

Applying ESG Standards in Treasury and Trade

Although a large majority of the companies participating in this year’s study have adopted formal environmental, social and governance targets for their companies, many large Asian companies have not yet determined the precise role ESG criteria will play in trade finance. Going forward, companies will be asking their trade finance providers for advice about how to apply and implement ESG in the trade function.

Today, a quarter of large companies want their trade finance providers to help achieve sustainable financing objectives, including the use of green bonds. Companies also see the move away from paper and toward digital as an avenue in which their banks can help support ESG standards. “In general, companies are looking for their trade finance banks to take a proactive role, and to reach out with ideas about how to create and meet ESG goals in the areas of treasury and trade,” says Gaurav Arora.

Greenwich Share and Quality Leaders, Excellence Awards

The following tables present the complete list of 2021 Greenwich Share and Quality Leaders across Asia and in individual Asian countries, and the winners of the 2021 Excellence Awards in several important categories.

Greenwich Share and Quality Leaders — 2021



Asian Large Corporate Trade Finance

Bank	Market Penetration	Statistical Rank
BNP Paribas	40%	1T
HSBC	39%	1T
Standard Chartered Bank	34%	3
DBS	32%	4
Citi	24%	5

Asian Large Corporate Trade Finance Overall Quality

Bank
Bank of America
BNP Paribas

Note: Based on 669 total respondents. Market penetration refers to the proportion of companies interviewed that consider each bank one of their trade finance providers. Share Leaders are based on top 5 leading banks, including ties. Quality Leaders are cited in alphabetical order, including ties. Source: Coalition Greenwich 2021 Asian Large Corporate Trade Finance Study

Greenwich Share Leaders — 2021

By Region



Asian Large Corporate Trade Finance — ASEAN (ex. Singapore)

Bank	Market Penetration	Statistical Rank
HSBC	45%	1
BNP Paribas	31%	2
Citi	28%	3T
Standard Chartered Bank	26%	3T

Asian Large Corporate Trade Finance — Malaysia

Bank	Market Penetration	Statistical Rank
<i>Share evaluations did not yield statistically differentiated banks for this category.</i>		

Asian Large Corporate Trade Finance — China

Bank	Market Penetration	Statistical Rank
Bank of China	64%	1
ICBC	50%	2
BNP Paribas	46%	3T
China Construction Bank	43%	3T

Asian Large Corporate Trade Finance — Singapore

Bank	Market Penetration	Statistical Rank
DBS	56%	1
BNP Paribas	48%	2
United Overseas Bank	39%	3T
Standard Chartered Bank	36%	3T
HSBC	35%	3T

Asian Large Corporate Trade Finance — Hong Kong

Bank	Market Penetration	Statistical Rank
HSBC	55%	1T
BNP Paribas	53%	1T
DBS	38%	3T
Bank of China	36%	3T

Asian Large Corporate Trade Finance — South Korea

Bank	Market Penetration	Statistical Rank
KEB Hana Bank	78%	1
BNP Paribas	67%	2
Woori Bank	62%	3

Asian Large Corporate Trade Finance — India

Bank	Market Penetration	Statistical Rank
State Bank of India	53%	1
ICICI Bank	42%	2
Axis Bank	39%	3T
HDFC	39%	3T
HSBC	39%	3T
Standard Chartered Bank	39%	3T

Asian Large Corporate Trade Finance — Taiwan

Bank	Market Penetration	Statistical Rank
Mega International Commercial Bank	54%	1T
DBS	50%	1T
Citi	41%	3T
CTBC Bank	41%	3T

Asian Large Corporate Trade Finance — Indonesia

Bank	Market Penetration	Statistical Rank
Bank Mandiri	70%	1
Bank Central Asia	55%	2
HSBC	41%	3T
DBS	38%	3T

Note: Based on 669 total respondents (including 127 in ASEAN (ex. Singapore), 123 in China, 78 in Hong Kong, 140 in India, 64 in Indonesia, 77 in Singapore, 69 in South Korea, and 54 in Taiwan). Market penetration refers to the proportion of companies interviewed that consider each bank one of their trade finance providers. Share Leaders are based on top 3 leading banks, including ties.

Source: Coalition Greenwich 2021 Asian Large Corporate Trade Finance Study

Greenwich Quality Leaders — 2021

By Region



Asian Large Corporate Trade Finance — ASEAN (ex. Singapore)

Bank

BNP Paribas
Citi
HSBC
Standard Chartered Bank

Asian Large Corporate Trade Finance — China

Bank

BNP Paribas
HSBC
Standard Chartered Bank

Asian Large Corporate Trade Finance — Hong Kong

Bank

BNP Paribas
DBS

Asian Large Corporate Trade Finance — India

Bank

Axis Bank
HDFC
HSBC

Asian Large Corporate Trade Finance — Indonesia

Bank

DBS
HSBC

Asian Large Corporate Trade Finance — Malaysia

Bank

Quality evaluations did not yield statistically differentiated banks for this category.

Asian Large Corporate Trade Finance — Singapore

Bank

BNP Paribas
DBS
HSBC

Asian Large Corporate Trade Finance — South Korea

Bank

BNP Paribas
HSBC
KEB Hana Bank

Asian Large Corporate Trade Finance — Taiwan

Bank

Citi
DBS

Note: Based on 669 total respondents (including 127 in ASEAN (ex. Singapore), 123 in China, 78 in Hong Kong, 140 in India, 64 in Indonesia, 77 in Singapore, 69 in South Korea, and 54 in Taiwan). Quality Leaders are cited in alphabetical order, including ties.

Source: Coalition Greenwich 2021 Asian Large Corporate Trade Finance Study

GREENWICH EXCELLENCE AWARDS

The 2021 Greenwich Excellence Awards identify the top-ranked banks in a series of product and service categories. Winners are determined by receiving a statistically significant portion of “Excellent” ratings from their large corporate trade finance clients in Asia.



2021 Greenwich Excellence Awards for Asian Large Corporate Trade Finance

Among More Than 168 Banks Evaluated, 7 Have Distinctive Quality

Ability to Match Products and Services to Needs

BNP Paribas
HDFC

Quality of Advice

BNP Paribas

Digital/Online Platform

Citi
DBS
HSBC

International Network Breadth

BNP Paribas
Citi
HSBC
Standard Chartered Bank

Effectiveness at Reducing Paperwork

Bank of China
BNP Paribas
DBS

Error-free Execution

Bank of China
BNP Paribas

Note: Based on interviews with 669 Asian corporates actively using trade finance.

The findings reported in this document reflect solely the views reported to us by the research participants and do not represent opinions or endorsements by Coalition Greenwich or its staff.

Coalition Greenwich Head of Asia, [Gaurav Arora](#), and consultant [Winston Jin](#) specialize in Asian corporate/transaction banking and treasury services.

METHODOLOGY

Between April and June 2021, Coalition Greenwich conducted 669 interviews with corporates with annual revenues of \$500 million or more, across China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam. Trade finance interview topics included product demand, quality of coverage and capabilities in specific product areas.

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Report may include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services. No representation is made as to the accuracy of such statements, assessments, estimates, and projections. Coalition Greenwich disclaims all warranties, expressed or implied, with respect to this Report, including any warranties of merchantability or fitness for a particular purpose arising out of the use of all or any of this Report. Coalition Greenwich accepts no liability whatsoever for any direct, indirect or consequential loss or damage of any kind arising out of the use of all or any of this Report.

The Report contains commercial information only. It is not investment advice and should not be construed as one and has not been prepared with a view to any party making any investment decision based on it. No part of the Report should be considered to be advice as to the merits of any investment decision or any recommendation as to any investment action or decision. It is not investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research. This Report does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Report, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities.

The data reported in this document may reflect the views reported to Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes in order to produce the final results. Unless otherwise indicated, any opinions or market observations made are strictly our own. No portion of these materials may be copied, reproduced, distributed, or transmitted, electronically or otherwise, to external parties or publicly without the permission of Coalition Greenwich. Coalition Greenwich is a part of CRISIL Ltd, an S&P Global company. ©2021 CRISIL Ltd. All rights reserved.