

U.S. Trade Finance Business Remains Concentrated with Top 5 Banks

2014 Greenwich Leaders: U.S. Large Corporate Trade Finance

Q4 2014

The U.S. trade finance market is highly concentrated with a trio of providers maintaining a commanding position and the vast bulk of business held by a group of just five banks.

Approximately 35% of large U.S. companies do business with Bank of America Merrill Lynch, Citi and J.P. Morgan. The top five is rounded out by HSBC and Wells Fargo, both of which have achieved market penetration levels of 23–24%. These banks are the 2014 Greenwich Share Leaders in U.S. Large Corporate Trade Finance. The 2014 Greenwich Quality Leaders in are Deutsche Bank, J.P. Morgan and RBS.

Despite this high level of concentration, companies have seen some significant shifts in the competitive landscape of providers over the past several years. In domestic trade finance, up-and-coming Wells Fargo capitalized on an opportunity to gain ground.

“Many of the banks are weighing the thin margins for trade finance against the increasing capital requirements from Basel III,” says Greenwich Associates consultant Andrew Grant. “We are seeing some banks actively pulling back in certain segments while others aggressively step in to fill the void.” Throughout this period, one

trend remains consistent: The international needs of large U.S. companies are expanding. With companies eyeing Western Europe, Asia and Latin America, banks with broad international networks have a clear advantage, and providers including HSBC have capitalized on this demand with strong gains in market penetration.

Consultants Don Raftery and Andrew Grant specialize in trade finance in the United States.

Methodology

From May to July of 2014, Greenwich Associates conducted 168 interviews in trade finance with financial officers (e.g., CFOs, finance directors and treasurers) in the United States. Subjects covered included product demand, quality of coverage, and capabilities in specific product areas.

The findings reported in this document reflect solely the views reported to Greenwich Associates by the research participants. They do not represent opinions or endorsements by Greenwich Associates or its staff. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Greenwich Associates compiles the data received, conducts statistical analysis and reviews for presentation purposes in order to produce the final results.

Greenwich Share Leaders — 2014



U.S. Large Corporate Trade Finance

Bank	Market Penetration	Statistical Rank
Bank of America Merrill Lynch	36%	1T
Citi	35%	1T
J.P. Morgan	35%	1T
HSBC	24%	4T
Wells Fargo	23%	4T

Note: Based on 168 respondents. Market penetration refers to the proportion of companies interviewed that consider each bank an important provider of trade finance services. Leaders are based on top 5 leading banks including ties.
Source: Greenwich Associates 2014 U.S. Large Corporate Trade Finance Study

Greenwich Quality Leaders — 2014



U.S. Large Corporate Trade Finance Overall Quality

Bank
Deutsche Bank
J.P. Morgan
RBS

Note: Based on 168 respondents. Leaders cited in alphabetical order including ties.
Source: Greenwich Associates 2014 U.S. Large Corporate Trade Finance Study

© 2014 Greenwich Associates, LLC. All rights reserved. Javelin Strategy & Research is a subsidiary of Greenwich Associates. No portion of these materials may be copied, reproduced, distributed or transmitted, electronically or otherwise, to external parties or publicly without the permission of Greenwich Associates, LLC. Greenwich Associates®, Competitive Challenges®, Greenwich Quality Index®, and Greenwich Reports® are registered marks of Greenwich Associates, LLC. Greenwich Associates may also have rights in certain other marks used in these materials.

The Greenwich Quality LeaderSM and Greenwich Share LeaderSM designations are determined entirely by the results of the interviews described above and do not represent opinions or endorsements by Greenwich Associates or its staff. Such designations are a product of numerical scores in Greenwich Associates' proprietary studies that are generated from the study interviews and are based on a statistical significance confidence level of at least 80%. No advertising, promotional or other commercial use can be made of any name, mark or logo of Greenwich Associates without the express prior written consent of Greenwich Associates.



6 High Ridge Park Stamford CT 06905 USA

Tel: +1 203.625.5038/+1 800.704.1027

Fax: +1 203.625.5126

email: ContactUs@greenwich.com

www.greenwich.com