

Why Are You Getting the Business You Are Getting?



...And not more?

BAFT 11th Annual Conference
Chicago, 26 October 2001

The Brondesbury Group

Four Topics for Today



- ⌘ What you get from a Trade Relationship
- ⌘ Bringing in Business
- ⌘ Keeping Business
- ⌘ Competing Effectively

The Focus of this Talk



- ⌘ Large locals and MNC's in North America
- ⌘ At least \$250 million in revenue
- ⌘ Exporters and/or importers
- ⌘ Trade and Related Business Lines

- ⌘ Info gathered QII-QIII 2001

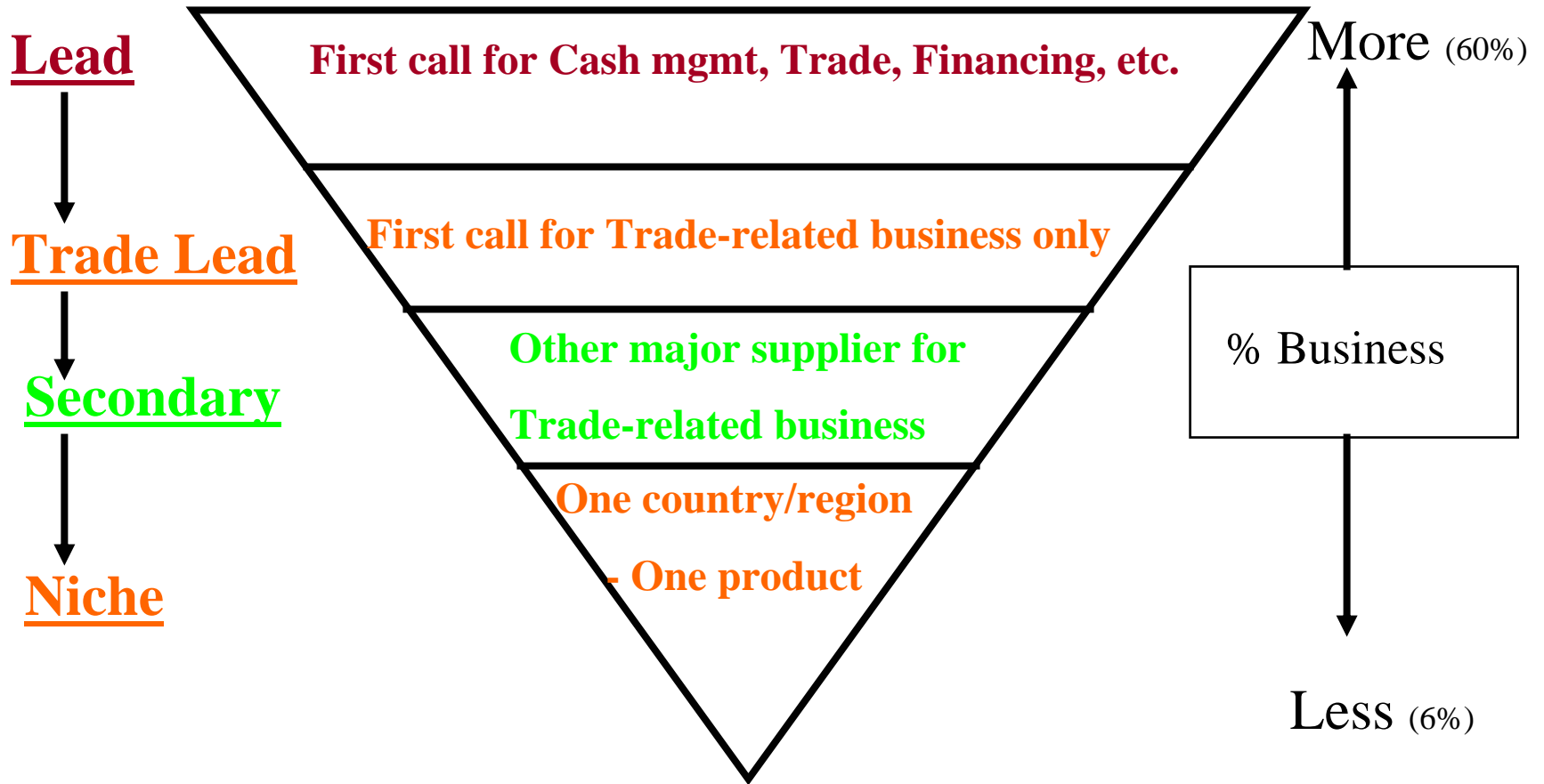
What You Get from a Trade Relationship



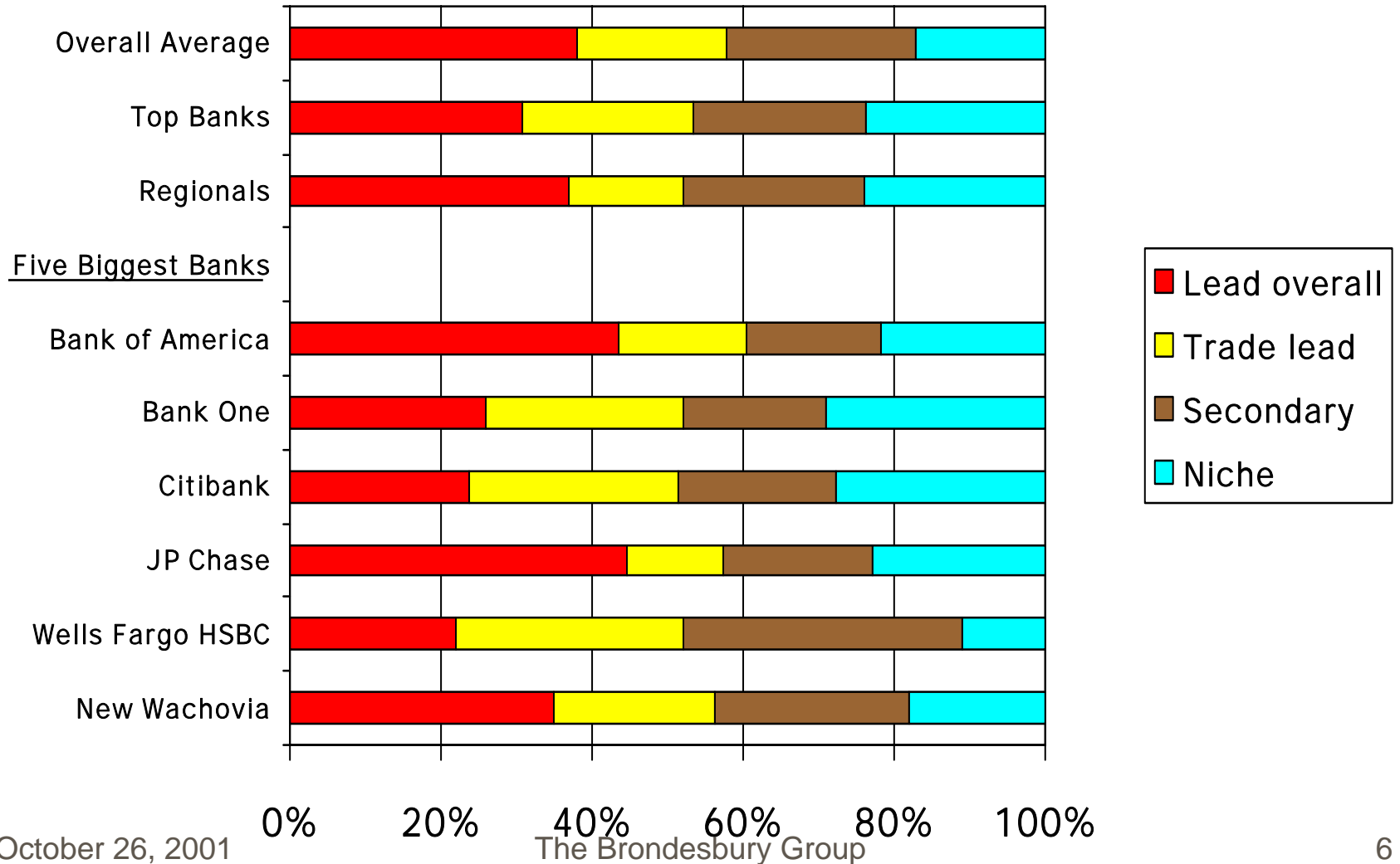
OR

Why most banks don't know their clients as well as they think they do

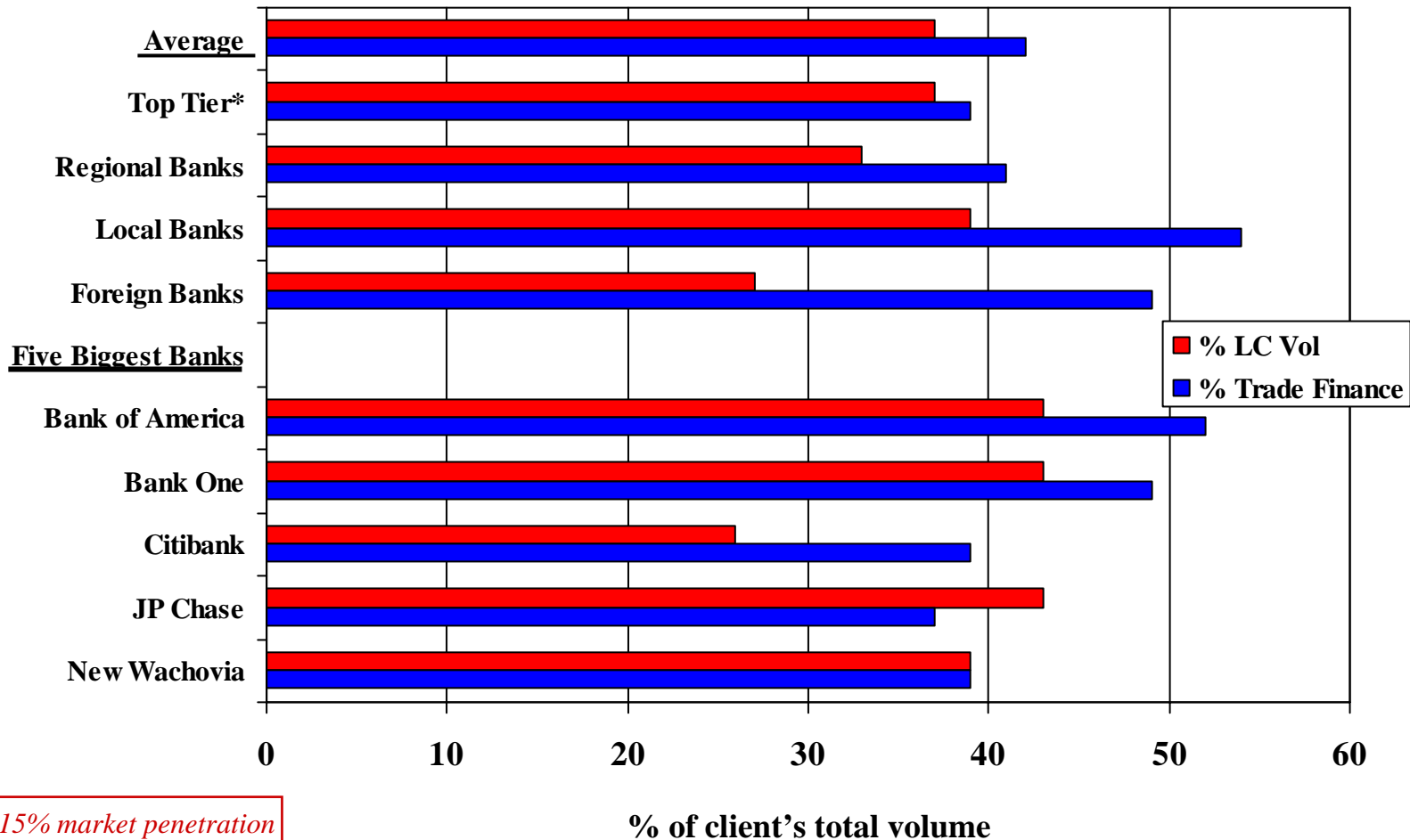
Four Levels of Relationship



Are these relationship banks?



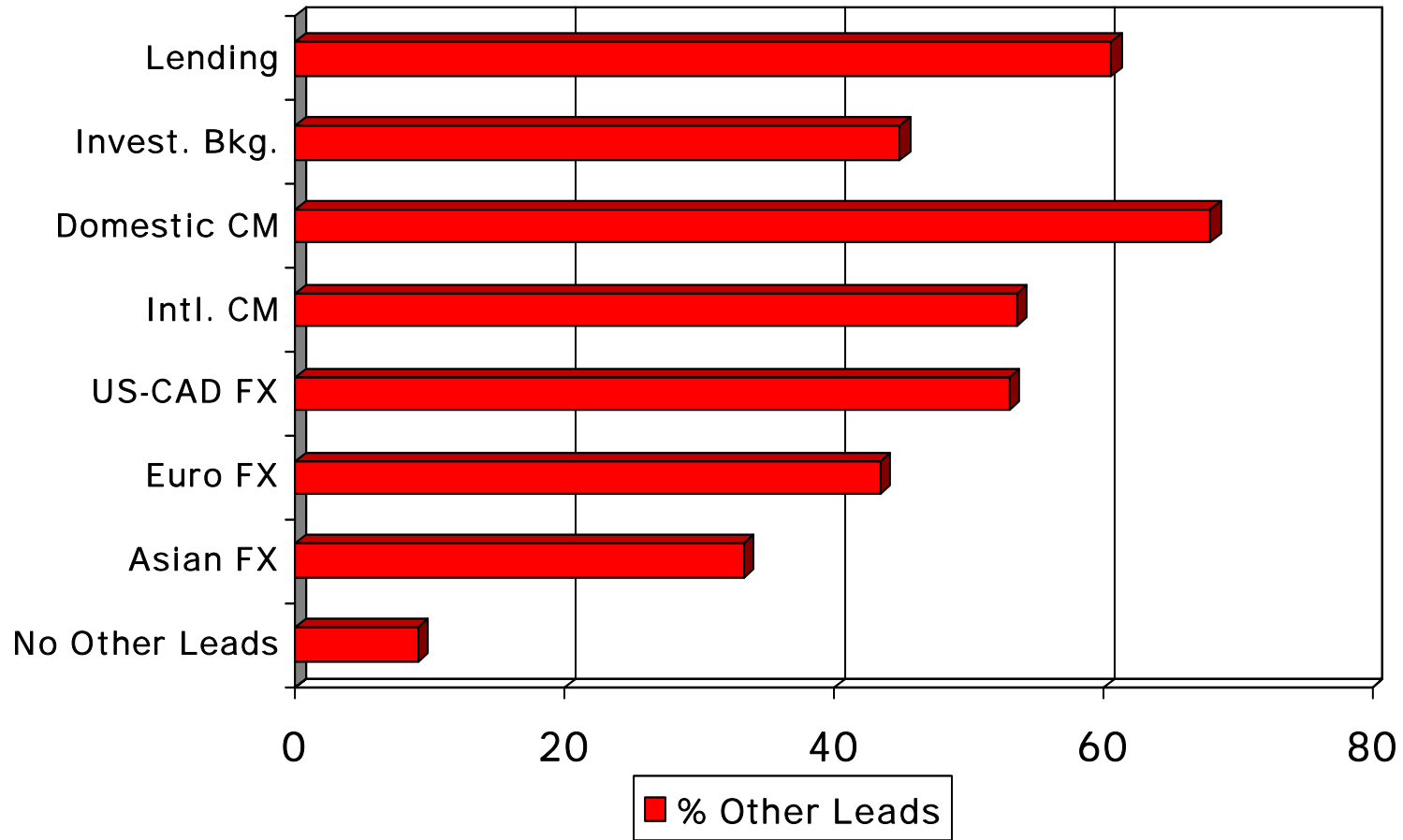
Some business visible - Most is Not



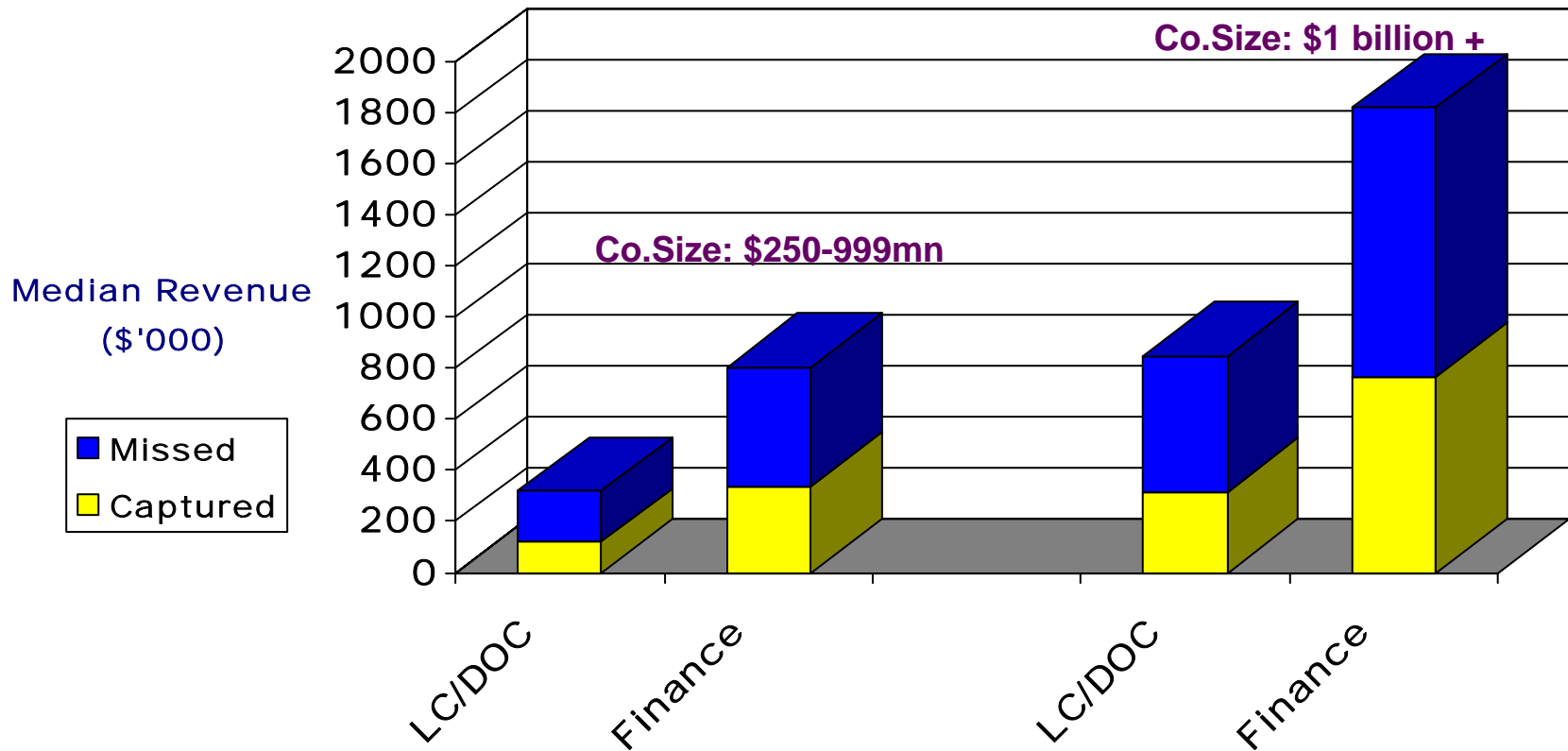
* >15% market penetration

Four Other Lines Bought

(If Trade Lead)



Estimated Revenue per Client**



* Includes all forms of trade financing plus trade-related term loans and operating lines

* Excludes FX and FX hedging revenue

Bringing in Trade Business



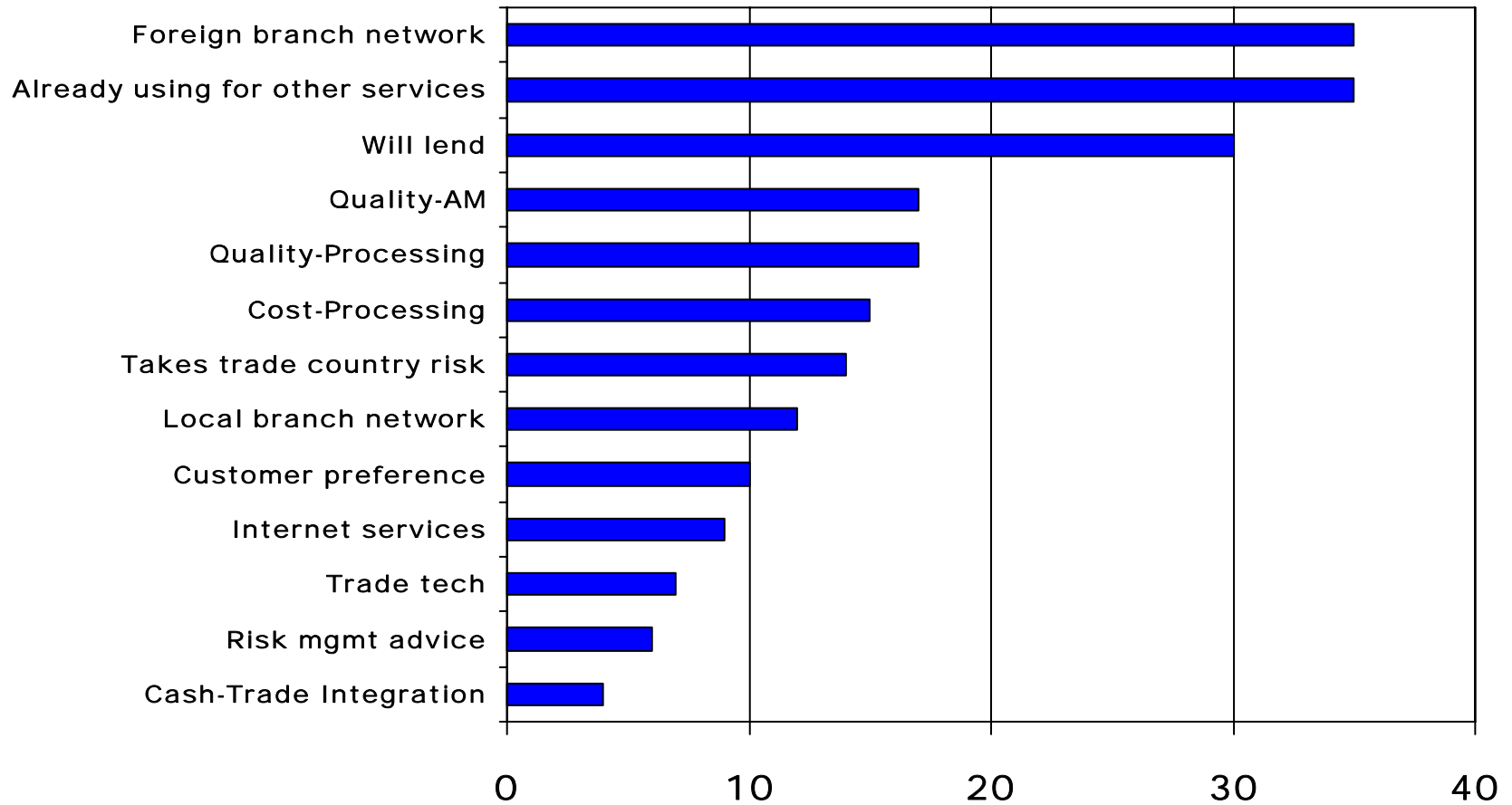
New Sales and Cross-Sell

Three Types of New Business

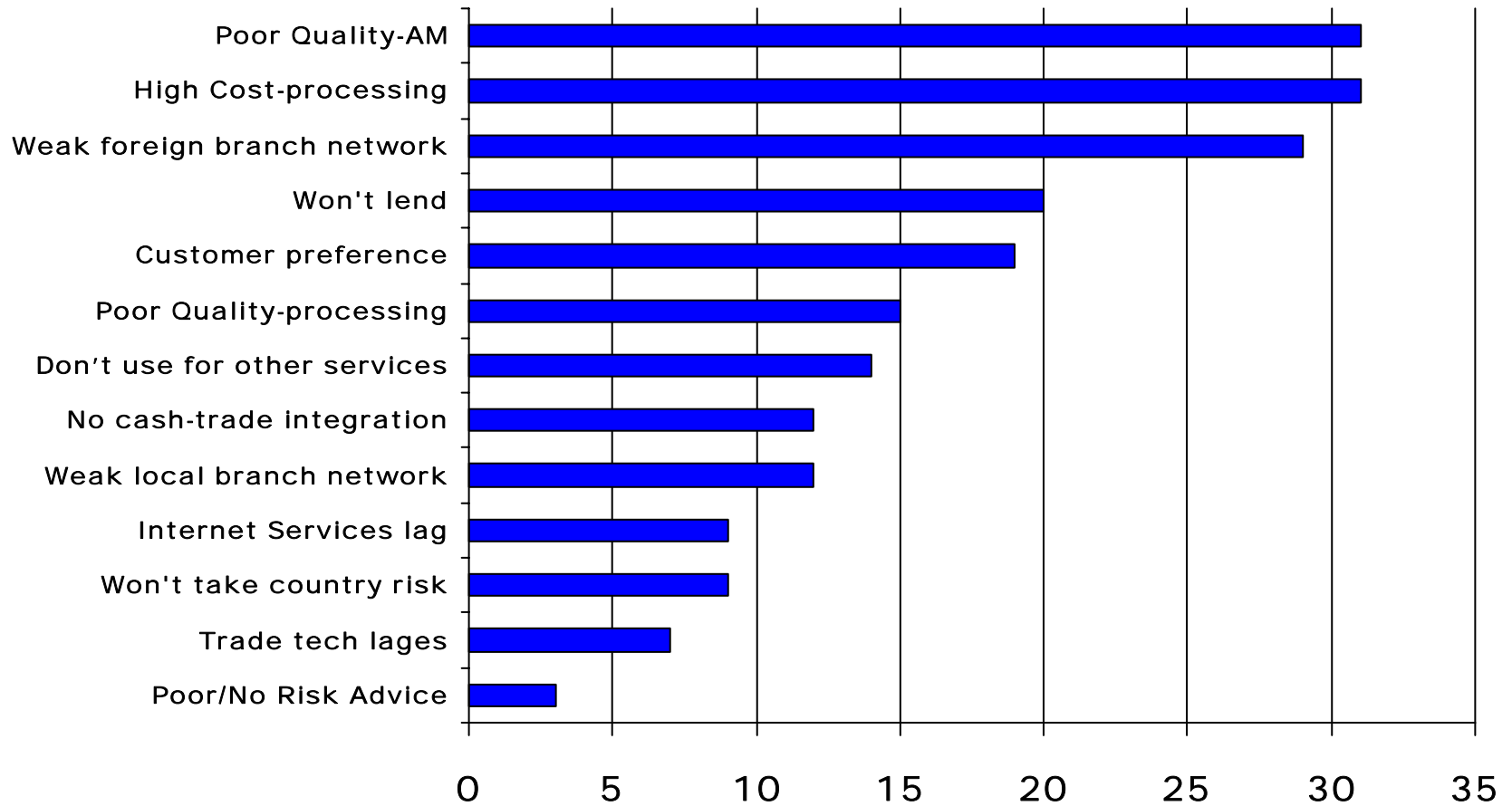


- ⌘ Bringing in new clients
- ⌘ Capturing more volume from clients
- ⌘ Selling new trade products to clients

New Clients - More Volume: What Companies Say



Lost Clients - Lost Volume: What Companies Say



Top Five Impacts* on Buying More -- Clients Only



- ⌘ Size of credit line
- ⌘ Local branch access
- ⌘ Regular account manager contact
- ⌘ Lower processing cost
- ⌘ Up-to-date technology

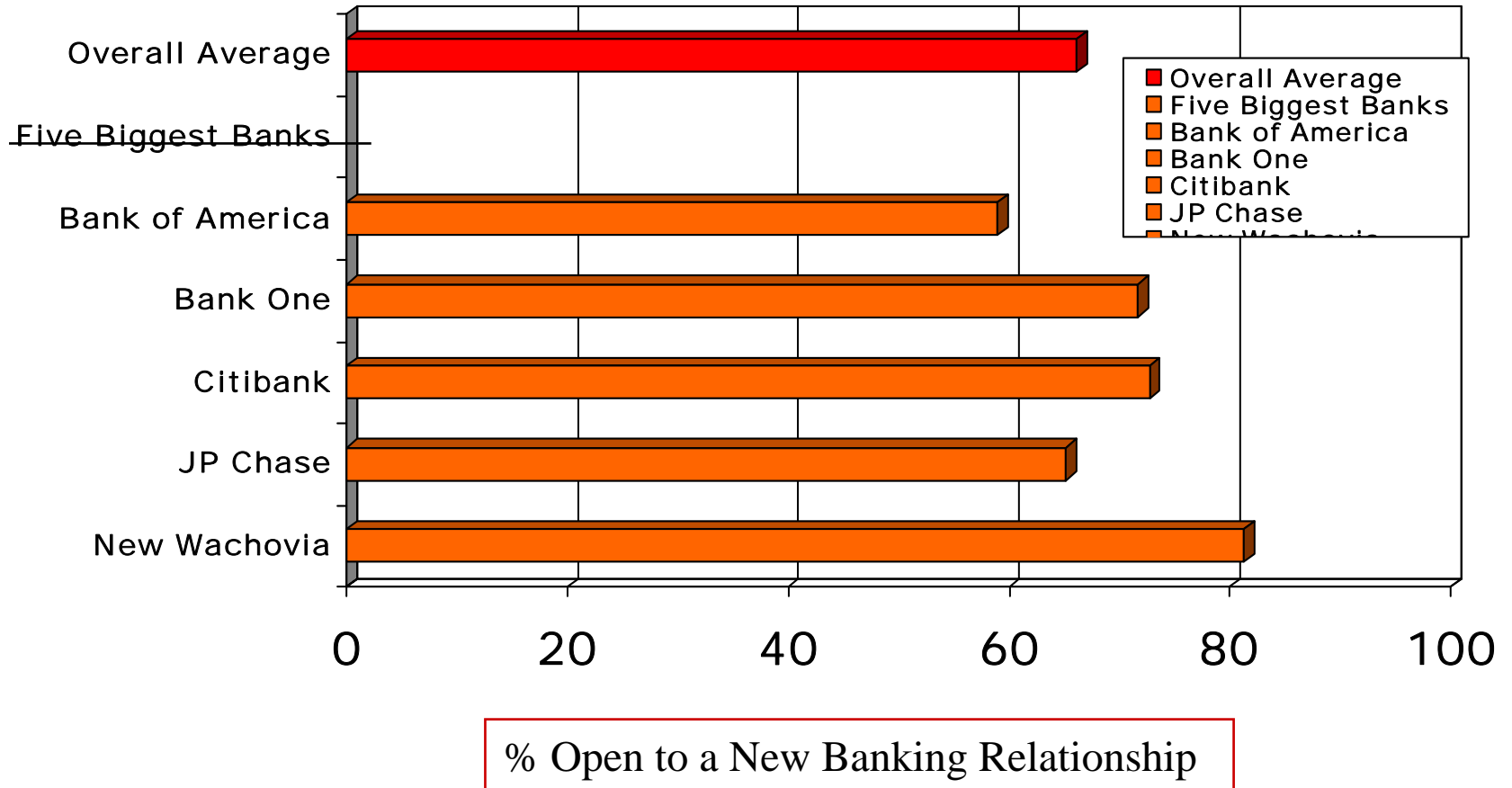
* Note: This is an average. Top impacts differ by company size and whether an exporter or importer

Keeping Business



Managing Loyalty

Clients Open to New Banks?



Top Five Impacts on Keeping Clients



- ⌘ Local branch access to service
- ⌘ Size of credit line extended
- ⌘ Fast transaction processing
- ⌘ Comprehensive statements & reports
- ⌘ Account rep gets things done quickly

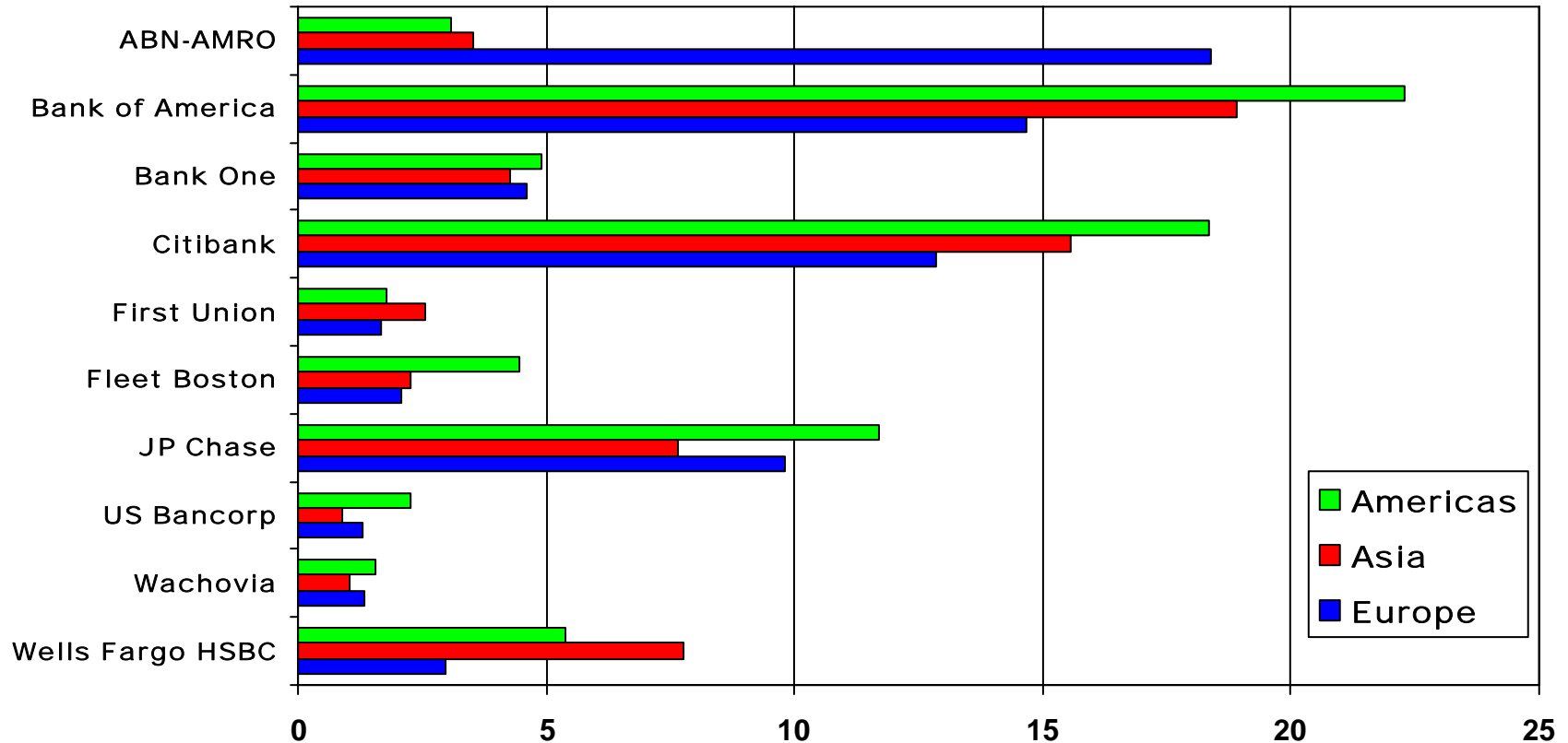
* Note: This is an average. Top impacts differ by company size and whether an exporter or importer

Competing Effectively

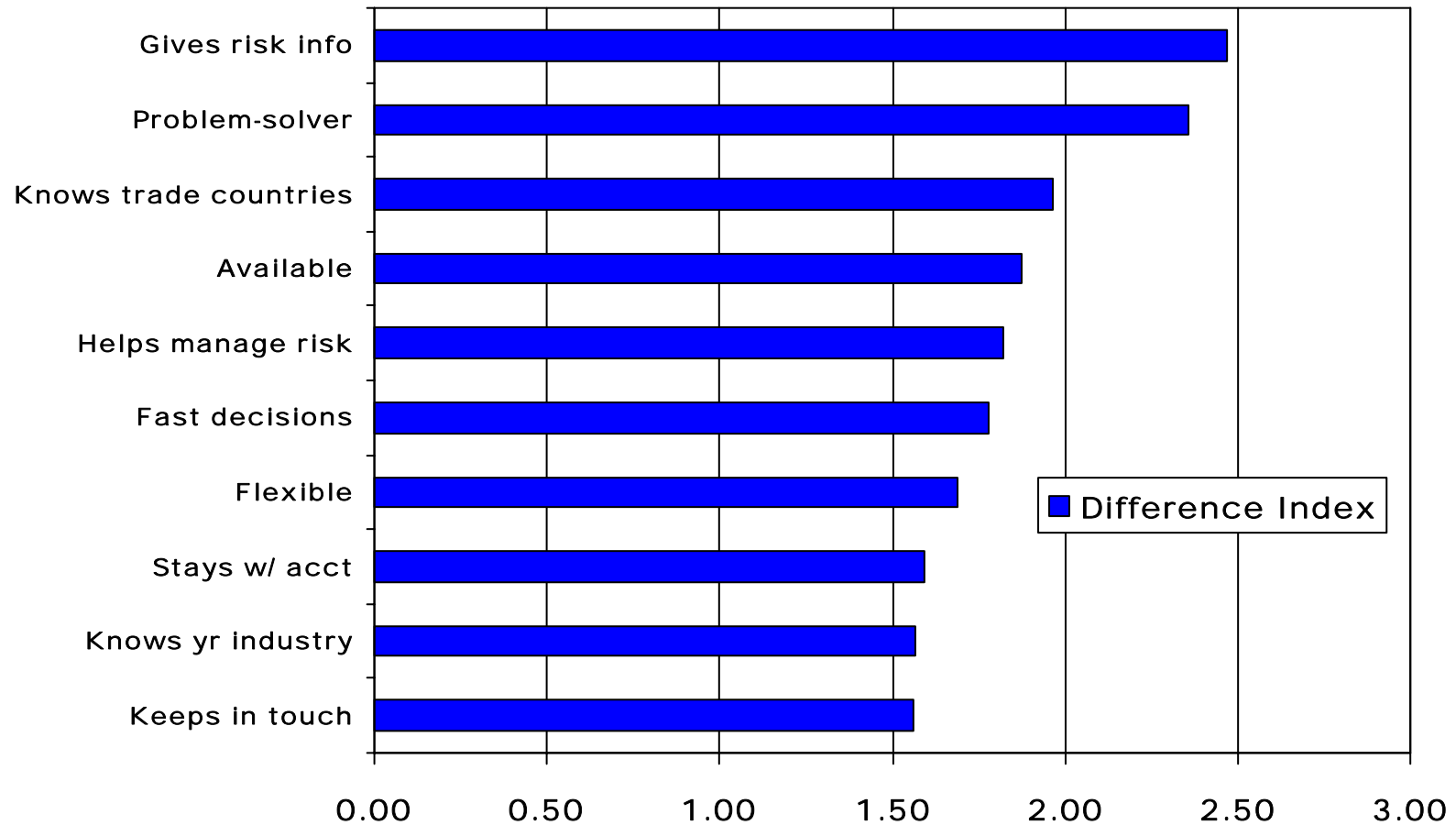


*What REALLY
differentiates trade banks*

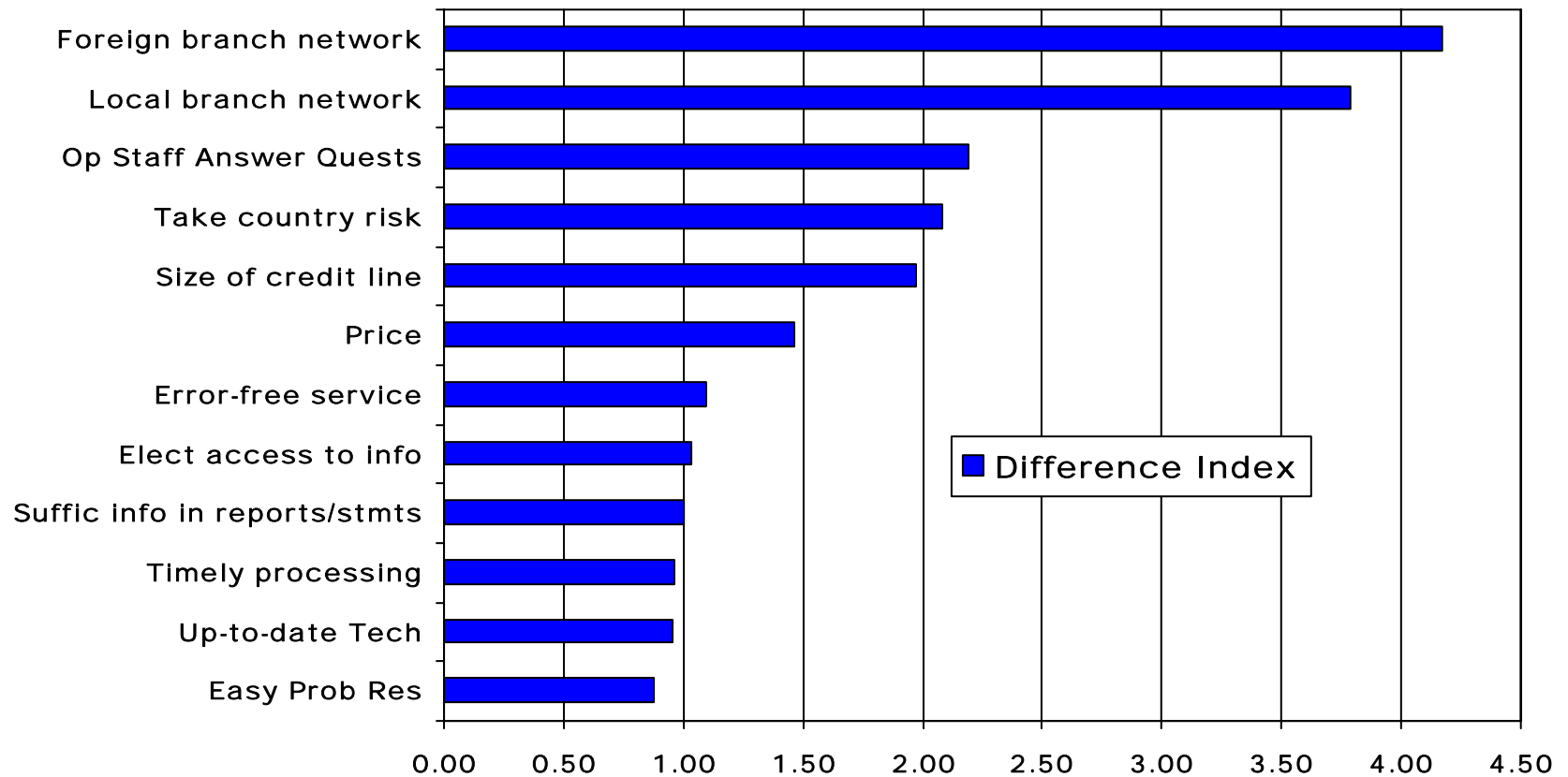
What Differentiates Banks- International Image



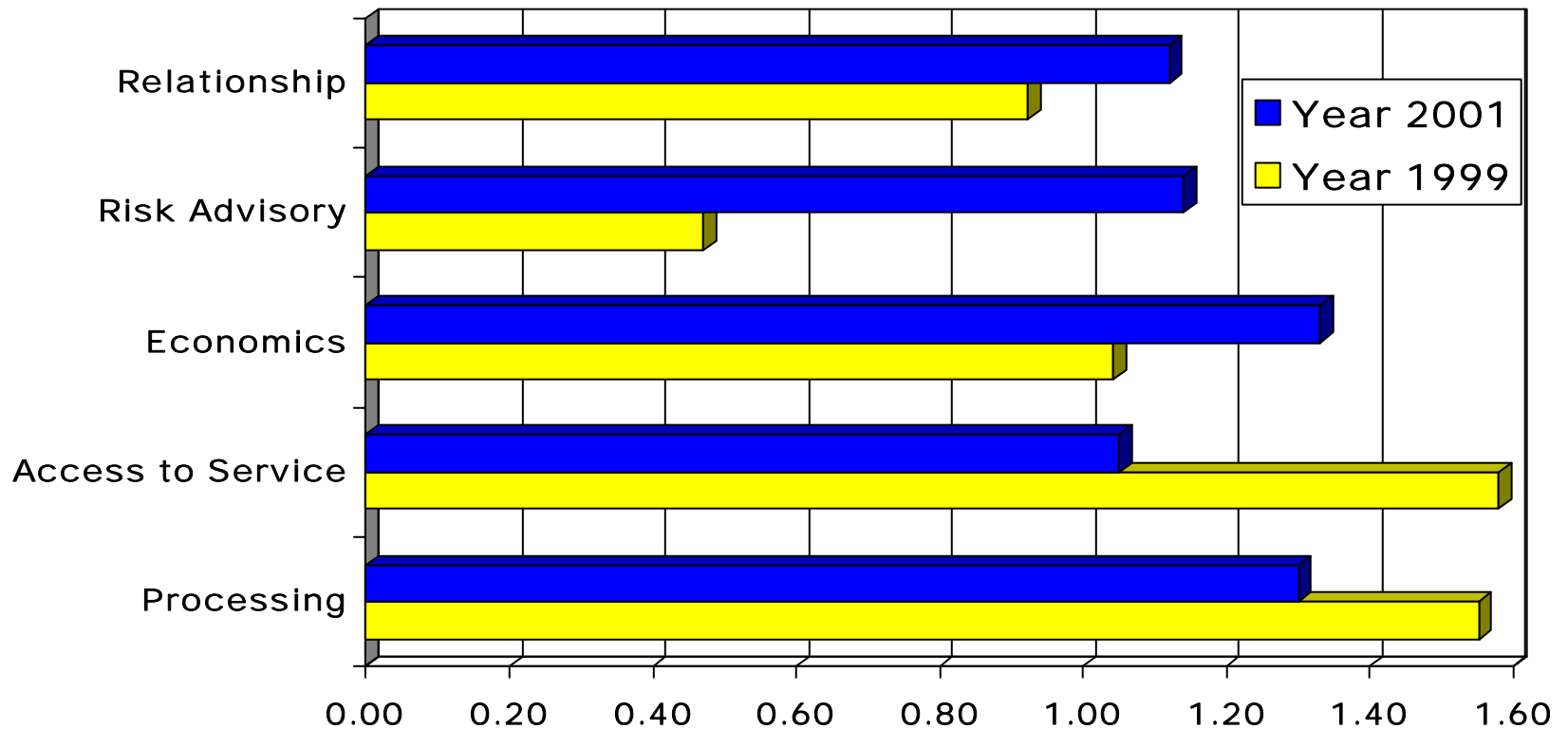
What Differentiates Banks- Account Management



What Differentiates Banks- Bank Positioning



Changing Differentiation-- 1999 versus 2001



Summary & Conclusions



- ⌘ Difficult to really know the client
- ⌘ Banks miss 50-60% of client trade biz
- ⌘ Economic trade-offs grow more important
- ⌘ Technology and processing are giving way to relationships and advice
- ⌘ As technology grows in impact, people will increasingly be the basis for success

THANK YOU

A horizontal brushstroke in a bright yellow color, with a textured, painterly appearance, spanning across the width of the slide below the 'THANK YOU' text.

The Brondesbury Group
and
Brendan Wood International