

## Wealth Management & Private Banking Review 2Q23 / 6m23

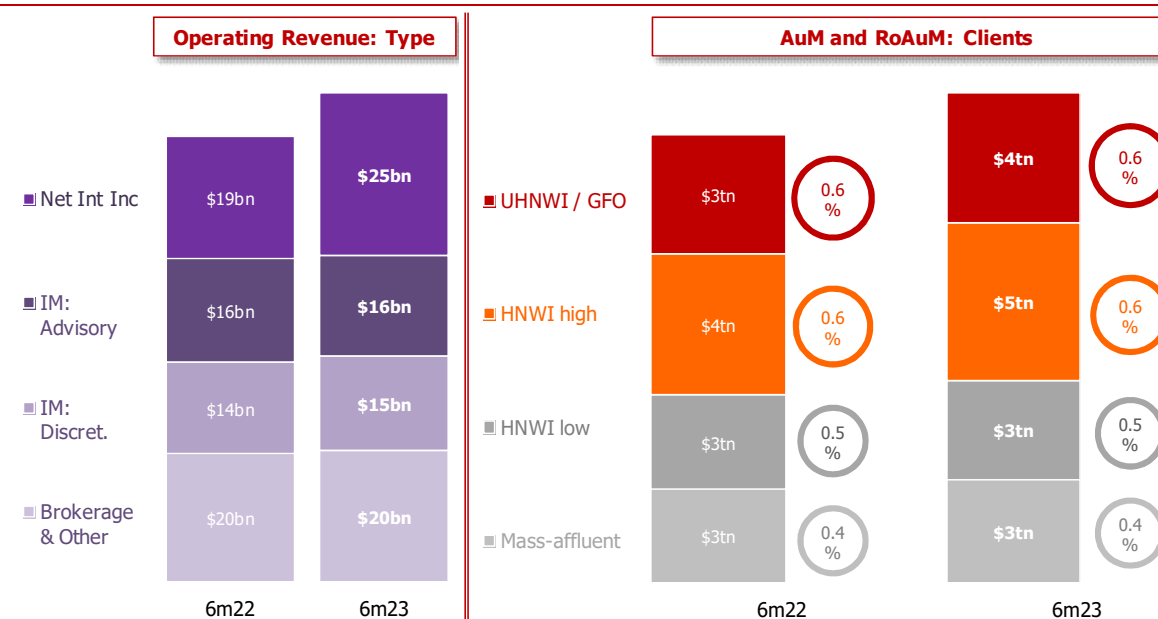
*UBS postponed the release of its 2Q23 results to 31-Aug-23; the financials shown here are based on Tricumen's models. Credit Suisse is excluded from all analysis.*

The aggregated in-scope revenue for 13 banks in this report reached \$38bn in 2Q23, +12% y/y. Costs also grew, but at a slower clip, helping the pre-tax profit margin grow from 26% in 2Q22 to 27% in 2Q23. On a less positive note, the healthy revenue growth was largely due to net interest income, which jumped 26% y/y; investment management and transaction-related fees advanced by comparably modest 7% and 6%, lagging behind the 10% growth in AuM. Deposits declined 9% y/y – with clear winners and losers – and loans were largely unchanged, especially in \$1m+ client bands.

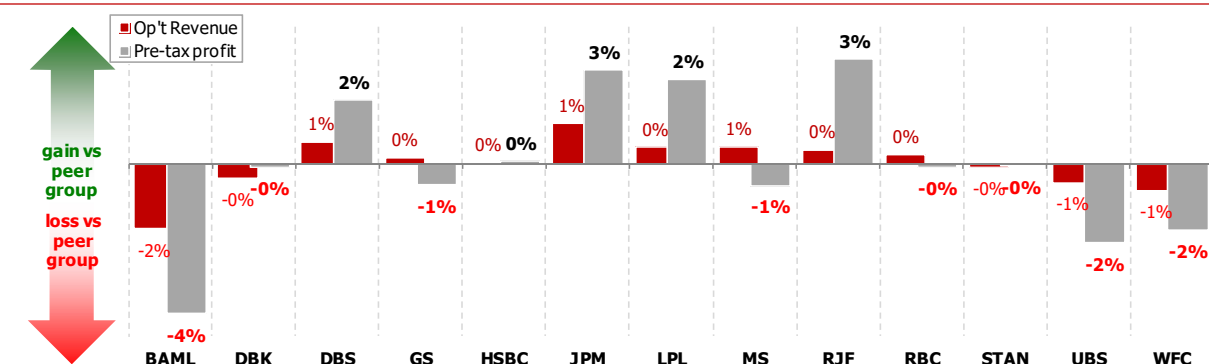
The competition between Hong Kong and Singapore for Family Offices is intensifying. In June, Invest Hong Kong launched Network of Family Office Service Providers – one of eight related initiatives announced in the Government's Policy Statement in March – while in Singapore, VCC structures are gaining in popularity.

India's onshore wealth is firmly in focus: Barclays, Julius Baer, LGT, HSBC and UBS all established onshore presence in recent times. Also, Blackrock and Jio Financial Services formed the \$300m 'digital-first' JV.

### Revenue & productivity



### % change share of peer group operating revenue and pre-tax profit (6m23 / 6m22)



Notes: (1) Tricumen-normalised product definitions and allocations apply. (2) Operating revenue and pre-tax profit excludes one-offs. (3) IM = Investment Management fees. Advisory = client-led; Discretionary = advisor-led. (4) Clients: Mass-affluent = \$200k-\$1m AuM; HNWI Low = \$1-10m AuM; HNWI High = \$10-25m; UHNWI & GFO = \$25m+. (5) RoAuM = year-to-date operating revenue / end-of-period AuM.

## Rankings: Operational performance

| Pre-tax profit (US\$m) |              |                           | Pre-tax profit margin (%) |              |                           |
|------------------------|--------------|---------------------------|---------------------------|--------------|---------------------------|
|                        | Rank<br>6m23 | 6m23 / 6m22<br>(movement) |                           | Rank<br>6m23 | 6m23 / 6m22<br>(movement) |
| MS                     | #1           | ↓                         | DBS                       | #1           | ↓                         |
| JPM                    | #2           | ↓                         | JPM                       | #2           | ↓                         |
| BAML                   | #3           | ↓                         | DBK                       | #3           | ↓                         |
| UBS                    | #4           | ↓                         | GS                        | #4           | ↓                         |
| RJF                    | #5           | ↑                         | HSBC                      | #5           | ↓                         |
| HSBC                   | #6           | ↓                         | RJF                       | #6           | ↑                         |
| WFC                    | #7           | ↓                         | MS                        | #7           | ↓                         |

| Operating revenue / FO FTE |              |                           | Operating revenue / AuM (eop) |              |                           |
|----------------------------|--------------|---------------------------|-------------------------------|--------------|---------------------------|
|                            | Rank<br>6m23 | 6m23 / 6m22<br>(movement) |                               | Rank<br>6m23 | 6m23 / 6m22<br>(movement) |
| DBS                        | #1           | ↑                         | RBC                           | #1           | ↓                         |
| STAN                       | #2           | ↓                         | WFC                           | #2           | ↓                         |
| GS                         | #3           | ↓                         | STAN                          | #3           | ↓                         |
| LPL                        | #4           | ↓                         | LPL                           | #4           | ↓                         |
| JPM                        | #5           | ↑                         | BAML                          | #5           | ↓                         |
| HSBC                       | #6           | ↓                         | DBS                           | #6           | ↑                         |
| BAML                       | #7           | ↓                         | DBK                           | #7           | ↓                         |

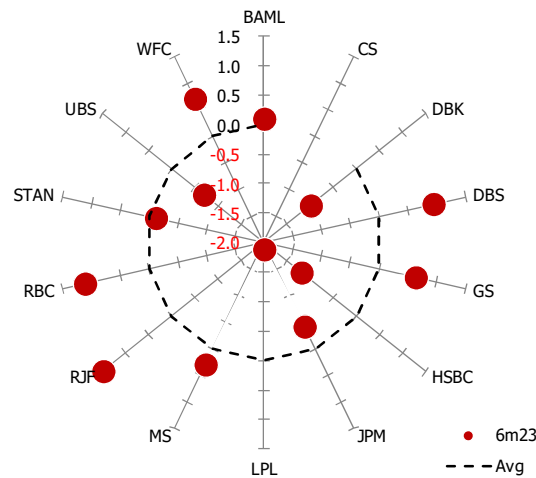
  

| NNM (eop) |              |                           | eop NNM % eop AuM |              |                           |
|-----------|--------------|---------------------------|-------------------|--------------|---------------------------|
|           | Rank<br>6m23 | 6m23 / 6m22<br>(movement) |                   | Rank<br>6m23 | 6m23 / 6m22<br>(movement) |
| JPM       | #1           | ↑                         | RBC               | #1           | ↓                         |
| GS        | #2           | ↓                         | STAN              | #2           | ↓                         |
| HSBC      | #3           | ↓                         | GS                | #3           | ↑                         |
| LPL       | #4           | ↓                         | JPM               | #4           | ↑                         |
| RBC       | #5           | ↓                         | LPL               | #5           | ↓                         |
| BAML      | #6           | ↓                         | HSBC              | #6           | ↓                         |
| DBK       | #7           | ↓                         | DBS               | #7           | ↓                         |

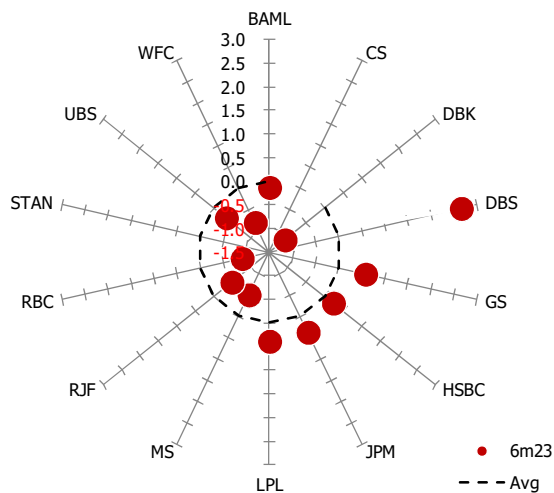
Notes: (1) Tricumen-normalised product definitions and allocations apply. Revenue and pre-tax profit exclude one-offs. All financials are shown in US\$. (3) In-scope: clients with AuM in excess of \$200k. (4) FO FTE = Front Office Full-Time Equivalent; (5) NNM = net new money. Includes funds from new and existing clients less funds withdrawn by existing and former clients, at period end. Includes inter-Group transfers.

## Profitability & productivity

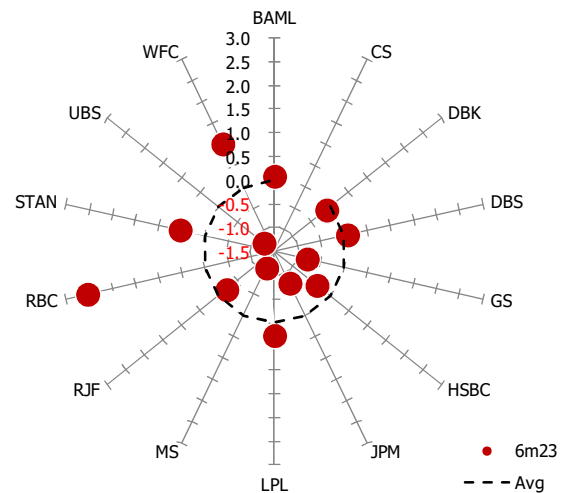
### Net Interest Income % (Loans + Deposits)



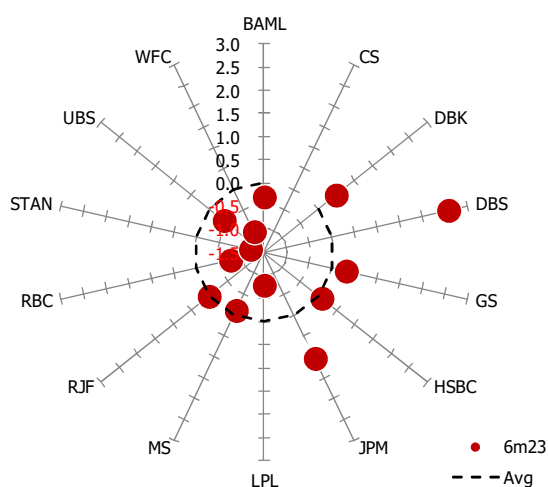
### Operating Revenue / Front Office FTE



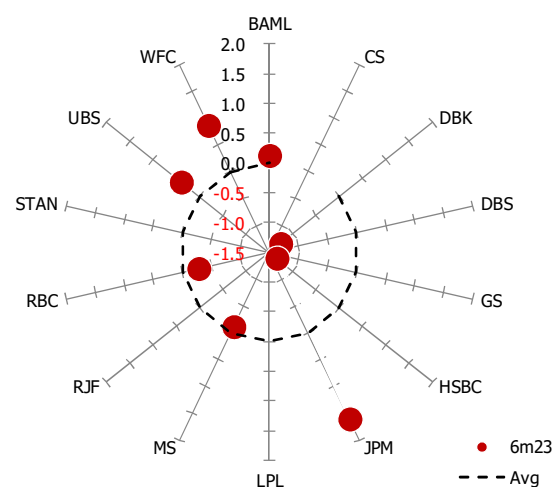
### Operating Revenue / AuM



### Pre-tax profit margin

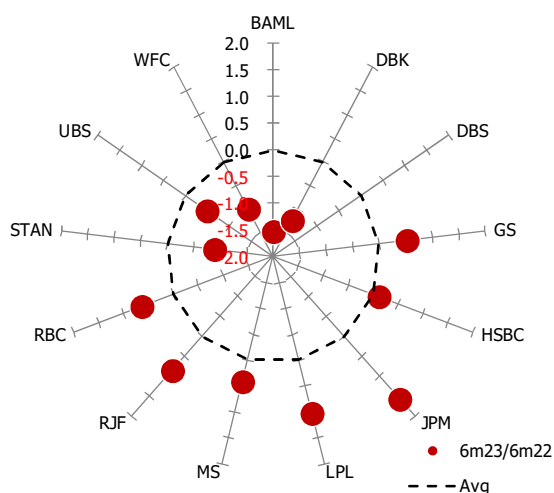
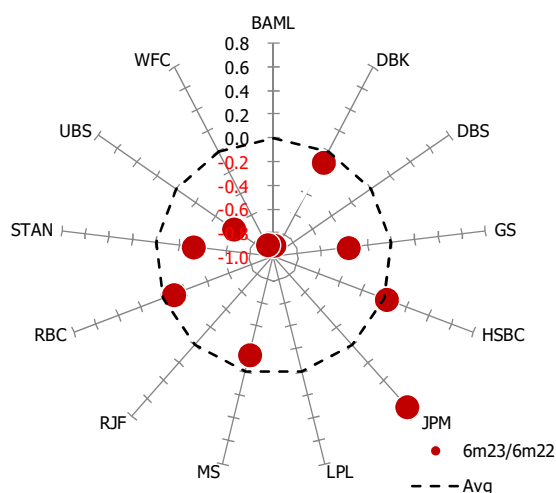
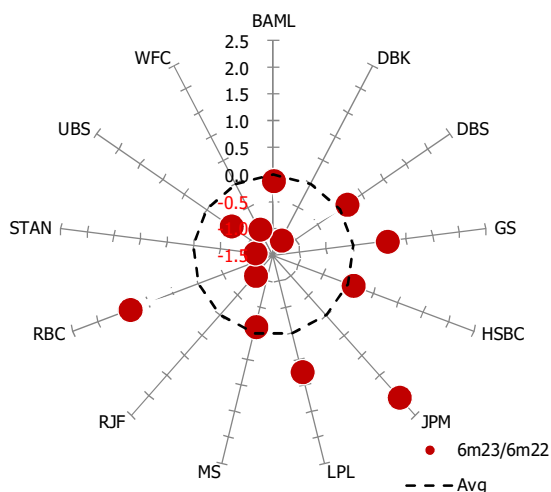
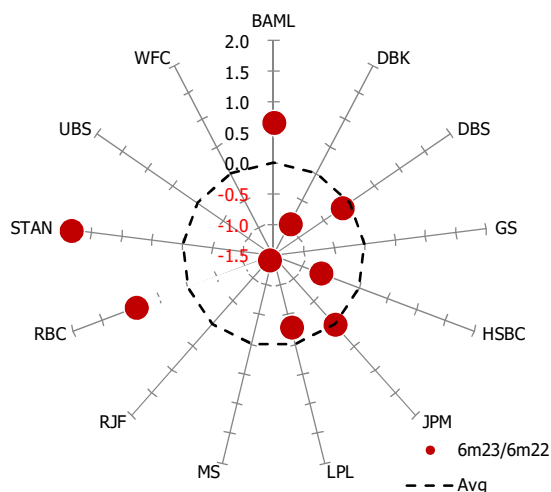
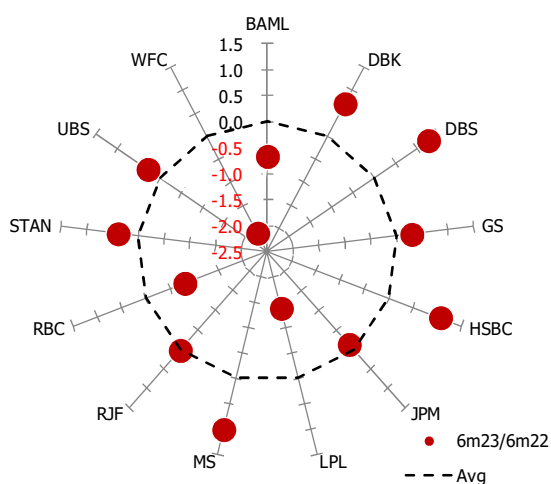
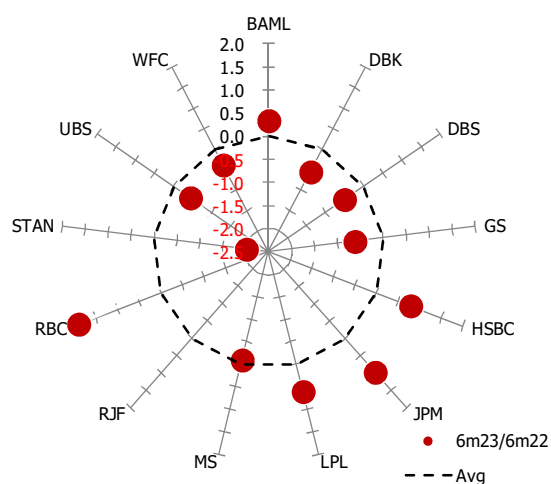


### RoAE



Notes: (1) Tricumen-normalised product definitions and allocations apply. (2) Operating revenue and pre-tax profit exclude one-offs and credit expense/recovery/NPL provisions. Capital expenditure is included as accrued. All financials are shown in US\$. (3) In-scope: clients with AuM in excess of \$200k. (4) RoAE = Net Profit/Allocated Equity. (4) Positive values = outperformance; negative values=underperformance; missing values = N/M; an outlier; no Tricumen coverage; or not a significant competitor.

## Y/Y dynamics

**Operating Revenue**

**Pre-tax Profit**

**AuM**

**Net New Money**

**Deposits**

**Loans**


Notes: (1) Tricumen-normalised product definitions and allocations apply. (2) Operating revenue and pre-tax profit exclude one-offs and credit expense/recovery/NPL provisions. Capital expenditure is included as accrued. All financials are shown in US\$. (3) In-scope: clients with AuM in excess of \$200k. (4) RoAE = Net Profit/Allocated Equity. (5) Positive values = outperformance; negative values=underperformance; missing values = N/M; an outlier; no Tricumen coverage, or not a significant competitor. (6) Net new money includes funds from new and existing clients less funds withdrawn by existing and former clients, at period end. Includes inter-Group transfers. Loans include clients' brokerage receivables.

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Tricumen was founded in 2008. It quickly became a strong provider of diversified market intelligence across the capital markets and has since expanded into transaction and corporate banking, asset servicing, and asset and wealth management. Tricumen's data has been used by many of the world's leading investment banks as well as strategy consulting firms, investment managers and 'blue chip' corporations.

Situated near Cambridge in the UK, Tricumen is almost exclusively staffed with senior individuals with an extensive track record of either working for or analysing banks; and boasts what we believe is the largest financial markets-focused research network of its peer group.

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