

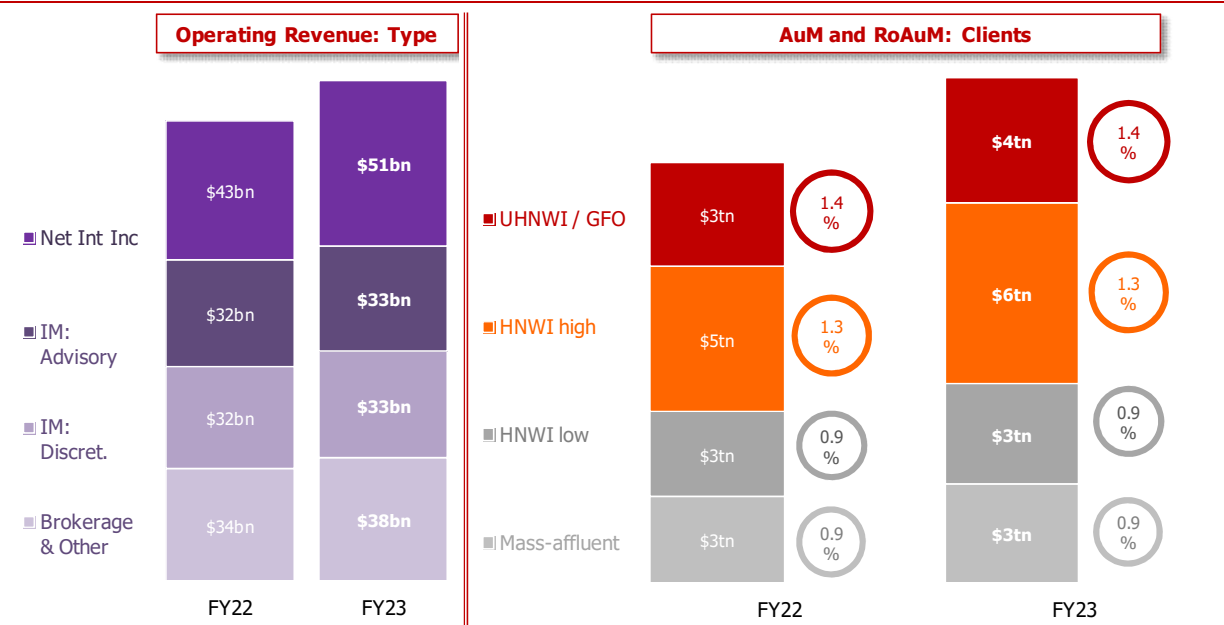
Wealth Management & Private Banking Review 4Q23 / FY23

New arrival: AllianceBernstein Private Wealth

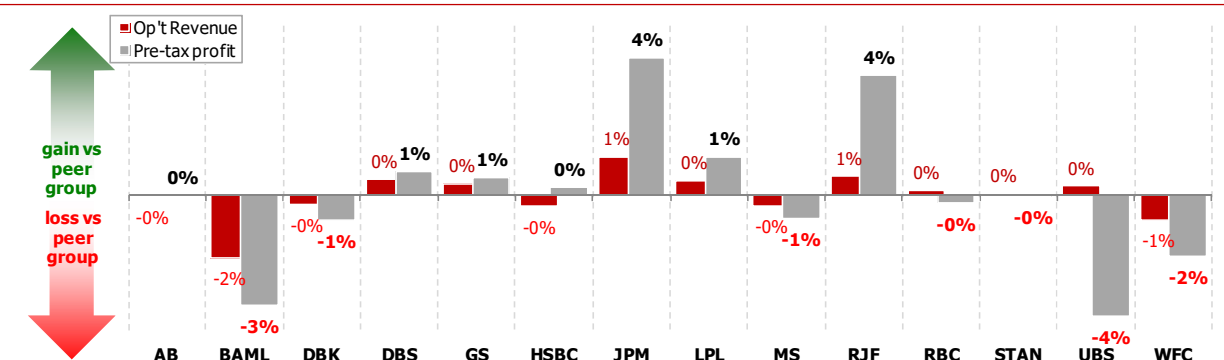
The FY23 in-scope revenue for banks in this report reached \$142bn, 9% ahead of FY22. The growth was driven by net interest income (which jumped 18% y/y, despite a slowdown in 4Q23) and, to a lesser extent, brokerage and discretionary fees. EMEA and APAC outperformed. Operating costs rose faster, however, lowering the aggregate pre-tax profit margin from 26% in FY22 to 24% in FY23. AuM surged 20% to \$16tn, supported by strong net new money inflows, particularly from upper-bracket client segments.

In Jan-24, in a historic – and wise – move, the SEC simultaneously approved 11 spot ETFs that invest directly in Bitcoin. Currently, crypto accounts for <1% of allocations, but this decision gives clients cheap and tax-efficient access to liquid assets and allows advisors to manage Bitcoin on behalf of their clients. Several banks in this report announced their intention to offer Bitcoin ETFs to (U)HNWIs. This is an important milestone for crypto – and the investment industry. Presenting 4Q23 results, Blackrock's Larry Fink outlined his vision of the future: ETFs across active, passive, and digital products; *and* tokenisation enabling instant settlements and customised investment strategies.

Revenue & productivity



% change share of peer group operating revenue and pre-tax profit (FY23 / FY22)



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.

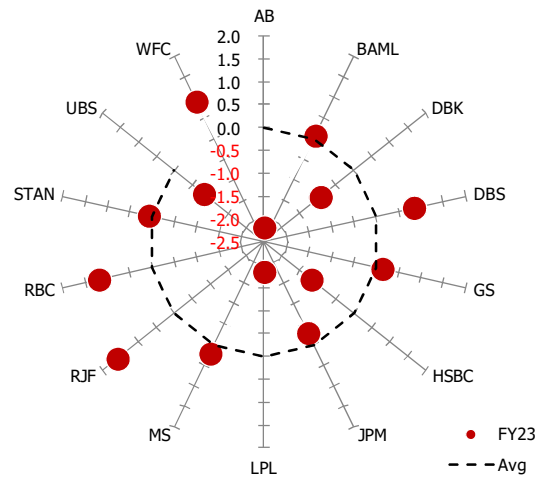
Rankings: Operational performance

Pre-tax profit (US\$m)			Pre-tax profit margin (%)		
	Rank FY23	FY23 / FY22 (movement)		Rank FY23	FY23 / FY22 (movement)
JPM	#1	↗	JPM	#1	↘
MS	#2	↓	DBS	#2	↓
BAML	#3	↓	GS	#3	↓
UBS	#4	↘	RJF	#4	↑
RJF	#5	↑	MS	#5	↓
GS	#6	↘	BAML	#6	↓
WFC	#7	↓	HSBC	#7	↘
Operating revenue / FO FTE			Operating revenue / AuM (eop)		
	Rank FY23	FY23 / FY22 (movement)		Rank FY23	FY23 / FY22 (movement)
AB	#1	↗	RBC	#1	↗
DBS	#2	↑	WFC	#2	↘
STAN	#3	↘	STAN	#3	↗
GS	#4	↘	LPL	#4	↑
JPM	#5	↑	BAML	#5	↓
LPL	#6	↘	RJF	#6	↑
HSBC	#7	↓	DBK	#7	↓
NNM (eop)			eop NNM % eop AuM		
	Rank FY23	FY23 / FY22 (movement)		Rank FY23	FY23 / FY22 (movement)
JPM	#1	↑	STAN	#1	↘
HSBC	#2	↘	RBC	#2	↓
LPL	#3	↘	HSBC	#3	↘
GS	#4	↘	LPL	#4	↘
BAML	#5	↘	GS	#5	↗
RBC	#6	↓	JPM	#6	↑
DBK	#7	↓	DBS	#7	↓

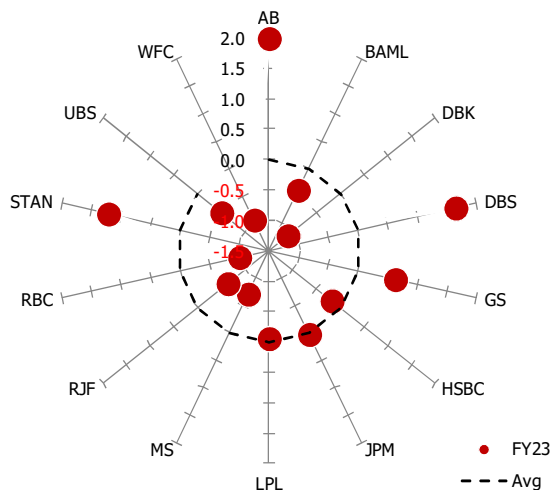
Notes: (1) Tricumen-normalised product definitions and allocations apply. Revenue and pre-tax profit exclude one-offs. All financials are shown in US\$. (3) In-scope: clients with AuM in excess of \$200k. (4) FO FTE = Front Office Full-Time Equivalent; (5) NNM = net new money. Includes funds from new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

Profitability & productivity

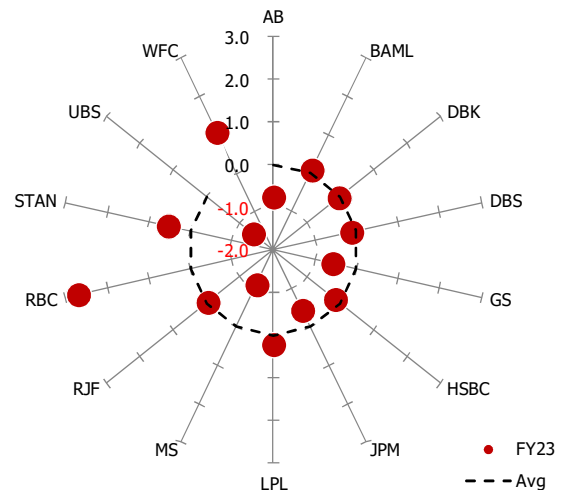
Net Interest Income % (Loans + Deposits)



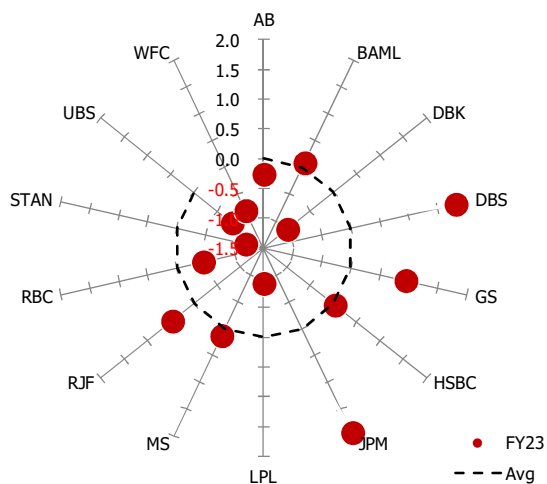
Operating Revenue / Front Office FTE



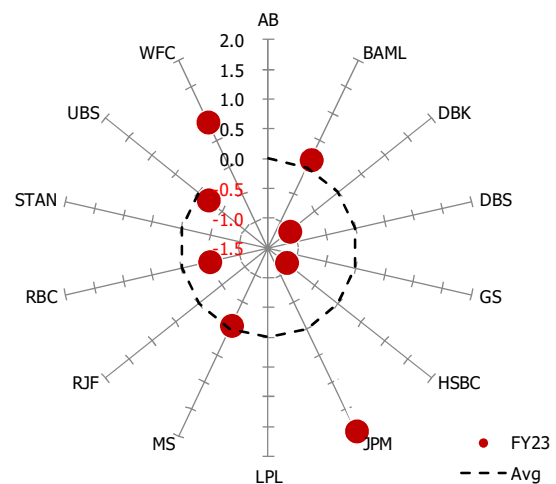
Operating Revenue / AuM



Pre-tax profit margin

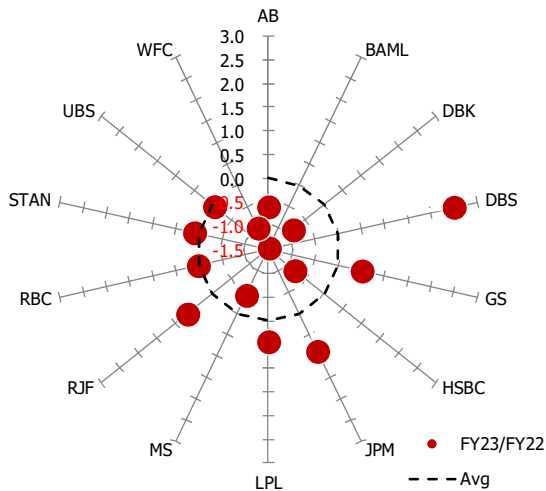
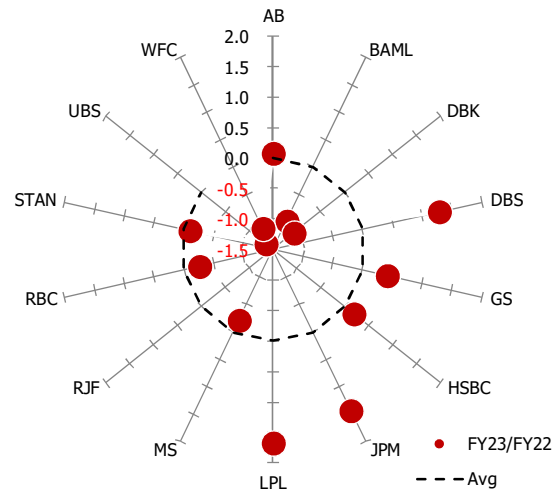
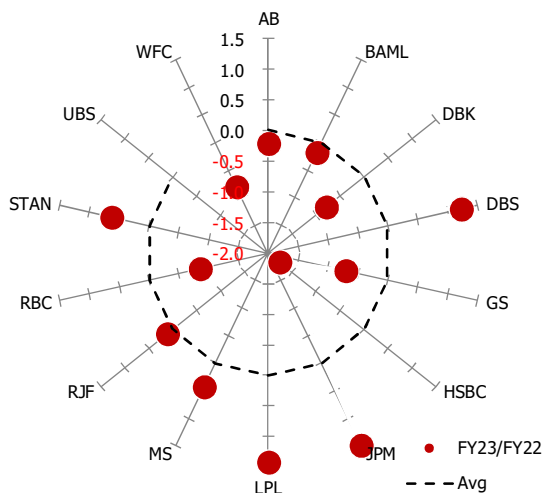
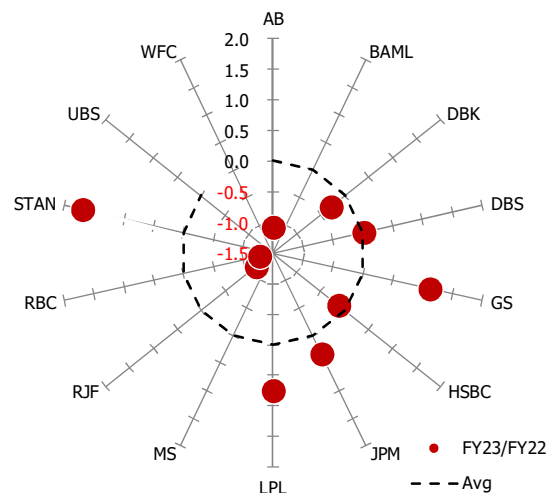
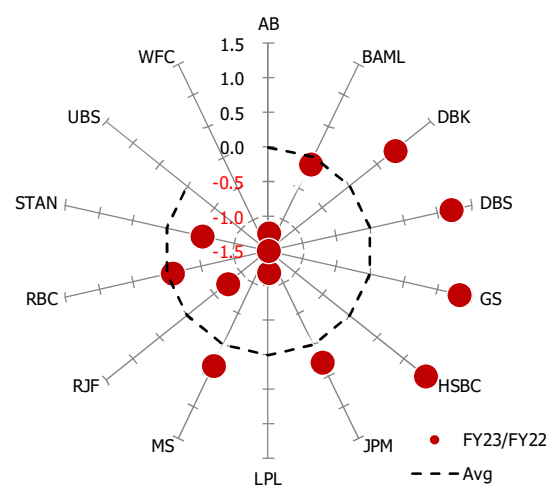
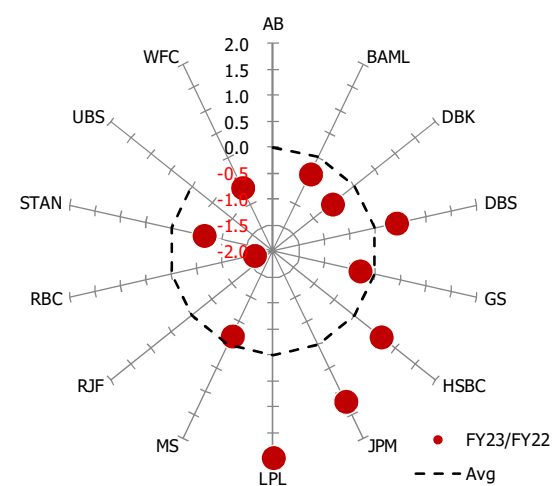


RoAE



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


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