

## Wealth Management & Private Banking Review 2Q24 / 6m24

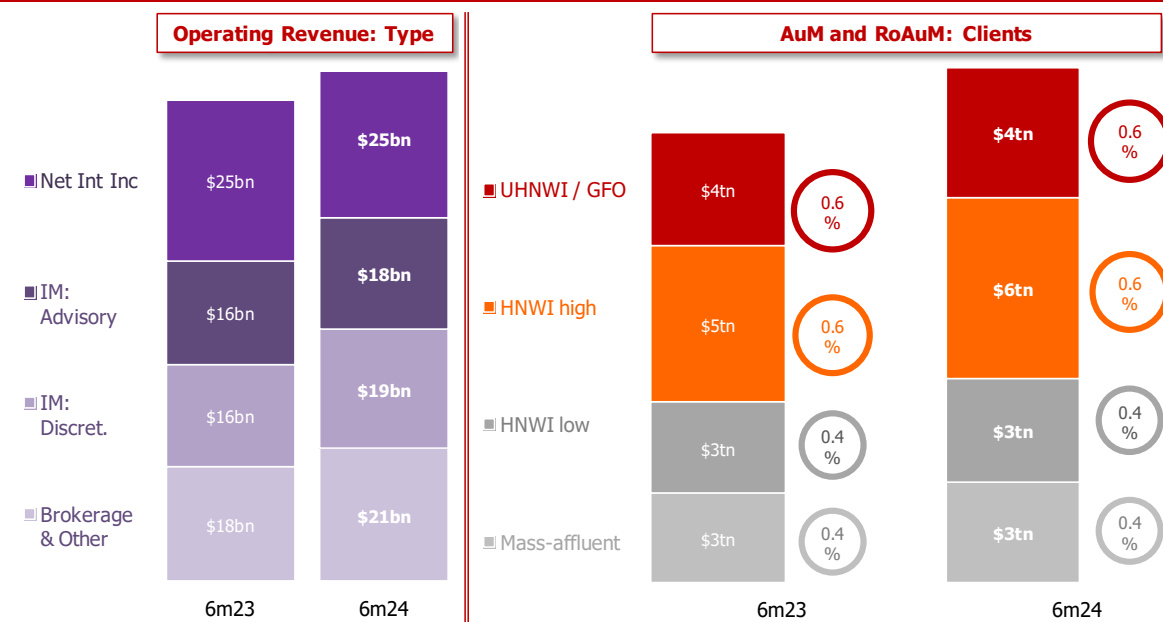
*UBS reports late, on August 14<sup>th</sup>. The bank's 6m24 performance shown here is based on Tricumen's early estimates.*

In-scope banks reported operating revenue of \$82bn in 1H24, 8% up y/y; a decline in net interest income was more than offset by investment management (especially discretionary) and transactional fees. Revenue grew across client segments, led by UHNWI/GFO and upper-end HNWI. Regionally, APAC and EMEA growth outpaced the USA, albeit from a lower base. Investment/costs, however, rose at a faster pace, and that led to flat pre-tax profits and a dip in pre-tax profit margins.

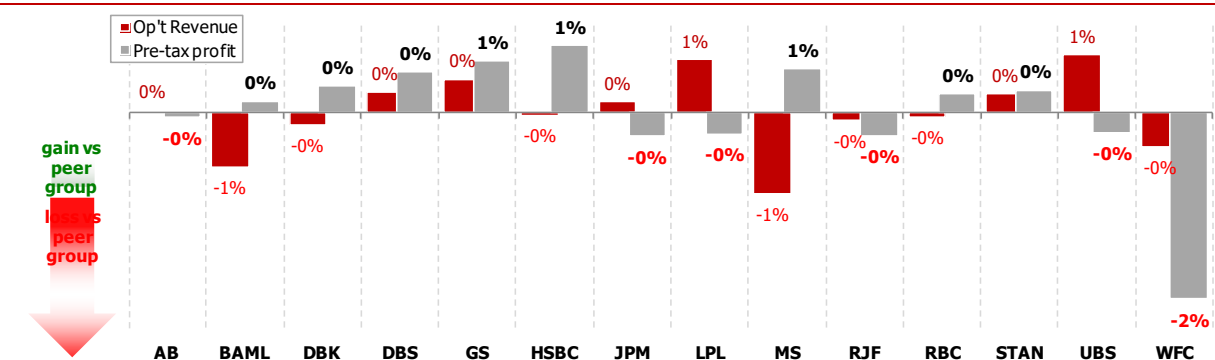
AuM grew 14% to \$17.3tn, with all clients segments contributing. The strong AuM growth primarily due to strong market valuations: net new money inflows dropped 40% vs 2Q23.

Amid regulatory pressure, wirehouses (though, so far, not brokerages) are raising rates on cash sweep advisory accounts, and that will have a tangible negative impact on their increasingly important net interest income. There is an inherent conflict of interest in the pricing structures, especially in managed accounts; however, custodians may argue that the pricing is transparent, sweeps are not designed for rates and/or that higher-yielding alternatives are readily available.

### Revenue & AuM



### % change share of peer group operating revenue and pre-tax profit (6m24 / 6m23)



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.

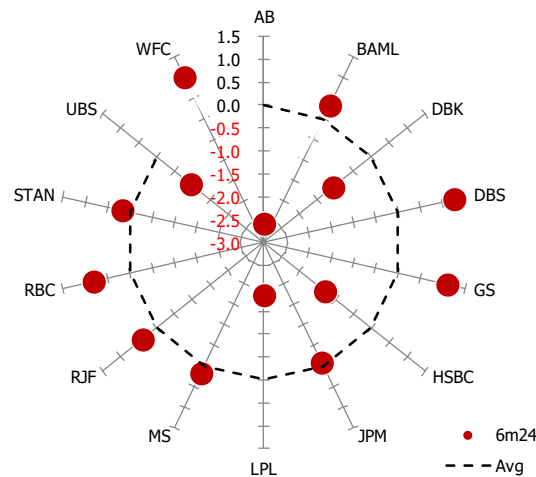
## Rankings: Operational performance

Pre-tax profit (US\$m)			Pre-tax profit margin (%)		
	Rank 6m24	6m24 / 6m23 (movement)		Rank 6m24	6m24 / 6m23 (movement)
MS	#1	↗	DBS	#1	↗
JPM	#2	↗	JPM	#2	↗
BAML	#3	↗	HSBC	#3	↑
UBS	#4	↗	GS	#4	↓
HSBC	#5	↑	MS	#5	↑
RJF	#6	↓	RJF	#6	↓
GS	#7	↑	BAML	#7	↗
Operating revenue / FO FTE			Operating revenue / AuM (eop)		
	Rank 6m24	6m24 / 6m23 (movement)		Rank 6m24	6m24 / 6m23 (movement)
GS	#1	↑	RBC	#1	↗
DBS	#2	↗	WFC	#2	↗
STAN	#3	↗	STAN	#3	↗
AB	#4	↗	LPL	#4	↗
JPM	#5	↗	DBS	#5	↑
LPL	#6	↓	BAML	#6	↓
UBS	#7	↗	DBK	#7	↗
NNM (eop)			eop NNM % eop AuM		
	Rank 6m24	6m24 / 6m23 (movement)		Rank 6m24	6m24 / 6m23 (movement)
RBC	#1	↑	STAN	#1	↗
LPL	#2	↑	RBC	#2	↓
BAML	#3	↑	LPL	#3	↗
GS	#4	↓	DBK	#4	↑
JPM	#5	↓	GS	#5	↓
STAN	#6	↗	DBS	#6	↗
DBK	#7	↗	BAML	#7	↗

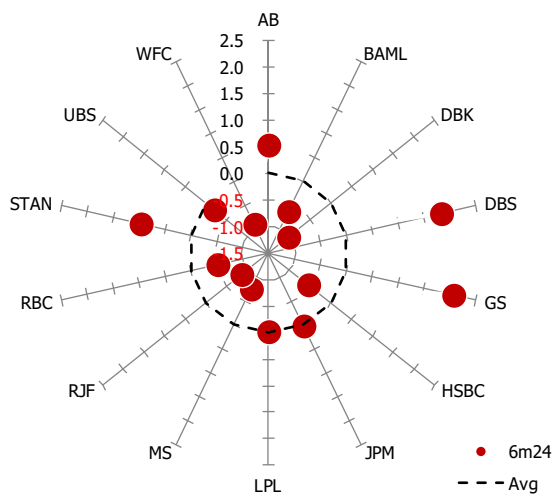
Notes: (1) Tricumen-normalised product definitions and allocations apply. Revenue and pre-tax profit exclude one-offs. All financials are shown in US\$. (3) In-scope: clients with AuM in excess of \$200k. (4) FO FTE = Front Office Full-Time Equivalent; (5) NNM = net new money. Includes funds from new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

## Profitability & productivity

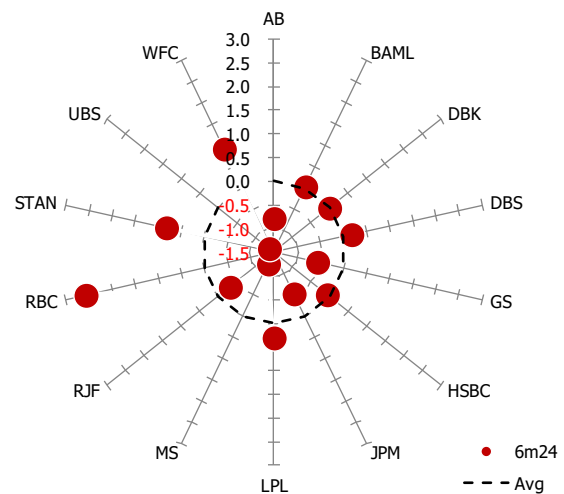
### Net Interest Income % (Loans + Deposits)



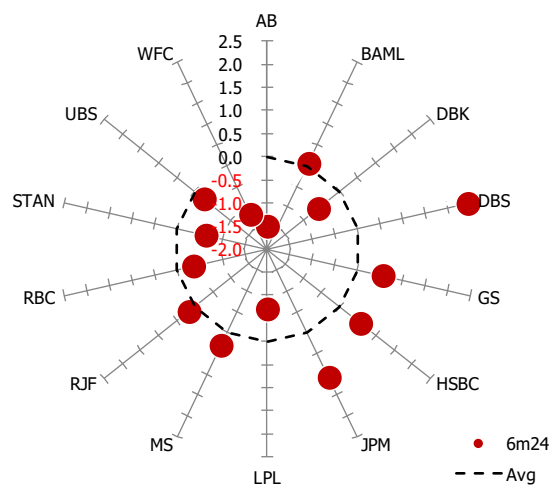
### Operating Revenue / Front Office FTE



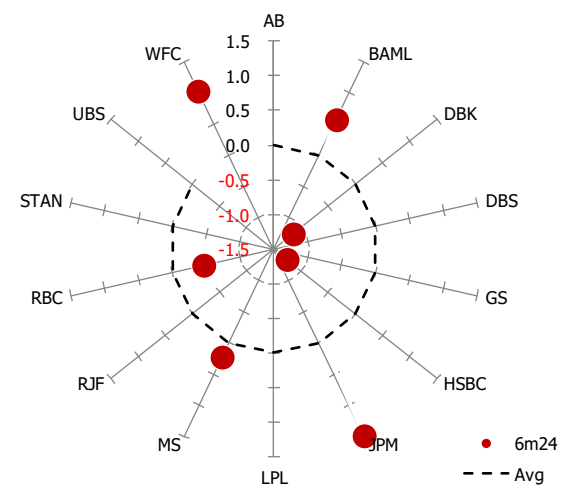
### Operating Revenue / AuM



### Pre-tax profit margin

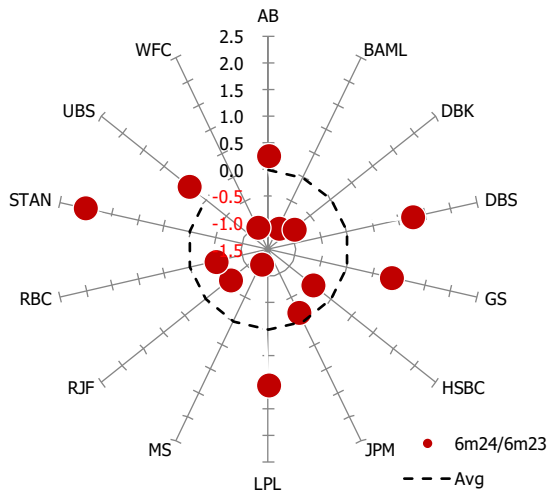
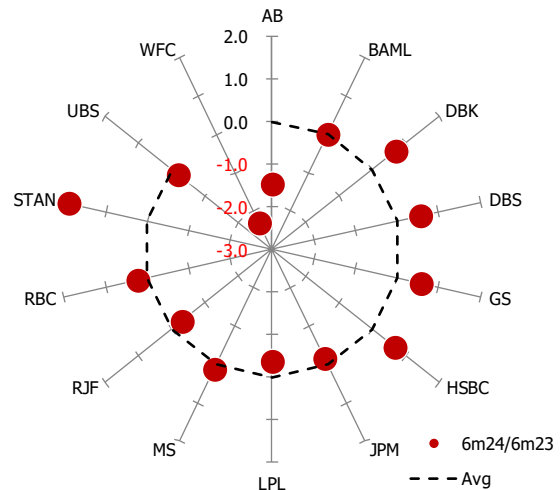
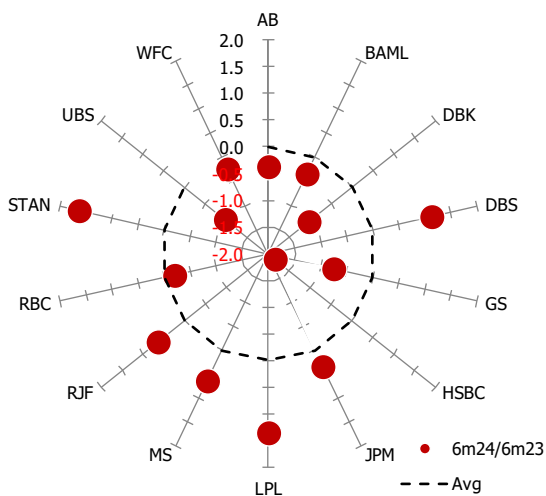
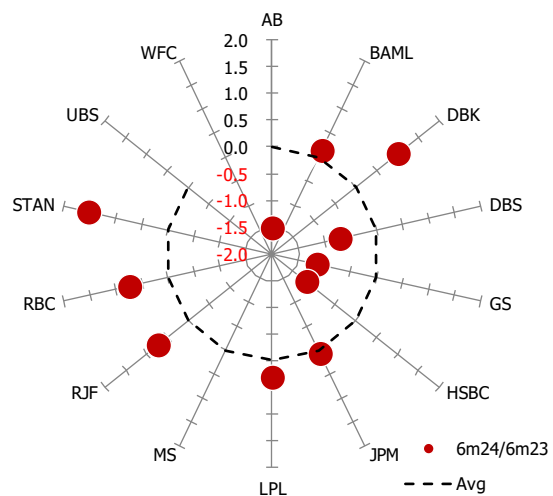
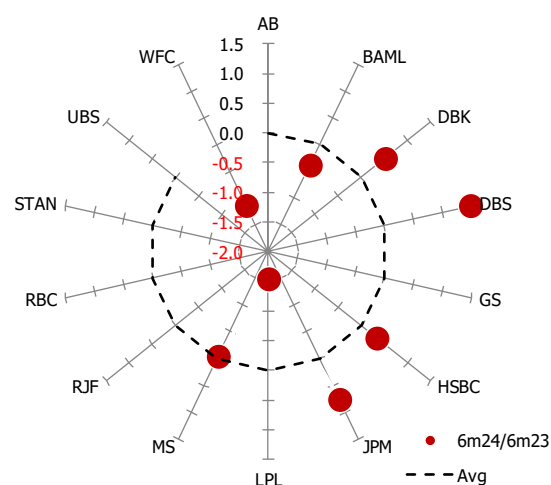
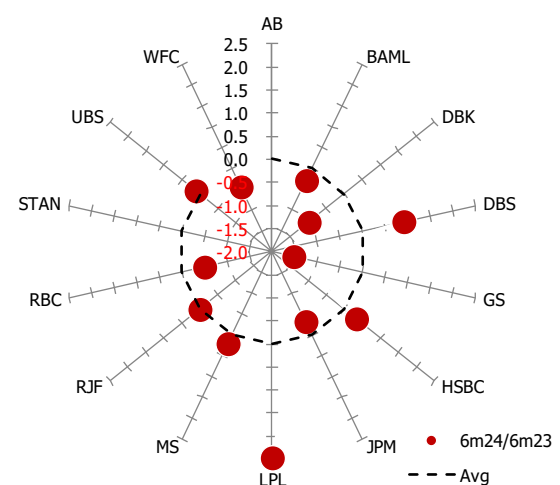


### RoAE



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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