

Wealth Management & Private Banking Review 3Q24 / 9m24

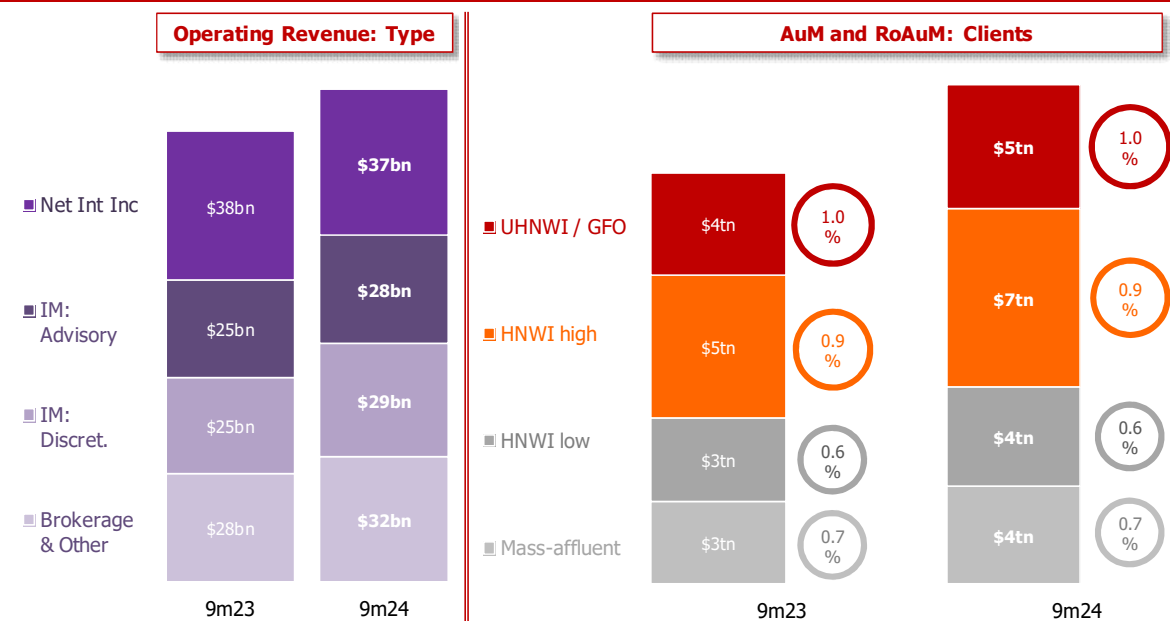
Operating revenue of in-scope banks totalled \$126bn in 9m24, 9% ahead of the prior-year period. The strongest growth was in transaction fees, which were supported by rate cuts and the early optimism regarding the China's economic stimulus; however, market participants expect a seasonal slowdown in 4Q24. Investment management fees also jumped, with advisory fees outpacing discretionary. Net interest income declined slightly vs 3Q23 and 9m24, in line with banks' early guidance.

The high-end segment, catering to clients with \$10m+ of investable assets, recorded the fastest growth, which reflects the banks' repositioning in recent years. The leaders in this segment, and especially the top-end \$25m+, continue to extend their lead.

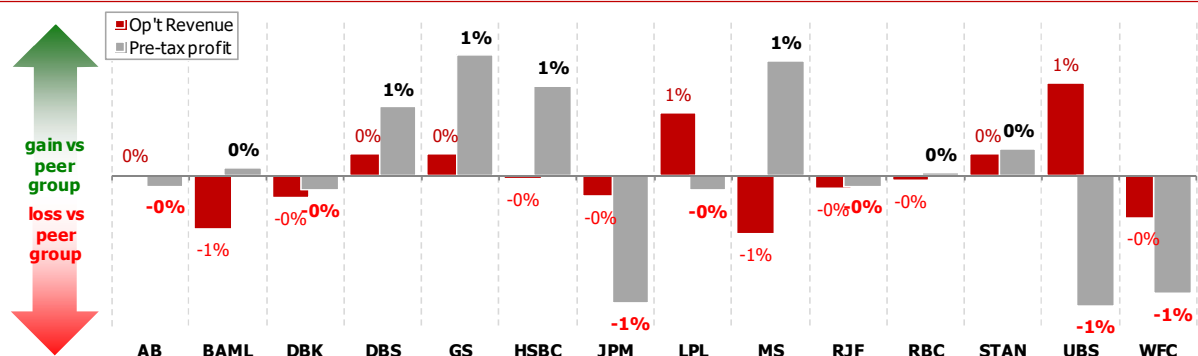
AuM surged 21% y/y; however, this impressive growth was due to external factors (strong markets, in particular) rather than net new money inflows. The AuM growth in the USA outpaced EMEA and APAC. All client segments contributed, with \$10-25m edging ahead.

Firms in this note are generally optimistic regarding the near term outlook: a decline in base rates should increase clients' risk appetite; also, a pickup in M&A activity should benefit firms with strong links to business owners.

Revenue & AuM



% change share of peer group operating revenue and pre-tax profit (9m24 / 9m23)



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.

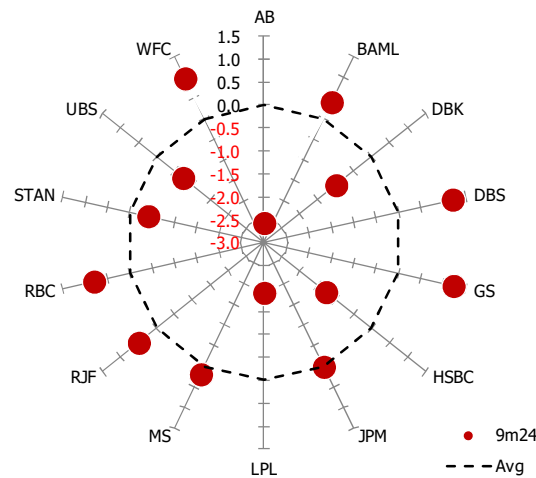
Rankings: Operational performance

Pre-tax profit (US\$m)			Pre-tax profit margin (%)		
	Rank 9m24	9m24 / 9m23 (movement)		Rank 9m24	9m24 / 9m23 (movement)
MS	#1	↓	DBS	#1	↑
JPM	#2	↓	JPM	#2	↓
BAML	#3	↓	GS	#3	↓
UBS	#4	↓	HSBC	#4	↑
HSBC	#5	↑	MS	#5	↑
RJF	#6	↓	RJF	#6	↓
GS	#7	↓	BAML	#7	↓
Operating revenue / FO FTE			Operating revenue / AuM (eop)		
	Rank 9m24	9m24 / 9m23 (movement)		Rank 9m24	9m24 / 9m23 (movement)
GS	#1	↑	RBC	#1	↓
DBS	#2	↓	WFC	#2	↓
STAN	#3	↓	STAN	#3	↓
AB	#4	↓	LPL	#4	↓
LPL	#5	↓	DBS	#5	↑
JPM	#6	↓	BAML	#6	↓
UBS	#7	↓	DBK	#7	↓
NNM (eop)			eop NNM % eop AuM		
	Rank 9m24	9m24 / 9m23 (movement)		Rank 9m24	9m24 / 9m23 (movement)
RBC	#1	↑	RBC	#1	↓
LPL	#2	↑	STAN	#2	↓
BAML	#3	↑	LPL	#3	↓
JPM	#4	↓	DBK	#4	↑
GS	#5	↓	GS	#5	↓
STAN	#6	↑	DBS	#6	↓
DBK	#7	↓	BAML	#7	↓

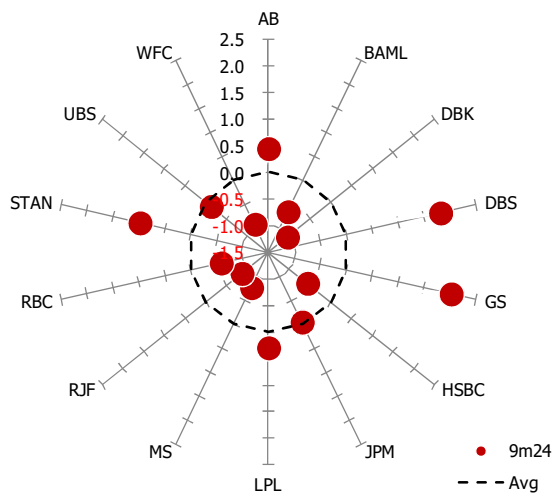
Notes: (1) Tricumen-normalised product definitions and allocations apply. Revenue and pre-tax profit exclude one-offs. All financials are shown in US\$. (3) In-scope: clients with AuM in excess of \$200k. (4) FO FTE = Front Office Full-Time Equivalent; (5) NNM = net new money. Includes funds from new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

Profitability & productivity

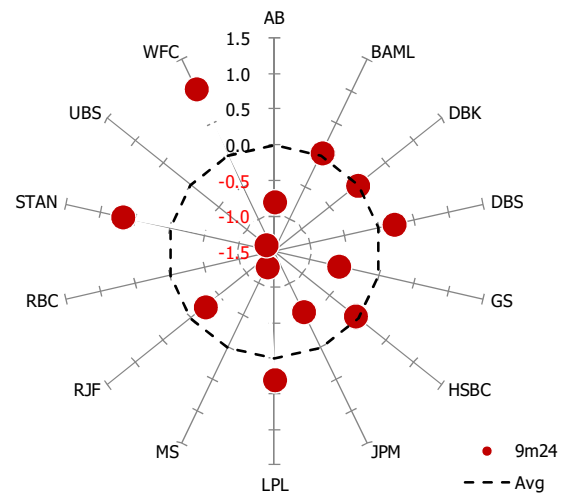
Net Interest Income % (Loans + Deposits)



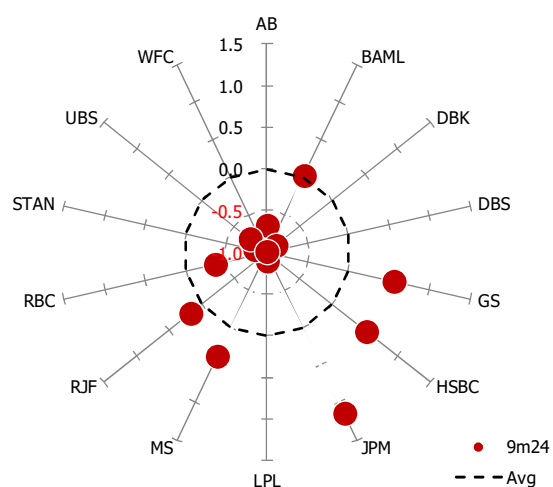
Operating Revenue / Front Office FTE



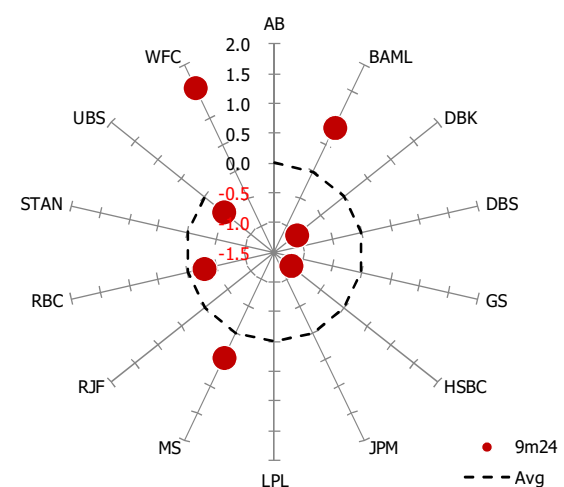
Operating Revenue / AuM



Pre-tax profit margin

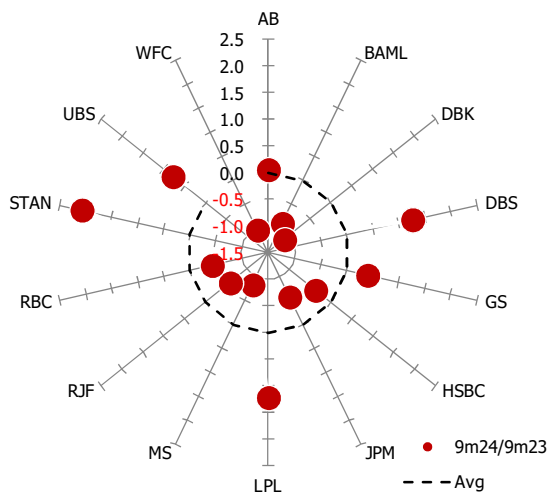
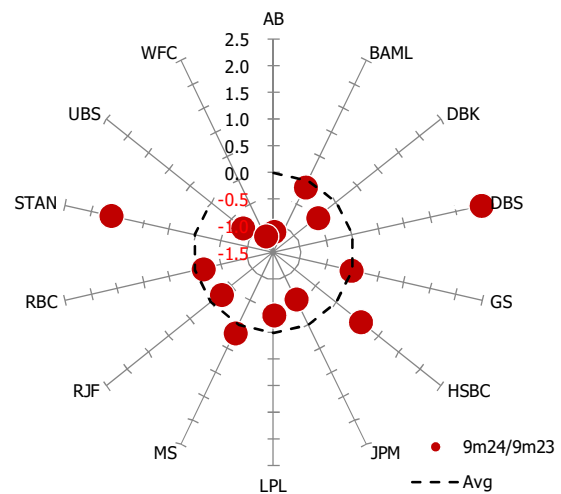
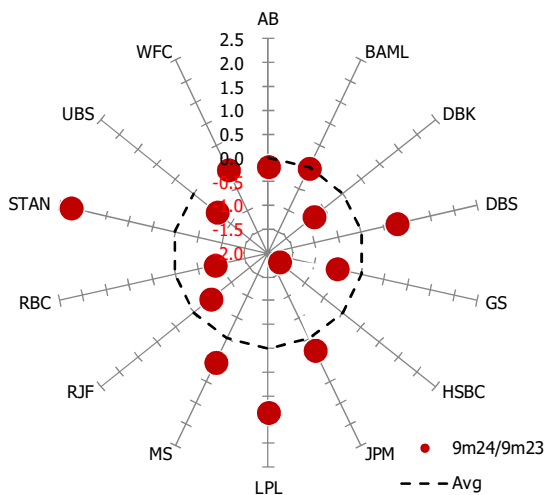
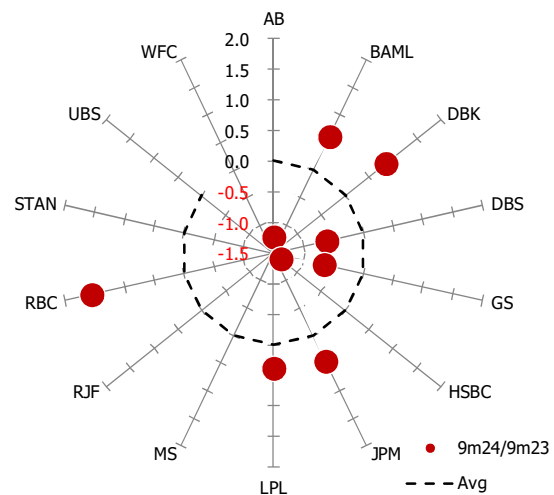
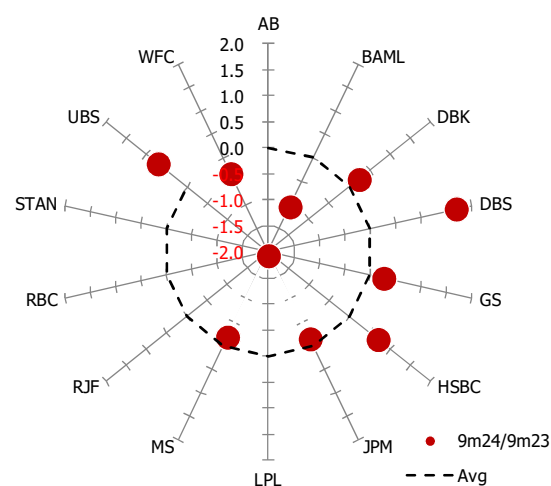
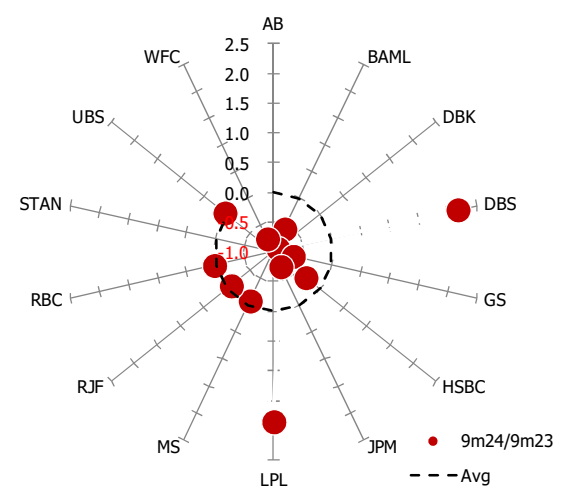


RoAE



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


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