

EXECUTIVE SUMMARY

A&M35 Global Banking Pulse

INDUSTRY BENCHMARK
& TOP PERFORMERS

H1 | 2024

DECEMBER 2024



Foreword

Alvarez & Marsal (A&M) is delighted to publish the first edition of the A&M35 Global Banking Pulse (“A&M35”) H1 2024.

This ‘Executive Summary’ edition of the report shares topline performance results examining top 35 selected global banks domiciled in North America and Europe.

A&M35 aims to help banking executives and board members stay current on industry trends. All the data used in this report has been obtained from publicly available sources.

For access to the full report or to discuss any of the findings, please [get in touch](#).

Disclaimer:

The information contained in this document is of a general nature and has been obtained from publicly available information and market insights. The information is not intended to address the specific circumstances of an individual or institution. There is no guarantee that the information is accurate at the date received by the recipient or that it will be accurate in the future. All parties should seek appropriate professional advice to analyze their particular situation before acting on any of the information contained herein. Please do not hesitate to [contact us](#) as we are more than happy to provide our assumptions and calculations approach.

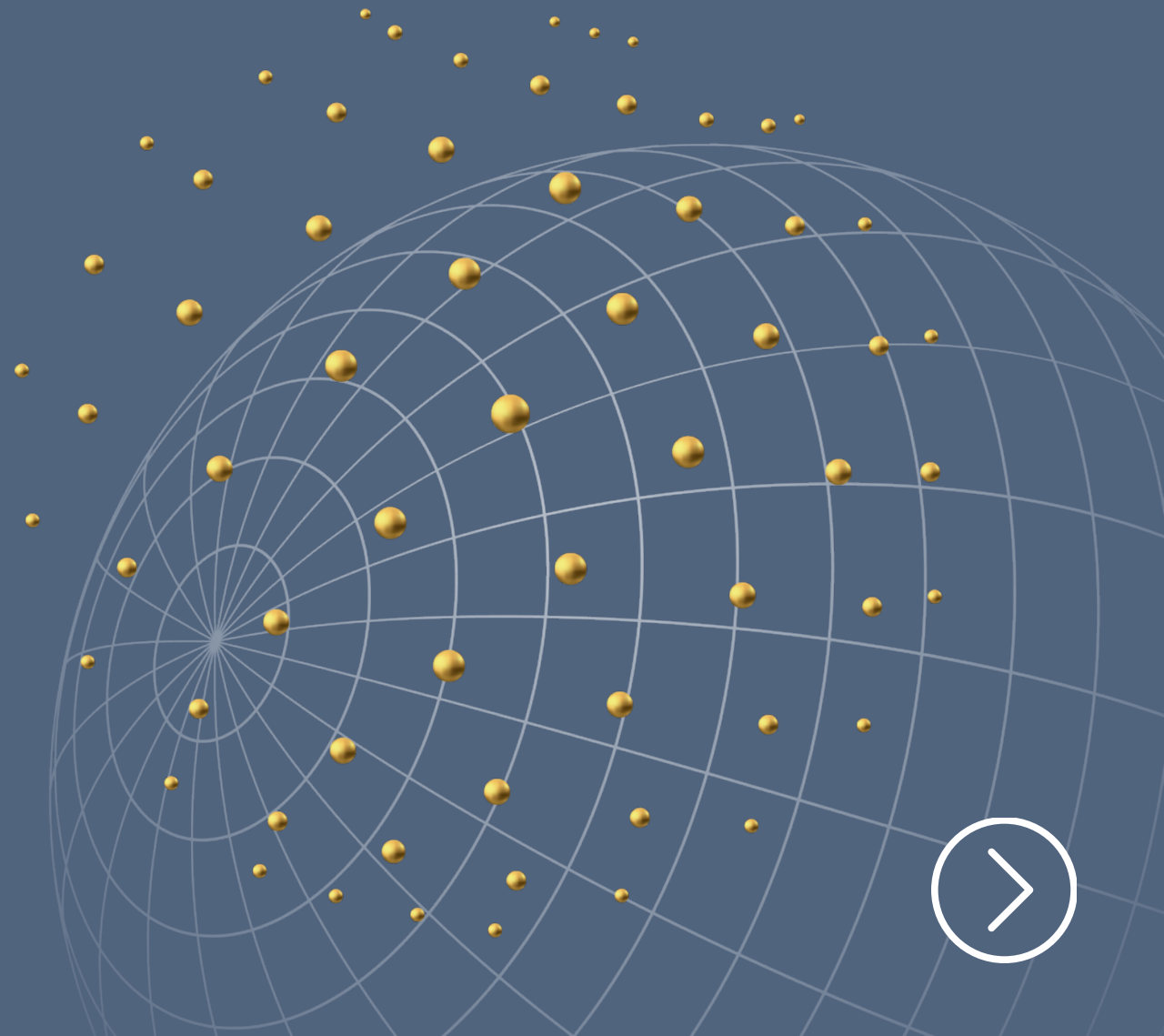
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A&M35 Composition



A&M35 Composition – Methodology and Overview

Methodology

- The A&M35 selection aims to cover the largest and more profitable banks across the globe. However, its scope focuses on banks domiciled in North America and Europe, reflecting the prominence of these regions in global banking. The A&M35 index composition will be reviewed in line with future developments.
- For selecting the A&M35, the following criteria has been used:
 - Key financial indicators:
 - ✓ Total Assets
 - ✓ Market capitalization
 - ✓ Net profit
 - G-SIB identification by the FSB or D-SIB by local competent authorities;
 - Business Model: covering universal banks, investment banks and retail banks;
 - Cross-border activity across countries and regions;
 - Top players in their respective region (Europe and North America) and home country;

Overview

#	Name	Acronym		Home Country	GSIB	Core countries of operations
1	JP Morgan Chase	JPM		US	Y	United States
2	Bank Of America	BAC		US	Y	United States
3	HSBC	HSBA		UK	Y	United Kingdom, Hong Kong, China
4	BNP Paribas	BNP		FR	Y	France, Belgium
5	Credit Agricole	ACA		FR	Y	France
6	Citi	C		US	Y	United States, Mexico
7	Santander	SAN		SP	Y	Spain, Brazil, United Kingdom
8	Wells Fargo	WFC		US	Y	United States
9	Barclays	BARC		UK	Y	United Kingdom, United States
10	BPCE	BPCE		FR	Y	France
11	Societe Generale	GLE		FR	Y	France
12	UBS	USBG		CH	Y	Switzerland, United States
13	Goldman Sachs	GS		US	Y	United States, United Kingdom
14	Deutsche Bank	DBK		DE	Y	Germany, United States
15	RBC Royal Bank	RY		CN	Y	Canada
16	TD Bank	TD		CN	Y	Canada, United States
17	Credit Mutuel	CMT		FR	Y	France
18	Morgan Stanley	MS		US	Y	United States, United Kingdom
19	Lloyds Bank	LLOY		UK	N	United Kingdom
20	ING Group	INGA		NL	Y	Netherlands, Germany, Belgium
21	Intesa Sanpaolo	ISP		IT	N	Italy
22	Scotiabank	BNS		CN	N	Canada, Mexico
23	BMO Financial Group	BMO		CN	N	Canada, United States
24	NatWest Group	NWG		UK	N	United Kingdom
25	UniCredit	UCG		IT	N	Italy, Germany
26	Banco Bilbao Vizcaya Argentaria	BBVA		SP	N	Spain, Mexico
27	Standard Chartered	STAN		UK	Y	Hong Kong, Singapore
28	Rabobank	RBK		NL	N	Netherlands
29	Caixa Bank	CABK		SP	N	Spain
30	US Bancorp	USB		US	N	United States
31	Nordea	NDA SE		FI	N	Sweden, Finland
32	Commerzbank	CBK		DE	N	Germany
33	ABN Amro	ABN		NL	N	Netherlands
34	KBC Group	KBC		BE	N	Belgium
35	Erste Group	EBS		AT	N	Austria, Central and Eastern Europe

(1) For the A&M35 selection all American and European Continent headquartered banks have been considered. However, after assessment not any bank headquartered in Central or South America or Middle East meets the criteria as of December 2023.

(2) Custodian banks (e.g., Bank of New York Mellon, State Street) have not been included in the A&M35 selection.

(3) Ordered according to their asset volume as of December 2023.

(4) Core countries of operations include most representative ones based on their relative scale.

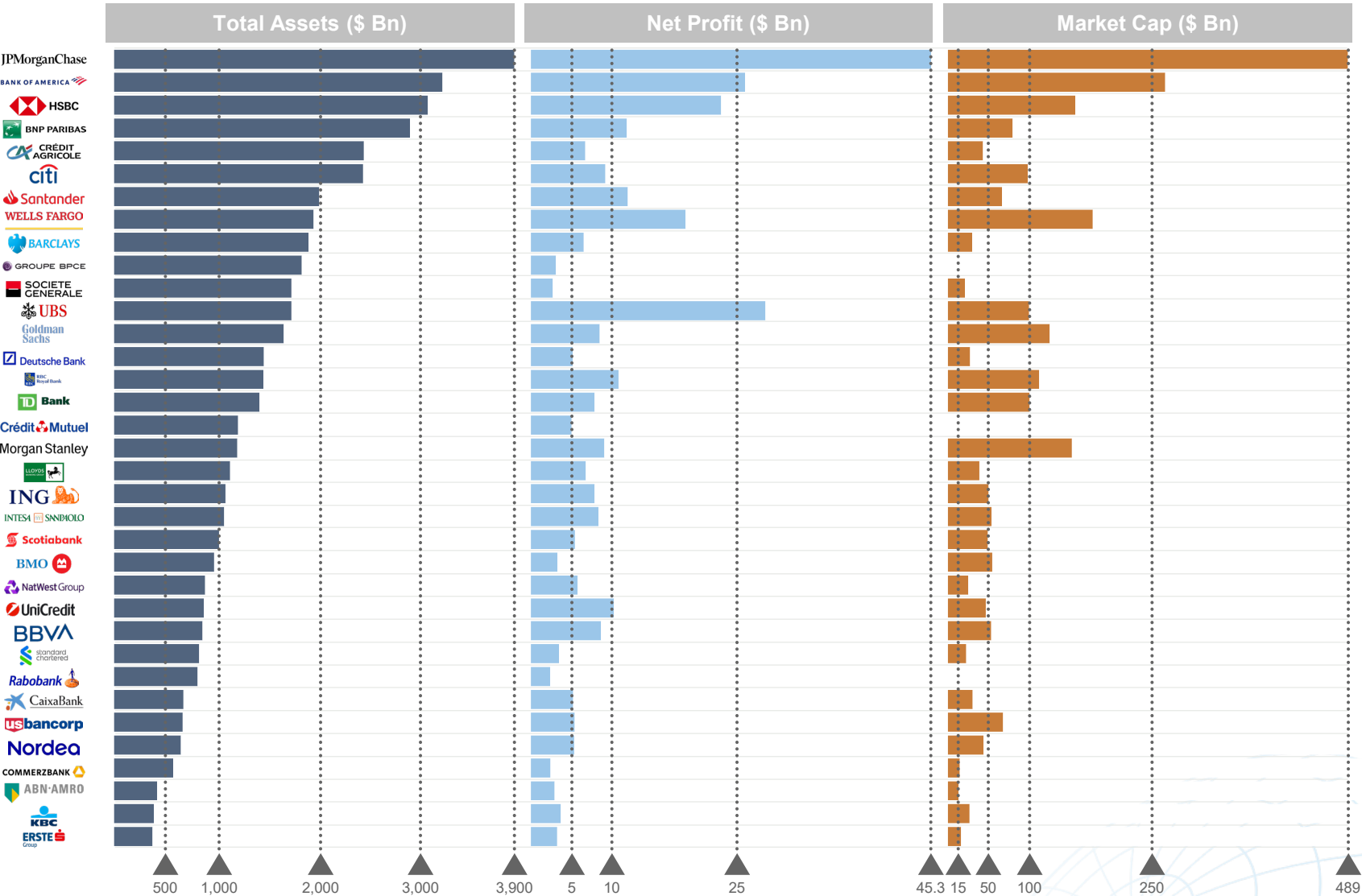
A&M35 Composition – Key Magnitudes (Dec23)



Key takeaways

- Within the A&M35, considering magnitudes as of December 2023 the six largest banks each have assets exceeding \$2 trillion. Sixteen banks hold assets between \$1 trillion and \$2 trillion, while thirteen banks have less than \$1 trillion in assets.
- In terms of profitability, nine banks report net profits exceeding \$10 billion, while twenty-six banks report profits below this level.
- Among the listed banks, two have market capitalizations above \$250 billion, five are in the \$100 billion to \$250 billion range, and sixteen have market caps below \$50 billion. Additionally, three banks in the A&M35 are not publicly listed.

A&M35 Composition – Key Magnitudes (Dec23)



Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

A&M35 Composition by countries – Key Magnitudes (Dec23)



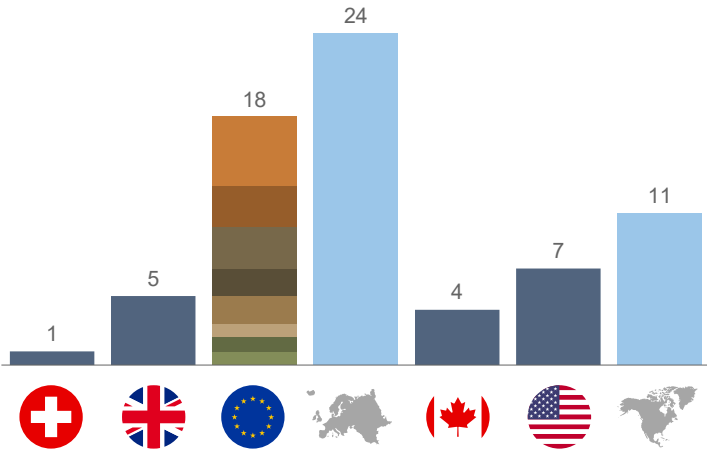
Key takeaways

- The A&M35 contains banks headquartered in 12 countries. With 24 banks in Europe, A&M35 includes 18 banks which belong to the European Union, 5 to United Kingdom and 1 to Switzerland. The North American region covers 7 banks headquartered in the U.S. and 4 in Canada.
- A&M35 Banks headquartered in North America hold \$19,7 Tn (39%) in total assets, whereas banks headquartered in Europe hold \$30,6 Tn (61%). This proportion reverses when looking at market cap, with North America representing a much larger stake (64%) than Europe (36%).
- A&M35 Bank's net profits are evenly distributed across regions.

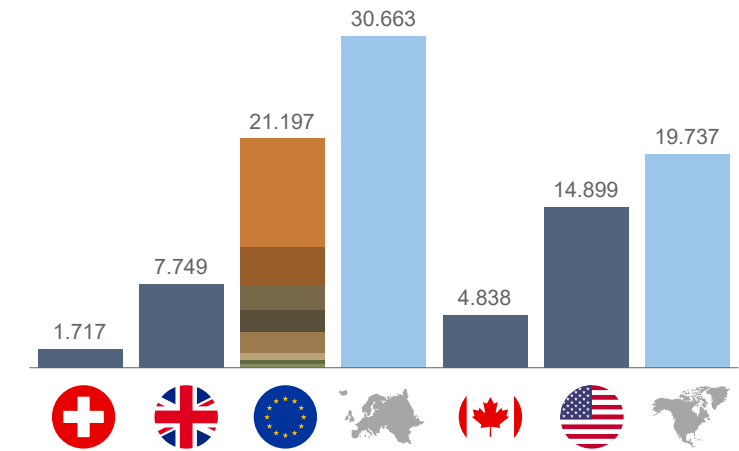
A&M35 Composition by countries– Key Magnitudes (Dec23)

Austria Belgium Finland Italy
Germany Netherlands Spain France

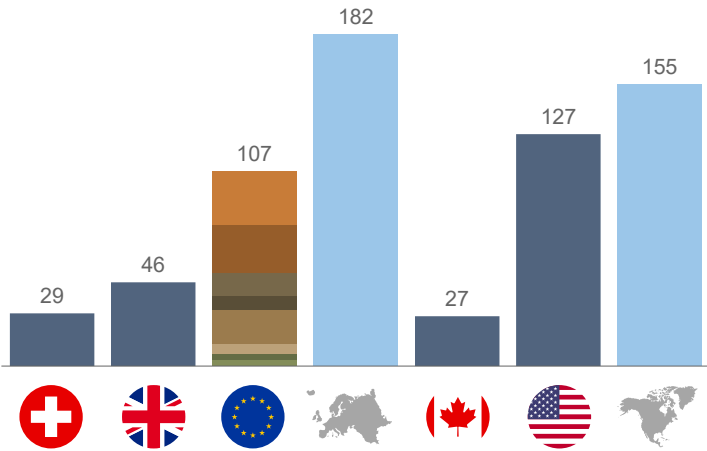
Number of Banks



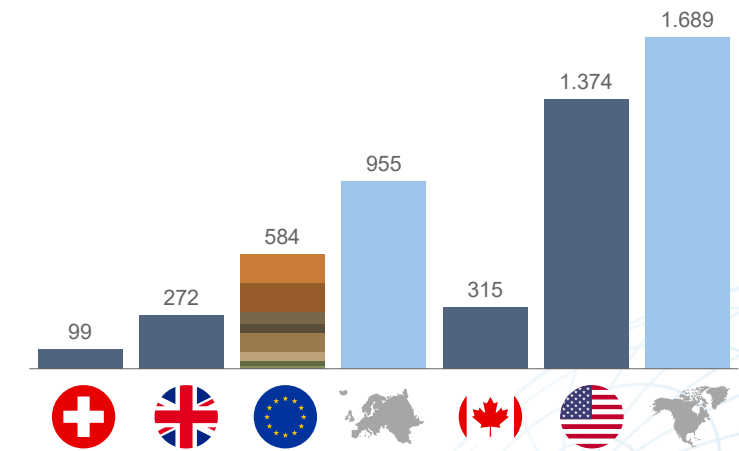
Total Assets (\$ Bn)



Net Profit (\$ Bn)



Market Cap (\$ Bn)



Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

A&M35 Scorecard



A&M35 Highlights Insightful Differences between North American vs European banks



Size



- The 11 NA banks (8 GSIBs) in the A&M35 accounted for \$20T (39%) of total assets as of December 2023, while the 24 EUR banks (12 GSIBs) represented \$31T (61%). Within A&M35 NA banks have, on average, a balance sheet 40% larger than their EUR counterparts, reflecting a significant difference in scale.
- In terms of market capitalization, NA banks account for 64% of the A&M35 total market cap, while European peers represent 36%. This highlights the significant disparity in market cap and PtBV valuations between the two regions.

Growth



- Growth is consistent across geographies with some differences due to interest rate and economic cycles. NA banks grew loans and advances during H124 at a higher pace than EUR banks fostered by stronger economic recovery.
- EUR banks grew deposits at a higher pace than NA banks as rate increases lagged in Europe.

Revenue



- NIM is 60pbs higher in NA than in EUR due to higher credit spreads (1.8% vs 1.2% TA).
- Fees and commissions are also 60pbs higher in NA than in EUR (1.9% vs 1.3% TA).
- Overall, NA banks extract +120bps income from banking services compared to EUR (3.5% vs. 2.3% TA) banks or 52% more than EUR banks.
- H1 2024 showed no major changes compared to H1 2023, except for a slight increase in fee and commission income on both sides of the Atlantic.

Efficiency & Productivity



- EUR banks are more efficient than NA banks, with an efficiency ratio of 55% versus 61%, and operating expenses to assets which are 70% higher for NA banks. This trend remained steady in H1 2024 compared to H1 2023 as efficiency efforts in EUR banks have outpaced those of NA banks.
- In terms of productivity, measured by metrics such as revenue per branch, employee, and client, NA banks significantly outperform European banks, reflecting their high mix of corporate client business vs. Retail and benefits of scale.

Resilience



- Cost of risk is higher in North America than in Europe, with the U.S. reaching up to twice the levels observed in Europe. Conversely, North American banks show lower NPL ratios and higher coverage levels, driven by differing accounting practices.
- Capital resilience highlights an uneven playing field, driven by differing regulatory frameworks and market expectations:
 - CET1 of EUR banks at 14.5% vs. 13% of NA banks (+150bps).
 - MREL of EUR banks at 36.4% vs. 30.4% of NA banks (+600bps).
 - RWA density of EUR banks at 30% vs. 44% of NA banks (+14%).

Market & Value Creation



- Similar ROE levels with NA at 11.9% vs. EUR at 11.3%.
- Remarkable valuation gap of EUR banks trading at P/B of 0.9 times vs. 1.4 times of NA banks.
- NA banks' PtBV premium of 0.5 times for the same level of ROE is explained as investors discount greater returns sustainability for NA banks.

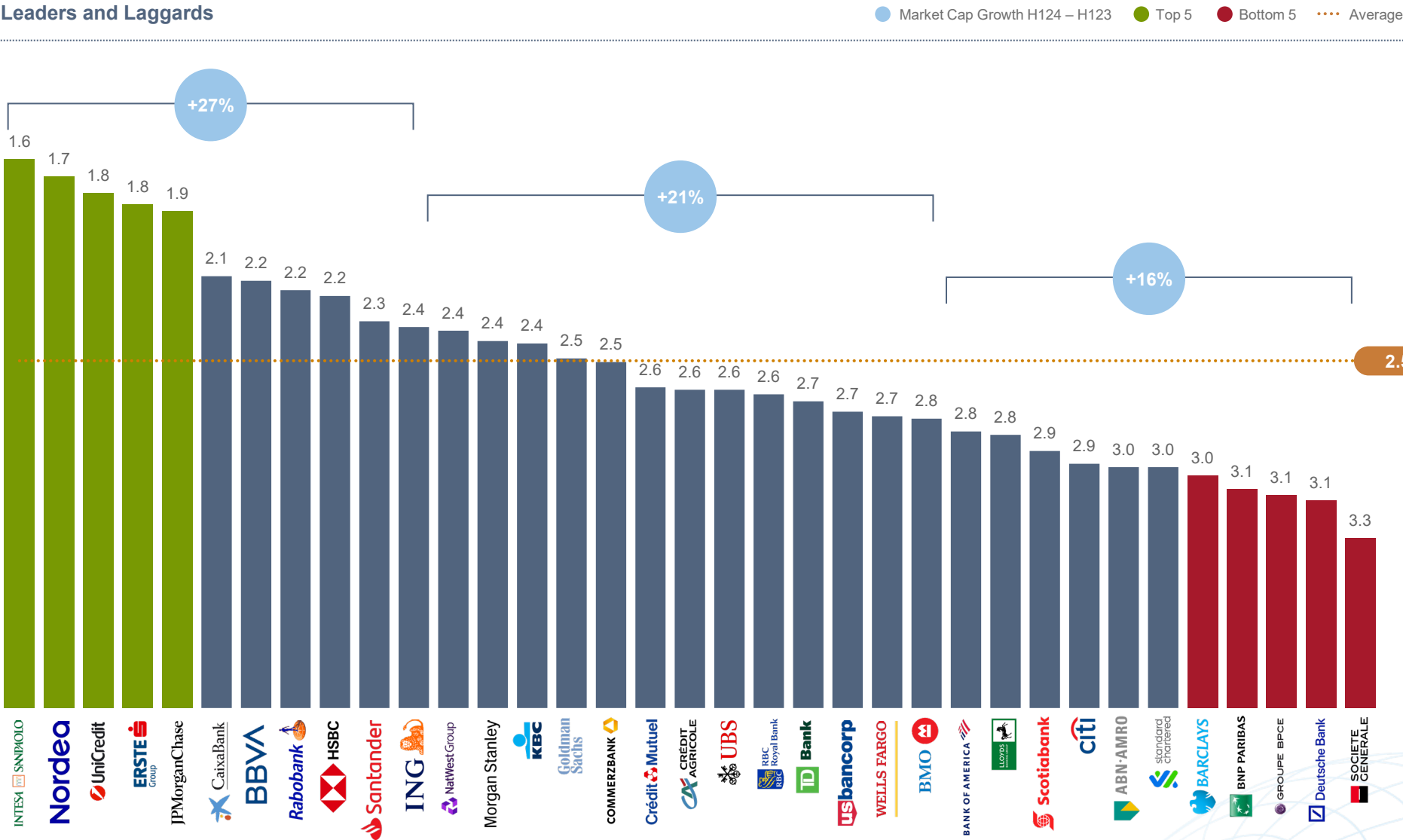
A&M35 Scorecard by Bank

The A&M35 Scorecard evaluates the 35 banks in the Index by analyzing key performance indicators across five categories: Growth, Revenue, Efficiency, Resilience, and Market & Value Creation. The Scorecard ranks banks based on their performance in these areas, assigning a score ranging from 1 (the best) to 4.

Key takeaways

- According to the A&M35 Scorecard, the top 5 performers in H1 2024 included one U.S. bank and four EU banks.
- Banks that ranked at the top 11 of the A&M35 achieved an impressive market cap growth of 27%, while those in the bottom 11 saw a more modest growth of 16% in valuation.
- The bottom 5 performers comprised four EU banks and one UK bank.

Leaders and Laggards



Note: Bars are A&M scores unrounded, bar labels have been rounded to 1 decimal point for clarity
Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

A&M35 Scorecard by Bank



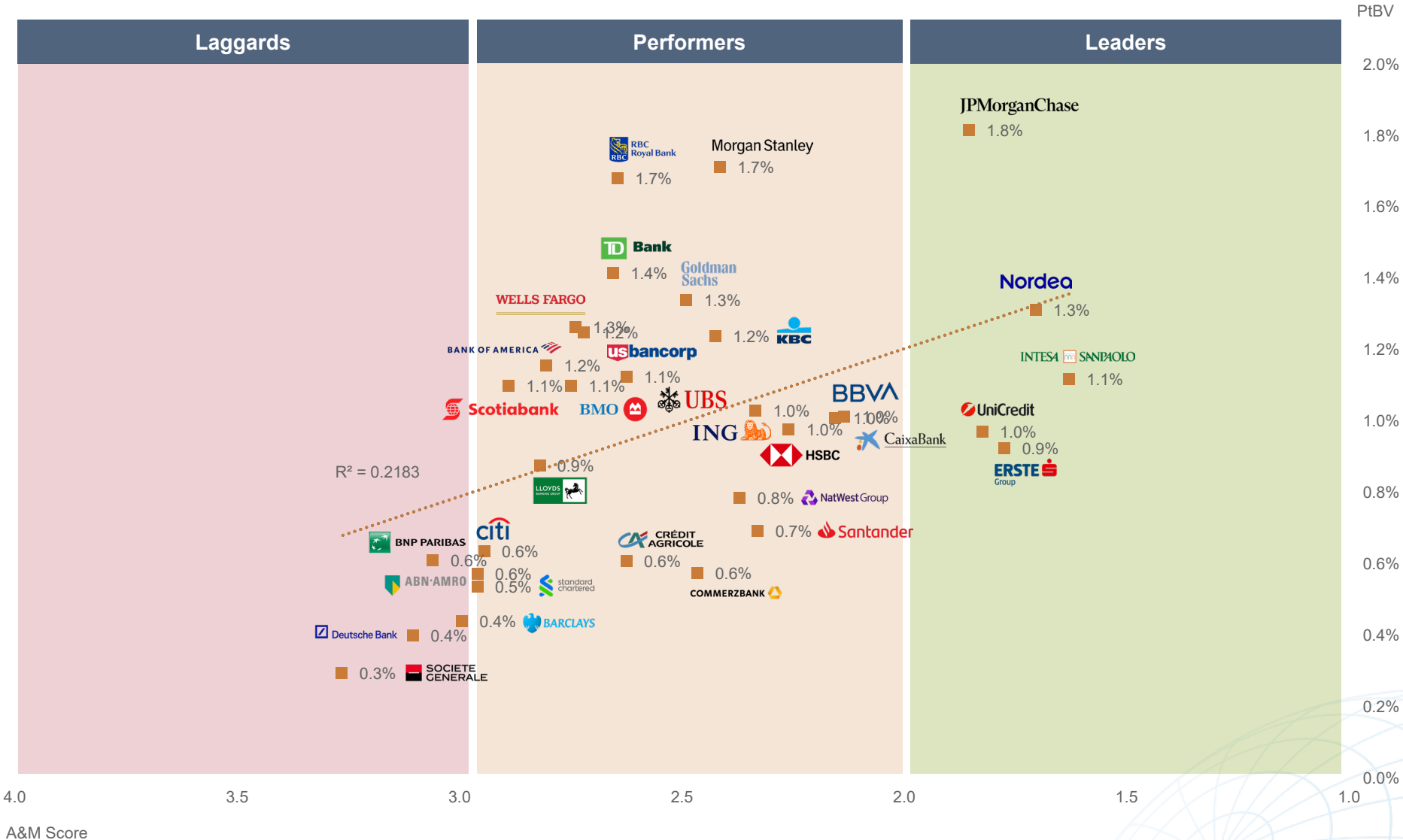
Key takeaways

The A&M35 shows some correlation with Price-to-Book Value (P/BV), although the performance indicators may not always be fully reflected in a bank's valuation. Laggards, with an A&M35 overall score below 3—most of them European banks—typically have a P/BV below 1.

Conversely, A&M35 leaders generally exhibit a P/BV above 1.

In the mid-range, there is notable dispersion and weaker correlation between A&M35 scores and P/BV

A&M35 Scorecard vs PtBV



BPCE, CMT & Rabobank with do not appear as they are not public entities
Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

Top performance: Growth, Revenue, Efficiency & Productivity




























Key takeaways

- In H1 2024, North American banks, led by Canadian institutions, reported stronger growth in their L&A portfolios compared to their European counterparts, potentially reflecting more favorable credit market opportunities. Conversely, European banks, particularly those in the EU and Switzerland, demonstrated higher growth in customer deposits.
- In terms of revenues and efficiency, two clear trends emerge: one focusing on revenue generation and NIM, led by North American banks, and another prioritizing operational efficiency, with significantly lower cost-to-income and opex-to-total-assets ratios.
- The difference in NIM is particularly striking, with U.S. banks achieving 1.8% compared to 1.1% for UK banks. Similarly, cost-to-income ratios highlight regional contrasts, with U.S. banks at 62% versus 53% for EU banks, reflecting differing business models and operational focuses.


Metrics considered for the scorecard are detailed below. Additional metrics are included in the full report.

Top performer/s per metric

Growth, Revenue, Efficiency & Productivity								
Metric	Winners							
Loans & Advances growth	 Royal Bank of Canada  Toronto Dominion Bank  Morgan Stanley	+0.7%	+5.3%	-1.2%	+1.5%	-4.0%	+2.3%	+0.5%
Deposits growth	 Royal Bank of Canada  Credit Agricole Group  Goldman Sachs	+0.6%	+3.0%	+0.5%	+3.2%	+6.2%	+1.3%	+2.7%
NIM	 BBVA  Santander  Wells Fargo	1.8%	1.5%	1.1%	1.4%	0.4%	1.8%	1.2%
Op. Income / Assets	 Morgan Stanley  BBVA  Wells Fargo	3.8%	2.7%	2.1%	2.3%	3.2%	3.5%	2.3%
Cost to Income	 UniCredit  BBVA  Nordea	62%	59%	55%	53%	84%	61%	55%
OPEX / Assets	 Crédit Agricole Group  Crédit Mutuel Group  Nordea	2.3%	1.5%	1.2%	1.2%	2.6%	2.2%	1.3%

Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

Top performance: Resilience































Key takeaways

- From a resilience perspective regarding credit risk, European banks currently exhibit a lower cost of risk. However, these same European banks show significantly higher NPL levels compared to their North American counterparts, coupled with substantially lower provisioning levels. This disparity is partly attributed to differing accounting practices.
- In terms of capital, MRLE/TLAC, and liquidity resilience, A&M35 European banks, despite having a smaller proportion of G-SIBs, are in a significantly stronger position compared to their North American counterparts. Notably, North American banks exhibit a much higher risk density (44.2% NA vs. 29.7% EUR). However, leverage ratios are similar on both sides of the Atlantic, with North American banks at 5.6% and European banks at 5.1%.

Top performer/s per metric

Metrics considered for the scorecard are detailed below. Additional metrics are included in the full report.

Resilience								
Metric	Winners							
CoR	 ABN AMRO  NatWest Group  UniCredit Group	0.34%	0.24%	0.09%	0.19%	0.03%	0.31%	0.16%
NPL	 Morgan Stanley  Citigroup  Nordea	0.6%	0.6%	2.0%	2.3%	0.7%	0.6%	2.2%
NPL Coverage Ratio	 Citigroup  US Bancorp  Goldman Sachs	291%	120%	57%	73%	41%	230%	70%
CET1	 Crédit Mutuel Group  Crédit Agricole Group  Nordea	13.0%	12.9%	14.4%	14.5%	14.9%	13.0%	14.5%
MREL / TLAC	 Morgan Stanley  Intesa Sanpaolo  Santander	30.8%	28.8%	32.6%	37.3%	38.7%	30.4%	36.4%
LCR	 Caixabank  UBS Group  Crédit Mutuel Group	117%	128%	148%	153%	216%	120%	155%
LtD	 Goldman Sachs  Citigroup  JP Morgan Chase	58%	77%	69%	96%	83%	63%	88%

Top performance: Market and value creation































Key takeaways

- In terms of ROE and ROA, North American banks lead, with U.S. banks at the forefront. Among the A&M35 banks, UK banks stand out positively, contrasting with their EU counterparts. This higher profitability is accompanied by lower capital levels, reflected in a substantial difference in CET1 headroom: 4.1% for European banks versus 1.5% for North American banks.
- From a market value perspective, North American banks clearly operate on a different level compared to European banks within the A&M35, with a P/BV of 1.4 in North America versus 0.9 in Europe, and market value growth of 27% compared to 19% in Europe.

Metrics considered for the scorecard are detailed below. Additional metrics are included in the full report.

Top performer/s per metric

Market & Value Creation								
Metric	Winners							
ROE	 JP Morgan Chase  HSBC Group  BBVA	12.0%	11.1%	13.8%	10.3%	7.0%	11.9%	11.3%
ROA	 JP Morgan Chase  BBVA  UniCredit Group	1.02%	0.66%	0.77%	0.60%	0.38%	0.93%	0.64%
RORWA	 HSBC Group  Nordea  UniCredit Group	2.1%	2.0%	3.0%	2.0%	1.1%	2.1%	2.2%
Market Cap Growth	 Deutsche Bank  Goldman Sachs  UniCredit Group	+35%	+2%	+11%	+20%	+47%	27%	19%
PtBV	 JP Morgan Chase  Morgan Stanley  Royal Bank of Canada	1.4	1.4	0.8	0.8	1.1	1.4	0.9
CET1 Headroom	 Crédit Mutuel Group  Crédit Agricole Group  Nordea	1.6%	1.4%	2.9%	4.4%	4.4%	1.5%	4.1%
MREL / TLAC Headroom	 Morgan Stanley  Goldman Sachs  Intesa Sanpaolo	8.6%	3.9%	5.1%	9.6%	13.2%	7.8%	8.6%

Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

A&M35 Scorecard by Category



Key takeaways

- Divergence in Growth Dynamics:** European banks such as BNP, ACA, and CMT show promising growth potential (best scores in Growth), signaling opportunities for market expansion. In contrast, peers like BPCE, GLE, and STAN exhibit weaker growth, reflecting regional disparities in scalability and competitive positioning.
- Contrasting Profitability and Operational Performance:** Banks such as JPM, SAN, WFC, BBVA, and BMO excel in Revenue, highlighting effective strategies to drive profitability. However, other banks like HSBA, CABK, and NDA SE demonstrate strong Efficiency scores, showcasing superior operational discipline. Balancing high revenue and efficiency remains a challenge for many institutions.
- Resilience and Operational Links:** Banks like NDA SE and MS combine strong Resilience with high Efficiency, reflecting stable operations, though not always high Revenue. In contrast, revenue leaders like JPM and BBVA show weaker ties to Resilience and Efficiency, highlighting trade-offs between growth and stability.
- Market Value and Its Drivers:** With JPM, ISP, UCG, and NDA SE leading in Market & Value Creation, it becomes clear that this metric reflects excellence across multiple dimensions as shown by the scorecard. These banks not only excel in Revenue and Efficiency, but also demonstrate strong Resilience, showcasing their ability to balance profitability, operational discipline, and financial stability to drive market leadership.

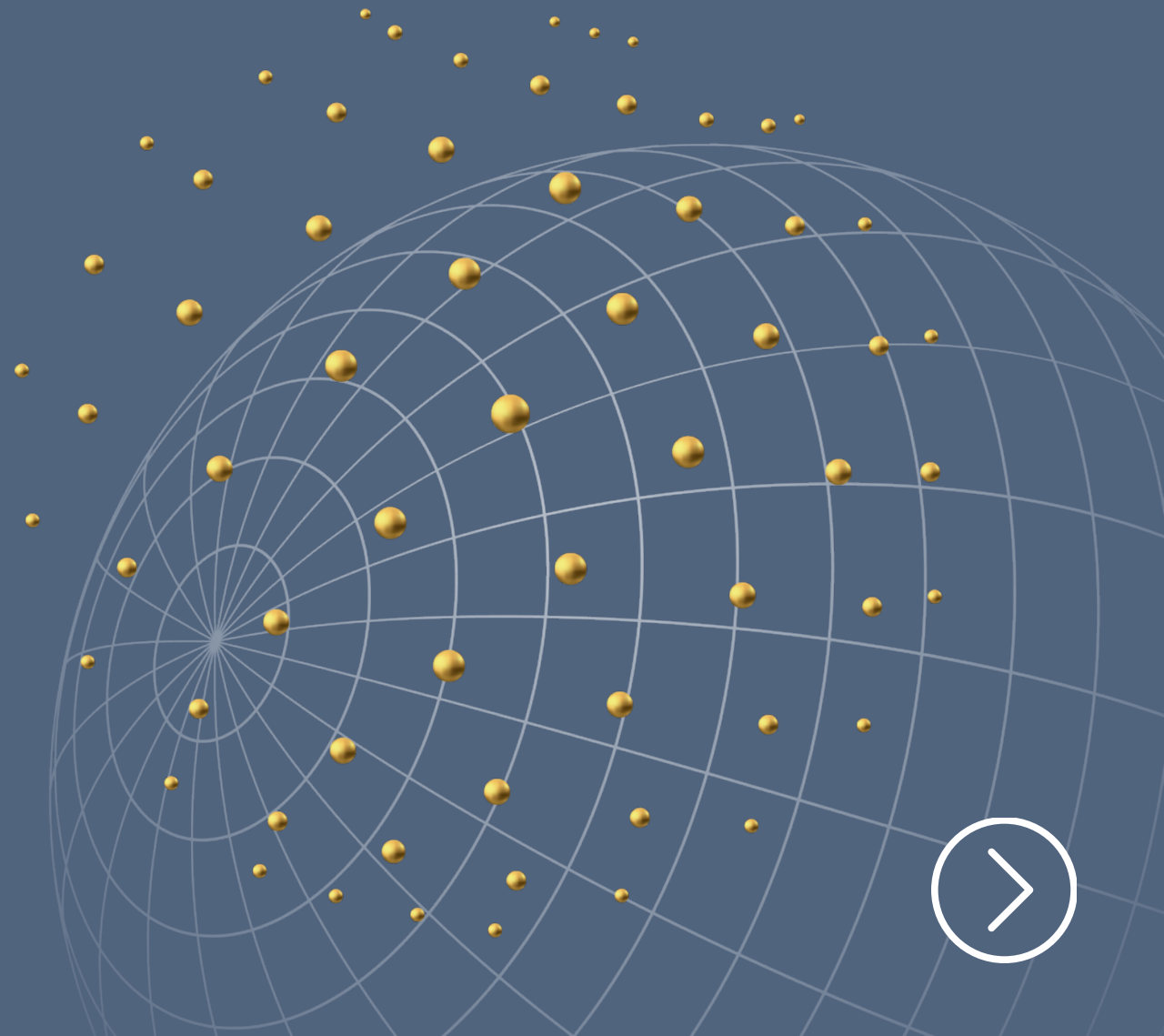
A&M35 Scorecard by Category

Top 5 performer/s per metric
 Bottom 5 performer/s per metric

	Bank	Growth	Revenue	Efficiency and Productivity	Resilience	Market & Value Creation	A&M35 Score
JPMorganChase	JPM	3.5	1.0	3.0	2.3	1.2	1.9
BANK OF AMERICA	BAC	2.5	2.0	4.0	3.1	2.4	2.8
HSBC	HSBA	4.0	3.0	1.0	2.7	2.1	2.2
BNP PARIBAS	BNP	1.0	4.0	1.5	3.5	3.6	3.1
CREDIT AGRICOLE	ACA	1.5	4.0	1.5	2.3	3.0	2.6
citi	C	3.0	1.5	4.0	2.9	3.0	2.9
Santander	SAN	3.0	1.0	2.5	2.9	2.4	2.3
WELLS FARGO	WFC	3.0	1.0	4.0	3.2	2.5	2.7
BARCLAYS	BARC	3.5	4.0	2.0	2.1	3.5	3.0
GRUPE BPCE	BPCE	4.0	3.5	2.5	2.4	3.4	3.1
SOCIETE GENERALE	GLE	3.5	4.0	2.5	2.8	3.6	3.3
UBS	UBSG	2.5	3.0	4.0	1.7	2.3	2.6
Goldman Sachs	GS	1.5	2.5	4.0	2.4	1.9	2.5
Deutsche Bank	DBK	2.0	3.5	3.5	2.9	3.0	3.1
RBC Royal Bank	RY	1.0	2.5	2.5	3.2	2.7	2.6
TD Bank	TD	2.5	2.0	3.0	2.9	2.7	2.7
Crédit Mutuel	CMT	1.0	3.5	1.5	2.1	3.3	2.6
Morgan Stanley	MS	2.0	2.5	4.0	1.5	2.1	2.4
Lloyds	LLOY	2.5	3.5	2.5	2.6	2.9	2.8
ING	INGA	1.5	3.0	1.5	2.7	2.5	2.4
INTESA SANPAOLO	ISP	2.5	1.5	1.5	2.1	1.4	1.6
Scotiabank	BNS	4.0	3.0	2.0	2.8	3.2	2.9
BMO	BMO	2.0	1.0	3.5	3.2	2.9	2.8
NatWest Group	NWG	2.5	2.5	2.0	2.6	2.4	2.4
UniCredit	UCG	3.5	2.0	1.5	2.1	1.6	1.8
BBVA	BBVA	1.5	1.0	2.0	3.5	2.1	2.2
standard chartered	STAN	3.5	3.5	3.0	2.1	3.1	3.0
Rabobank	RBK	3.0	1.5	1.5	2.0	2.8	2.2
CaixaBank	CABK	3.0	2.5	1.0	2.9	2.1	2.1
us bancorp	USB	3.0	1.0	3.5	3.2	2.7	2.7
Nordea	NDA SE	2.0	3.5	1.0	1.4	1.5	1.7
COMMERZBANK	CBK	1.5	3.0	2.0	2.1	2.9	2.5
ABN-AMRO	ABN	2.5	2.5	2.5	3.0	3.4	3.0
KBC	KBC	2.5	3.0	3.0	1.9	2.2	2.4
ERSTE Group	EBS	2.0	1.5	2.0	1.9	1.7	1.8

Note: Banks with highlighted values represent the best 5 (green) and worst 5 (red) in each category (it considers decimals which are presented rounded)
 Note 2: The A&M35 scorecard for Efficiency and Productivity does not account for certain metrics where North American banks excel—specifically, revenue per client, branch, or employee.

A&M35 Analysis



Op. Income (NIM vs F&C) / Total Assets

(Operating Income H124 / Average Total Assets Q423 & H124) x 2



Key takeaways

- Operating income relative to total assets is led by MS at 5%, followed by BBVA at 4.8% and WFC at 4.3%. MS achieves this through its strong performance in fees and commissions, despite a relatively lower NIM, while BBVA and WFC rely on their higher NIM to drive income. This highlights the diverse income strategies employed by A&M35 banks to excel.
- On the other hand, French banks ACA and BPCE report the lowest operating income relative to total assets, with a balanced contribution from NIM and fees and commissions.
- MS, GS, and UBSG generate the highest fees, commissions, and other income relative to their balance sheets, thanks to their M&A, wealth management, and asset management activities. In contrast, when focusing on NIM, BBVA, SAN, and WFC lead, as previously shown.

Revenues

Efficiency & Productivity

Resilience

Market & Value Creation

1/2

Op. Income (NIM vs F&C) / Total Assets

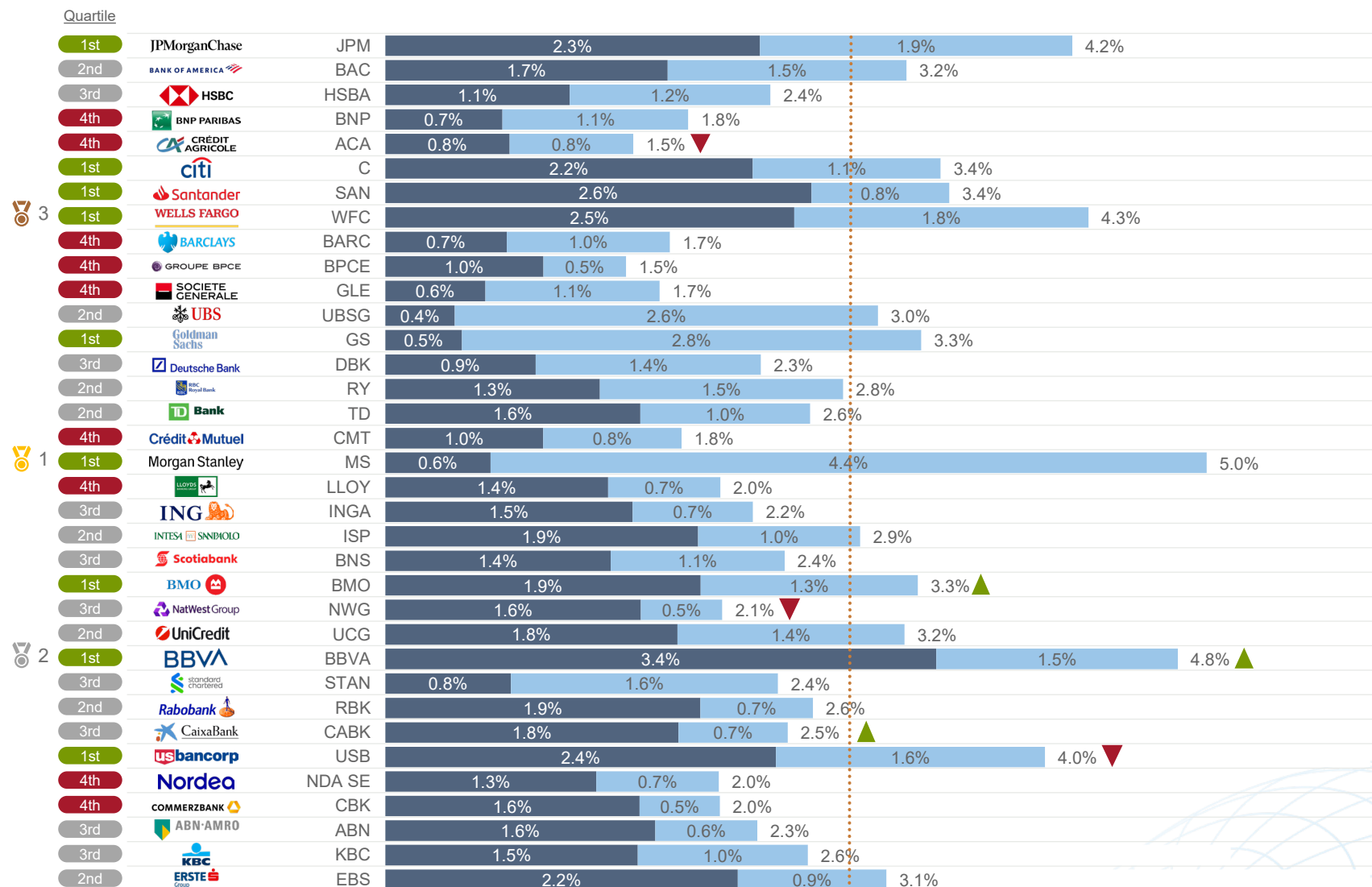
▼ Top 3 YoY decline

▲ Top 3 YoY growth

● H12024 Op. Income

● H12024 F&C/ Assets

● H12024 NIM/ Assets



Average: 2.8%

Operating income composed by NIM, Fees & Commissions and Other Income.
Average, Medals and quartiles refer to Operating Income / Total Assets exclusively.
Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

Op. Income (NIM vs F&C) / Total Assets

(Σ Operating Income H124 R or M / Σ Average Total Assets Q423 & H124 R or M) x 2

(Σ Operating Income H123 R or M / Σ Average Total Assets Q422 & H123 R or M) x 2



Key takeaways

- U.S. banks maintain the highest operational income-to-assets ratio with a marginal year-on-year increase, Switzerland shows the most significant improvement (rising from 2.2% in 2023 to 3.2% in 2024), UK banks report no notable change, while Canadian and EU banks both experience moderate increases in their ratios.
- In general A&M35 American bank's operating source of income relies less in NIM compared to EU counterparts.

Revenues

Efficiency & Productivity

Resilience

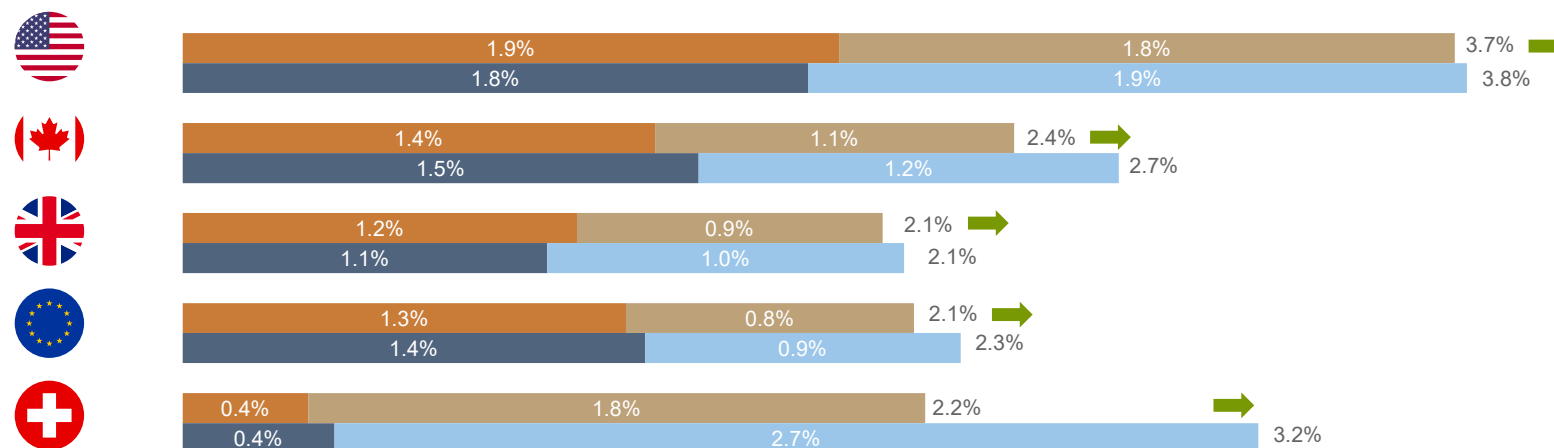
Market &
Value Creation

2/2

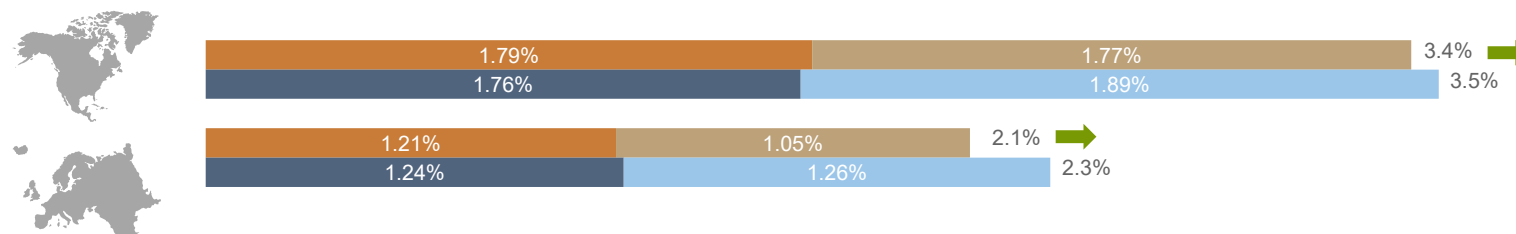
Op. Income (NIM vs F&C) / Total Assets

● H12023 NIM/Assets ● H12023 F&C/ Assets ● H12024 NIM/ Assets ● H12024 F&C / Assets

By Market



By Region



In the formulas: "R" and "M" refer to "Region" and "Market"
Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

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Cost to Income

Operating Expense H124 / Operating Income H124



Key takeaways

- Leading in operational efficiency is Italy's UCG, with a Cost to Income ratio of 36%, followed by Spain's BBVA at 37%, and the Finland's NDA SE at 42%.
- On the opposite end, UBSG reports the highest ratio at 83%, followed by DBK at 78%, BPCE and MS both with 72%.
- The average Cost to Income ratio among A&M35 banks stands at 58%, highlighting a wide range of performance across the sector.

Revenues

Efficiency & Productivity

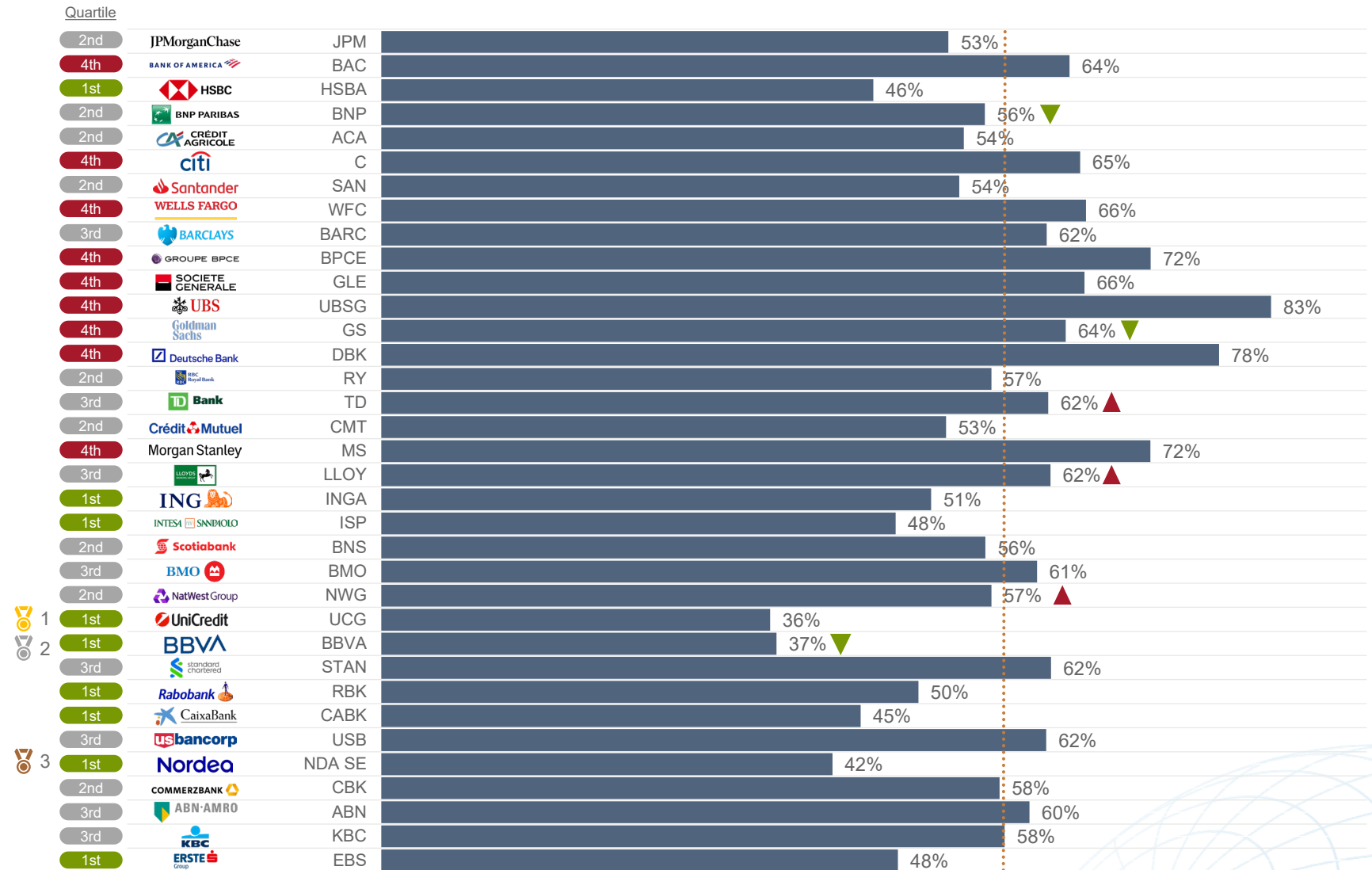
Resilience

Market &
Value Creation

1/2

Cost to Income

▼ Top 3 YoY decline ▲ Top 3 YoY growth ● H12024



Average: 58%

Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

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Cost to Income

Σ Operating Expense H124 R or M / Σ Operating Income H124 R or M

Σ Operating Expense H123 R or M / Σ Operating Income H123 R or M



Key takeaways

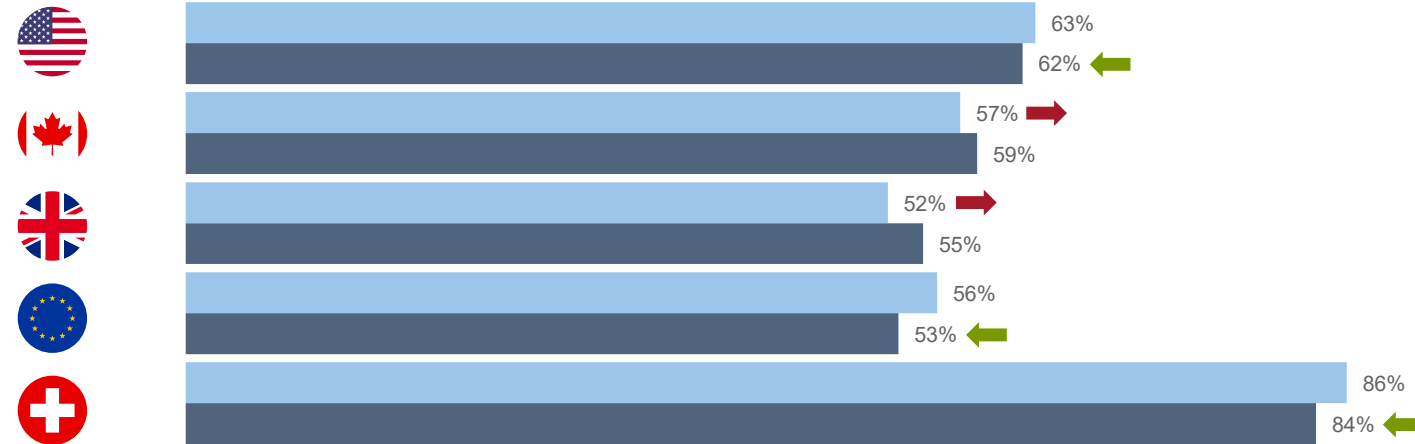
- Banks in the EU, along with the U.K banks, lead in operational efficiency with an average ratio of 53% and 55%, respectively. Following them are Canadian and U.S banks with 59% and 62%, and, in last place, UBSG, which, due to its ongoing restructuring, reports a notably high ratio.
- Only U.S and EU banks improved their operational efficiency over the past year.

Cost to Income

● H12023

● H12024

By Market



By Region



In the formulas: "R" and "M" refer to "Region" and "Market"

Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

Cost of Risk

Provisions for Loan Losses H124 / Gross Customer Loans and Advances H124



Key takeaways

- The French bank BPCE, followed by C, and the Spanish banks BBVA and SAN, reported the highest cost of risk in H1 2024.
- In contrast, ABN, with a near 0% cost of risk, along with NWG and UCG, recorded the lowest levels.
- Overall, the average cost of risk for the A&M35 banks remains at a relatively low 0.4%.

Revenues

Efficiency & Productivity

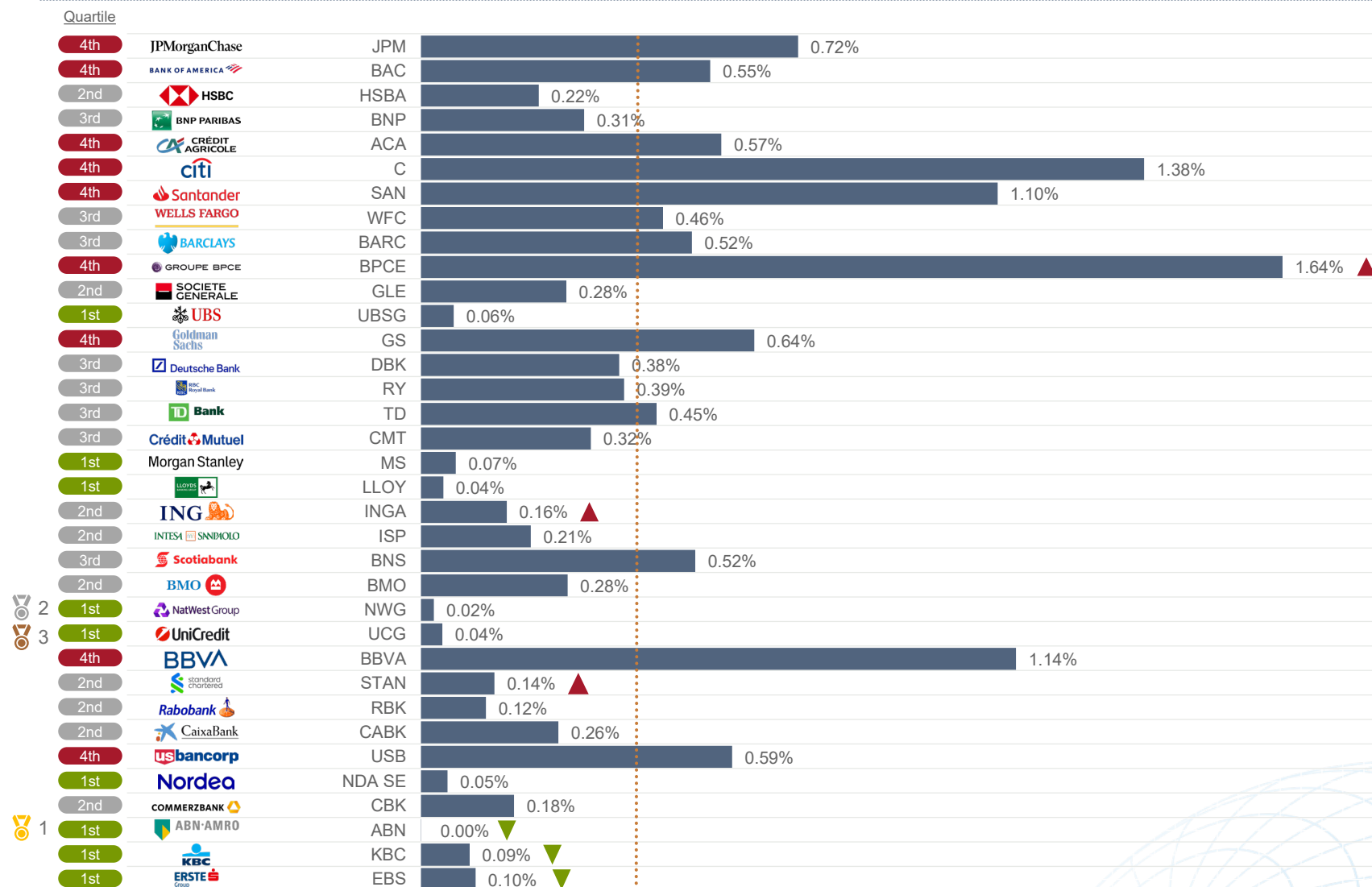
Resilience

Market &
Value Creation

1/4

Cost of Risk

▼ Top 3 YoY decline ▲ Top 3 YoY growth ● H12024



Average: 0.4%

Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

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Cost of Risk

Σ Provisions for Loan Losses H124 by R or M / Σ Gross Customer Loans and Advances H124 by R or M

Σ Provisions for Loan Losses H123 by R or M / Σ Gross Customer Loans and Advances H123 by R or M



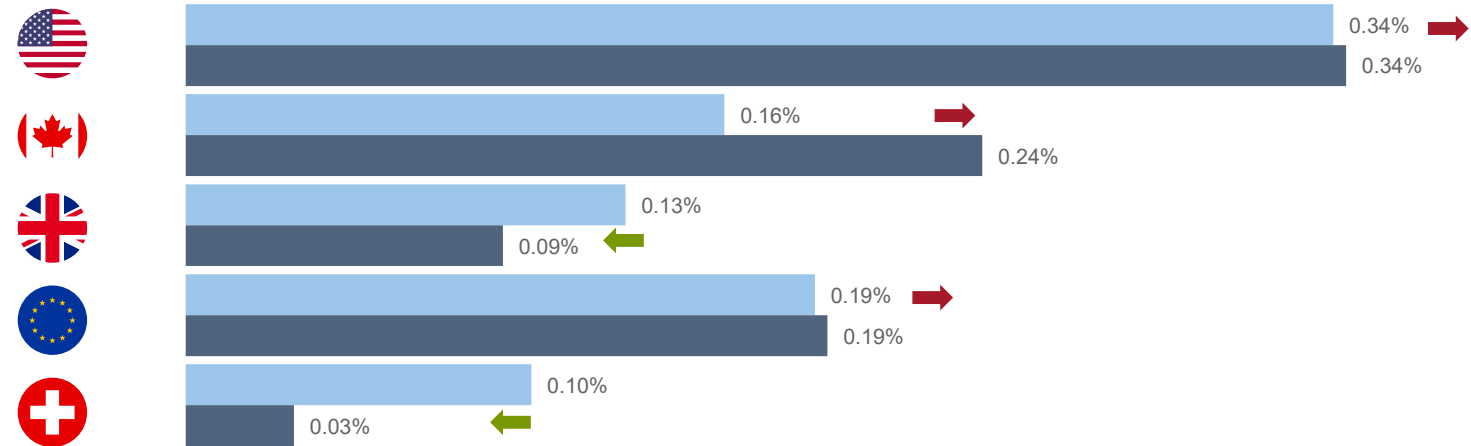
Key takeaways

- While all A&M35 banks exhibit a significantly low cost of risk, U.S. banks are positioned with the highest at 0.34%, followed by Canadian banks at 0.24%.
- Both U.S. and Canadian banks saw slight year-on-year increases.
- EU banks, with lower costs of risk, maintained a similar situation compared to 2023, while both the UK and Swiss banks (notably UBSG) experienced a decline in their cost of risk on a year-on-year basis.

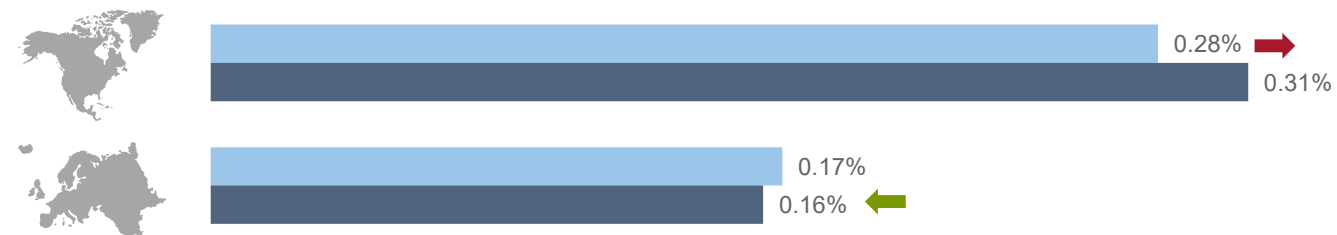
Cost of Risk

● H12023 ● H12024

By Market



By Region



In the formulas: "R" and "M" refer to "Region" and "Market"

Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

CET1

Regulatory definition



Key takeaways

- CMT leads the CET1 ratio, followed by NDA SE and ACA, the three of them well above the A&M35 average of 14.1%.
- On the other side of the spectrum, USB with a 10.3%, followed by WFC and BAC, have the lowest CET1.

Revenues

Efficiency & Productivity

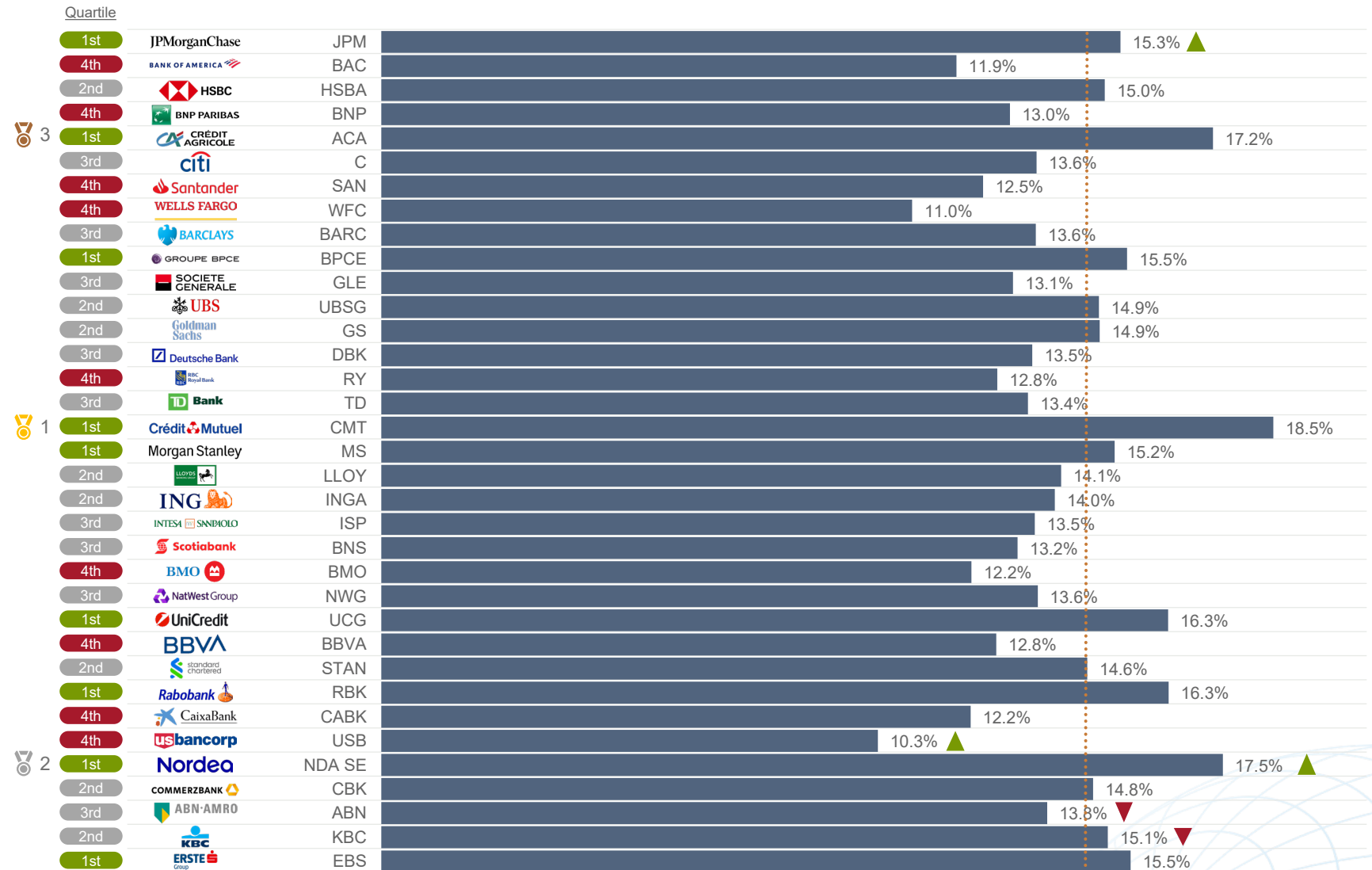
Resilience

Market & Value Creation

3/4

CET1

▼ Top 3 YoY decline ▲ Top 3 YoY growth ● H12024



Average: 14.1%

Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024

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CET1

Σ CET1 Capital H124 R or M / Σ RWAs H124 R or M

Σ CET1 Capital H123 R or M / Σ RWAs H123 R or M



Key takeaways

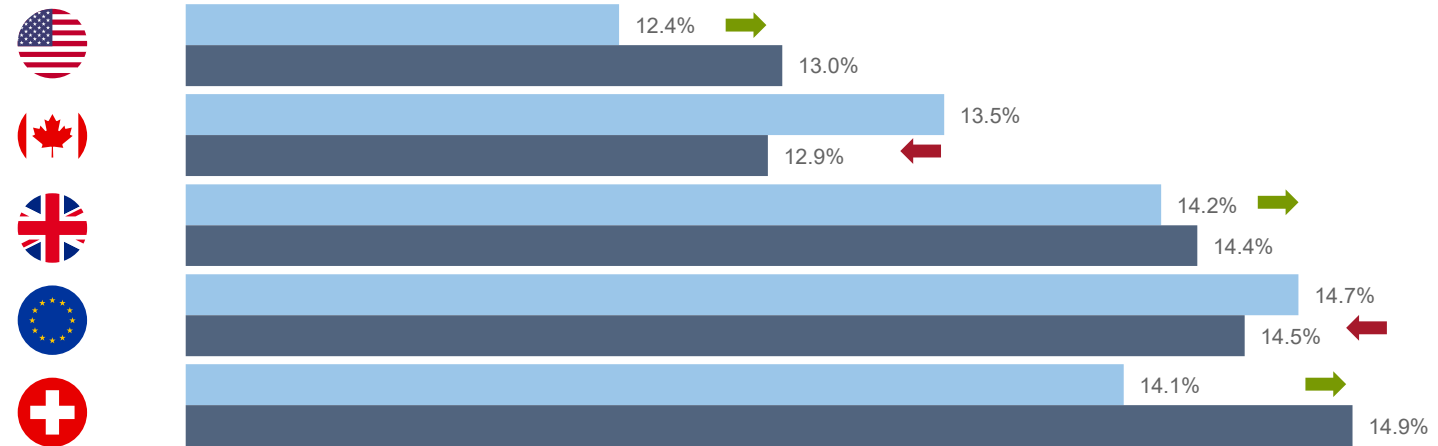
- The Swiss bank UBSG leads in CET1 ratio, followed by EU banks at 14.5% and UK banks at 14.4%.
- A&M35 U.S. banks have a lower average CET1 ratio, around 13%, comparable to Canadian banks.
- In terms of trends, U.S. banks demonstrated a notable improvement in their solvency position in 2024, closely followed by UBSG and UK banks. In contrast, Canadian and EU banks experienced marginal declines in their solvency positions during the same period.

CET1

H12023

H12024

By Market



By Region



In the formulas: "R" and "M" refer to "Region" and "Market"
Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

ROE

(Net Income attributable to parent H124 / Average total Equity Q423 & H124) x 2



Key takeaways

- With an average of 10.9%, JPM leads the A&M35 in ROE with a 18.9%, followed by HSBC at 17.9% and BBVA at 17.7%.
- On the opposite end, EU banks DBK, BPCE, and GLE report much lower ROEs.

Revenues

Efficiency & Productivity

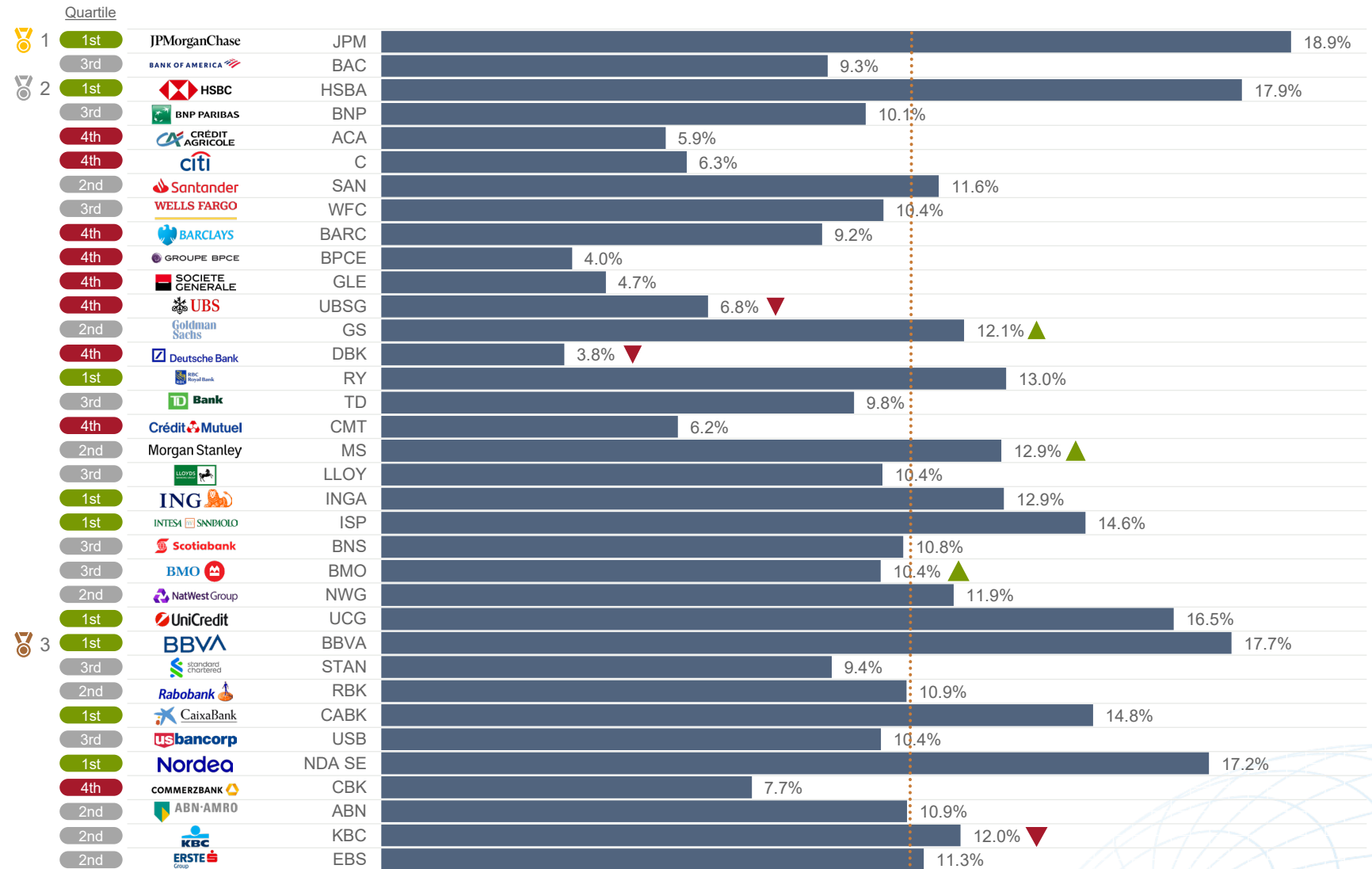
Resilience

Market & Value Creation

1/6

ROE

▼ Top 3 YoY decline ▲ Top 3 YoY growth ● H12024



Average: 10.9%

Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

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ROE

(Σ Net Income attributable to parent H124 R or M / Σ Average total Equity Q423 & H124 R or M) x 2

(Σ Net Income attributable to parent H123 R or M / Σ Average total Equity Q422 & H123 R or M) x 2



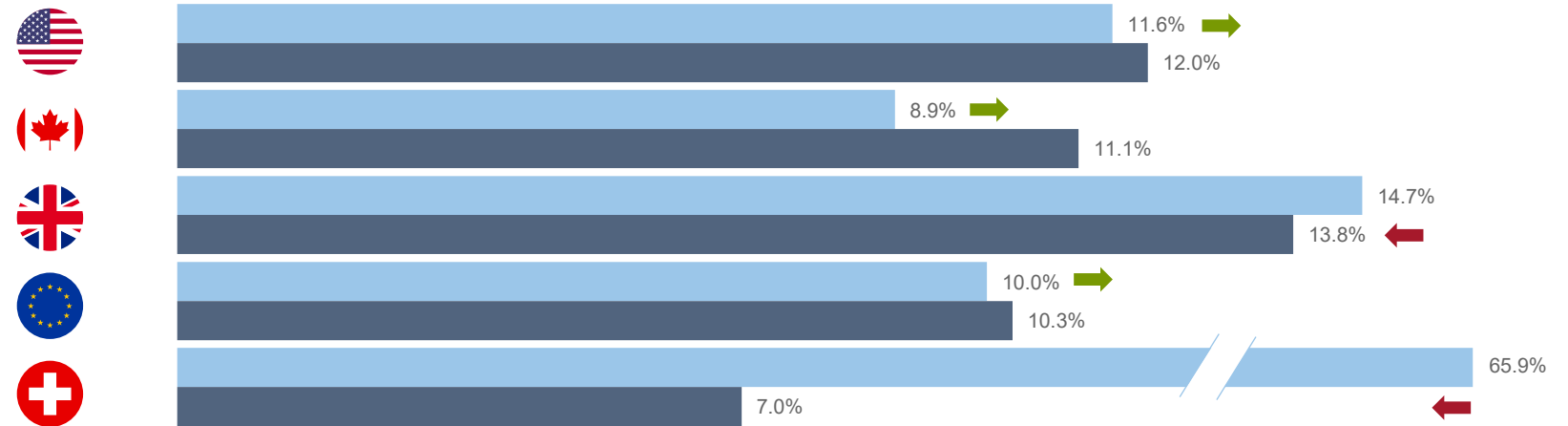
Key takeaways

- In terms of ROE, the UK banks are the most profitable ones, followed by U.S and EU banks.
- Canadian banks suffered the biggest increase, about 220 bps. The EU also experienced a significant increase of 80 bps.
- Switzerland (i.e. UBSG) ROE stabilized after the CS acquisition filling the fourth place.
- In terms of trends, besides CH, all markets remained stable, with the exception of Canada, which experienced a strong increase in ROE in 2024.

ROE

● H12023 ● H12024

By Market



By Region



In the formulas: "R" and "M" refer to "Region" and "Market"
Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

Market Cap Growth%

(Market Cap. H124 – Market Cap. H123) / Market Cap. H123



Key takeaways

- In terms of market capitalization growth, DBK saw the largest year-on-year increase, with a growth of 50%, followed closely by UBSG and UCG, both of which posted increases of 47%.
- On the other hand, a few banks experienced declines in valuation despite the favorable interest rate environment. STAN saw the most significant decrease at 10%, followed by GLE and TD. Other banks, such as BNS, KBC, BNP, and RY, also experienced declines in market capitalization.

Revenues

Efficiency & Productivity

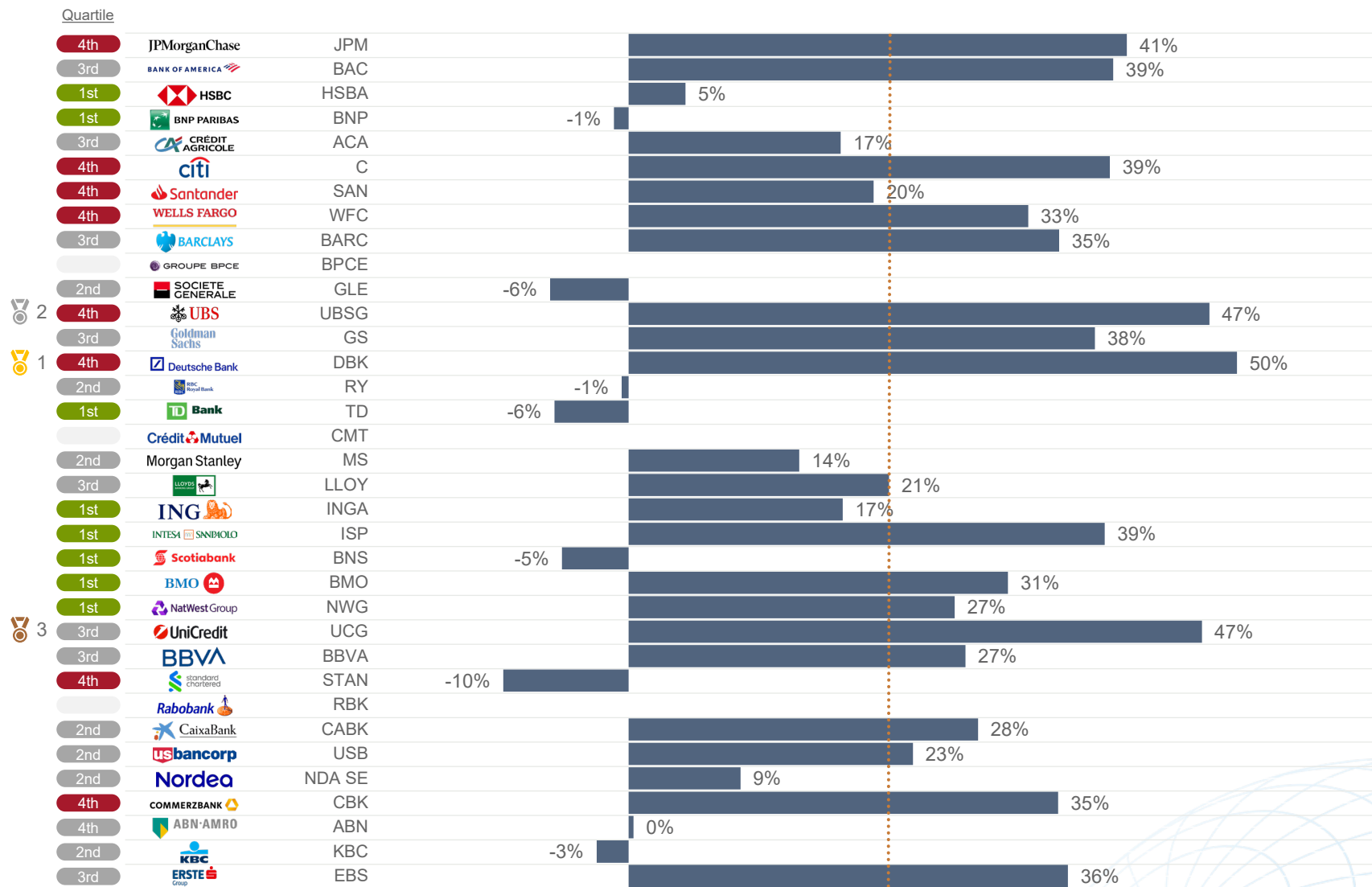
Resilience

Market &
Value Creation

3/6

Market Cap Growth%

H12024



BPCE, CMT & Rabobank with "n.a" as they are not public entities
Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

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Market Cap

$(\Sigma \text{ Market Cap H124 by R or M} - \Sigma \text{ Market Cap H123 by R or M}) / \Sigma \text{ Market Cap H123 by R or M}$



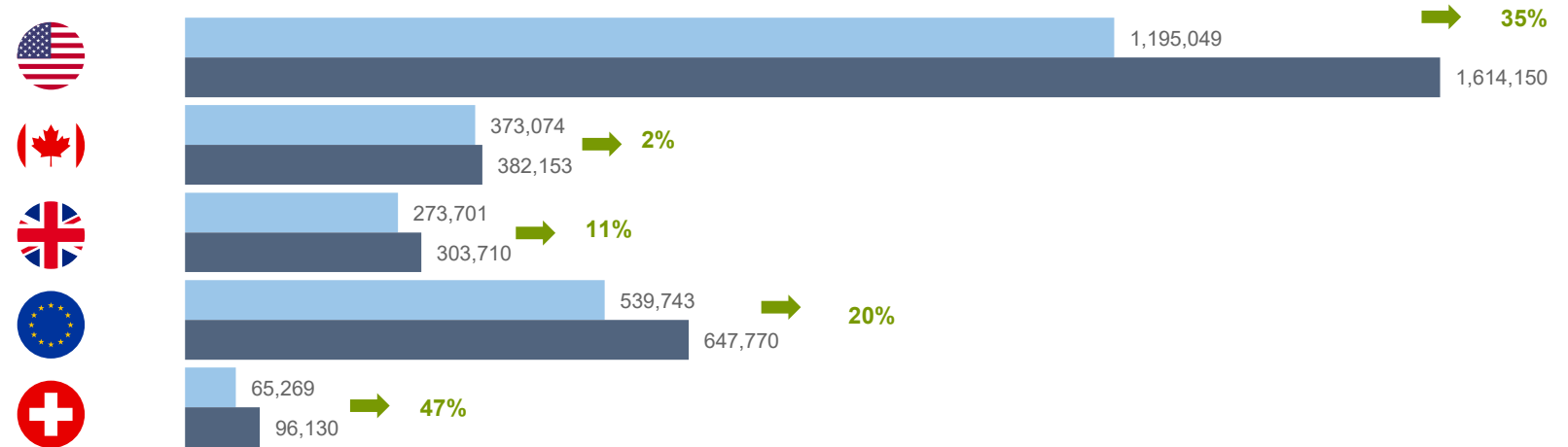
Key takeaways

- U.S banks are the top performers in terms of market growth with an increase of 35.1% year-on-year basis.
- EU banks with an average increase of 20.1% rank 2nd, followed by the U.K banks, with an average increase of 10.9%.
- Swiss is only represented by UBSG, where the market cap growth has been impacted by the acquisition of Credit Suisse.

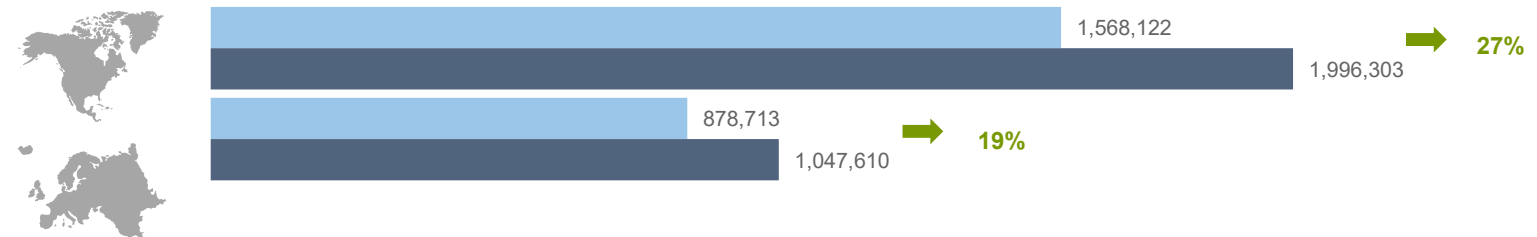
Market Cap

H12023 H12024

By Market



By Region



BPCE, CMT & Rabobank not included - they are not public entities

In the formulas: "R" and "M" refer to "Region" and "Market"

Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

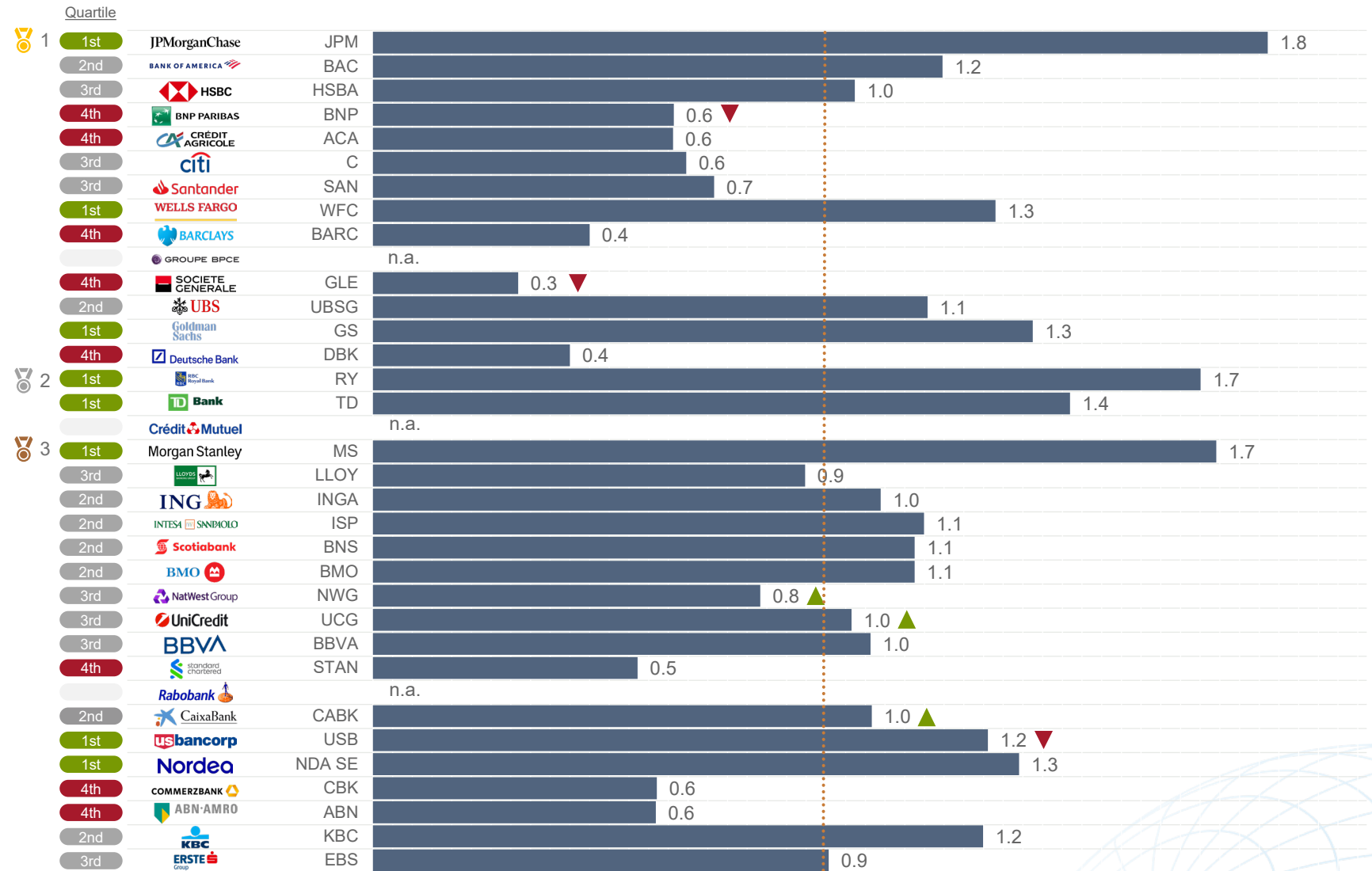


Key takeaways

- JPM has the highest PtBV ratio of A&M35 with a figure of 1.8 times, followed by MS and RY, both with a ratio of 1.7 times.
- When analysing the EU banks, NDA SE, KBC & ISP are the top 3 most valued banks by the market.
- The last positions belong to GLE, BARC & DBK.
- The average PtBV ratio is 1.0 times, 10 bps above the last year's average.

PtBV

▼ Top 3 YoY decline ▲ Top 3 YoY growth ● H12024



Average: 0.9%

BPCE, CMT & Rabobank with "n.a." as they are not public entities
Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

PtBV

Price to Book Value Ratio H124 by R or M

Price to Book Value Ratio H123 by R or M



Key takeaways

- U.S and Canada markets lead the P/BV ratio with a 1.4.
- Switzerland follows the leaders very closely with a P/BV of 1.1.
- Lagging behind, the EU and UK A&M35 banks have a similar ratio of circa 0.8.

PtBV

● H12023 ● H12024

By Market



By Region



In the formulas: "R" and "M" refer to "Region" and "Market"
Source: Financial statements, Investor presentations, A&M analysis, SNL data on June 30th, 2024.

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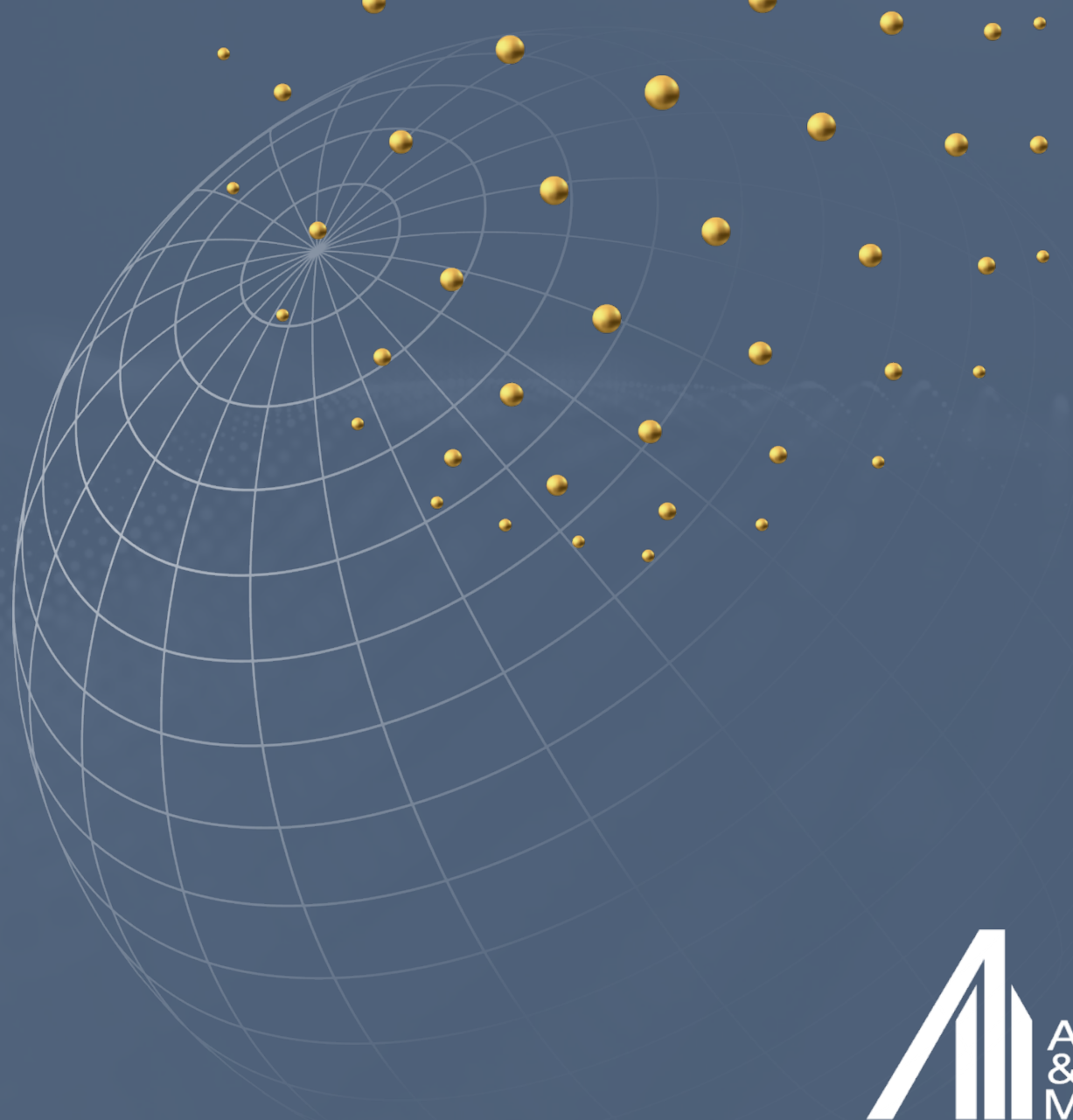
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