

Coalition Index for Transaction Banking – 1H22

September 2022

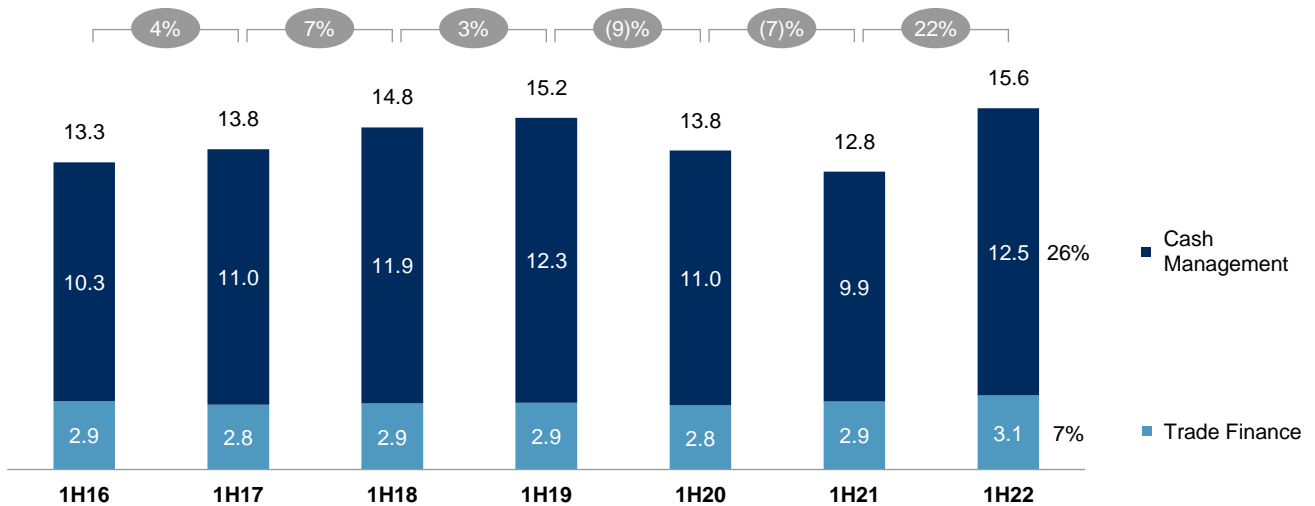
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Revenue

Transaction Banking revenues grew significantly in 1H22, surpassing the pre-pandemic levels. This was driven by increases in Cash Management while Trade Finance grew moderately.

Figure 1. Coalition Index Revenues by Product (USD Billion)

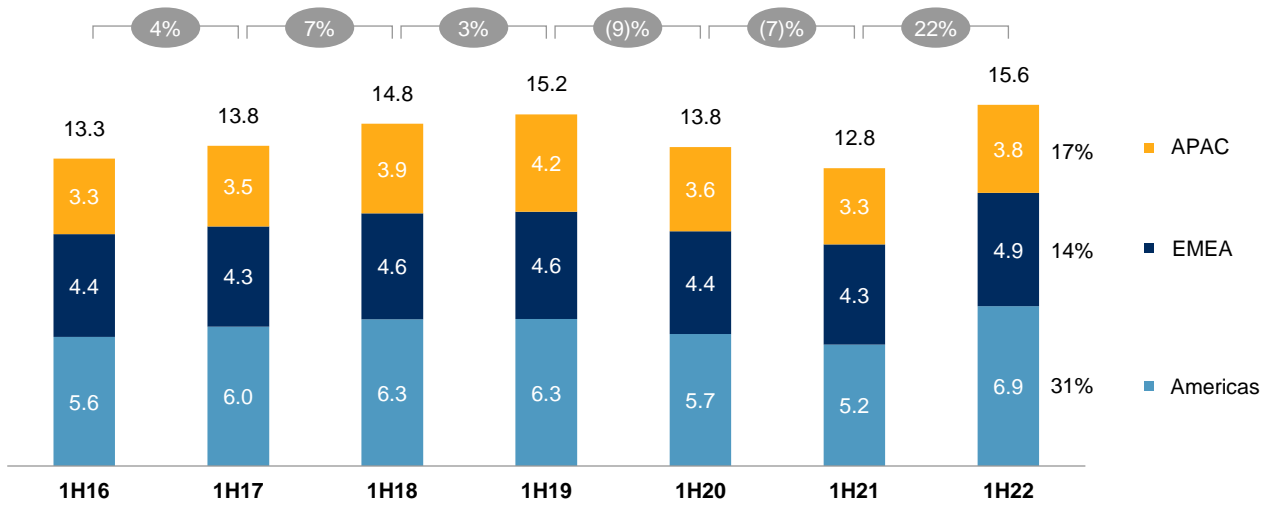


Source: Coalition Greenwich Proprietary Analytics

Trade Finance revenues improved in 1H22 driven by strong performances in Structured Trade Finance. Within Structured Trade Finance, Supply Chain Finance continued its growth trajectory as corporates sought more financing, while Commodities Trade Finance delivered record results thanks to heightened market volatility.

Cash Management revenues increased for the first time in the past three years. This was driven by Liquidity & Balances which benefitted from interest rate hikes across major economies, and supported by continued growth in Payables and Receivables.

Figure 2. Coalition Index Revenues by Region (USD Billion)



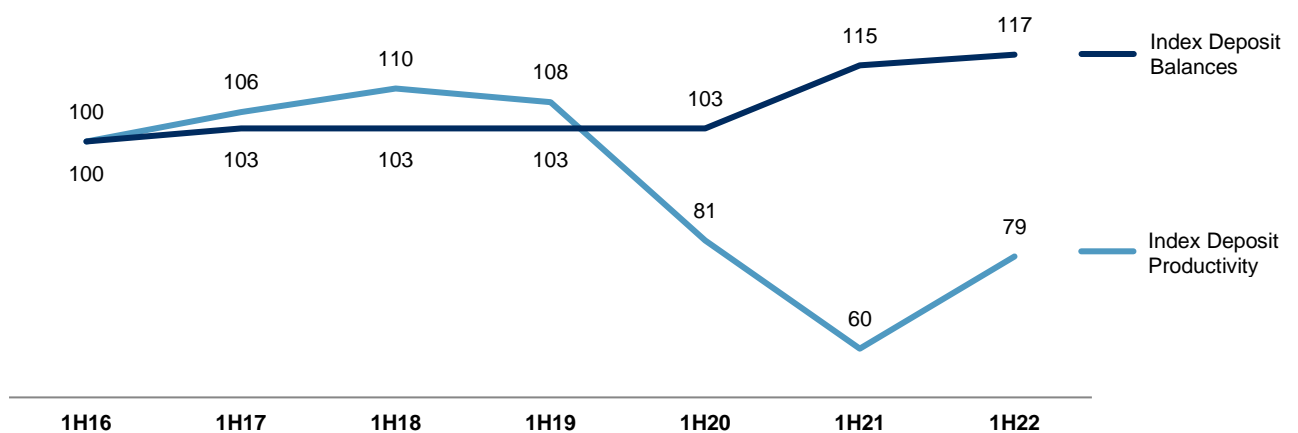
Source: Coalition Greenwich Proprietary Analytics

Strong growth across all regions resulting from higher interest rate environments, and coupled with higher Trade Finance revenue. Growth rate in Americas was the highest, mainly due to accelerated volume growth plus the strength of the U.S. Dollar.

Deposit

Deposit Balances increased marginally in 1H22, while deposit productivity rose sharply, bolstered by a higher interest rates environment.

Figure 3. Coalition Index Deposit Balances vs. Productivity (Index rebased to 100 at 1H16)

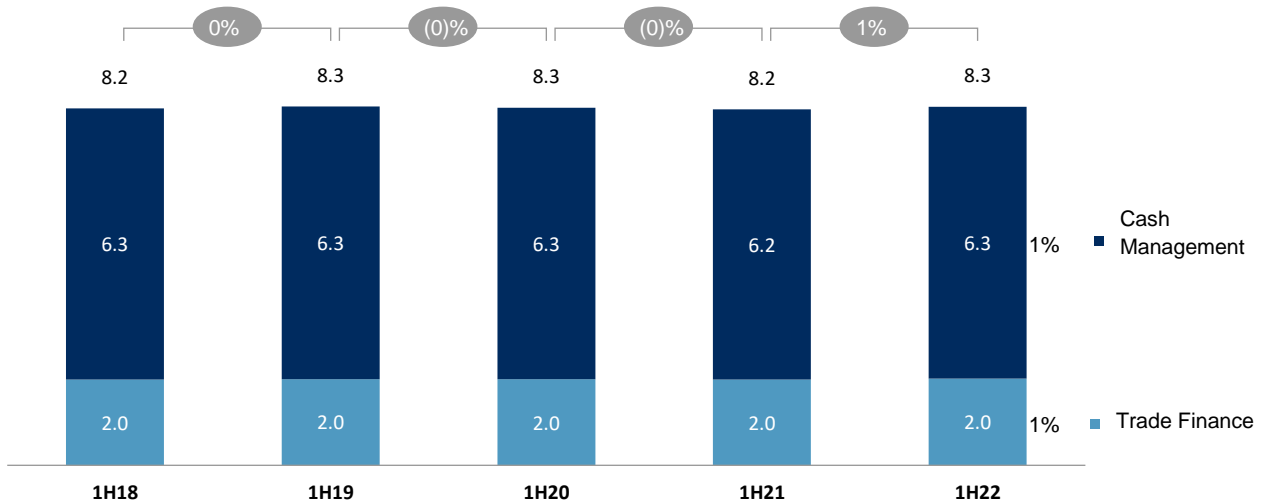


Source: Coalition Greenwich Proprietary Analytics

Headcount

Transaction Banking headcount improved in 1H22, with hiring in both Trade Finance and Cash Management across all regions.

Figure 4. Front Office Producer Headcount by Business (FTE '000s)

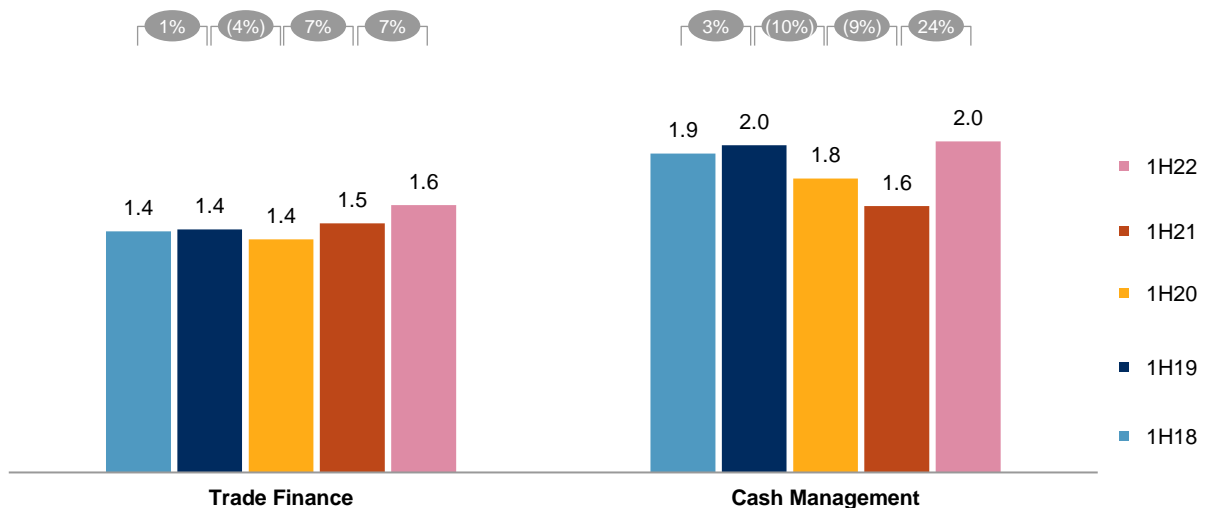


Source: Coalition Greenwich Proprietary Analytics

Productivity

Increased productivity across Trade Finance and Cash Management was driven by significant improvement in revenues with limited corresponding increases in headcount

Figure 5. Productivity by Business (USD Million/FTE)



Source: Coalition Greenwich Proprietary Analytics

Methodology

Coalition Transaction Banking Index:

- Coalition tracks the performance of the 10 largest Transaction Banks globally
- The 1H22 Transaction Banking Index comprises BAC, BARC, BNPP, CITI, DB, HSBC, JPM, SG, SCB and WFC
- This is refreshed for 1H and FY

Sources:

- Public domain information including financial disclosures, investor presentations, media articles
- Independent research
- Ongoing validation by an extensive network of market participants

Methodology:

- Performance is benchmarked against Coalition's Standard Product Taxonomy
- Analysis includes revenues and deposits from all Institutional clients and Corporates with annual turnover of more than US\$1.5bn
- Adjustments are made to publicly reported performance. Examples:
 - Exclusions: Commercial Cards, Merchant Acquiring
 - Business structure adjustments: Excluding revenues from clients with annual turnover less than \$1.5bn and Retail Banking
- Deposit Productivity is calculated as Liquidity & Balances revenues divided by Average Deposits
- Coalition Transaction Banking headcount is defined as revenue generating headcount across all levels of seniority
- Headcount is provided on a full-time-equivalent (FTE) basis covering all Institutional clients and Corporates with annual turnover of more than US\$1.5bn
 - Inclusions: Trade Finance and Cash Management include front office headcount across Sales and Product Management.
 - Exclusions: Front Office Administrative Staff, Temporary staff; Contractors and Supporting Functions (e.g. Middle Office and Back Office); Rotating Graduate/Trainees
- Numbers may not add up due to rounding
- Percentages are based on unrounded numbers

Standard Taxonomy

Transaction Banking	
Trade Finance	
Traditional Trade	
Import/Export Letters of Credit	Export Letters of Credit; Import Letters of Credit; Bank Payment Obligations (BPO); Documentary Collections; Open Account
Standby Letters of Credit	Trade Guarantees; Credit Enhancement; Performance Bonds; Domestic Guarantees
Structured Trade	
Supply Chain Finance	Supply Chain Finance - Buyer Led; Receivable Finance – Seller Led
Commodities Trade Finance	Prepayment/Pre-export Finance; Transactional Finance; Borrowing Base Finance; Post Trade Finance
Export/ ECA Finance	ECA Trade Loans; EXIM Working Capital Guarantee Program Loans; Structured Trade Finance - US EXIM; ABL Export Import Loans
Cash Management	
Payables & Receivables	ACH Credit & Debit; Cheques; Wire Transfer; Integrated Payables Service; Outsourced Payables Service; Cash; Lockbox; Direct Debits; Electronic receipts; Virtual Accounts; Invoice Solutions; Currency Clearing; Mobile Collections
Liquidity & Balances	Account Maintenance; Information Reporting; Overdrafts; Pooling; Sweeping; Netting; Operating Balances; Savings; Investments

About Coalition Greenwich

Coalition Greenwich is a leading analytics and business intelligence provider to the global financial services industry with unique analytics and insights for Corporate and Investment Banks, Asset Managers and Fintechs. We support Corporate and Investment Banks with their strategic and tactical decision-making in three areas:

- **Competitor Analytics:** Benchmarking revenues and headcount to assess competitive positioning and opportunities
- **Financial Resources:** Analysing costs, RWA, exposure and returns to understand efficiency and resources requirements
- **Client Intelligence:** Quantitative franchise benchmarking through sizing individual client wallets across Institutions and Corporates to assess opportunities, coupled with qualitative voice of client feedback, to define an actionable client strategy (recently launched **Q²** offering)

Coalition Greenwich is a business division of CRISIL, a global, agile and innovative analytics company driven by its mission of making markets function better.

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