UK Bank Brands in Decline but Lloyds and TSB Buck the Trend

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UK Bank Brands In Decline but Lloyds and TSB Buck the Trend

- **Total UK bank brand value down 3%**
- **Lloyds shows best growth on 2014 of the Big Four (+16%)**
- **TSB is the best performer overall, up 21% on 2014**
- **Standard Chartered and Coutts down 28% and 42%, respectively**
- **Wells Fargo remains the world's most valuable bank brand**
- **Chinese brands overtake major western brands, including UK's No1, HSBC**

The Brand Finance Banking 500, conducted by leading brand valuation and strategy consultancy Brand Finance plc, and published in the February edition ofThe Banker, is a league table of the world's biggest banks, ranked by their brand value.

The UK's bank brands collectively lost 3% of their value this year. **NatWest, RBS**and **Nationwide** all saw their brand values fall. **Coutts** was the worst affected; The Queen's bank has lost 42% of its brand value in a year.

Standard Chartered was fined $327m by US authorities for violating sanctions against Iran but the reputational impact has clearly had an even bigger impact on its financial position; brand value is down by nearly $2 billion (£1.3bn).

HSBC remains the UK's most valuable bank brand, with a value of $27.3bn (£17.5bn). Both HSBC and 2nd placed **Barclays** have registered negligible growth rates of 1.5% and 0.1% respectively. They, along with most UK banks, have been significantly affected by a toughening regulatory regime.

Lloyds was the only one of the Big Four to show strong growth, having increased 16% to $6.9bn (£4.4bn). Brand Finance's results suggest that CEO Antonio Horto-Osorio has masterminded a successful turnaround. Renovated branches and a refreshed image suggest a new confidence, helping to distance Lloyds from the problems of the company's recent past.

Recently revived **TSB** has fared even better and is the UK's most successful bank brand this year, having grown by over 21%. Its marketing has emphasized not only its competitive rates but also the importance of straightforwardness, trust and heritage. It leads a field of increasingly successful challenger banks, putting more pressure on the established players.

Brand Finance CEO David Haigh comments, *"A strong brand builds loyalty, helping to reduce churn. As switching becomes easier and with nimble competitors emerging, some banks may have to rely on the power of their brand ever more heavily to hold onto customers."*

Global Results - Chinese Brands Threaten America's Banking Primacy

Wells Fargo remains the world's most valuable bank brand. Following growth of 15%, its total value stands at $34.9bn. Some other US banks have registered respectable brand value growth such as Citi and Chase (both up 7%) while others such as Bank of America (-4%), Goldman Sachs (-7%) and JP Morgan (-15%) are in the doldrums.

JP Morgan chief executive Jamie Dimon recently expressed concerns that overregulated western banks might be superseded by Chinese brands. Brand Finance's research would appear to bear that out. ICBC has moved from 6th to 2nd place in the rankings, overtaking HSBC which is now in 3rd globally. China Construction Bank, which has already overtaken HSBC in terms of market capitalisation, has grown its brand by 39% to overtake Citi, BoA and Chase. Spain's Santander has been pushed to the bottom of the top ten by Bank of China and Agricultural Bank of China.

European banks have had an even less successful year than those from the US. Total Spanish bank brand values are down 2%, for the UK the figure is -3%, Italy -5%, Germany -6% and France -19%.

QNB is the most valuable bank from the Middle East or Africa. Its brand value is up 44% to $2.6bn. It exemplifies the rapid growth of many Gulf and developing world bank brands. The top ten fastest growing

countries are Morocco (total bank brand value +98%), India (+61%), Nigeria (+52%), UAE (+45%), Colombia (+44%), Qatar (+44%), the Philippines (+43%), Saudi Arabia (+40%), China (+29%) and Bahrain (+29%).

- Ends -

Note to Editors

Brand values for 2015 are calculated in USD with a valuation date of 1/1/15. All GBP figures are based on the exchange rate against the dollar as at that date (0.642).

The study has been published annually in the February edition of the Financial Times' 'The Banker' since 2006. Full results can be found on Brand Finance'swebsite or at thebanker.com/topbankingbrands from February 2nd.

To coincide with the release of The Banker / Brand Finance Banking 500, Brand Finance is hosting an **event on February 10th**. Speakers include Mark Mullen, chief executive of Atom Bank; David Yates, chief executive of Vocalink, Brian Spoule, chief economist at the IOD and Brian Caplen, editor of The Banker. More information can be found on our events website.
To attend please email events@brandfinance.com.

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About Brand Finance

Brand Finance is the world's leading brand valuation consultancy, with offices in over 15 countries. We provide clarity to marketers, brand owners and investors by quantifying the financial value of brands.

About The Banker

The Banker is the world's premier banking and finance resource, providing global financial intelligence since 1926, published by the Financial Times ltd. The Banker combines in-depth regional and country coverage reporting on capital markets, structured finance, risk management, working capital management and securities services, environmental finance, trade and project finance, trading, technology and management and governance issues. The Banker/Brand Finance Banking 500 is published in The Banker February edition, to find out more email thebanker@ft.com or visit thebanker.com/topbankingbrands.

Brian Caplen has been a financial and business journalist for more than 25 years. He has worked in Hong Kong and the Middle East and reported from all over the world. He joined The Banker in 2000 and became editor in 2003.

Explanation of Brand Finance's Methodology

Brands are probably the most valuable assets that companies own, driving demand and building relationships with customers and partners. However, without firm financial data their importance can be overlooked or misunderstood. Brand Finance calculates their value by determining the royalties a corporation would have to pay to license its brand if it did not own it, known as the 'royalty relief' method. As well as a brand value, each of the 500 brands in the table is accorded a brand rating; a benchmark of the strength, risk and potential of a brand relative to its competitors, similar to a credit rating. A more detailed methodology of how the brand values are calculated can be found here and the results from last year's study here.

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