BANKS

DEFINITION:
The banks category includes retail, business and investment banking institutions.

MONEY MOVES/ BANKS BRANDS LOOK TO THE FUTURE

KANTAR BRANDZ

BANKS TOP 15:

Brand Value $ (US) millions

WELLS FARGO	$ 43,052
RBC	$ 39,522
J.P. MORGAN	$ 37,412
HDFC BANK	$ 35,603
ICBC	$ 35,315
CHASE	$ 32,098
BANK OF AMERICA	$ 30,846
TD	$ 29,720
COMMONWEALTH BANK OF AUSTRALIA	$ 26,601
MORGAN STANLEY	$ 21,219
CHINA MERCHANTS BANK	$ 20,552
BCA	$ 20,283
CITI	$ 19,435
CHINA CONSTRUCTION BANK	$ 19,214
HSBC	$ 17,175

Category Brand Value
Year-on-Year Change
+30%

Banks Top 15
Total Brand Value
$ 428,046 m

BANKS

As a group, the world's biggest Banks brands had a strong year, growing more than 30% to a new total of $ 428,046 million.

Major U.S. brands like Wells Fargo, J.P. Morgan, Chase, Citi, Morgan Stanley, and Bank of America all had banner years, with many posting record annual profits. The reasons behind this success were many: a busy and lucrative mergers environment; strong equities performance; increased consumer spending; and ample opportunities for gains in private equity and venture capital. In short: As the US and global economies recovered, American banks did very, very well.

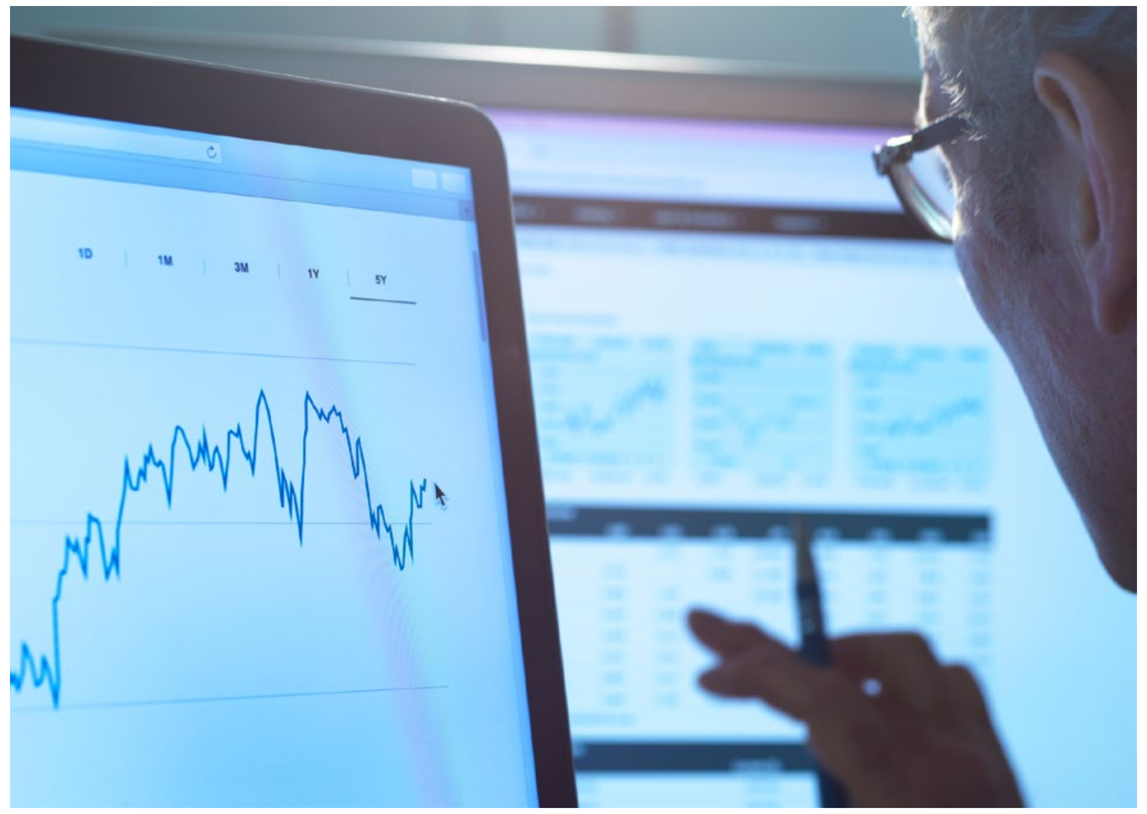
The same general dynamic held true for top non-American brands like Canada's RBC and TD Bank, and the Commonwealth Bank of Australia, which all recovered alongside their home markets. In India, HFDC Bank built on lockdown-era breakthroughs in mobile banking and hyperlocal service to improve its BrandZ reputation scores - all while continuing to grow its bottom line and invest in new branches.

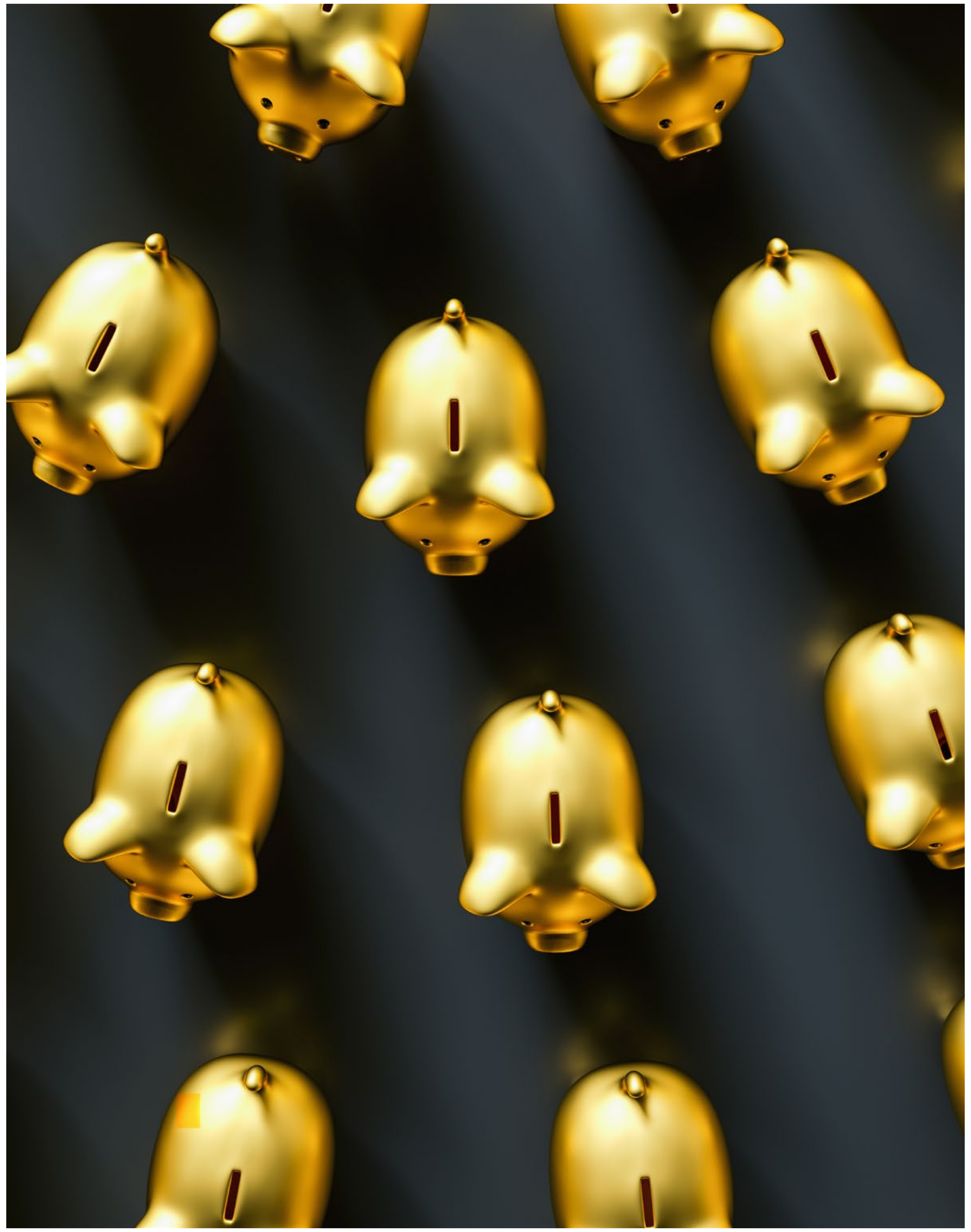
Elsewhere in Asia, some Chinese banking brands have found themselves in a more challenging situation. They are navigating the simultaneous challenges of continuing to clean up their real estate and industry loans, while also navigating ongoing trade tensions. They have also been affected by the cooling of China's tech sector in the wake of regulatory scrutiny.

That being said, the Chinese government has also shown in the past year that it will continue to step in and save important markets and companies from collapse. This is a kind of insurance - reputational *and* financial - that bank brands in many other countries can only dream of. And there is an encouraging story, too, in the strong brand built by China Merchants Bank, which has established itself as a clear national leader in the areas of wealth and asset management. In May 2021, JP Morgan struck a deal to buy a 10% stake of China Merchants' wealth-management business, the first such deal of its kind between a Western and a Chinese bank.

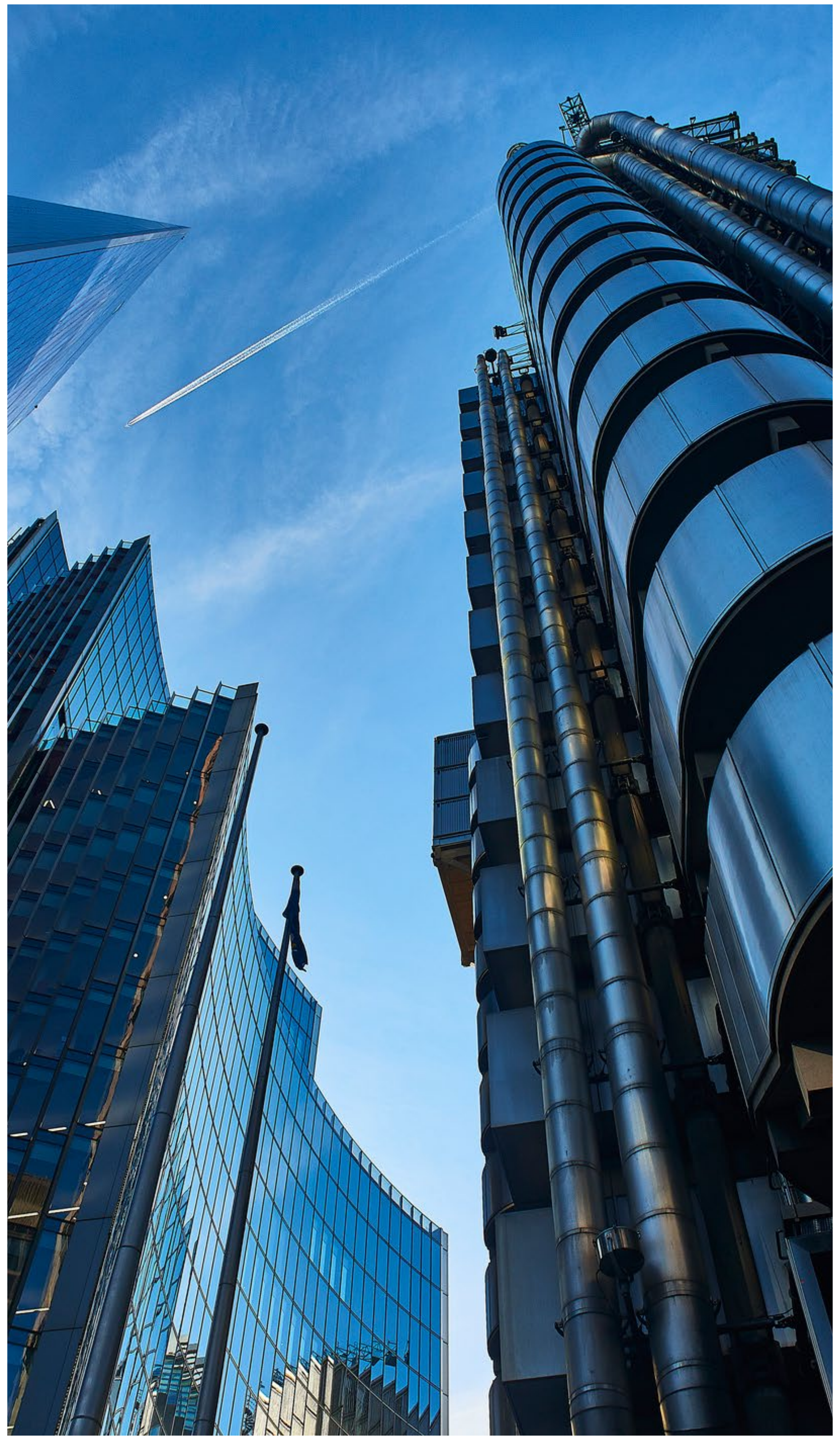
Elsewhere in the industry, you may have heard some pundits predicting that bank brands will soon become obsolete. They believe, instead, in the disruptive potential of cryptocurrencies, as well as in the democratizing influence of independent online brokerages like Robinhood in the US and Zerodha in India.

Setting aside the more heated rhetoric, there have of course been recent cases of individual investors becoming rich by buying certain cryptocurrencies, or by making leveraged bets using independent brokerage apps. There have even been cases where coordinated small investor activity has foiled certain hedge fund bets.





BANKS



What these cases do not yet suggest, however, is any real threat to big banks' ability to keep earning massive profits of their own. Even granting the potentially transformative nature of digital currencies, it seems likely that big bank brands will respond by simply building out large, profitable "digital shops" themselves. Consider, too, that countries like China, Japan, and the UK have begun the process of building their own digital currencies – all while looking for ways to bring forms of "outlaw crypto" under more centralized control.

It's true that young people, especially, are being driven by a new spirit of financial independence, and see savings, investment, and risk differently than their predecessors. But for every Gen Z-er looking to escape the typical 9-to-5 career path by becoming a crypto investor or day trader, there are plenty more who aspire to become founders and entrepreneurs.

In this realm, there's an opportunity for a banking revolution that's every bit as consequential as crypto - but much more human focused. It's about bank brands re-envisioning small business services in ways that speak to Gen Z's hustle mindset and digital fluency. There are signs that this shift is already underway. In South Africa, for instance, the country's most valuable brand, First National Bank, now offers a zero monthly service fee account for "digitally savvy sole proprietors." These "First Business" accounts also include free access to business apps like a customer payments portal and digital licensing renewal portal, as well access to a digital course that "provides free interactive entrepreneurial e-learning via videos, podcasts, quizzes, templates, and tools to set up businesses for success."

Going forward, expect bank brands to talk more about community development and entrepreneurial empowerment as their profits continue to rise. In the coming year, many leading bank brands are primed for a major profit windfall, as central banks look to fight inflation by increasing interest rates.

This is good for banks, of course. But reputation-minded banking brands are also sensitive to perceptions that, thanks to rate hikes, they will soon be earning billions more in loan revenue thanks to no overt "skill" of their own. Because of this, bank brands have already begun already signaling that how they will use this rate-hike revenue in meaningful ways. For starters, bank brands are committing to more jobs, geographic expansion, and the kinds of wholesale technological transformations that, in time, could lead to greater service and convenience for retail customers.

Another sizable portion of banks' rate-hike windfalls will likely go toward increased labor costs - as the industry confronts an increasingly tight market for talent. Here, too, there is room to enact positive change, around issues like retaining women workers (through better extended leave, and commitments to equal pay). Banks can also invest more in recruitment and mentorship programs that serve underrepresented groups.

In the realm of environmental sustainability, initiatives like green bonds, green investment funds, and carbon reduction targets all represent a step forward for the industry in the past decade. Environmental issues, and the UN Sustainable Development Goals, are now on banks' boardroom agendas as never before. (What's more, as businesses of all types undertake more "sustainability audits," banks' environmental records could increasingly factor into when and how they win corporate business). Indeed, among the B2B audience surveyed for the BrandZ rankings, top bank brands' perceptions of sustainability have been noticeably trending upward.

One big remaining challenge around sustainability lies in finding ways to translate environmental gains into tangible benefits for retail customers - ordinary savers, in other words, who aren't flush enough to need a "green" wealth management strategy, but still care about the environment. Among smaller banks, a brand like Triodos (which operates in the Netherlands, Belgium, Germany, United Kingdom, and Spain) can carve out a niche as an exceptionally virtuous brand. Triodos costs slightly more than competitors, in the form of a £3 monthly checking fee, but offers customers the satisfaction that their funds will be ethically invested.

At the outset, Triodos promises to never fund fossil fuels, fast fashion, weapons, or tobacco with customers' savings. And it commits to offering a full list and accounting of the renewable energy, sustainable agriculture, and education projects it *does* fund. That's a heartening example of how to get it right on sustainability at a smaller scale. But what would green retail investing look like at the scale of a top global brand?

BANKS

BRAND SPOTLIGHT

RBC

National banking brands tend to overperform in the BrandZ top bank brands lists. Even among this cohort, Canadian standard-bearer RBC stands out for its high Meaningful scores. RBC's moves this past year are a strong example of how BrandZ data insights can align with strategic initiatives. In RBC's case, there is a clear incentive to raise the bank's Difference perceptions up to meet its high scores for Salient and Meaningful.

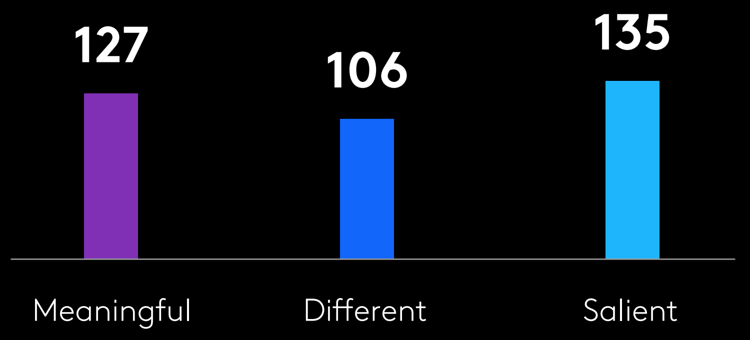
To that end, the brand's new "Ideas Happen Here" brand platform aims to highlight innovative offers across a range of marketing touchpoints. To date, ads have highlighted initiatives like the brand's redesigned app and integrated loyalty rewards program, as well RBC's startup incubator and small business tools.

2022 BRAND VALUE

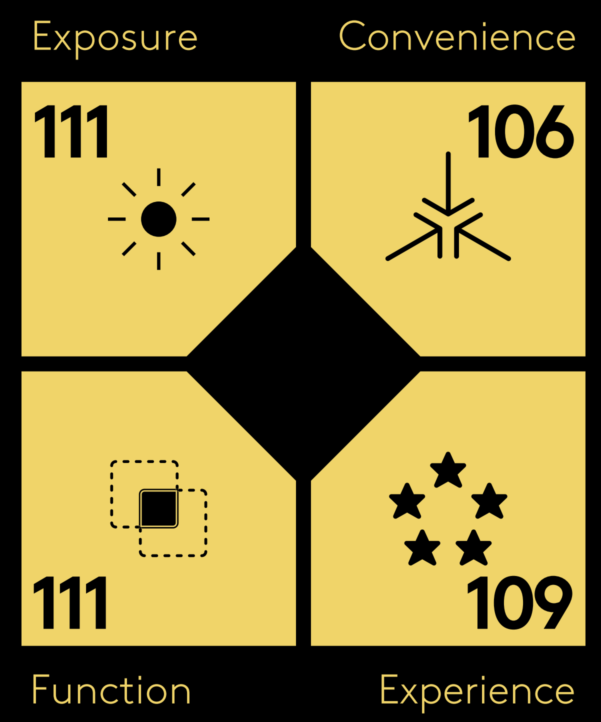
$39,522M

2021 Brand value $27,607m

+43% year on year



Strong Fundamentals, consistently improving



Building Difference to reduce the Salience Gap

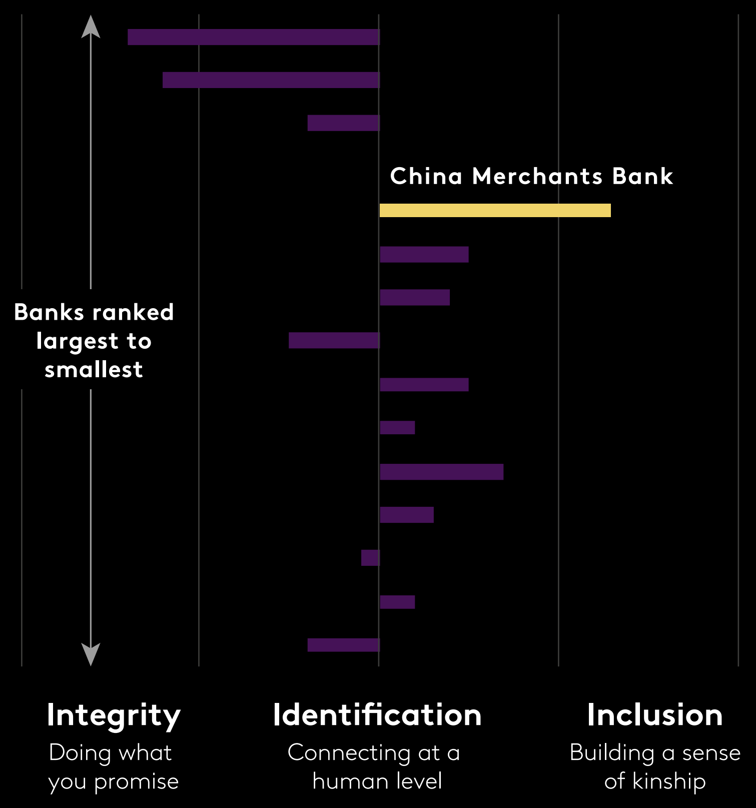
BRAND SPOTLIGHT

招商银行 CHINA MERCHANTS BANK

China Merchants Banks is well-differentiated, with a more modern appeal. Historically, the bank has been a first-mover in China in embracing digital transformation to boost profit, and in marketing gold- and platinum-tier credit cards (with elevated customer service to match). Today, the brand enjoys a further high-Trust, luxury halo thanks to its formidable Wealth Management division.

China Merchants Bank is challenging perceptions

Inspiring Trust: consumer brand image profiles



2022 BRAND VALUE

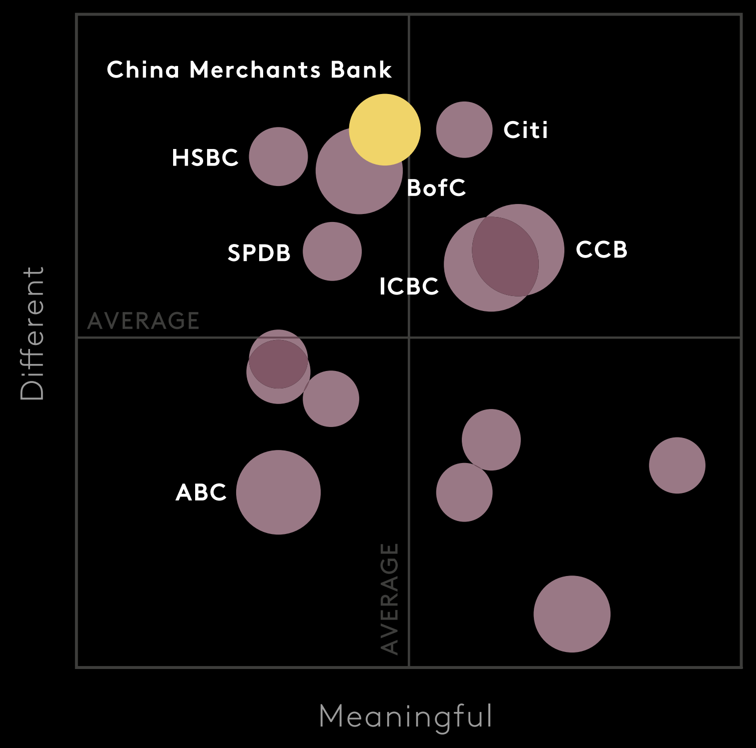
$20,552M

2021 Brand value $15,944m

+29% year on year

Digital transformation sustains a real Difference

Brand equity components



BANKS

ACTION POINTS/ BRAND BUILDING

1

PROMOTE FINANCIAL RESPONSIBILITY

In 2021, Kantar's Sustainable Transformation Practice surveyed a worldwide audience to determine the global development issues that consumers most wanted bank brands to prioritize. They found that banks brands were most expected to lead on combatting tax evasion, financial illiteracy, and increasing economic inequality – while also contributing to the fight against poverty.

2

REDISCOVER COMMUNITY SPIRIT

At the height of 2020's initial COVID-19 lockdowns, bank brands worldwide won plaudits for their willingness to grant loan holidays and waive extra fees; some banks even went to far as to drive mobile ATMs from block to block. That community spirit has receded somewhat in the intervening years. Now, many banks say they plan to use their rate-hike profits to expand geographically. When allocating this money, they should consider ways to not only travel farther, but deeper as well – back into the fabric of local communities, to rekindle their recent goodwill.

3

UNLOCK HIDDEN ASSETS

Unlock Hidden Assets. As borrowing costs for ordinary people increase, bank brands could be more creative in helping people to unlock the value of their existing household possessions; there should be more steps between the loan officer and the pawn broker. To that end, in India the fintech startup Rupeek is trying to create a new kind of loan platform.

As a Rupeek executive recently told BrandZ, "Indian households have the largest amount of gold sitting at home of any global market. More broadly, almost 95% of Indian households have some form of security. It could be a scooter, it could be a car, it could be gold jewellery. But only 5% of Indian households have access to formal credit.... I think that technology has the ability to correct that divide, and that's what we want to do.