



**LONDON: strictly embargoed until 00.01 01 February 2013**

## **UK banks lose \$1.5 billion of brand value**

- The UK is the only top 10 country in **The Banker / BrandFinance® Banking 500** to see the total value of its bank brands fall with a net loss of \$1.5 billion
- UK **investment banking operations** have **suffered** particularly badly, with brand values falling \$4 billion, a drop of 29%
- 2012's top brand **HSBC**, hit by money-laundering allegations, has lost **17%** of its value and lost the global top spot to US bank, **Wells Fargo**
- **Standard Chartered**, facing its own money-laundering scandal, and **Barclays**, taking the heat over Libor-fixing, have lost **8%** and **1%** of their respective brand values
- UK retail banks have recovered from a low base - **RBS**, **Lloyds TSB** and **Natwest** all show considerable increases in brand value; **34%**, **19%**, **22%** respectively
- Total global bank brand values are up **15%** from **\$746.8bn** in **2012** to **\$860.7bn** in **2013**, driven by impressive growth in emerging markets, in particular China

**The Banker / BrandFinance® Banking 500**, released today, is an annual study conducted by Brand Finance plc, the world's leading brand valuation consultancy, published in the 'The Banker' magazine. The world's biggest banks are ranked by their brand value, with the results reflecting industry trends and indicating future developments.

Just as George Osborne is trying to play down the significance of a triple-dip recession, UK banks' brand values have tumbled. Overall brand values are down 2% for UK banks, from \$68 billion in 2012 to \$66.5 billion this year, making the UK the only top 10 country to see its banks' brand values fall. UK banks have suffered a series of damaging scandals in the past couple of years from mis-selling of insurance to regulatory transgressions which have hit their brand strength. HSBC, last year's most valuable banking brand, has divested itself of several major investments. The resulting lost revenues have further cut brand value, contributing to its loss of the top spot.

In contrast it has been a successful year for retail banks. Wells Fargo leads an international field of retail-focussed banks that have outperformed competitors in other sectors. Total retail banking revenues for the top 500 are up 24% with brand values increasing 21%. Certain UK banks exemplify the trend; the brand values of RBS, Lloyds TSB and Natwest are up 34%, 19%, 22% respectively. Meanwhile overall investment banking revenues are down 7% and brand values down 14%.

Impressive growth in emerging markets has driven a 15% increase in total brand values from \$746.8bn in 2012 to \$860.7bn in 2013. Russian banks have performed the best with a 453% uplift since 2008, followed by Indonesia (443%), the Philippines (412%), Colombia (377%) and China (335%). The presence and might of the Chinese banks has been ever growing. This year their total brand value reached \$95.7 billion, with Agricultural Bank of China recording the highest leap in brand value of any bank (\$6.04 billion) sending it from 18<sup>th</sup> to 11<sup>th</sup> place.



In Association with

# The Banker

Commenting on the results, The Banker's editor, Brian Caplen, said: "Total bank brand values are the highest they have ever been and are nearly double the level in 2009 during the worst of the financial crisis. Chinese banks are still leading the charge in terms of the largest increases in brand value but they are now being joined by leading US banks such as Chase, Citi, Bank of America and Wells Fargo."

Brand Finance Chief Executive David Haigh said: "UK banks seem to be accident prone. Last year's leading UK bank brands have defied the global trend by going backwards. The laggards of 2009 are finally recovering but the reputation of the UK banking industry has been seriously damaged."

### The Banker / BrandFinance® Banking 500 – Top 10 Most Valuable UK Bank Brands

World Rank 2013	World Rank 2012	UK Rank 2013	Brand	Brand Value 2013 (USD millions)	Brand Rating 2013	Brand Value 2012 (USD millions)	Brand Rating 2012
3	1	1	HSBC	22,865	AAA-	27,597	AAA
17	12	2	Barclays	13,436	AA	13,552	AA+
33	24	3	Standard Chartered	7,022	AA+	7,624	AAA-
43	45	4	RBS	5,416	AA-	4,056	A+
60	58	5	Lloyds TSB	3,225	AA	2,701	AA-
78	75	6	Halifax	2,373	AA	2,069	AA
84	88	7	NatWest	2,196	AA+	1,797	AA
94	86	8	Bank of Scotland	1,884	A+	1,802	A
118	119	9	Scottish Widows	1,346	AA	1,158	A+
162	154	10	Cheltenham & Gloucester	817	AA-	795	AA-

### The Banker / BrandFinance® Banking 500 – Top 10 Most Valuable Global Bank Brands

Rank 2013	Rank 2012	Brand	Domicile	Brand Value 2013 (USD millions)	Brand Rating 2013	Brand Value 2012 (USD millions)	Brand Rating 2012
1	2	Wells Fargo	US	26,044	AA+	23,229	AA+
2	5	Chase	US	23,408	AAA-	18,964	AA+
3	1	HSBC	UK	22,865	AAA-	27,597	AAA
4	3	Bank of America	US	22,397	AA+	19,537	AA+
5	6	Citi	US	21,677	AA+	18,639	AA+
6	4	Santander	Spain	20,119	AAA-	19,969	AAA-
7	11	ICBC	China	19,820	AA+	15,164	AA+
8	7	American Express	US	19,004	AAA-	18,231	AAA-
9	8	BNP Paribas	France	18,573	AAA-	16,809	AA+
10	10	China Construction Bank	China	16,949	AA	15,464	AA



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## Notes for Editors

First published in 2006, **The Banker / BrandFinance® Banking 500** was the first publicly available study analysing the financial value of the world's top banking brands. It is published annually and incorporates data from all listed companies globally. Each brand is accorded a brand rating: a benchmarking study of the strength, risk and future potential of a brand relative to its competitor set as well as a brand value: a summary measure of the financial strength of the brand.

The report analyses the market values of brands as intangible financial assets that drive demand and build business relationships. Brand Finance uses the Royalty Relief method to analyse the royalties that a corporation would have to pay to license its brand if it did not own it, thus establishing the cost from which a bank is relieved through owning its brand.

The full results appear in the February 2013 issue of The Banker, please visit [www.thebanker.com](http://www.thebanker.com).

For the results of previous Brand Finance studies, please visit [www.brandirectory.com](http://www.brandirectory.com).

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## The Banker / BrandFinance® Banking Forums

To find out more about the results and the challenges facing the banking industry, please join us for **The Banker / BrandFinance® Banking Forum London** at Cass Business School on February 5<sup>th</sup>. To book your place(s) or for more information please contact Tom Connell, Events Coordinator, on +44 (0) 207 389 9400 or visit [www.brandfinanceforum.com](http://www.brandfinanceforum.com). Alternatively you can register by sending your name and company name to [events@brandfinance.com](mailto:events@brandfinance.com).

## About The Banker

The Banker was established in 1926 and is part of the Financial Times Group. The Banker is the trusted source of information on Banking and Finance since 1926. 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 has unique access to the most influential decision makers in the financial world. With informed opinion, a platform for thought-leaders, big name interviews and a unique banking industry database, it provides one of the most comprehensive and respected voices in the financial media.



## About Brand Finance

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Brand Finance plc, the world's leading brand valuation consultancy, advises strongly branded organisations on maximising their brand value through effective management of their brands and intangible assets. Founded in 1996, Brand Finance has performed thousands of branded business, brand and intangible asset valuations worth trillions of dollars.

Its clients include international brand owners, tax authorities, Intellectual Property lawyers and investment banks. Its work is frequently peer-reviewed by the big four audit practices and its reports have been accepted by various regulatory bodies, including the UK Takeover Panel.

Brand Finance is headquartered in London and has a network of international offices in Amsterdam, Athens, Bangalore, Barcelona, Cape Town, Colombo, Dubai, Geneva, Helsinki, Hong Kong, Istanbul, Lisbon, Madrid, Moscow, Mumbai, New York, Paris, Sao Paulo, Seoul, Singapore, Sydney, Toronto and Zagreb.

For further information, please visit our website: [www.brandfinance.com](http://www.brandfinance.com)

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