



# BCG Corporate Banking Performance Benchmarking: CBPB 2025 edition

Overview

JANUARY 2025

**CORPORATE BANKING**  
PERFORMANCE BENCHMARK  
BY BCG

# Corporate Banking Performance Benchmarking

Our flagship executive offering since 2001



Unique segment specific  
proprietary data

BCG peer groups for micro, small,  
commercial, large corporate and  
specialty segments



Covers complete  
business

Including lending, deposit,  
transaction, investment banking, risk  
management products



Vast geographic  
reach

260+ unique participants across  
the globe representing  
\$3T+ assets

# How we add value to your organization



## Opportunity Identification

Uncover growth and improvement opportunities with our benchmarks



## Market Intelligence

Intelligence on key emerging trends, best practices and market opportunities



## Strategy Validation

Validate your strategic decisions through our customized analysis and discussions with BCG experts

# Our proposition

## Data security 6

No client names revealed, data with only a dedicated team in BCG

## Streamlined process 4

<1 day effort in data collection per segment and designated POC from BCG

## Multiple delivery channels 4

Custom report, web visualization and an online simulation tool



## 1 Full Business Coverage

Includes all key CB products and data on sales force, clients, cost, risk and capital

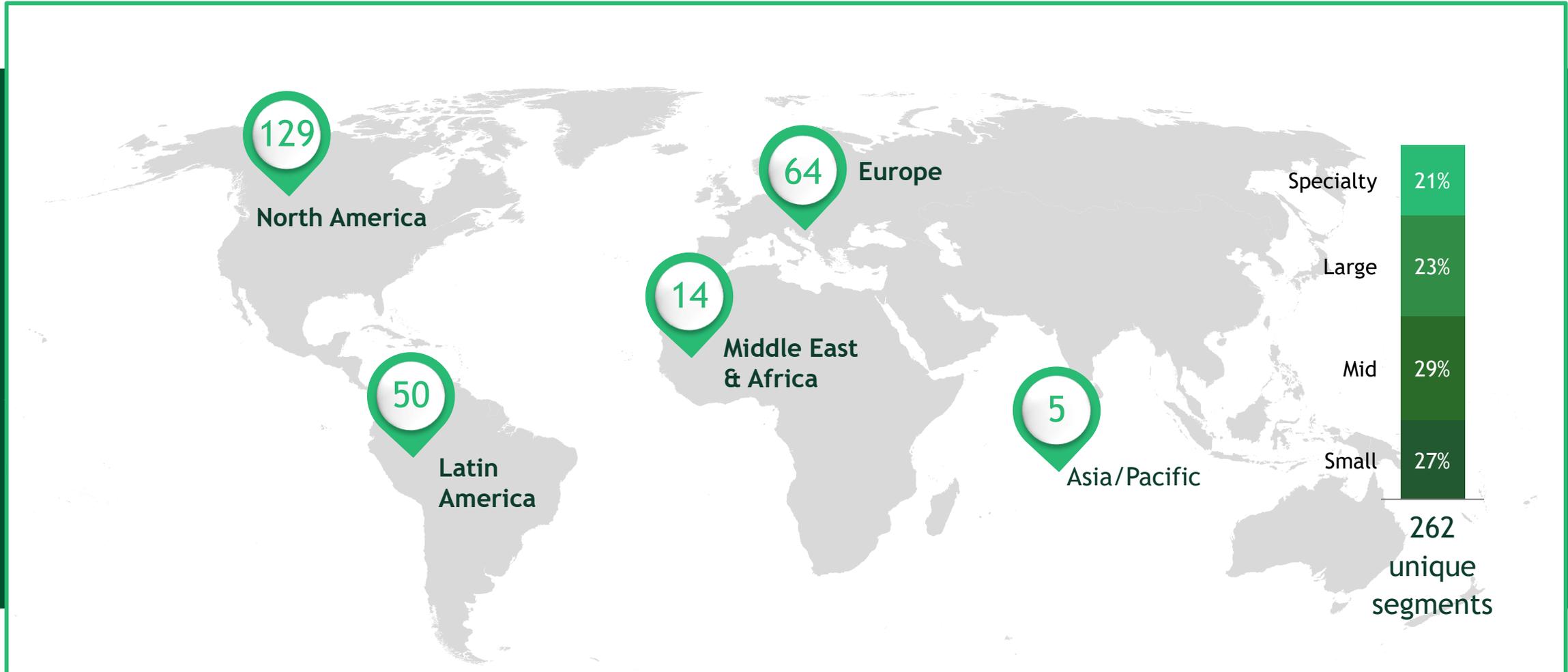
## 2 Segment specific peer groups

BCG peer groups for small business, commercial, large corporate and some specialty (e.g., CRE)

## 3 Quantitative and qualitative insights

Benchmark comparison across key KPIs along with discussion with BCG experts

# 260+ unique segments participated in last 3 years across geographies and segments





## What you give

### Provide 1 completed **datasheet**

- Usually takes <1 day finance time (data drawn from typical internal reports)
- Optional 'express service' where bank provides internal financial reports and BCG fills in datasheet to save finance team time

**Your time** to participate in individual feedback discussion with BCG experts

Signed '**exchange of letters**' covering non-disclosure and confidentiality

**No cost** to participants



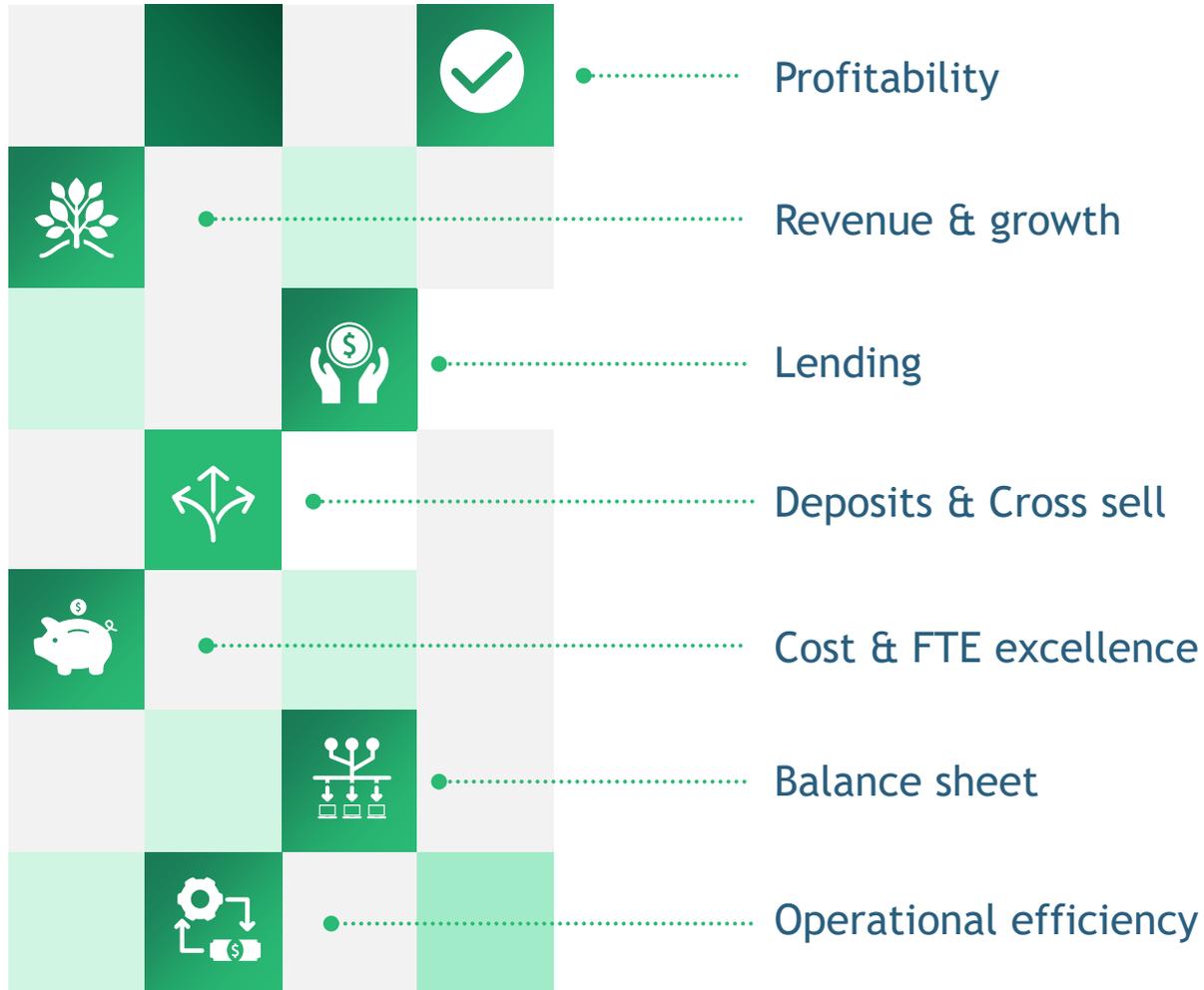
## What you get

Your business segment gets compared to a **custom peer group** along key performance drivers

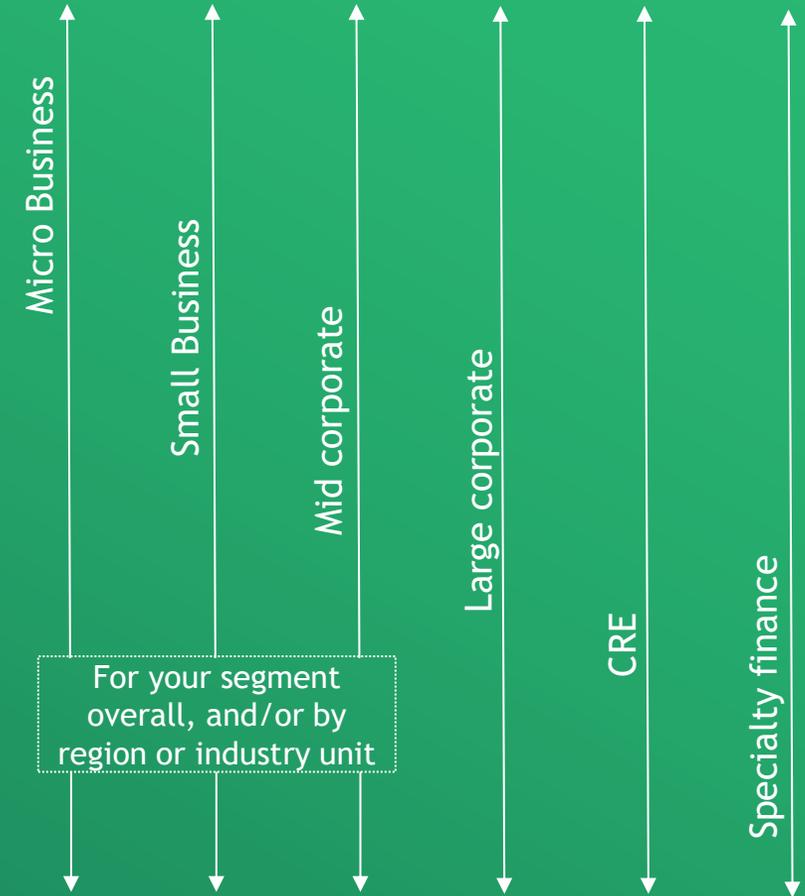
Identification of specific **performance opportunities** and discussion with BCG Small Business Banking experts

**Confidentiality**—names of participants are not disclosed

# CBPB delivering a comprehensive business assessment across key topics



Customized by segment



# CBPB provides a broad array of performance drivers under these topics

## Profitability

- Pre-tax return on regulatory capital
- Trends in profitability



## Cost excellence

- Cost/income ratio
- Cost per loan volume, Cost per client
- Direct vs. Indirect cost
- Direct cost mix by FTE & other costs
- Indirect cost by functions - Operations, IT, Finance, Risk, Legal, HR etc
- Operating leverage



## Operational efficiency

- RM time utilization
- RM vs. Support FTE
- Loan Cycle time for new/old clients
- Account opening cycle time
- Documentary credit processing type
- STP rate



## Revenue & growth

- Revenue per loan volume
- Revenue mix by product group - Lending Deposits, Trade, Transaction Banking, Investment Banking, Risk Management
- Revenue growth by product group
- Loan/ Deposit volume growth
- % Cross sell
- Interest vs. fee income



## Lending

- Risk adjusted credit pricing
- Total credit income per loan volume
- Gross/Net loan interest income per loan volume
- Loan fee income per loan volume
- Loan losses per loan volume



## Deposits

- Deposit volume mix by deposit type
- Gross & Net Deposit spread
- Transaction banking fee income per deposit volume
- Transaction banking fee income mix by product type



## Balance sheet

- Funding rate
- Risk Weighted Assets per loan volume
- Capital leverage



## Client excellence

- Revenue per client
- Cost per client
- Client handled per RM/FTE
- Client penetration rate by product type
- Loan/Deposit volume per client
- Client acquisition/ attrition rate



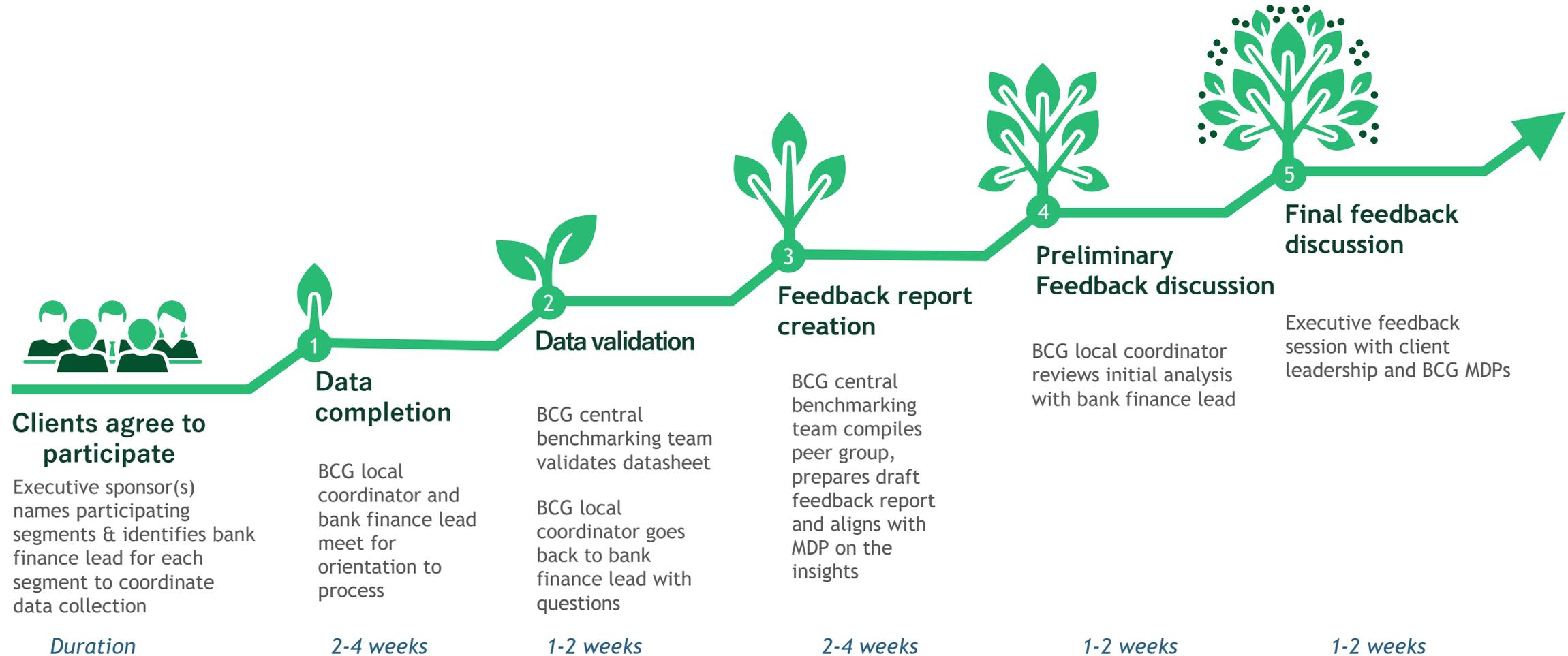
## FTE productivity

- FTE mix by Front, Mid and Back office
- Revenue per RM/ front office/ Total FTE
- Client handled per RM/ front office/Total FTE
- Lending vs. Non lending income per RM
- Loan and Deposit volume per RM



# Overview of CBPB process:

The total process will undertake ~8 to 10 weeks from data gathering, validation to report delivery



# Appendix: Sample Output Snippets



# Segment wise evaluation with country/regional players and market leaders

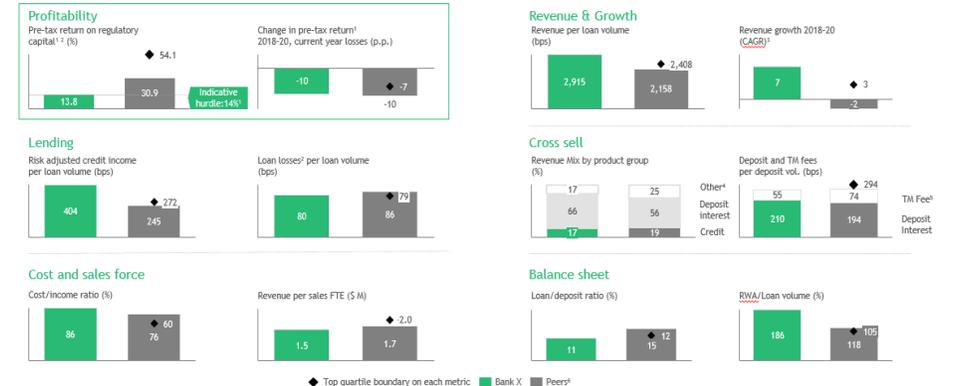
An overall comparison of the business based on key performance indicators

## Performance dashboard - Total Business

Key benchmark metric	Bank X Micro Business	Peer median	Bank X Small Banking	Peer median	Bank X Middle Market	Peer median	Bank X Large Corporate	Peer median	Bank X Total	Peer median
Return on regulatory capital	58%	30%	28%	30%	21%	18%	7%	13%	15%	18%
Revenue growth (2021-23 CAGR)	2.8%	1.4%	2.8%	1.4%	5.8%	6.9%	4.8%	0.9%	2.8%	11.3%
Risk adjusted Credit income/Loan volume	200bps	119bps	200bps	119bps	162bps	156bps	126bps	92bps	132bps	159bps
Lending revenue/Loan volume	250bps	142bps	250bps	142bps	258bps	202bps	157bps	134bps	194bps	189bps
Loan Losses/Loan volume <sup>2</sup>	50bps	14bps	50bps	14bps	196bps	10bps	31bps	22bps	62bps	30bps
Deposit NIM	67bps	47bps	67bps	47bps	63bps	60bps	62bps	22bps	62bps	43bps
TxB fee/Deposit volume	57bps	44bps	57bps	44bps	50bps	40bps	50bps	20bps	52bps	41bps
Revenue per RM	0.51 € M	0.82 € M	0.51 € M	0.82 € M	2.7 € M	3.0 € M	3.5 € M	2.5 € M	7.9 € M	7.8 € M
Revenue per client	4.5 € k	5.5 € k	4.5 € k	5.5 € k	55 € k	50 € k	353 € k	296 € k	100 € k	141 € k
Clients per RM	113	150	113	150	50	65	10	12	79	55
Cost/Income ratio	50%	39%	50%	39%	40%	35%	40%	30%	40%	35%
Loan to Deposit ratio	35%	50%	35%	50%	127%	100%	218%	204%	150%	157%
Regulatory capital/Loan volume	6.8%	9.1%	6.8%	9.1%	7.3%	18.8%	6.4%	12.8%	6.8%	10.3%

Legend: ● Segment outperforms peers ● Segment inline with peer median ● Segment underperforms peers  
 (1) Top quartile players based on pre-tax profit (using worst of three-year average of loan loss provisions or actual losses per unit loan volume), divided by regulatory capital, defined as 12.5% of risk-weighted assets; (2) Based on worst of three-year average of loan loss provisions or actual losses; (3) Core deposit ratio represents proportion of deposit volume in transaction accounts  
 Source: BCG Corporate Banking Performance Benchmark

### Bank X Business Banking with below median pre-tax return driven by higher operating costs and higher RWAs per loan volume



1. Regulatory capital equal to 12.5% of RWA. Hurdle rate of 14% based on typical universal bank cost of equity of 11-15%, capital benefits rate of 1-3% and tax rates in 25-30% range. 2. Based on three-year average of net charge off/ actual losses. Loan losses per loan volume applied only to non-999 loan volumes in pre-tax profit calculations. 3. CAGR is calculated as average of growth of all banks in the peer group. For participants where 2018 numbers not available, 2019-20 growth considered. 4. Other products include revenue from Trade services, Transaction banking, Investment banking and Risk Management. 5. Includes card and merchant acquiring fee. 6. Median (except for revenue growth where it is a weighted average); Also, wherever applicable, split of median based on average of all players in sample  
 Source: BCG Corporate Banking Performance Benchmark

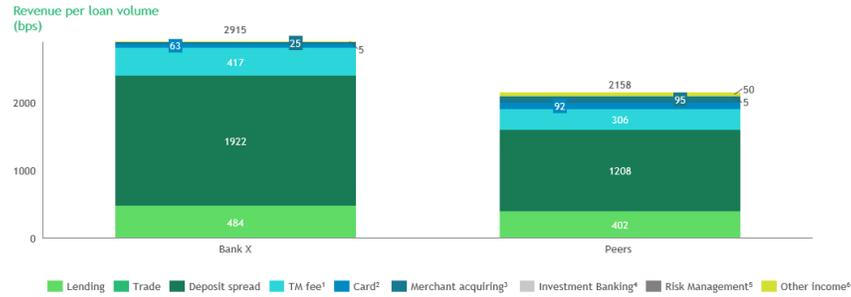


# Revenue & growth

Revenue generation and growth by product compared to market average and top performers

## Revenue mix on per loan volume basis

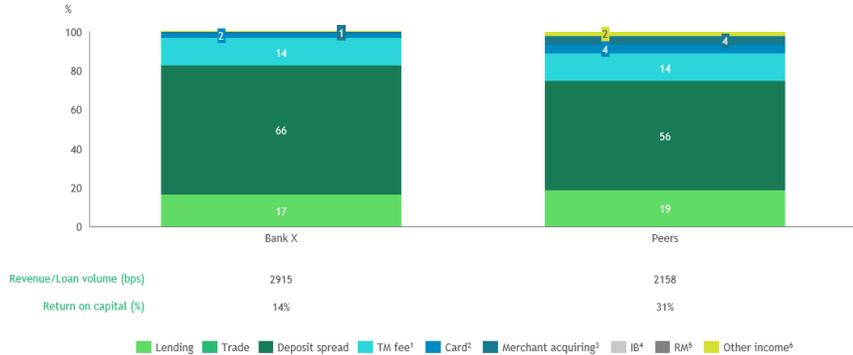
Revenue mix by product group: 2020



(1) Treasury Management includes: transaction account fees (e.g., checking/ current/ transaction accounts), payment fees (domestic and international), cash management services (liquidity management, value-add services, savings/time deposit fees); (2) Card revenue: both fee and spread revenue from providing corporate credit and purchase cards; (3) Merchant acquiring revenue from point-of-sale services and terminals; (4) Investment banking: Debt capital markets, Equity capital markets, advisory; (5) Risk management: foreign exchange (spot and derivatives), fixed income (cash and derivatives), equities (cash and derivatives), commodities, other capital market; money market funds; (6) Other Income includes income which are not allocated to any of the existing product categories like insurance, asset management etc. Source: BCG Corporate Banking Performance Benchmark

## Revenue mix on total percentage basis

Revenue mix per product group: 2020



(1) Treasury Management includes: transaction account fees (e.g., checking/ current/ transaction accounts), payment fees (domestic and international), cash management services (liquidity management, value-add services, savings/time deposit fees); (2) Card revenue: both fee and spread revenue from providing corporate credit and purchase cards; (3) Merchant acquiring revenue from point-of-sale services and terminals; (4) Investment banking: Debt capital markets, Equity capital markets, advisory; (5) Risk management: foreign exchange (spot and derivatives), fixed income (cash and derivatives), equities (cash and derivatives), commodities, other capital market; money market funds; (6) Other Income includes income which are not allocated to any of the existing product categories like insurance, asset management etc. Source: BCG Corporate Banking Performance Benchmark



# Product Performance: Lending

Deep-dive into various performance indicators for different products





# Product Performance: Deposits and Transaction Banking

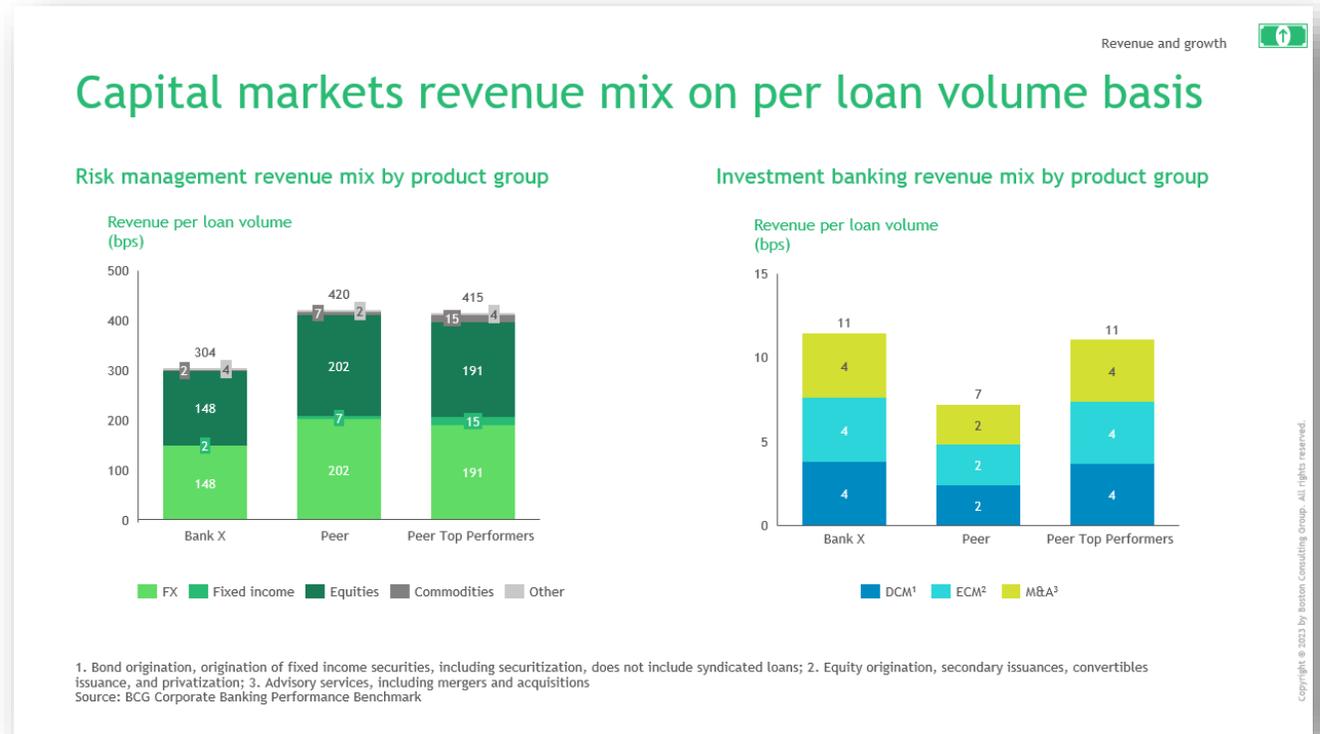
Deep-dive into various performance indicators for different products





# Product Performance: Capital Markets

Deep-dive into various performance indicators for different products





# Costs

Overall cost indicators along with breakdown into direct and indirect costs compared to peers

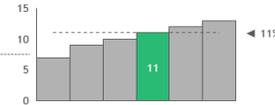
## Cost excellence

### Cost management metrics

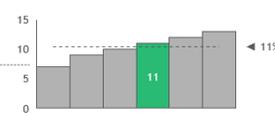
Cost income ratio (%)



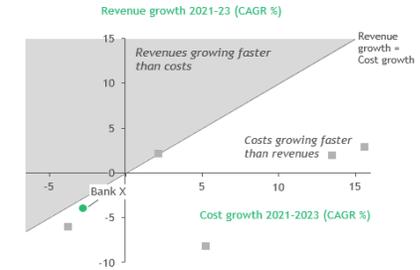
Direct Cost income ratio (%)



Indirect Cost income ratio (%)



Operating leverage (p.p.)<sup>1</sup>



1. Operating leverage defined as revenue CAGR % minus cost CAGR % (2-year CAGRs used)  
Source: BCG Corporate Banking Performance Benchmark

## Cost mix by type (%)

### Cost management metrics

Direct cost split (%)



Direct cost to income (%)



Indirect cost split (%)



Indirect cost to income (%)

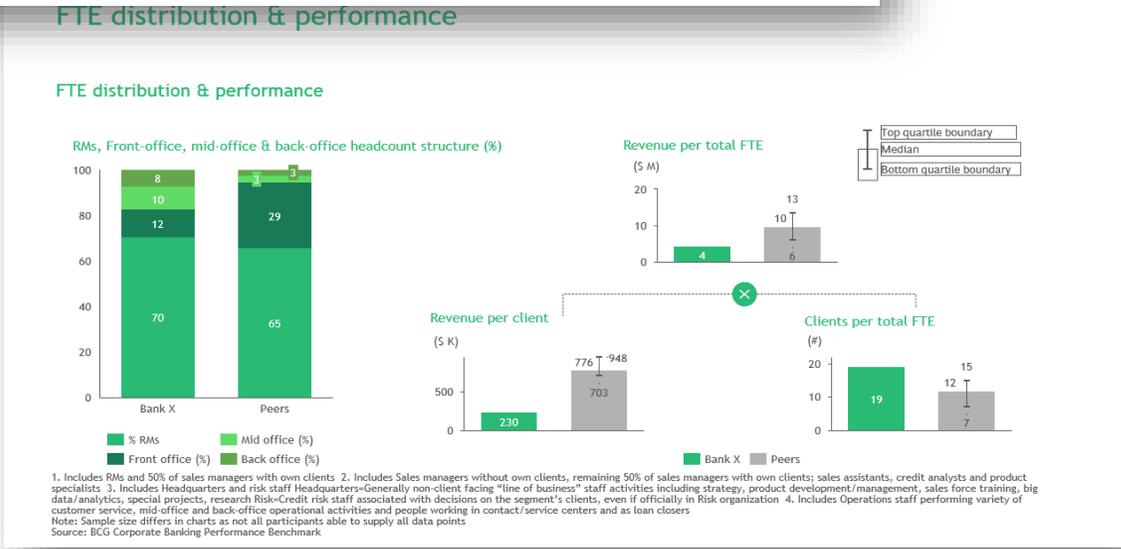
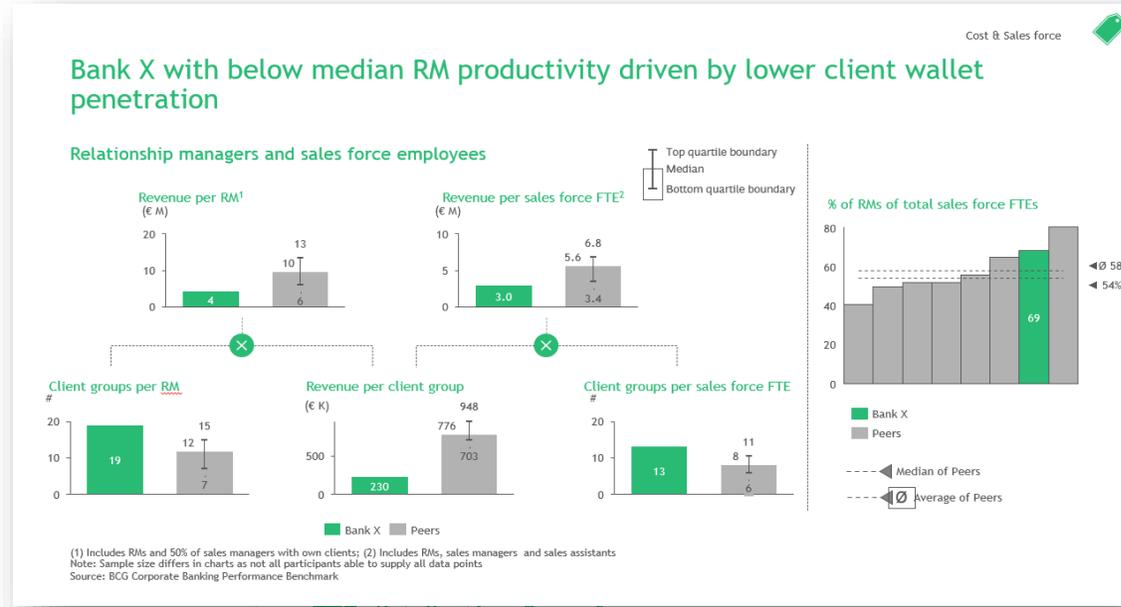


(1) Operating leverage defined as revenue CAGR % minus cost CAGR % (2-year CAGRs used)  
Source: BCG Corporate Banking Performance Benchmark



# Sales force and overall FTE performance

FTE and Client productivity compared to peers

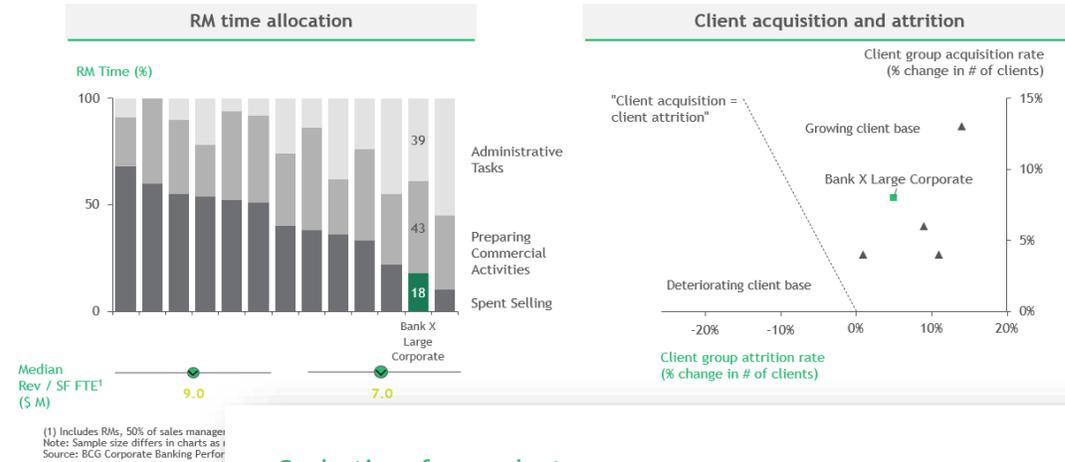




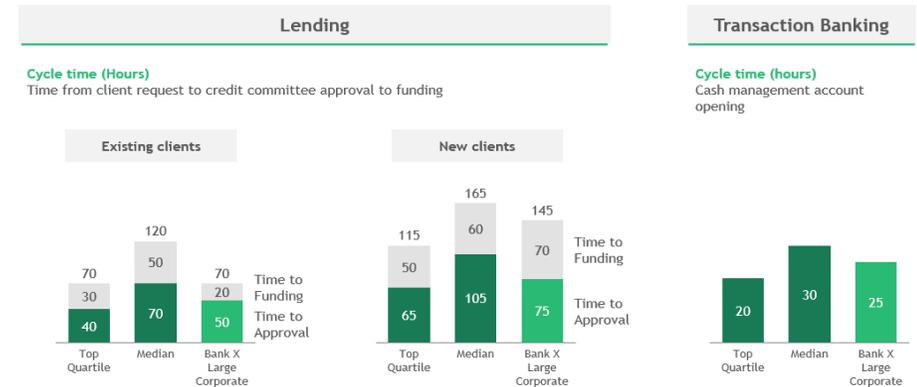
# Operational Excellence

Deep-dive into RM time utilization and cycle time for various products

## RM time allocation and client acquisition



## Cycle time for products



Note: Sample size differs in charts as not all participants able to supply all datapoints  
Source: BCG Corporate Banking Performance Benchmarking - Operational Excellence deepdive

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