

BANKING ESSENTIALS SERIES

**Value-added: Market
valuation of EU banks at
a turbulent time**

**Wednesday, 18 June 2025
2:00 – 3:00 PM (CEST)
1:00 – 2:00 PM (BST)**

Online webinar

Panelists



Mohsin Ali Khan

Director, EMEA Sell-Side Segment
S&P Global Market Intelligence



Johann Scholtz

Senior Equity Analyst
Morningstar



Guy Stebbings

Executive Director
European Banks Equity Research
BNP Paribas Exane

Moderator



Ben Meggeson

Head of EMEA Financial News Team
S&P Global Market Intelligence

S&P Global

Market Intelligence

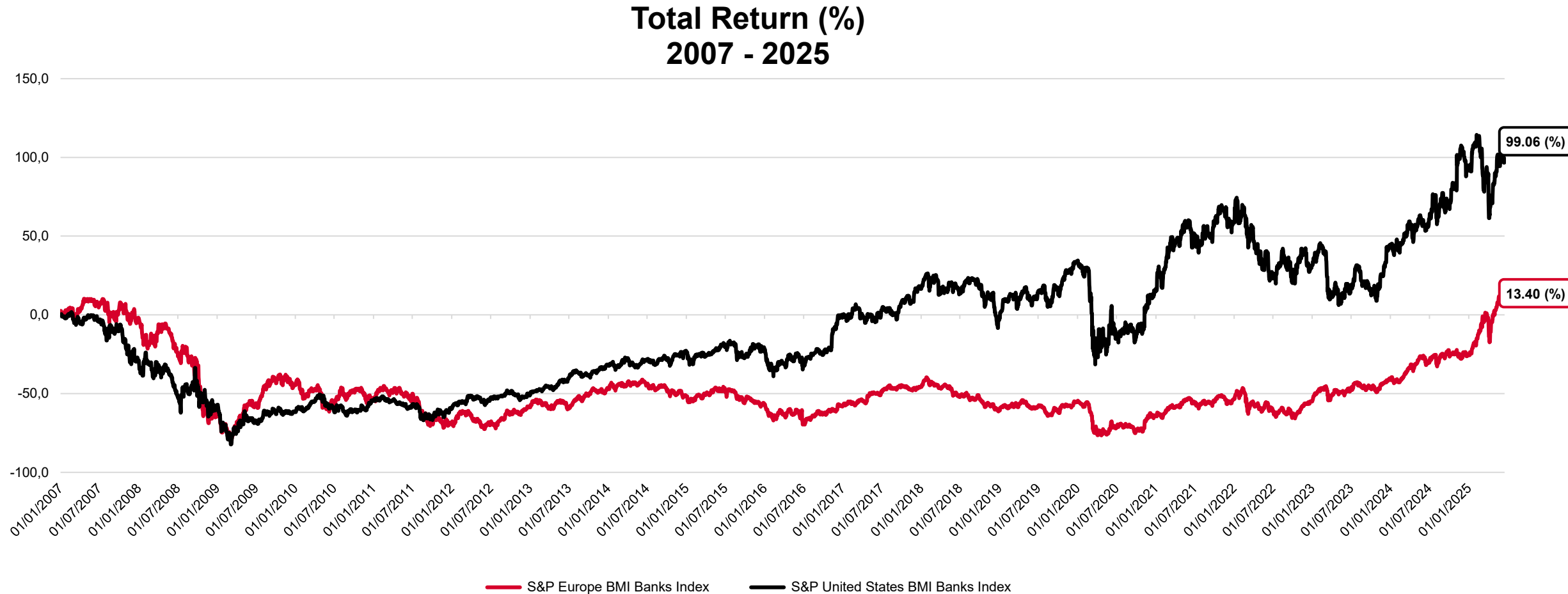
European vs. U.S. Banks: a comparative analysis

Mohsin Ali Khan

Director, EMEA Sell-Side Segment

S&P Global Market Intelligence.

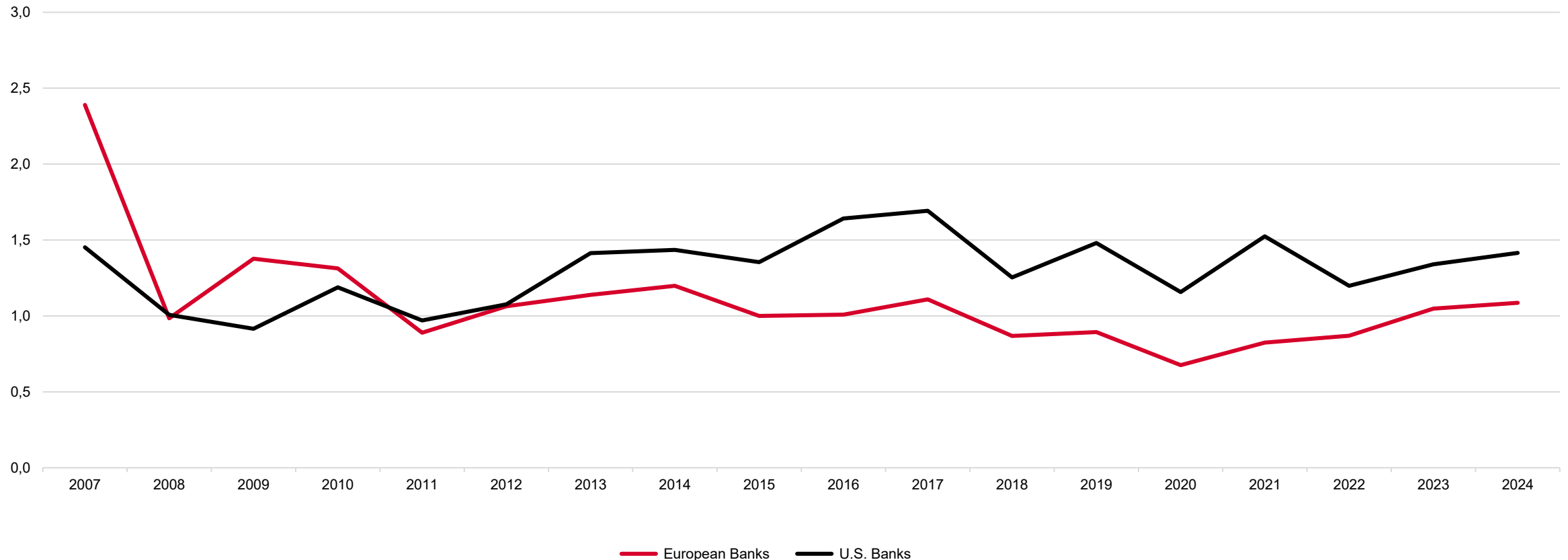
Total returns since 2007 have favored U.S. banks by a wide margin.



Data compiled on June 17, 2025.
Total Return calculated from January 1, 2007, through June 16, 2025.
Source: S&P Global Market Intelligence.
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While large European banks continue to trade at lower price-to-book multiples compared to U.S. peers, the gap is narrowing.

Price to Book (x)



Data compiled on June 17, 2025.

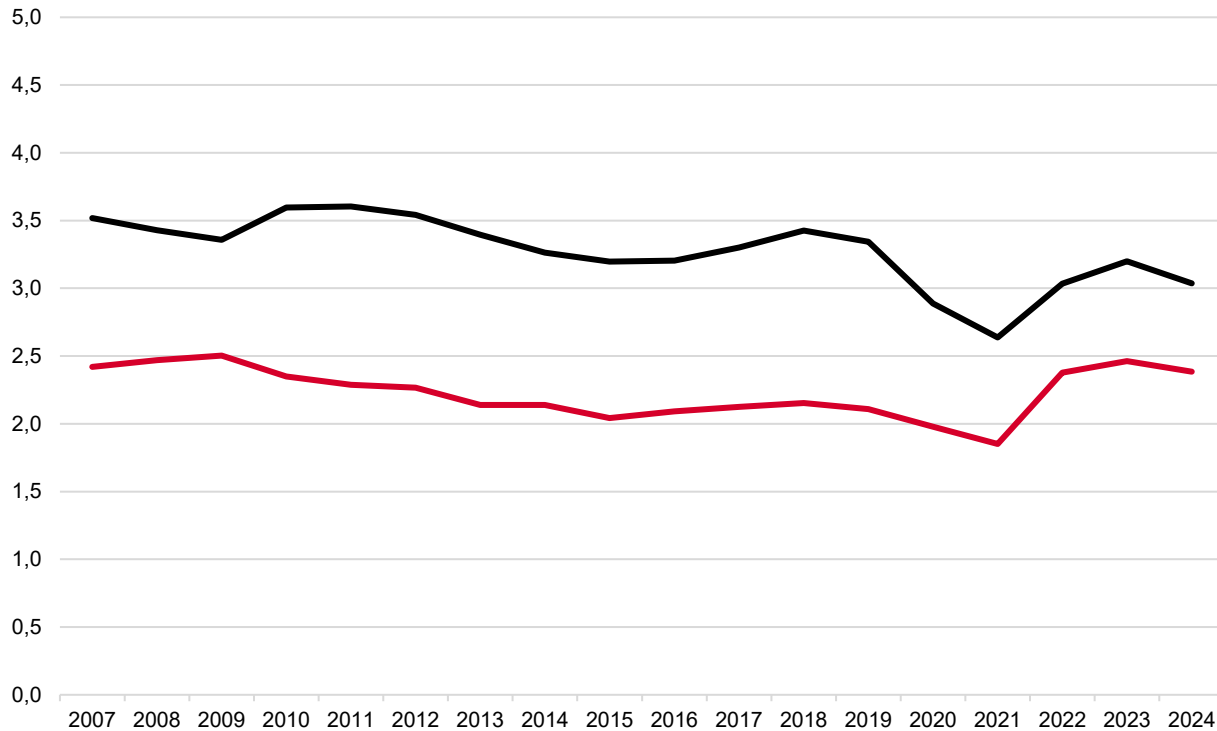
Analysis includes average values for public banks in US and Europe covered by S&P Global Market Intelligence with at least \$50 billion in total assets as of Dec. 31, 2024, with available data for all periods assessed.

Source: S&P Global Market Intelligence.

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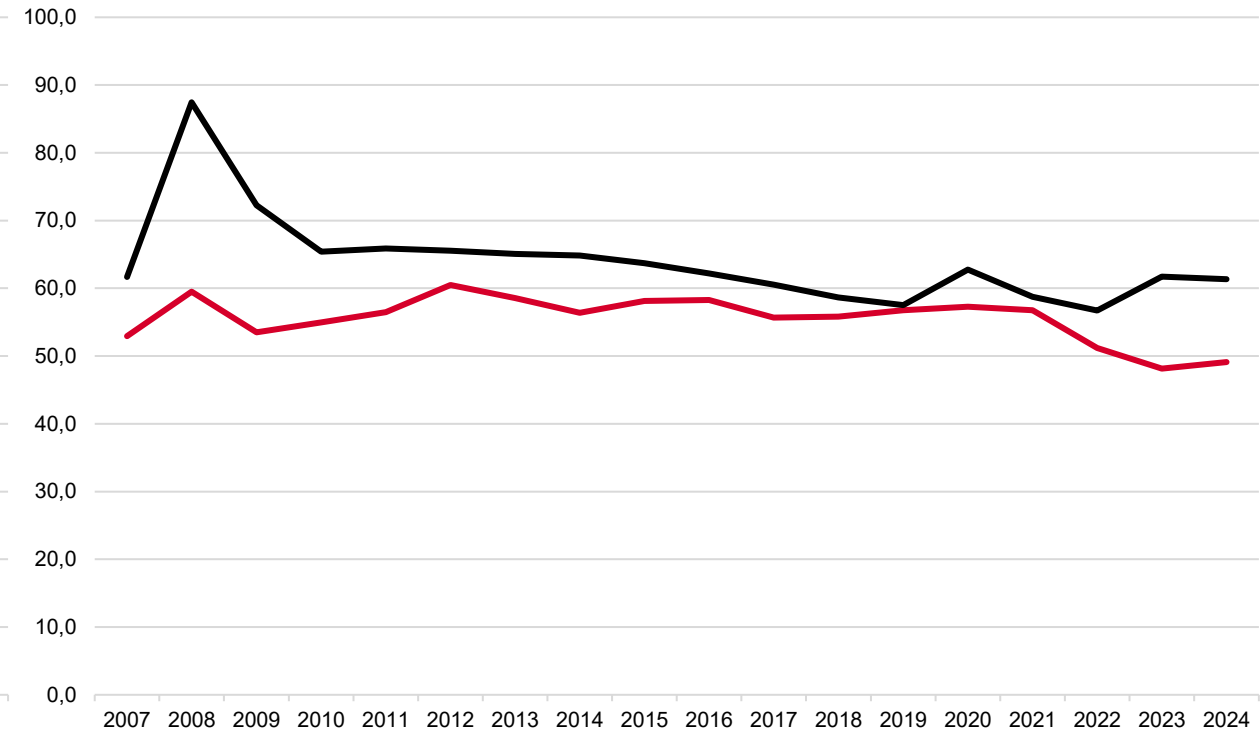
Large U.S. banks enjoy higher net interest margins, but European peers perform better on cost efficiency.

Net Interest Margin (%)



European Banks U.S. Banks

Cost-to-Income Ratio (%)



European Banks U.S. Banks

Data compiled on June 17, 2025.

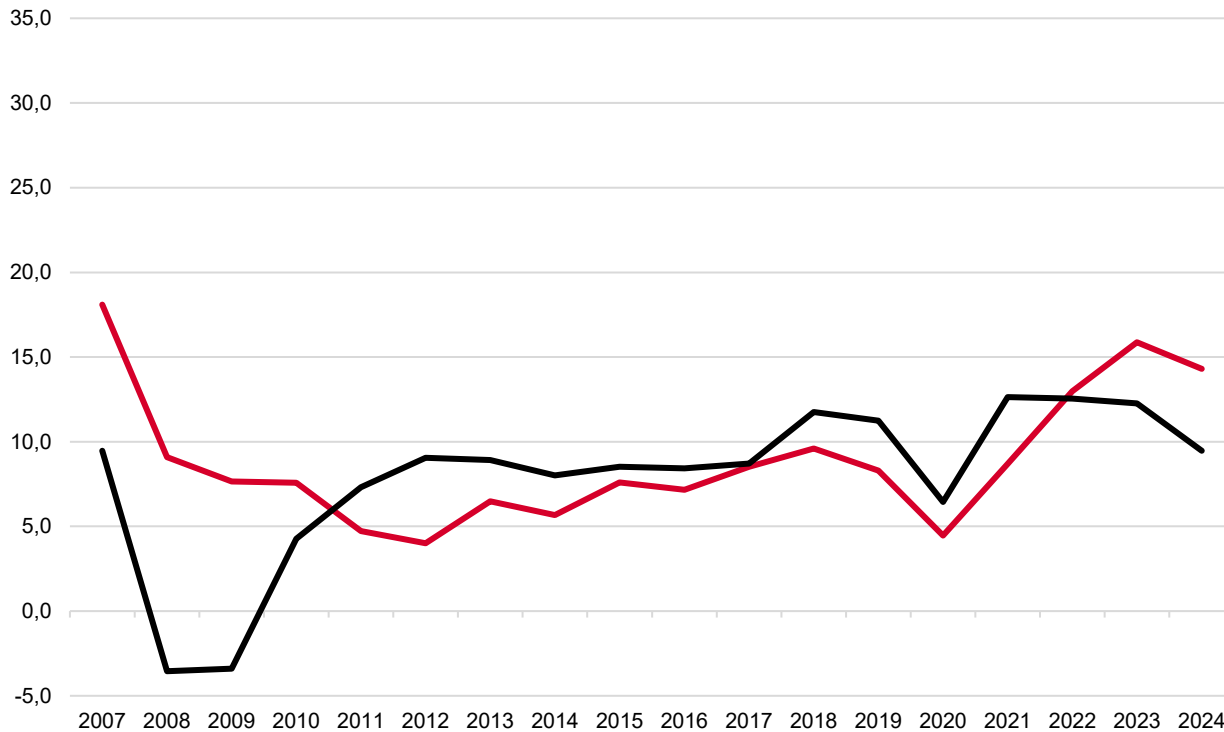
Analysis includes average values for public banks in US and Europe covered by S&P Global Market Intelligence with at least \$50 billion in total assets as of Dec. 31, 2024, with available data for respective metrics for all periods assessed.

Source: S&P Global Market Intelligence.

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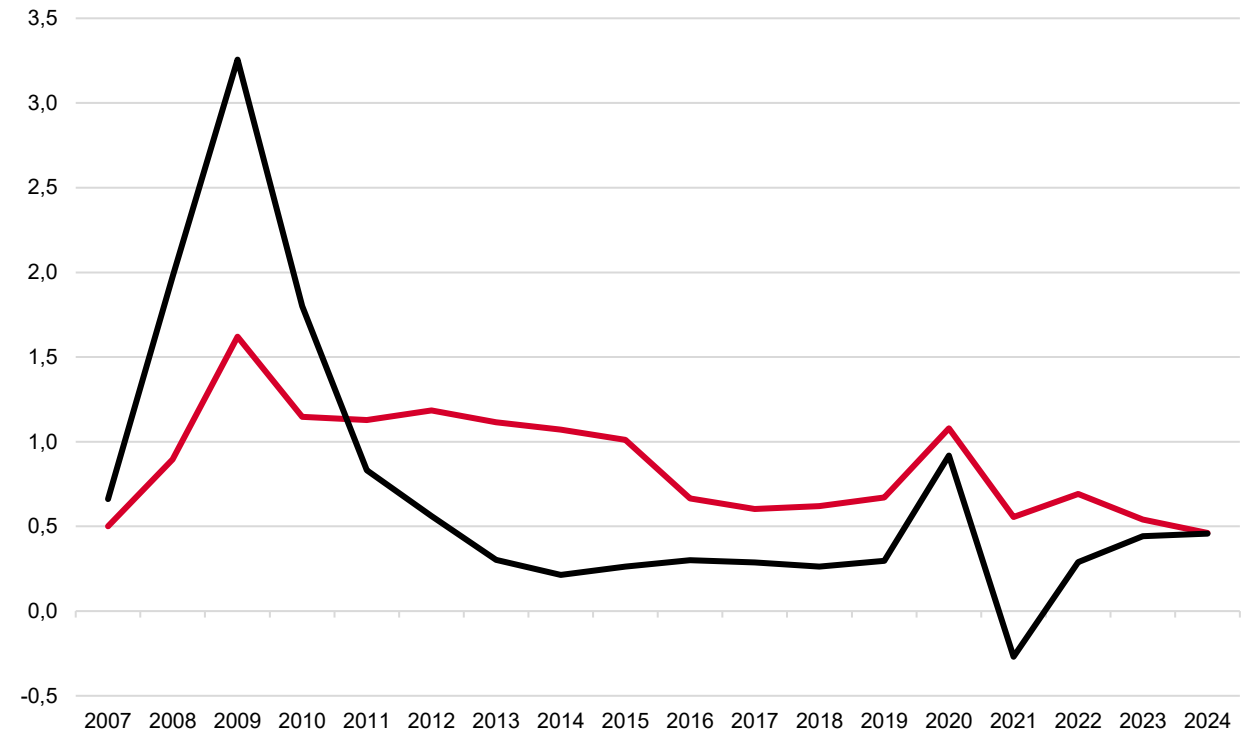
Recent profitability favors large European banks while the gap on cost of risk has been closed compared to U.S. peers.

Return on Average Equity (%)



— European Banks — U.S. Banks

Cost of Risk (%)



— European Banks — U.S. Banks

Data compiled on June 17, 2025.

Analysis includes average values for public banks in US and Europe covered by S&P Global Market Intelligence with at least \$50 billion in total assets as of Dec. 31, 2024, with available data for respective metrics for all periods assessed.

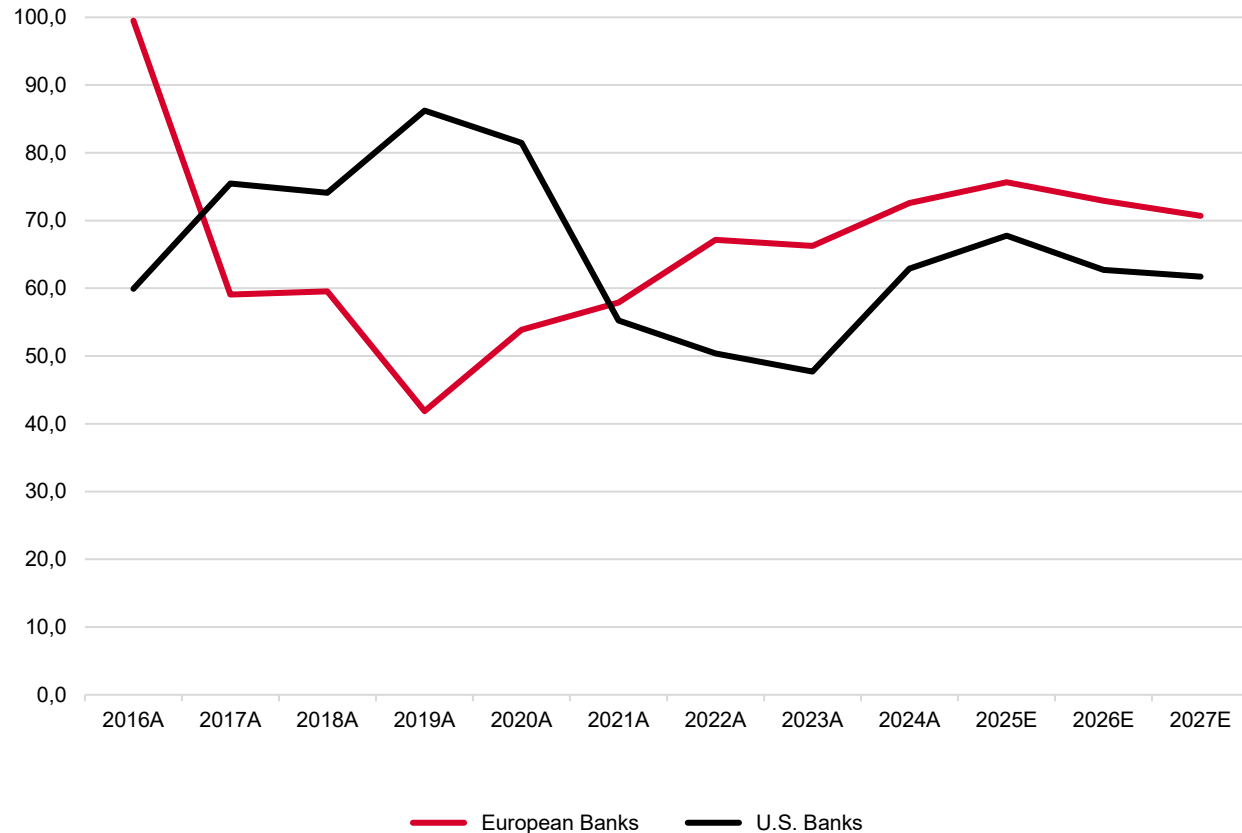
Cost of Risk calculated as loan loss provisions as a percentage of average gross customer loans.

Source: S&P Global Market Intelligence.

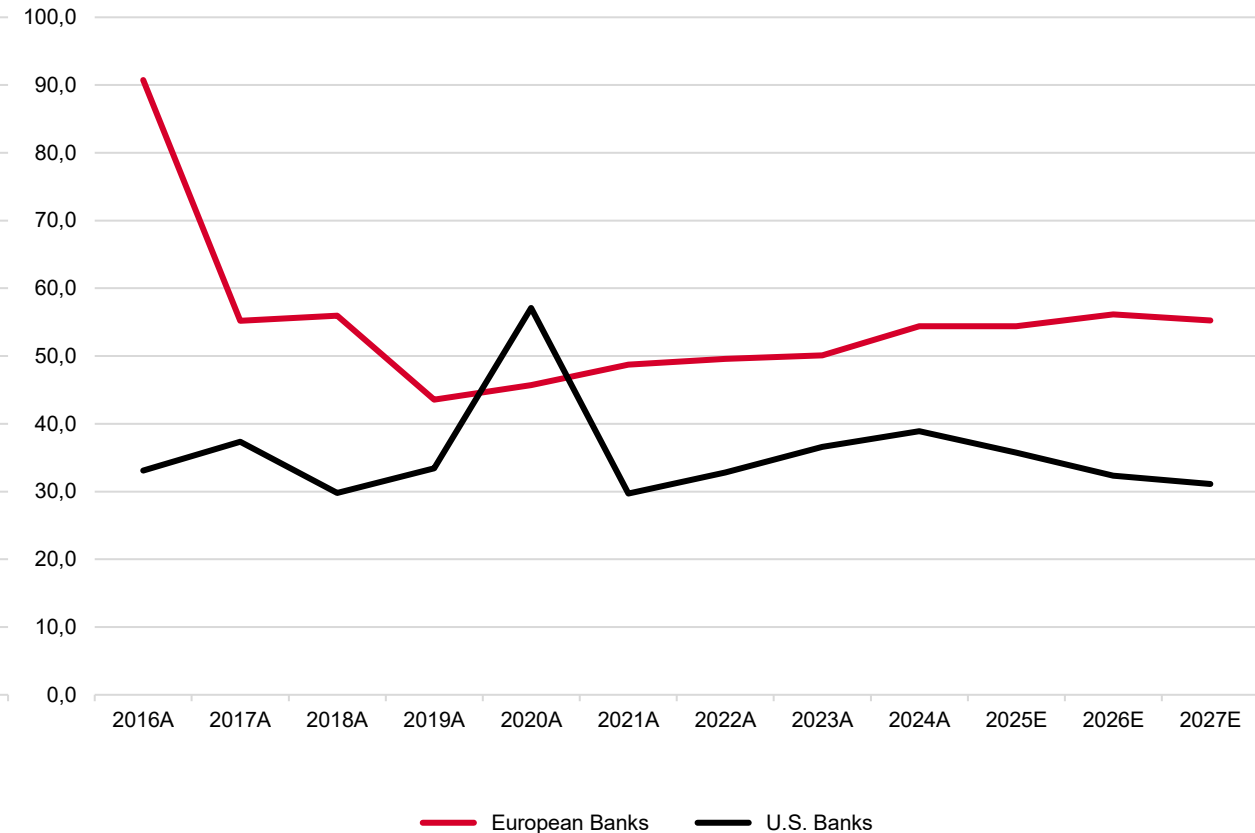
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Total payout ratio reveals large European banks leading the way in recent years with positive momentum expected to continue.

Total Payout Ratio (%)



Dividend Payout Ratio (%)



Data compiled on June 17, 2025.

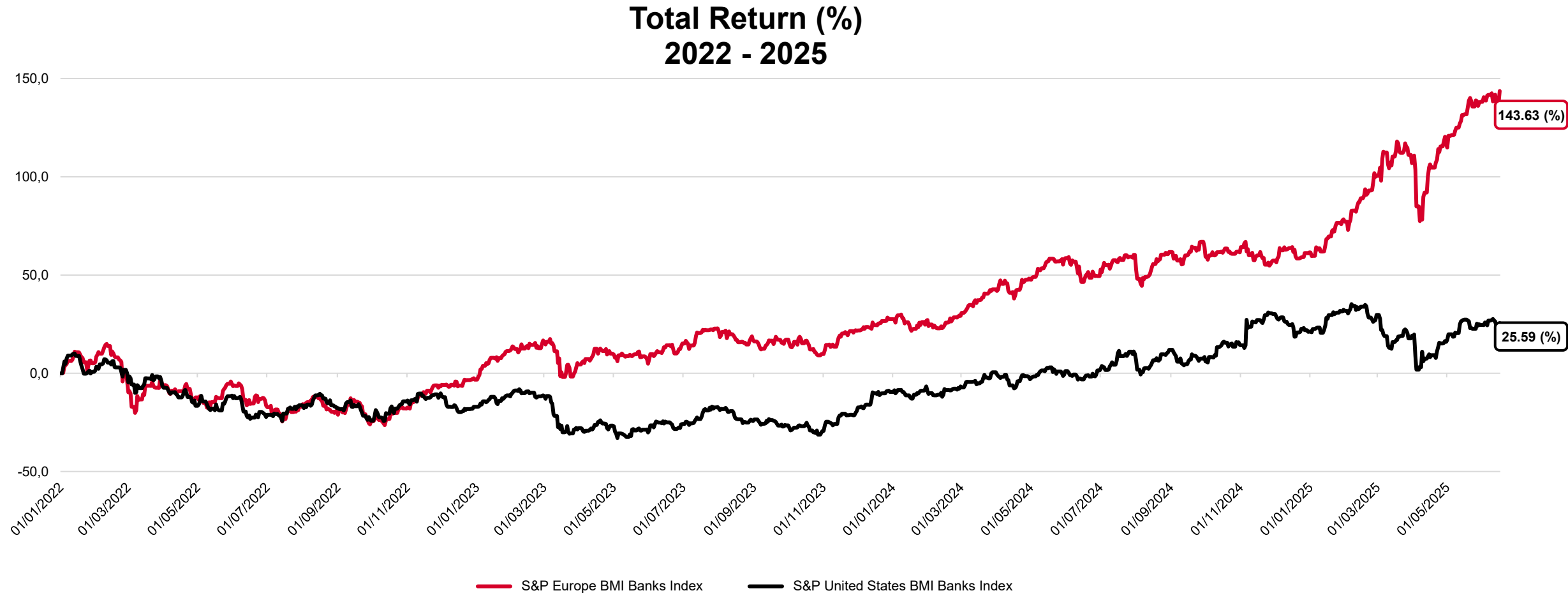
Analysis includes average values for public banks in US and Europe covered by S&P Global Market Intelligence with at least \$50 billion in total assets as of Dec. 31, 2024, with available data for both metrics for all periods assessed.

A = actual; E = estimate.

Source: Visible Alpha, part of S&P Global Market Intelligence.

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Recent trends indicate a shift in total returns favoring European banks since 2022.



Data compiled on June 17, 2025.
Total Return calculated from January 1, 2022, through June 16, 2025.
Source: S&P Global Market Intelligence.
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Thank you for attending!

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