

Win / loss records bring new insight on competitiveness

In sports, we look to *win / loss records* (winning %) to understand how a team is performing:

- How does a team's win / loss record compare to all others?
- How does a team do when competing head-to-head with its biggest rival?
- Where does a team win more or less? At home or away? In-conference / out of conference?

Applying this approach to branch-based banking, is equally powerful in measuring competitive performance.

How to measure a bank's winning percentage

Banks compete at the local market level (in a zip code). When banks compete for deposits (or mortgages) in the same market, the bank with the higher share wins. Take as an example, the #3 bank in a local market with 10 competitors. Among the 9 banks it competes with, #3 beats 7 banks (higher share of market) and loses to 2 banks (lower share of market) – a 78% winning percentage.

Wins and losses can be aggregated in different ways to bring new insight on a bank's competitiveness.

What winning % helps you understand:

- How often you are winning, and how your win/loss record benchmarks vs. peers.
- Which banks you beat most often head-to-head, and which banks consistently beat you.
- Where you tend to win more or less often – e.g. in which MSAs, in-state or out of state, in higher or lower income markets, in older or younger population markets?

Illustration: Who beats who in deposits amongst the 10 largest branch based banks?



Time period: 2019 FDIC deposit data

- **Bank of America** beats all the top 10 banks head-to-head
- **SunTrust** is the only non-universal to beat a universal bank
- **US Bancorp** has a losing record vs. all the largest banks
- **PNC** also struggles, beating only US Bancorp

Banks continuously compete for deposits and mortgages. Only *winning %* provides an apples to apples view on bank performance – overall, head-to-head, across markets, and over time. Knowing how often you win or lose, where and against whom, lets you identify focus areas for actions to improve your score.

If you want to understand and impact market share, start by understanding winning %.

To learn more, visit www.bankvq.com

About BankVQ

BankVQ is the #1 resource for retail banking data analytics, bespoke for every bank. Our proprietary analytics are underpinned by multiple public data sources, linked together and organized at the intersection of bank and local market – including 4000+ banks, 88,000 branches, and 20,000 zip codes. BankVQ analytics support a broad range of strategic management, performance management, and M&A applications – tailored to account for each bank’s footprint. Access BankVQ through subscription to the online interface, or by purchasing bank-specific reports. Analytic output files are always included to integrate with a bank’s internal information. www.bankvq.com.

