

CIB Results Review 4Q24 / FY24

Capital Markets: Overview

Following a very strong 4Q24, the aggregate FY24 operating revenue topped \$220bn, 13% ahead of FY23, driven by the continued surge in Banking/Primary fees, as well as strong growth in Equities and FICC Macro. EMEA-headquartered banks outperformed their AMER counterparts across Banking, Equities and FICC, in all products except DCM Loans, FX and Credit. Front-office productivity jumped 10% y/y, with most significant gains seen in Banking and Equity Derivatives.

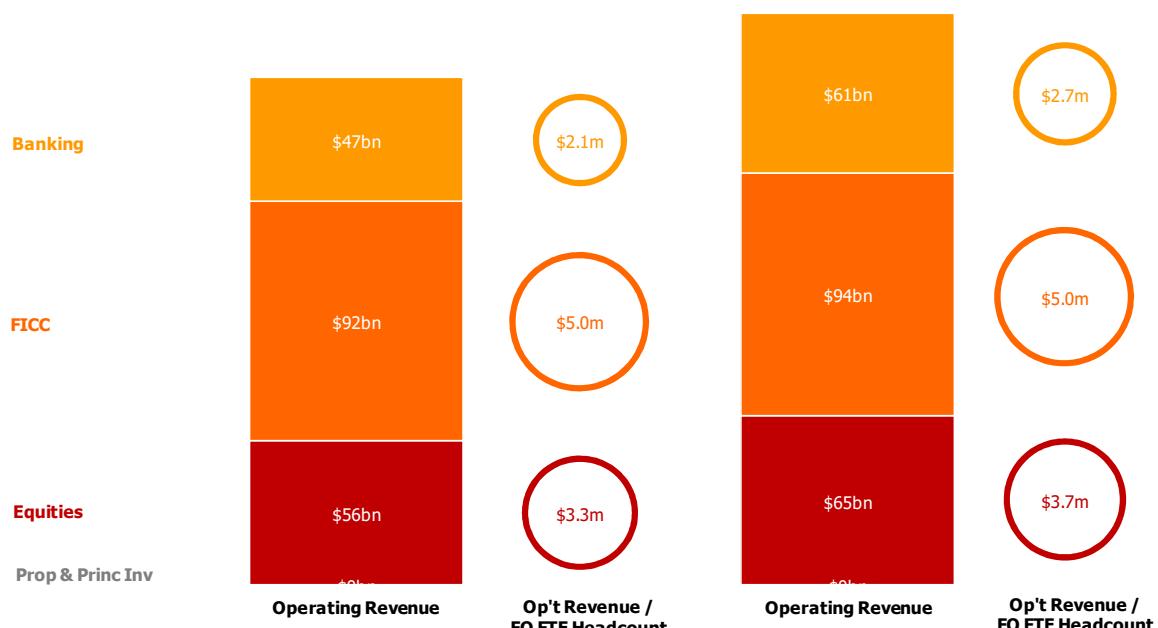
Despite an increase in variable comp and ongoing tech investment, FY24 total costs grew only 10% y/y, lifting the pre-tax margin to 33% for EMEA banks (from 26% in FY23) and 37% for AMER banks (+1% vs FY23).

Banks are optimistic regarding the outlook: the US leaders are expecting mid-teens y/y revenue growth in 1H25, underpinned by favourable markets as well as deregulatory drive in the US and, probably, the UK.

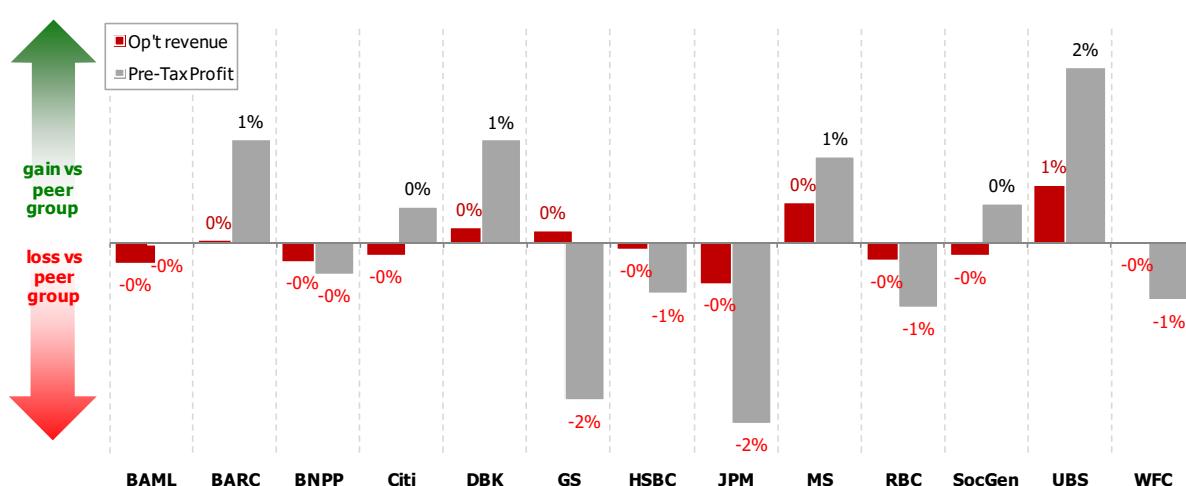
In the US, the SEC approved the new stock exchange which will operate 23 hours during the five full days, from Sunday evening to Friday evening. The launch will be staggered, starting in 2H25.

Revenue & productivity (FY23)

(FY24)



% change share of peer group operating revenue and pre-tax profit (FY24 / FY23)



Notes: (1) Tricumen product definitions throughout. (2) Revenue is post-writedowns, excludes DVA/equivalent and one-offs. (3) Headcount: Front office full-time equivalent, adjusted for seniority. (4) Pre-tax profit excludes Prop & Principal Investments.

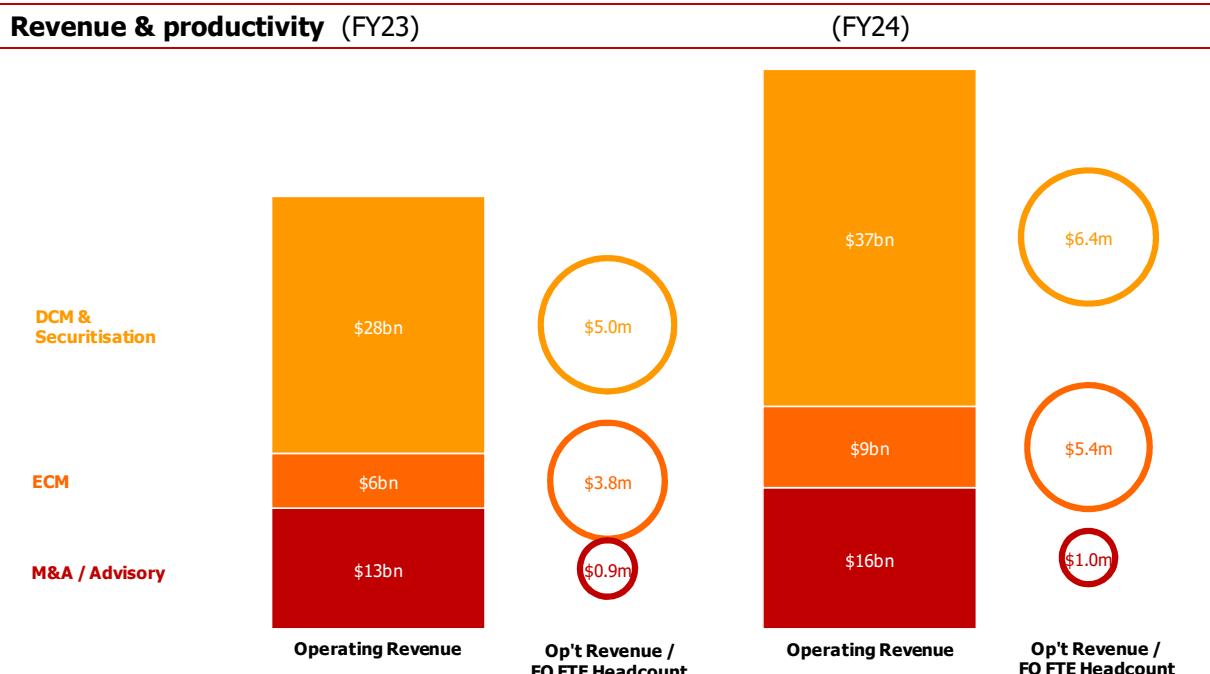


Capital Markets (cont.): Banking

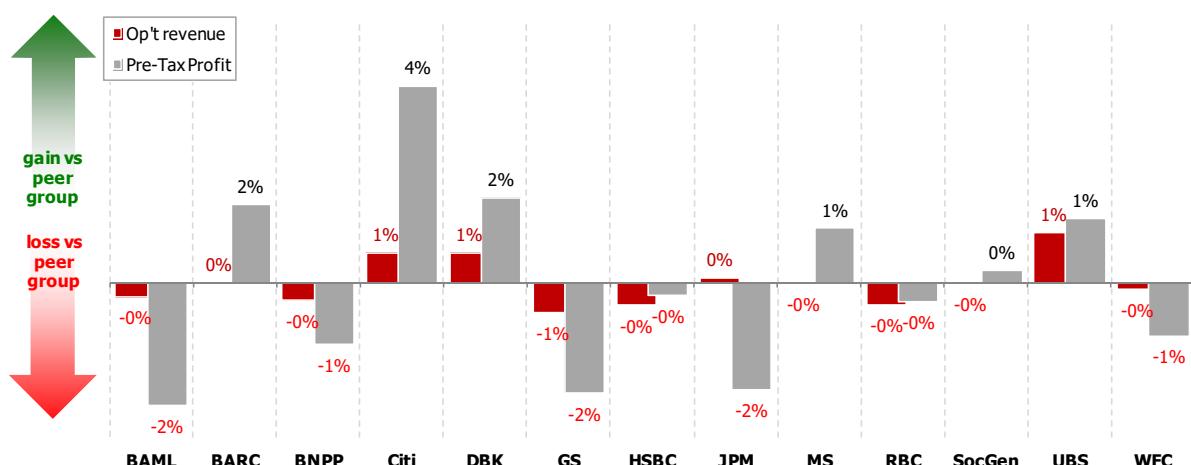
US corporates rushed to the market following the elections, prompted by the extraordinarily low borrowing costs. Bond issuance hit an all-time high in FY24 amid strength across high yield (+80% y/y), international issues, high grade, emerging markets and green bonds. Syndicated lending also reached records in FY24, driven by the US and EMEA; APAC declined, however.

ECM surged, but with wide variations across regions: USA jumped 70% and EMEA grew by 20%; but APAC declined and China halved vs FY23, to the lowest level in at least 15 years. Converts hit the post-FY21 high.

M&A/Advisory had a strong year, too, primarily due to a surge in mega-deal volumes. EMEA grew the most, followed by the US; APAC flatlined. Private equity-backed deals was the standout segment of the market. Anticipating a further growth in deal volumes in the current year, several banks are heavily expanding their hiring programmes for junior bankers.



% change share of peer group operating revenue and pre-tax profit (FY24 / FY23)



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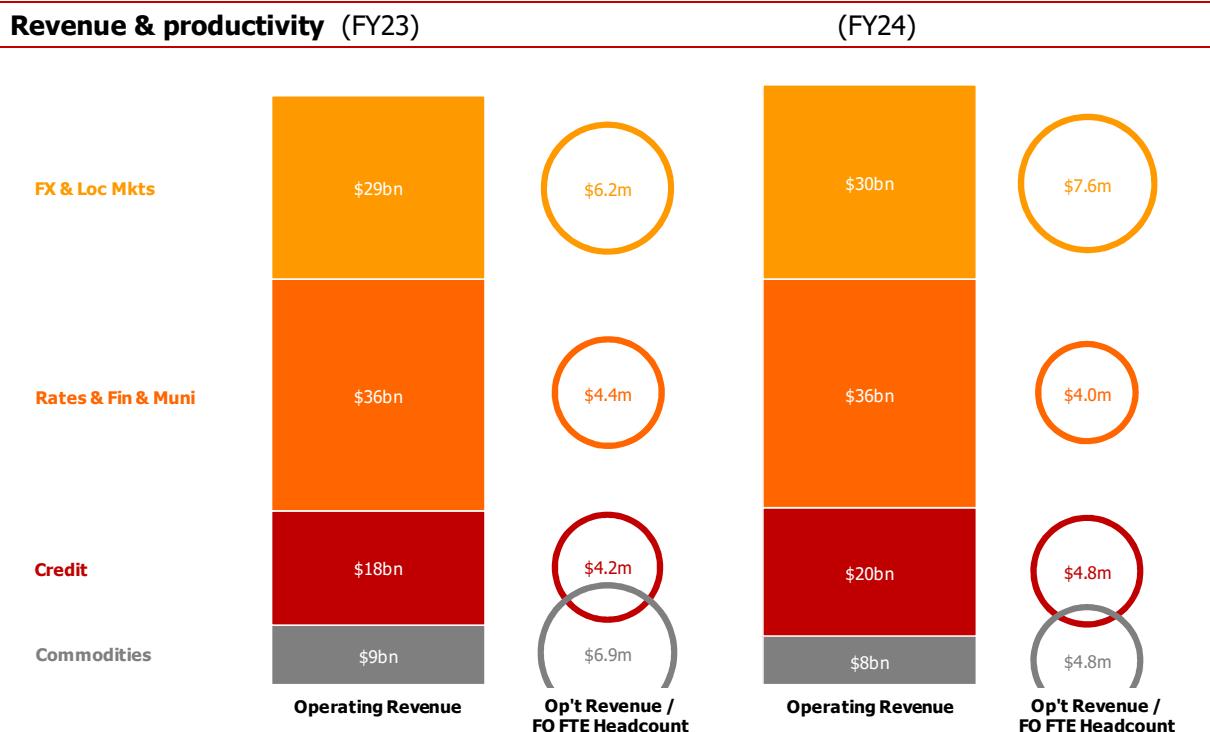
Capital Markets (cont.): FICC

Macro revenue advanced strongly – especially in FX – on higher volatility, with both corporates and financial institutions.

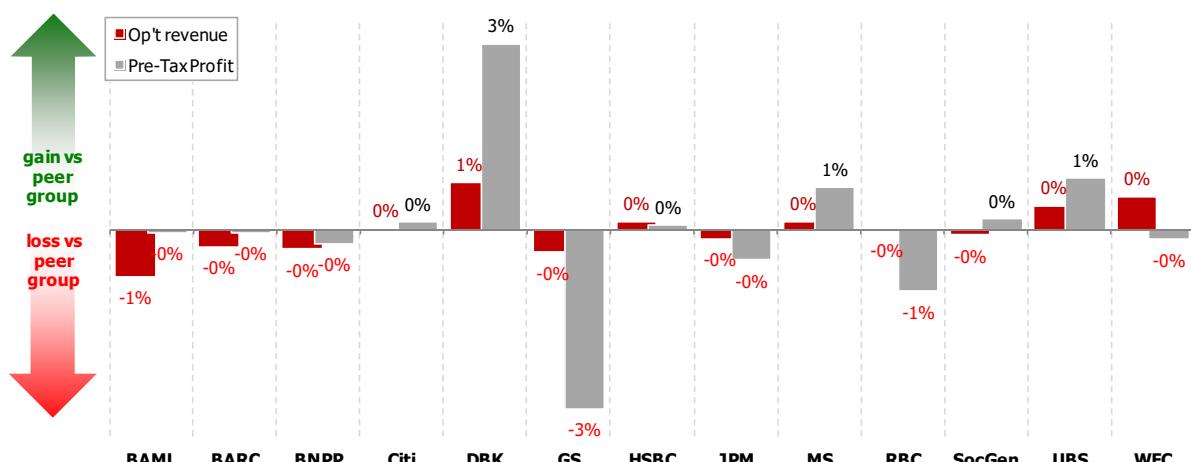
Severe narrowing of credit spreads following the US elections prompted a surge in asset managers' hedges. The demand for junk-rated bonds from developing nations also rose.

BondCliq Inc, the only consolidated quote system for US corporate bonds, announced the partnership with Blackrock's Aladdin platform to deliver real-time institutional pricing data for both high grade and high yield bonds. Aladdin users will gain access to licensed and attributed data from 40+ dealers, including most of the Wall Street leaders. In private credit markets, BondBloxx and Virtus issued ETFs specifically targeting CLOs.

Commodities dropped 17% and 23% y/y in 4Q24 and FY24, respectively. Structured commodities in Power & Gas in North America was one of the few bright spots; still, all but one of the big players suffered a plunge in revenue versus prior-year periods.



% change share of peer group operating revenue and pre-tax profit: (FY24 / FY23)



Notes: (1) Tricumen product definitions throughout. (2) Revenue is post-writedowns, excludes DVA/equivalent and one-offs. (3) Headcount: Front office full-time equivalent, adjusted for seniority. (4) Pre-tax profit excludes Prop & Principal Investments.

Capital Markets (cont.): Equities

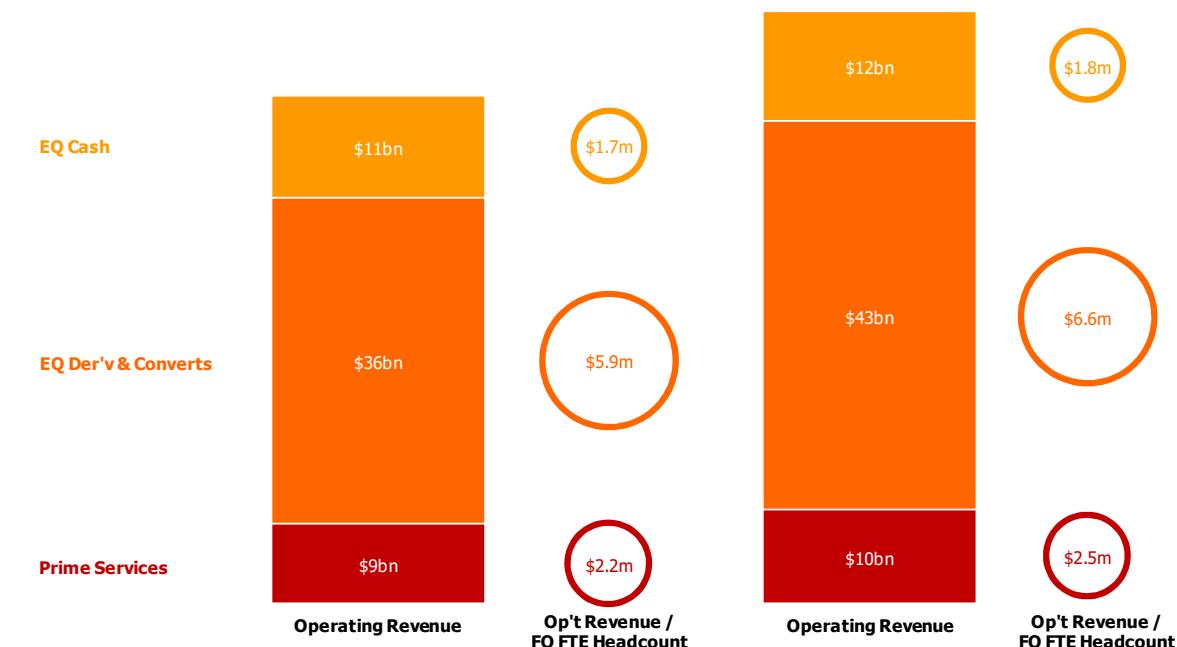
Cash equity benefitted from a surge in traded volumes ahead of the US elections. The clear result of the election dropped VIX which, in turn, prompted systemic funds to pile into shares and funds which use derivatives to boost returns added to the demand. Institutional investors were ready with overweight positions in US equities, with an eye to potentially/likely negative impact of US tariffs.

Driven by volatility and elevated volumes, equity derivatives revenue surged 20%+ y/y in both 4Q24 and FY24. EMEA banks –which derive a greater portion of their Equities revenue from derivatives than their US counterparts – outperformed.

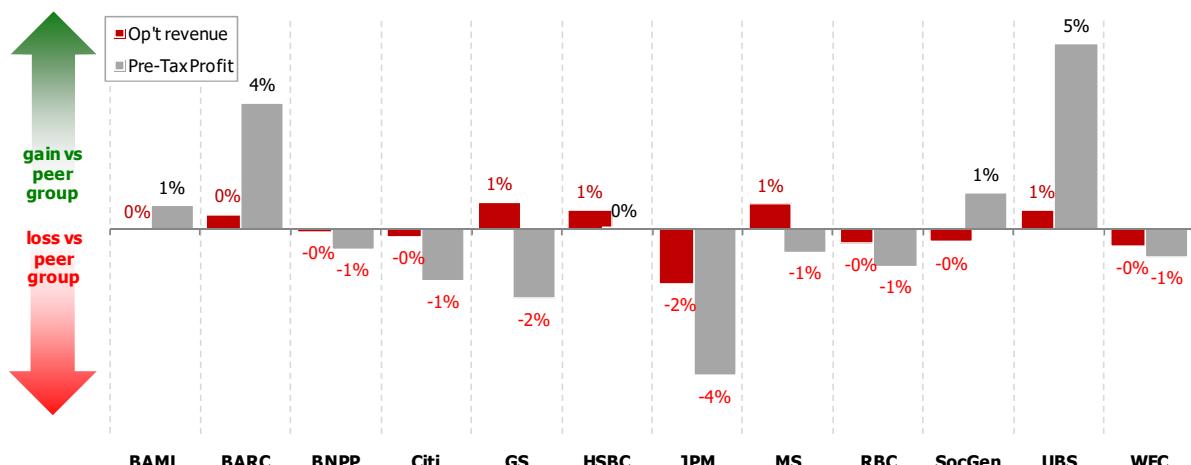
Prime services advanced on higher client balances; several banks in this report achieved record quarterly revenue.

Revenue & productivity (FY23)

(FY24)



% change share of peer group operating revenue and pre-tax profit (FY24 / FY23)

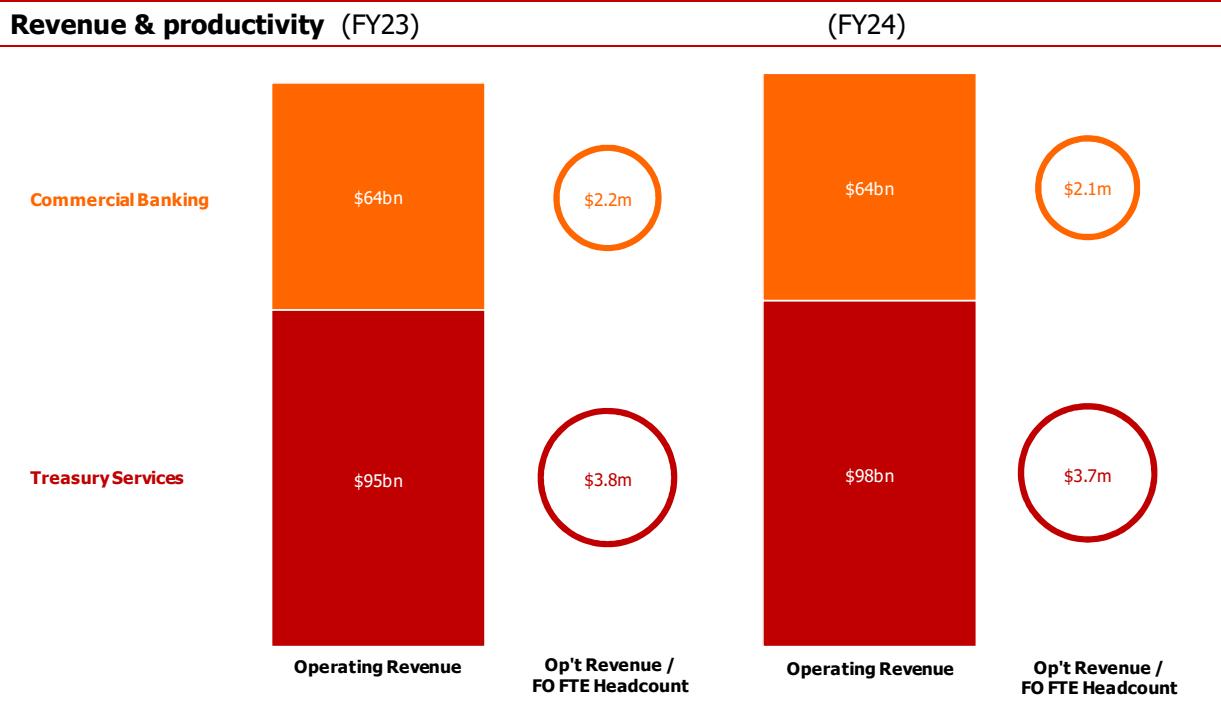


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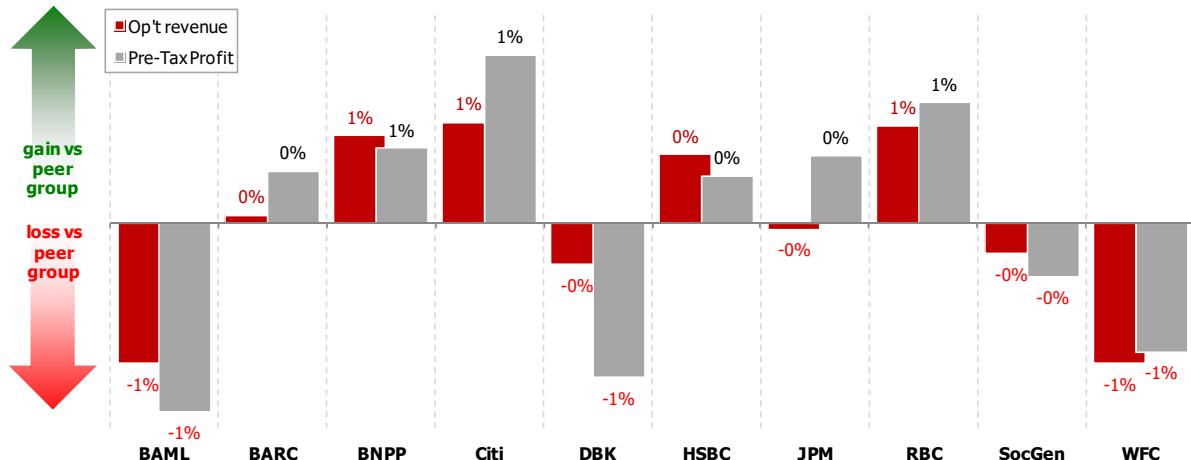
Commercial Banking & Treasury Services

Compared to prior-year periods, commercial banking revenue flatlined in both 4Q24 and FY24. In Eurozone, a decline in lending rates was offset by weak loan demand and stricter collateral requirements. Eurozone banks' tightening was driven by increasingly visible risks related to the economic outlook across much of the region and the heightened political risk in Germany and France; both trends are expected to extend well into 1H25. In the US, deposits costs grew, depressing margins, and loan balances were (very slightly) lower; however, these negative factors were partly offset by higher fee income.

Treasury services FY24 revenue grew 3% y/y, mostly due to significant advancements in real-time payments and soaring demand for trade finance. EMEA banks outperformed. The tight interest rate environment is expected to support further growth in cash management solutions.



% change share of peer group operating revenue and pre-tax profit (FY24 / FY23)



Notes: (1) Tricumen product definitions throughout. (2) Revenue is post-writedowns, excludes DVA/equivalent and one-offs. (3) Headcount: Front office full-time equivalent, adjusted for seniority. (4) In-scope: Large Cap/MNC and Mid-Cap/SMEs.



Revenue dynamics

FY24/FY23 (Operating revenue, % change, US\$)

	BAML	BARC	BNPP	Citi	DBK	GS	HSBC	JPM	MS	RBC	SocGen	UBS	WFC
Capital Markets	↓	↑	↓	↓	↑	↑	↓	↓	↓	↑	↓	↑	↑
Banking	↑	↑	↓	↑	↑	↑	↓	↑	↑	↓	↑	↑	↑
DCM Bonds	↑	↑	↑	↑	↑	↑	↓	↓	↑	↑	↑	↑	↑
DCM Loans	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
Securitisation	↓	↑	↓	↑	↑	↑	↓	↓	↑	↑	↓	↑	↓
ECM	↑	↑	↓	↑	↑	↑	↓	↓	↑	↑	↓	↑	↑
M&A / Advis	↓	↓	↑	↑	↑	↑	↓	↑	↑	↑	↓	↑	↓
Markets	↓	↑	↓	↓	↑	↑	↑	↓	↑	↑	↑	↑	↑
FICC	↓	↓	↓	↑	↑	↓	↓	↑	↑	↑	↓	↑	↑
FX & Loc Mkts	↓	↓	↑	↓	↑	↑	↓	↑	↑	↑	↑	↑	↑
Rates & Fin & Muni	↓	↑	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Credit	↑	↓	↑	↑	↑	↑	↑	↑	↑	↑	↓	↑	↑
Commodities	↓	↑	↑	↑	↑	↑	↓	↑	↑	↑	↑	↑	↑
Equities	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
EQ Cash	↑	↑	↓	↑	↑	↑	↓	↑	↑	↑	↑	↑	↓
EQ Der'v & Conv't	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Prime Services	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
Prop & PI	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Comm Bank / Treasury Services	↓	↑	↑	↑	↓	↑	↑	↑	↑	↑	↓	↑	↓
Comm Bank	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Treasury Services	↓	↑	↑	↑	↓	↑	↑	↑	↑	↑	↑	↑	↓

4Q24/4Q23 (Operating revenue, % change, US\$)

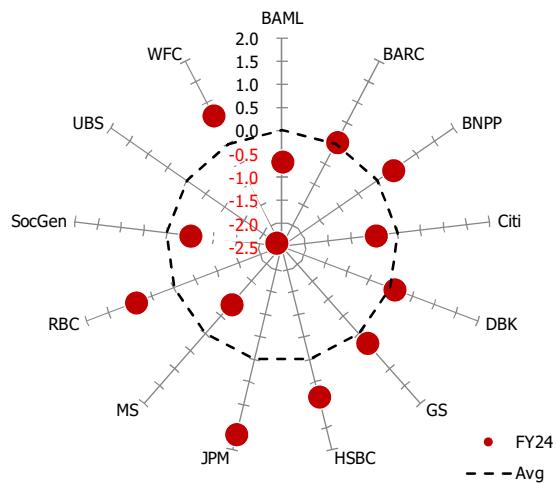
	BAML	BARC	BNPP	Citi	DBK	GS	HSBC	JPM	MS	RBC	SocGen	UBS	WFC
Capital Markets	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
Banking	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
DCM Bonds	↑	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
DCM Loans	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Securitisation	↓	↑	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
ECM	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
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Markets	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
FICC	↓	↑	↑	↑	↑	↑	↓	↑	↑	↑	↑	↑	↑
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Rates & Fin & Muni	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Credit	↑	↓	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Commodities	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
Equities	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
EQ Cash	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
EQ Der'v & Conv't	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Prime Services	↓	↑	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓
Prop & PI	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Comm Bank / Treasury Services	↓	↑	↑	↑	↓	↑	↑	↑	↑	↑	↑	↑	↓
Comm Bank	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Treasury Services	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓

Source: Tricumen. Notes: (1) Tricumen product definitions throughout. (2) Arrows show % change in revenue vs peers. Up-/down-arrows: top-/bottom-quartile. (3) Operating revenue is post-writedowns, excludes DVA/equivalent and one-offs. (4) Commercial/Transaction Banking includes Large Cap/MNC and Mid-Cap/SMEs. (5) outliers are excluded.

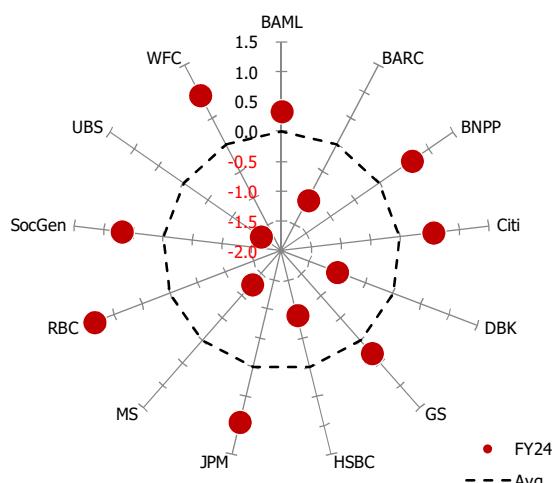


Pre-tax profit margin (US\$)

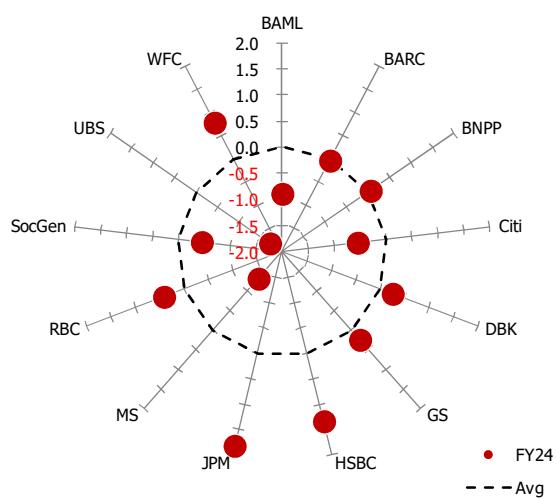
Capital Markets



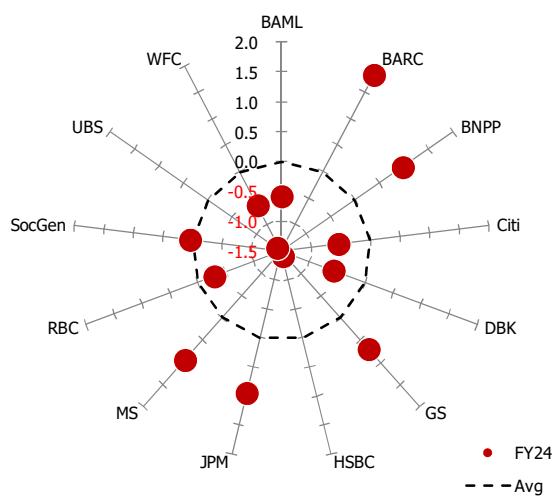
Banking



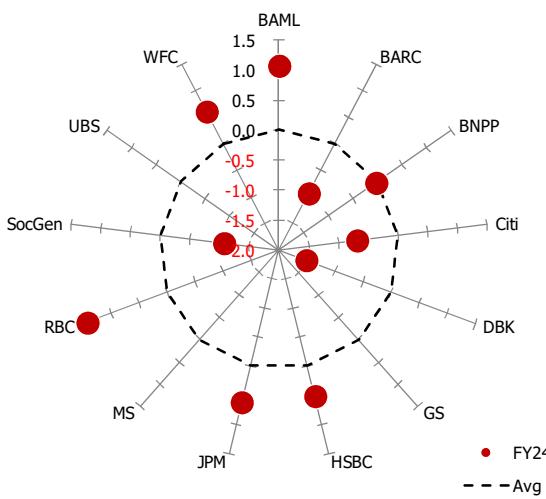
FICC



Equities



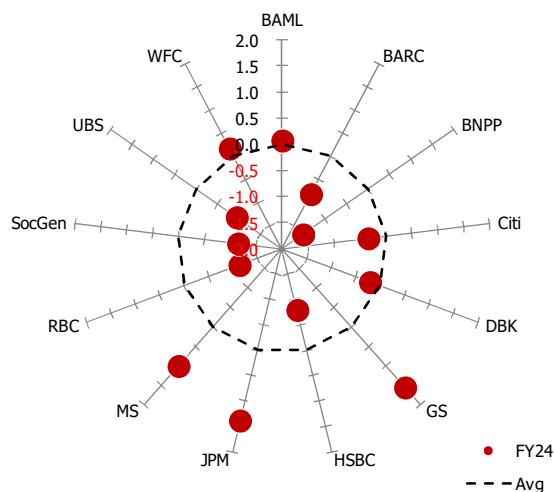
Commercial Banking / Treasury Services



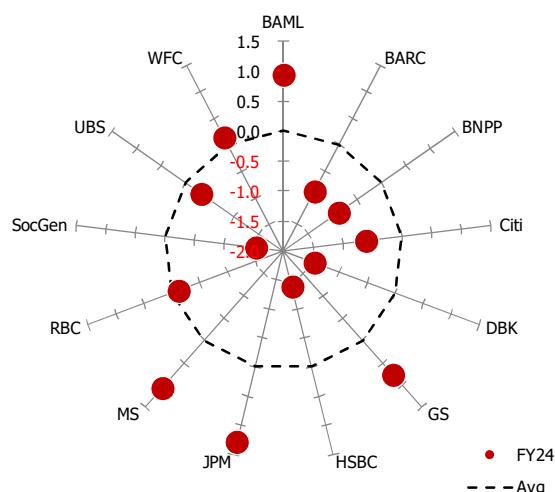
Source: Tricumen. Notes: (1) TRIC product definitions, standard deviation, product Level 1; (2) Operating expenses exclude one-off non-operational items, insurance-related benefits & claims, and credit expense/recovery/NPL provisions. Capital expenditure is included as accrued. Litigation expense is allocated to front-line units. (3) positive values = outperformance; negative values = underperformance, relative to the peer group featured in this report; (4) missing values = N/M; no Tricumen coverage; or the bank is not a significant competitor; (5) outliers are excluded.

Operating Revenue / Front Office FTE (US\$)

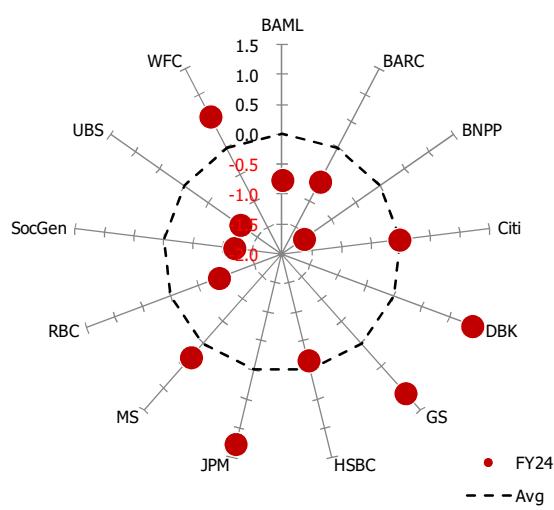
Capital Markets



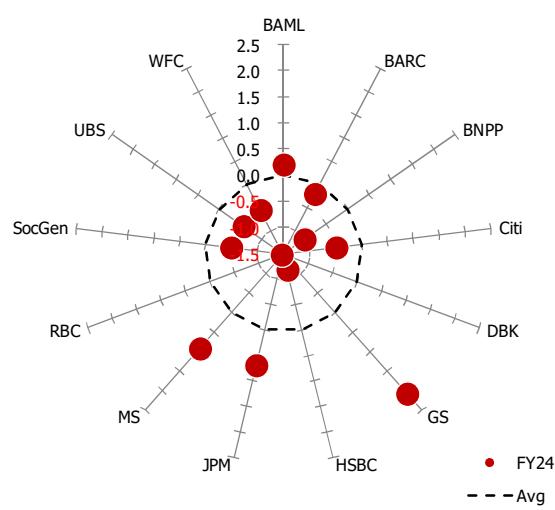
Banking



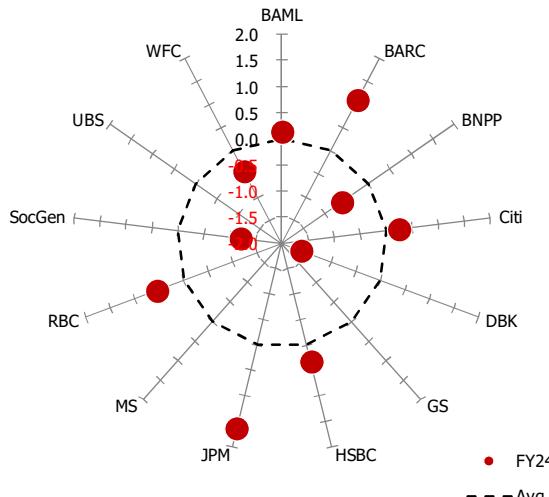
FICC



Equities



Commercial Banking / Treasury Services



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Situated near Cambridge in the UK, Tricumen is almost exclusively staffed with senior individuals with an extensive track record of either working for or analysing banks; and boasts what we believe is the largest financial markets-focused research network of its peer group.

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