

CIB Results Review 1Q25

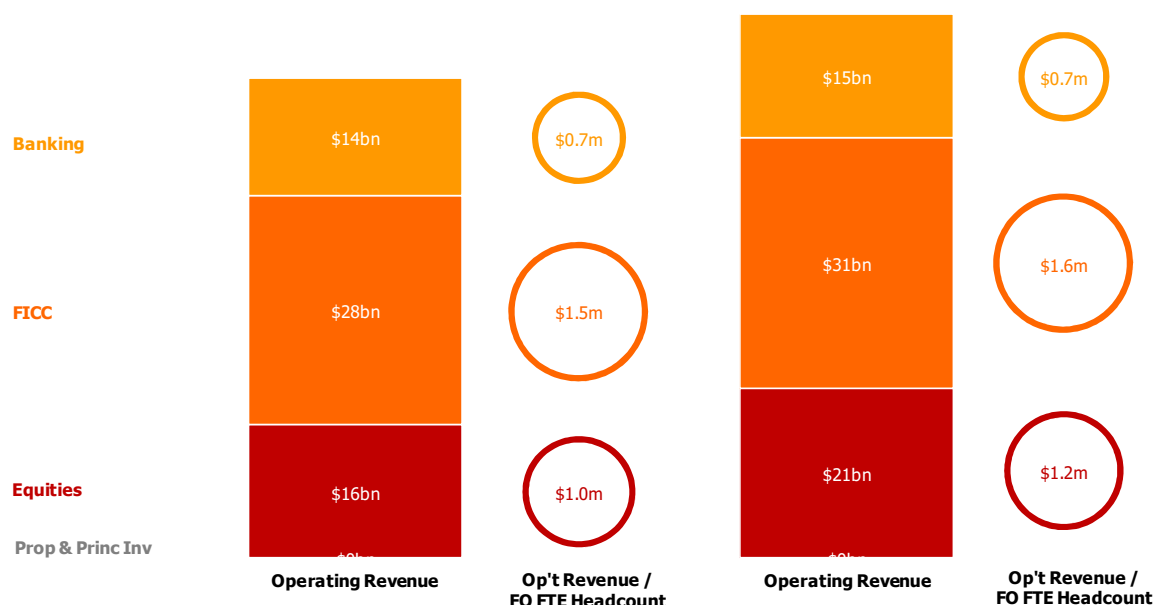
Capital Markets: Overview

In aggregate, banks in this note reported operating revenue of \$67bn, 14% ahead of 1Q24. American and European banks reported similar rates of growth, but with notable difference in the revenue mix: the former outperformed in syndication fees and Equities, while European banks grew their FICC revenue faster. Costs also grew, but at a much slower rate; as a result, the aggregate pre-tax profit jumped 18% y/y.

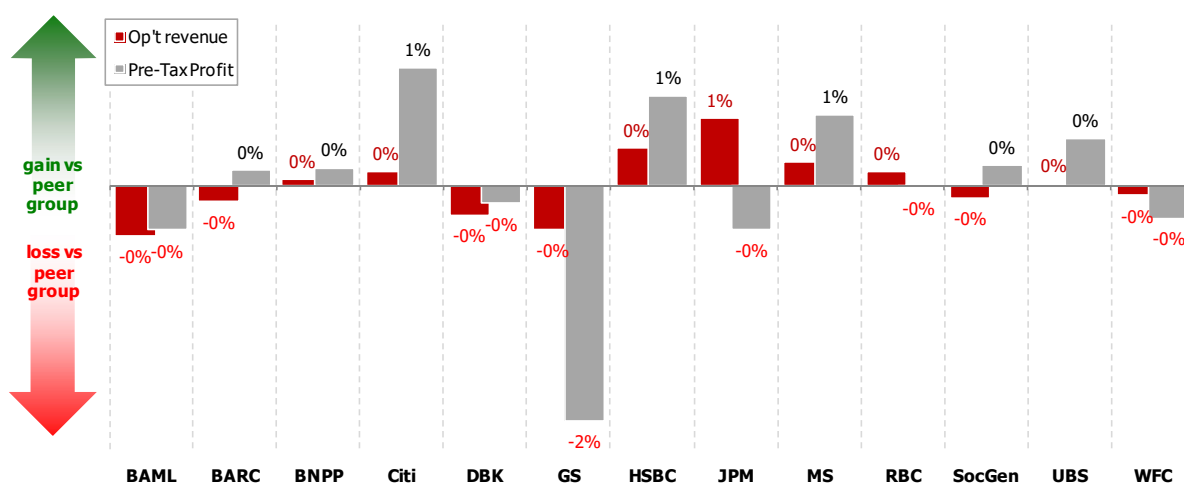
The exceptional volatility that marked the first 100 days of the new US administration boosted volume-related revenues. VIX hovered around 15 when the new administration arrived; by the end of March, it was firmly in the 20+ territory before hitting 66 in early April, the level last seen five years ago. Unsurprisingly, market operators and liquidity providers reported record volumes in April.

Revenue & productivity (1Q24)

(1Q25)



% change share of peer group operating revenue and pre-tax profit (1Q25 / 1Q24)



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

DCM loan syndication volumes were slightly ahead of 1Q24, with strong growth in both Europe and the US; however, APAC volumes dropped almost 30% y/y. Bonds had a great start to the year as strong demand from emerging markets (including China) and international issuers more than offset a dip in high grade and high yield corporate volumes.

Apollo, Carlyle and Ares recently participated in the issuance of Significant Risk Transfer securities which referenced loans to Business Development Companies. This is an innovative approach which could help banks free up capital.

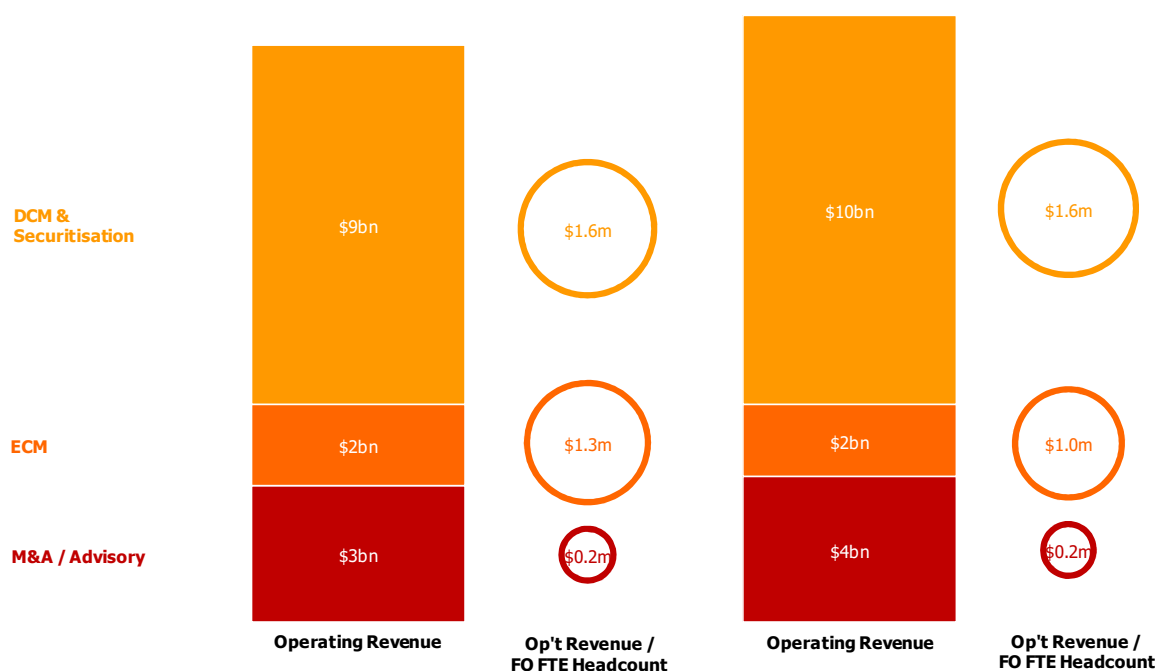
MBS issuance jumped 33% y/y; ABS advanced 4% y/y, but was 30% ahead of 4Q24.

In ECM, IPO volumes, strong in January, declined in February and March as the uncertainty created by the new US administration dampened the volumes. IPO fees jumped to the highest level since 1Q22; but APOs and converts weakened. Regionally, US volumes declined, while Europe and APAC saw strong growth.

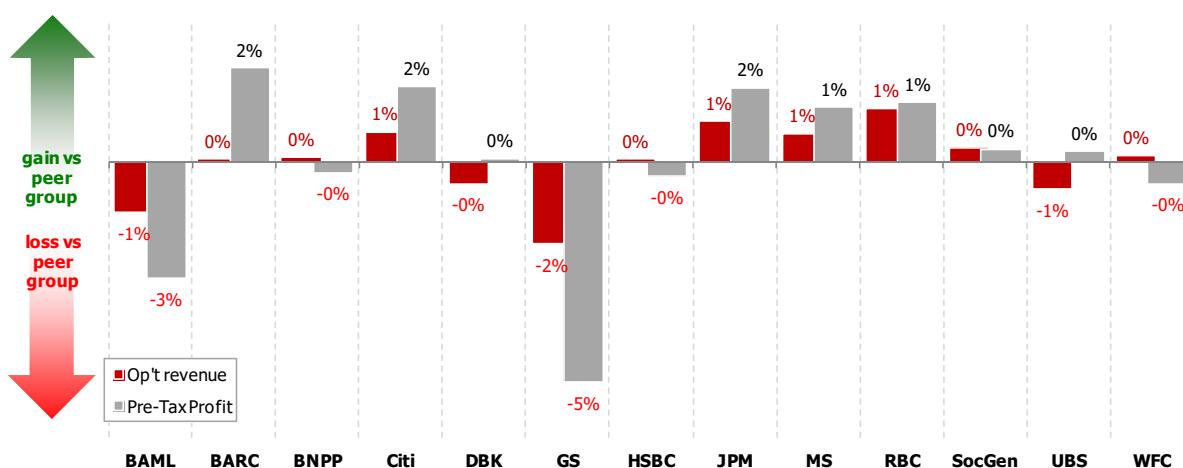
M&A/Advisory fees grew 15% y/y, driven by mega-deals; and regionally, by APAC and Europe. The US volumes declined amid a sharp fall in bids for US targets. Private equity-backed dealmaking continues to grow.

Revenue & productivity (1Q24)

(1Q25)



% change share of peer group operating revenue and pre-tax profit (1Q25 / 1Q24)



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.

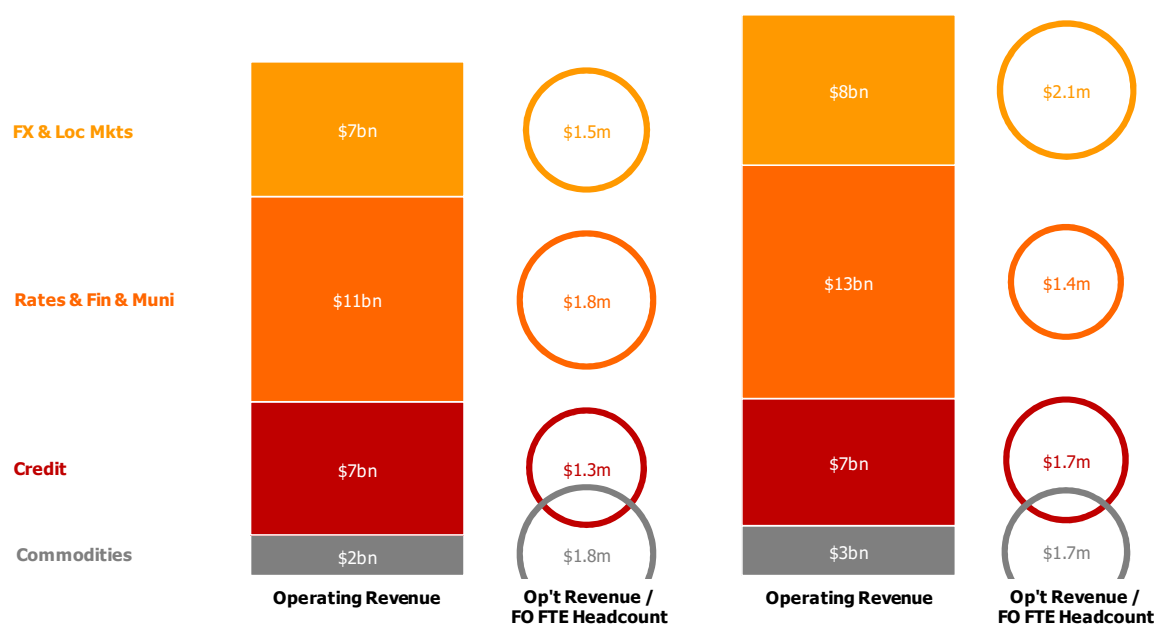
Capital Markets (cont.): FICC

Macro revenues surged across all the main areas. FX spot volumes on Cboe and Euronext hit new highs, and the demand for hedging against a decline in US\$ surged. The 2Q25 had a very strong start, driven by the explosion in volatility in April. In Rates, Record volumes were seen in repo, US and European govies. The sell-off in US Treasuries raised fears of the liquidity crunch, with munis seen as a low-risk alternative. Commodities revenue jumped, led by the US majors.

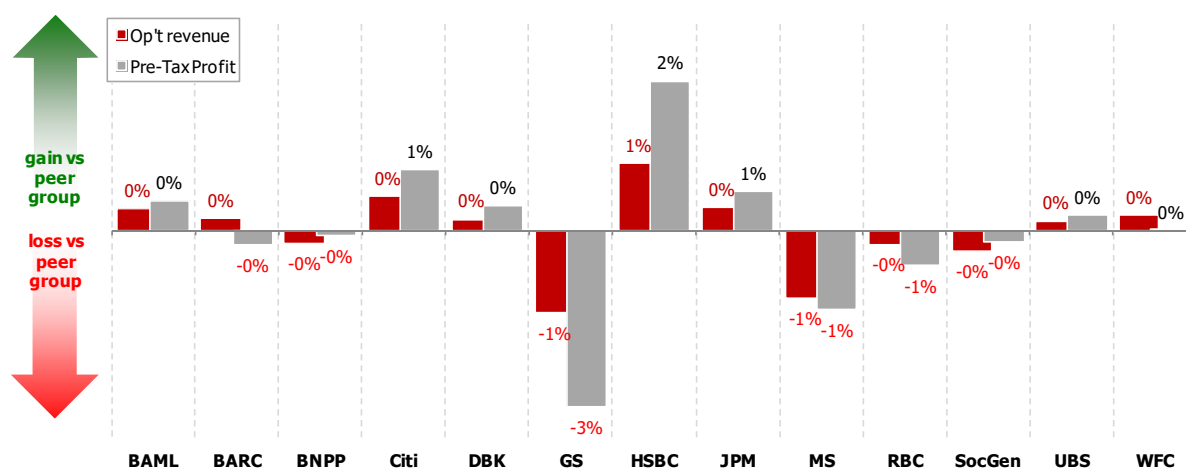
Credit revenue declined slightly; however, ADVs hit records in corporate bonds, US e-trading (high grade and high yield) and European credit. The high hopes of electronication in credit markets have not (yet?) been realised; the rate of growth of primarily-electronic volumes slowed significantly in late 2024 and 1Q25 and main market makers' revenue remains driven by voice.

Revenue & productivity (1Q25)

(1Q24)



% change share of peer group operating revenue and pre-tax profit: (1Q25 / 1Q24)



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

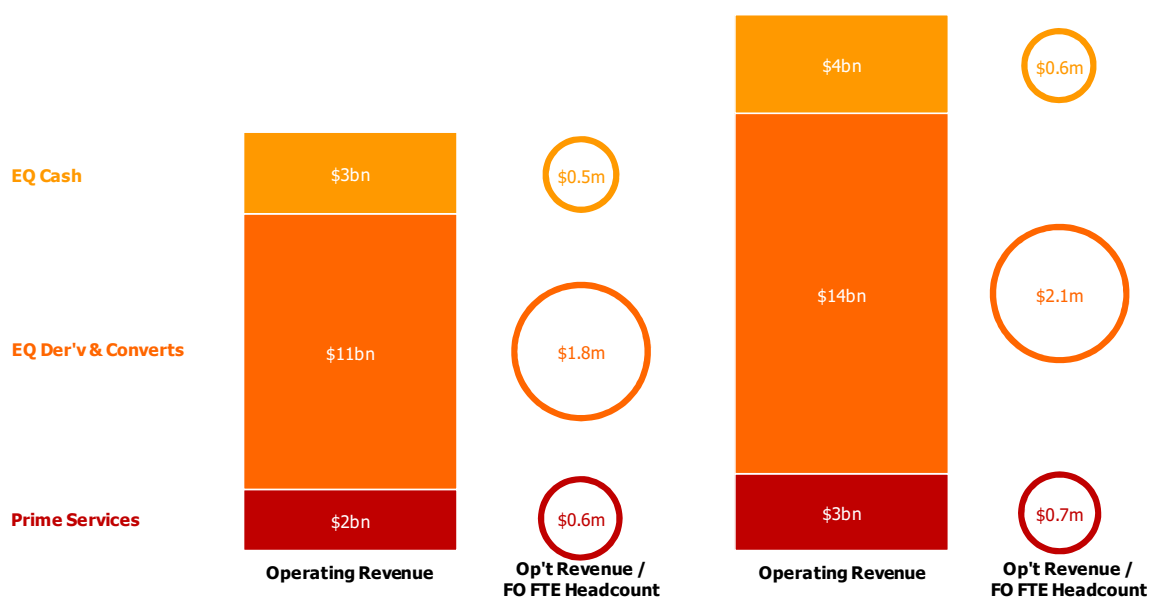
A surge in volatility and client flows boosted revenue; several banks in this report set new multi-year records. Revenue from equity derivatives grew the most, led by banks with strong Options and high-margin emerging markets offerings.

Prime services also jumped, supported by higher client balances. Market volatility in March hit equity-focused hedge funds particularly hard; uncorrelated strategies held up well, though.

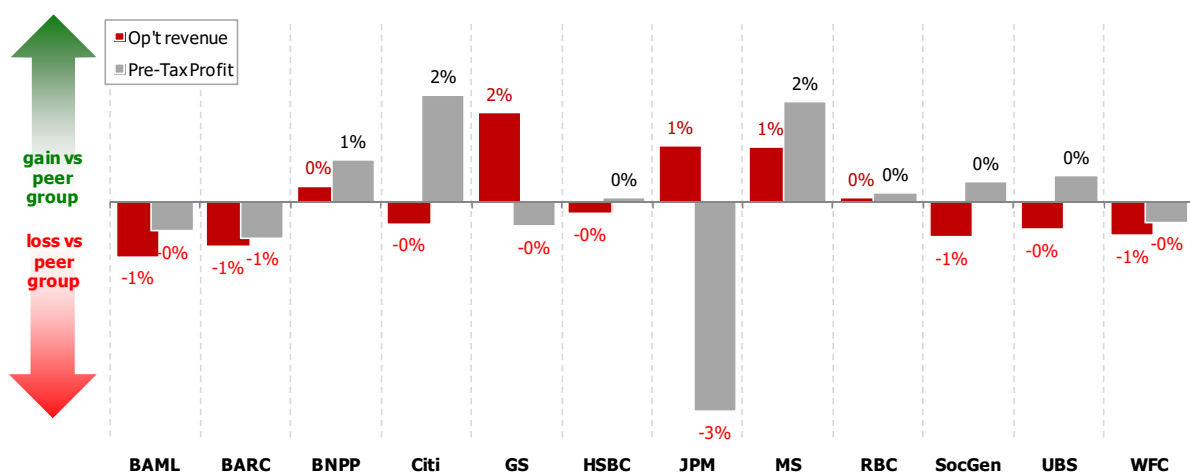
Cash equity grew across all regions. The market selloff in the US in 1Q25 was driven by institutional and retail investors' fundamental concerns, rather than hedge funds rushing for exit.

Revenue & productivity (1Q24)

(1Q25)



% change share of peer group operating revenue and pre-tax profit (1Q25 / 1Q24)



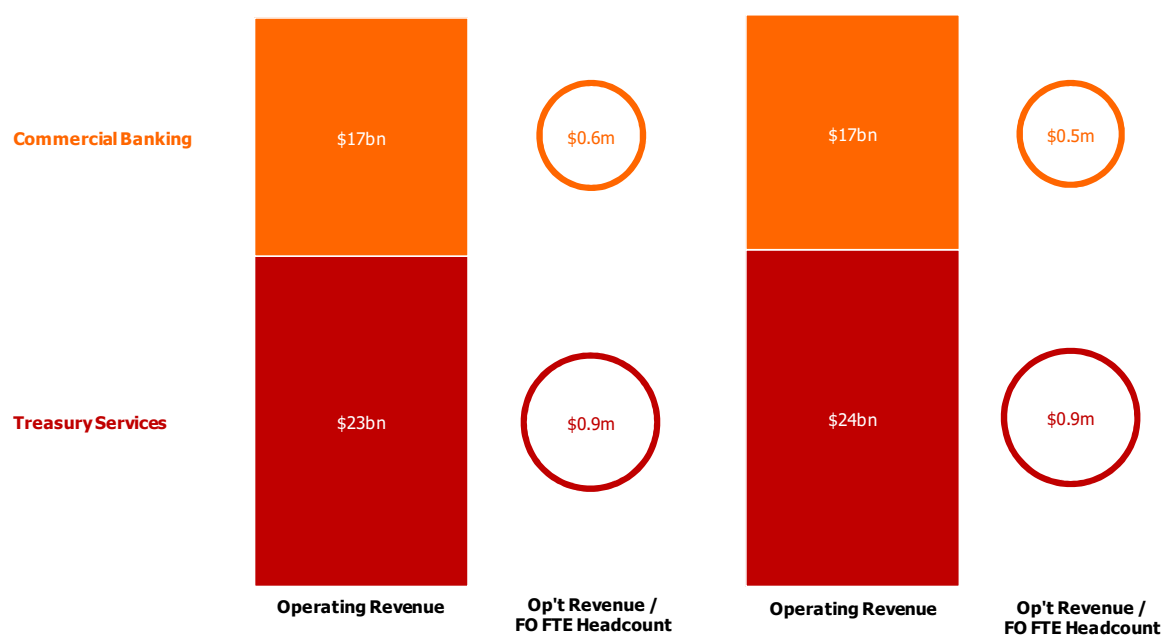
Notes: (1) Tricumen product definitions throughout. (2) Revenue is post-writedowns, excludes DVA/equivalent and one-offs. (3) Headcount: Front office full-time equivalent, adjusted for seniority. (4) Pre-tax profit excludes Prop & Principal Investments.

Commercial Banking & Treasury Services

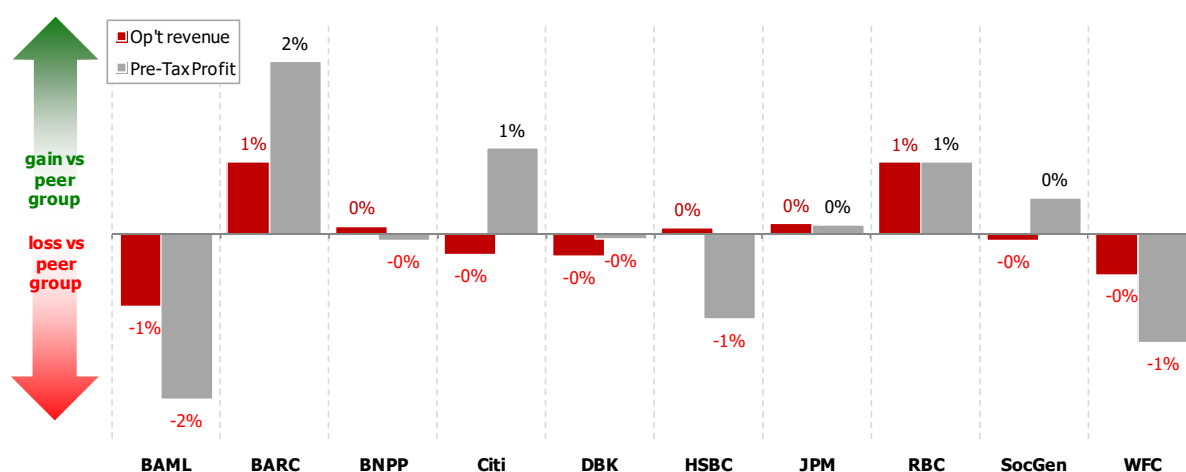
- In Europe, the tightening of credit standards was smaller than generally expected, and was driven almost entirely by banks in Germany (and four smaller Eurozone countries). Demand for corporate loans softened slightly across LME and SME market sectors. In the US, corporate loan demand grew throughout the 1Q25, ending the quarter only slightly below 1Q24.
- A notable increase in payments and trade financing volumes – partly offset by margin compression in deposits - seen in 1Q25 may taper off: the trade war could reduce the revenue from payments.

Revenue & productivity (1Q24)

(1Q25)



% change share of peer group operating revenue and pre-tax profit (1Q25 / 1Q24)



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

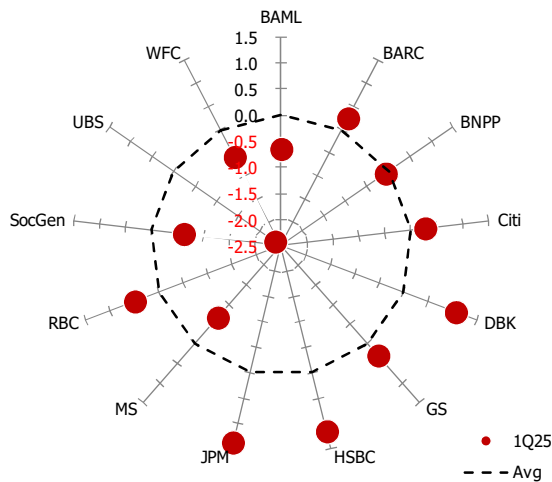
1Q25/1Q24 (Operating revenue, % change, US\$)

	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	↓	↘	↘	↘	↓	↓	↘	↘	↓	↑	↘	↓	↓

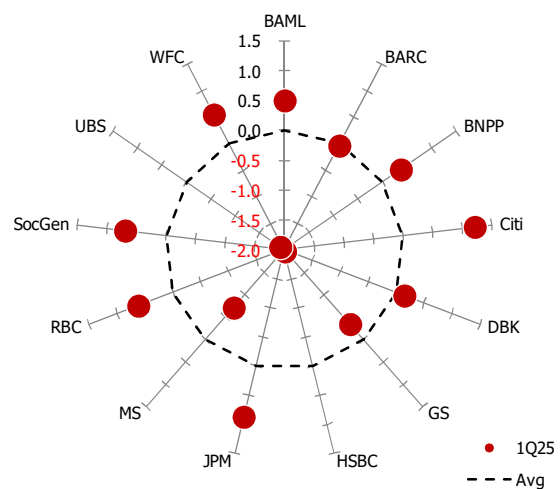
Source: Tricumen. Notes: (1) Tricumen product definitions throughout. (2) Arrows show % change in revenue vs peers. Up-/down-arrows: top-/bottom-quartile. (3) Operating revenue is post-writedowns, excludes DVA/equivalent and one-offs. (4) Commercial/Transaction Banking includes Large Cap/MNC and Mid-Cap/SMEs.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

Pre-tax profit margin (US\$)

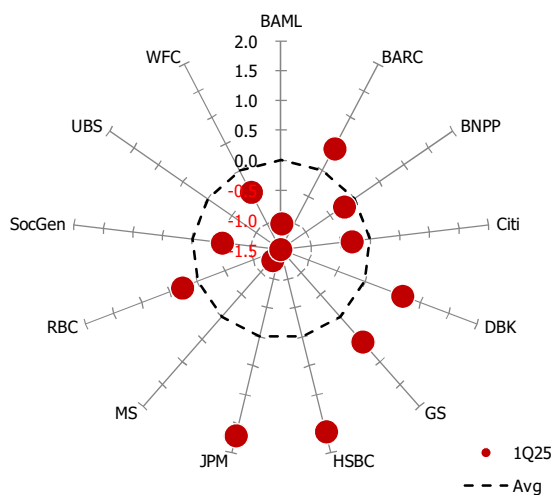
Capital Markets



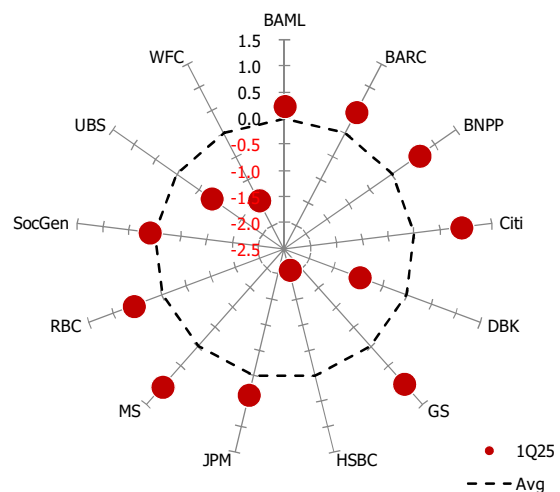
Banking



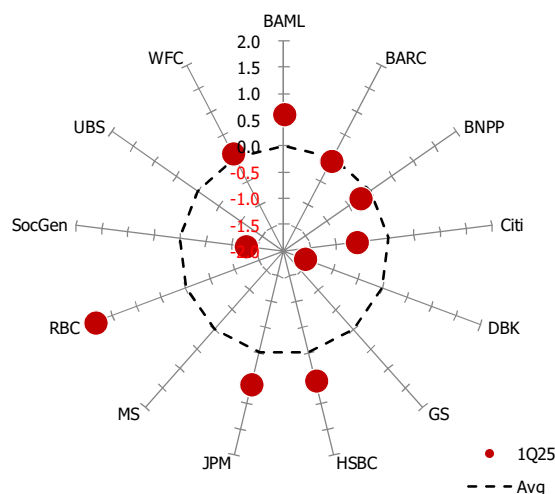
FICC



Equities



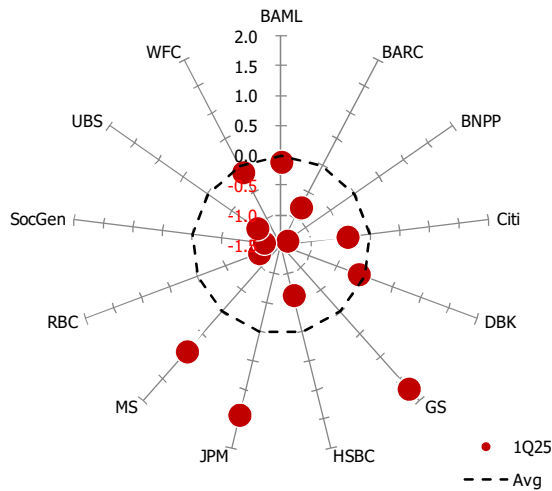
Commercial Banking / Treasury Services



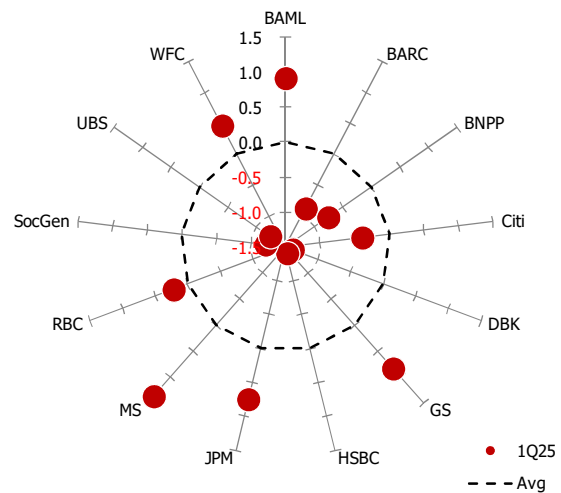
Source: Tricumen. Notes: (1) TRIC product definitions, standard deviation, product Level 1; (2) Operating expenses exclude one-off non-operational items, insurance-related benefits & claims, and credit expense/recovery/NPL provisions. Capital expenditure is included as accrued. Litigation expense is 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\$)

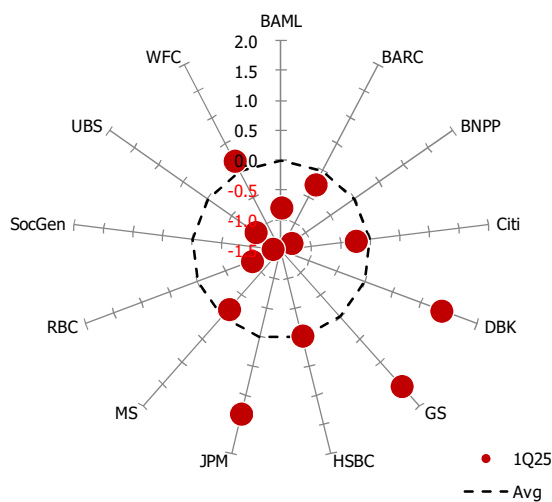
Capital Markets



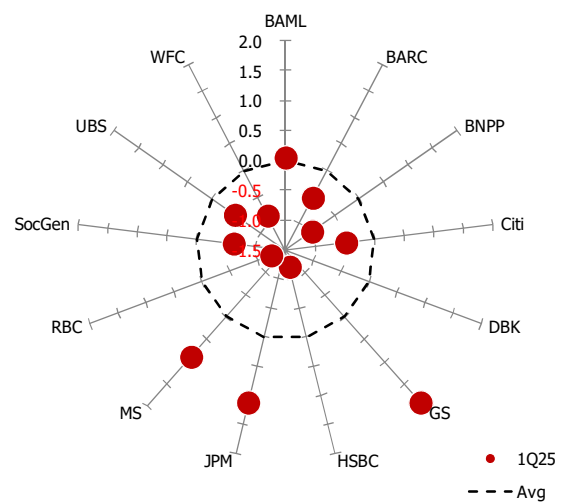
Banking



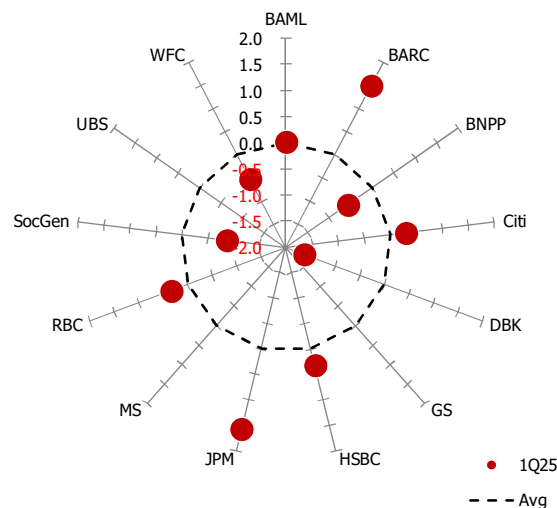
FICC



Equities



Commercial Banking / Treasury Services



Source: Tricumen. Notes: (1) TRIC product definitions, standard deviation, product Level 1; (2) positive values = outperformance; negative values = underperformance, relative to the peer group featured in this report; (3) missing values = N/M; no Tricumen coverage; or the bank is not a significant competitor; (4) outliers are excluded.

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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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