

## CIB Results Review 2Q25 / 6m25

### Capital Markets: Overview

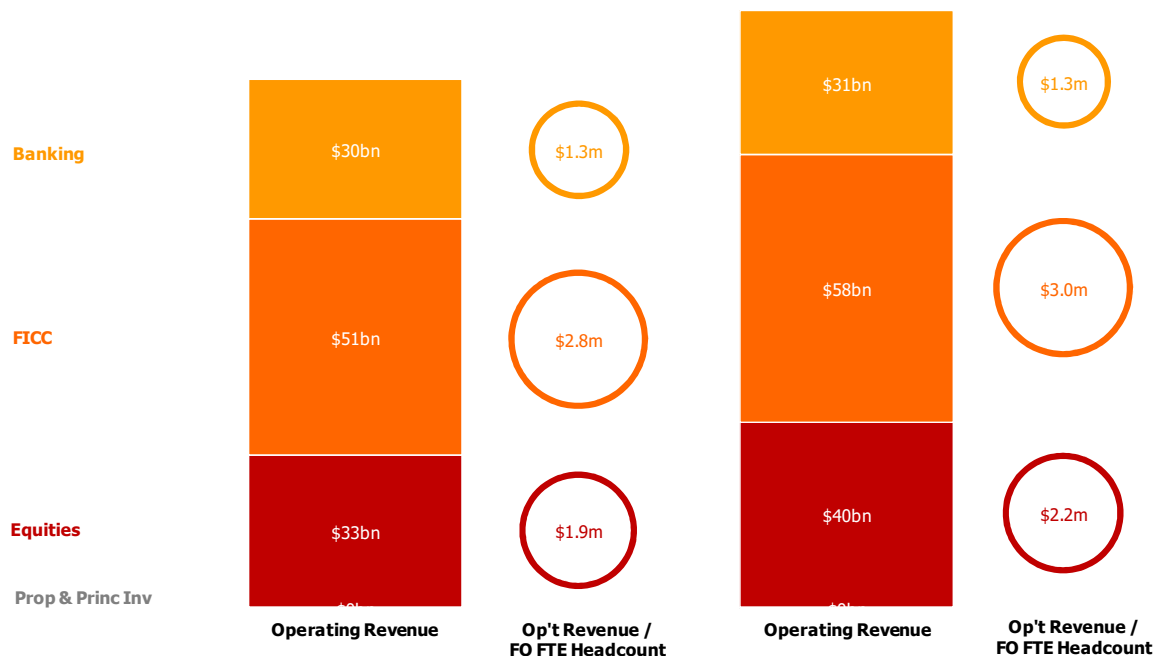
The combined operating revenue topped \$62bn in 2Q25, 13% ahead of the strong 2Q24. Year-to-date, American banks outperformed in Banking and Equities, while European banks reported impressive revenue gains in FICC.

Partly as a result of (thus far targeted) cost-cutting measures, European banks grew their pre-tax profits faster than Americans; the aggregate pre-tax profit for the whole peer groups advanced 19% y/y in 1H25.

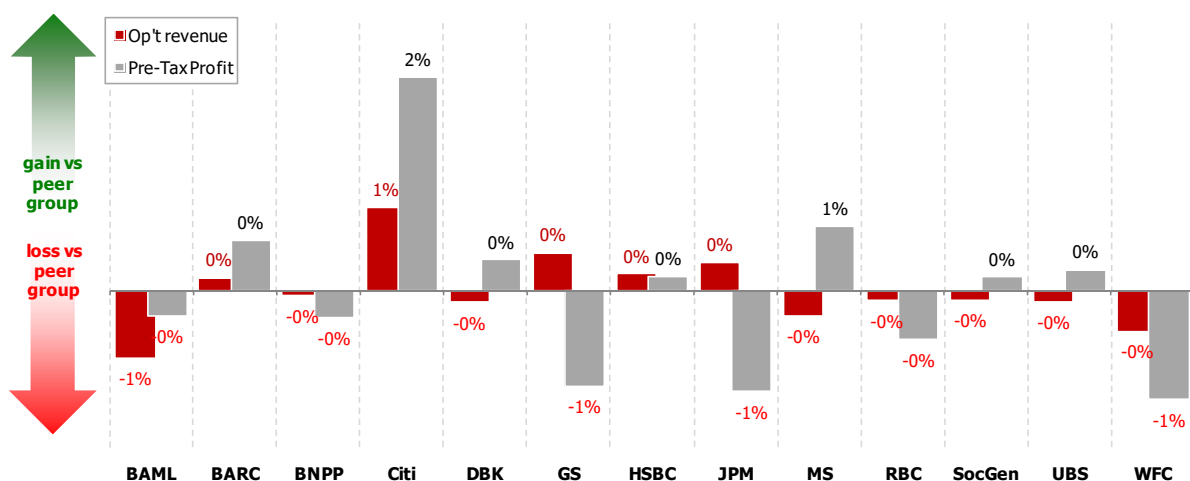
The US regulators' review of supplementary leverage ratio (SLR) is driven by the US administration's desire to lower US Treasuries yields and regulators' aiming to boost the liquidity in the bond markets. GSIBs welcomed the review, pointing out that exempting USTs from SLR could indeed strengthen the resilience of the financial system without compromising safety. The bank's appetite for USTs will depend on banks' individual business model, but there is little doubt that banks with large treasury trading operations – for which SLR is arguably a more significant constraint than CET1 - would be the early beneficiaries. In the meantime, all 22 US majors passed The Fed's latest stress test.

#### Revenue & productivity (6m24)

(6m25)



#### % change share of peer group operating revenue and pre-tax profit (6m25 / 6m24)



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

High grade and high yield bond volumes advanced modestly relative to 1Q25 and 1H24, while emerging markets and Asian local currency volumes – partly driven by the US administration's unpredictability – surged to new records.

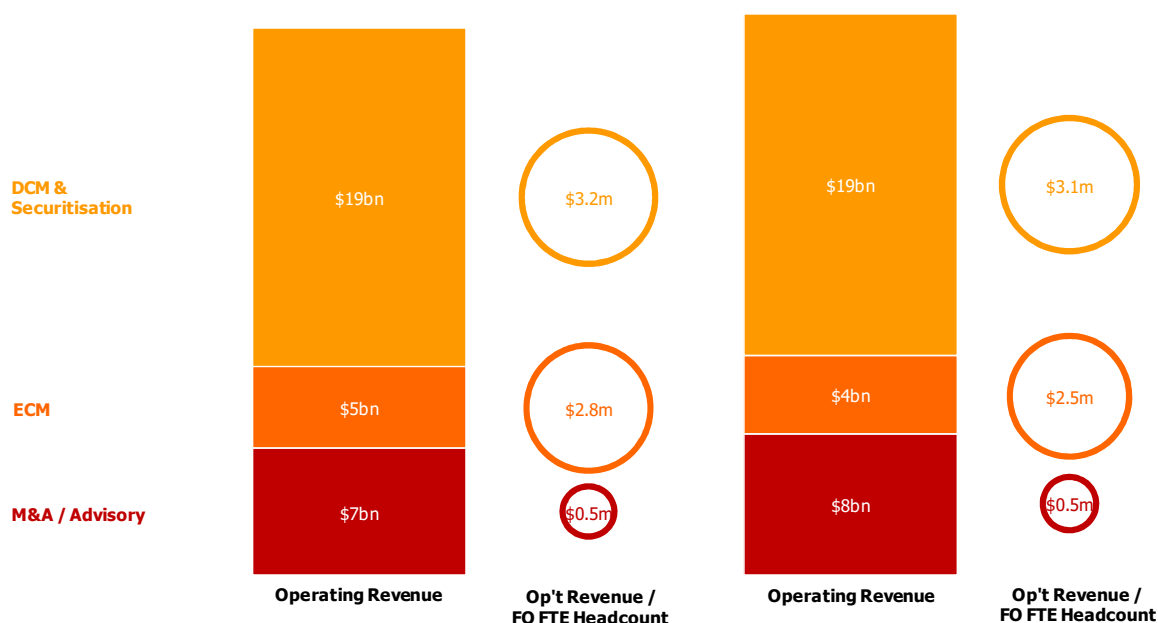
Seeking diversification in their sources of funding – and taking advantage of lower borrowing costs - US multinationals are increasingly accessing Eurozone markets: in 1H25, European syndicated loan volumes surged to a 20-year high.

In ECM, IPO volumes remained weak in 2Q25, but the outlook is positive. In a recent interview, Blackstone's President and COO Jon Gray stated that the firm is preparing to take more portfolio companies public than at any time since the very strong 2021. SPACs are staging a recovery, too: in 1H25, 60+ SPACs filed for \$13bn worth of IPOs, not far off the total number of IPOs seen in the whole of 2024. Regionally, EMEA and Japan dropped sharply, APAC ex-Japan/-ANZ jumped and the USA recorded modest growth.

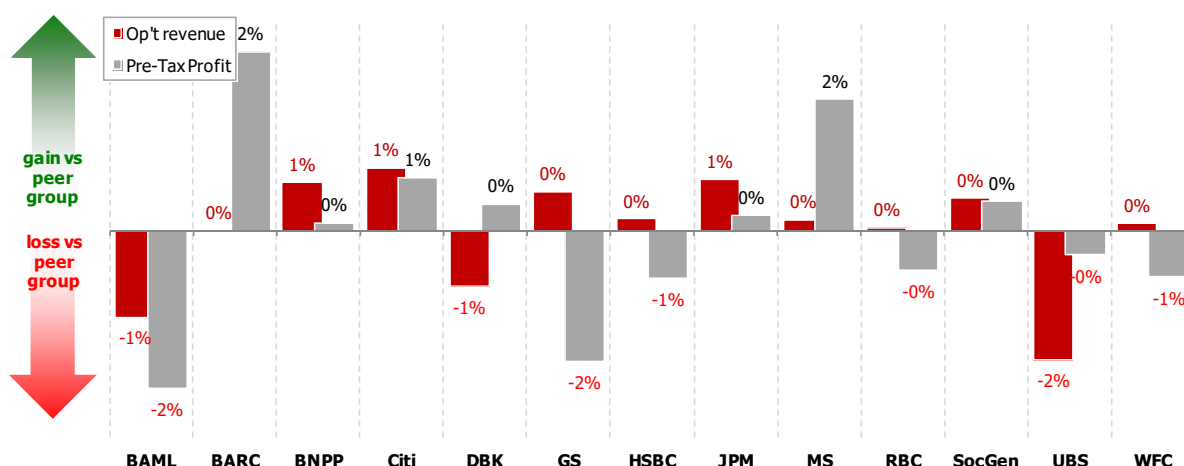
M&A/Advisory grew 7% in 1H25, driven by \$1bn+ deals (+30%), private equity, cross-border, and APAC. Crucially, USA volumes also grew, by 15% in 1H25/1H24. International banks – including those featured in this note – are expanding their presence in Japan.

### Revenue & productivity (6m24)

(6m25)



### % change share of peer group operating revenue and pre-tax profit (6m25 / 6m24)



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## Capital Markets (cont.): FICC

In FX, 2Q25 started strong: Cboe and Euronext ADVs in April were well ahead of March. USD/JPY was the standout performer, and other JPY-based pairs also showed strong growth in the same period. Volumes dropped in May, but remained strong. Asian currencies fluctuated wildly in April and May. (In 1Q25, US leaders surged their FX derivatives notionals by 20% y/y, driven by forwards.)

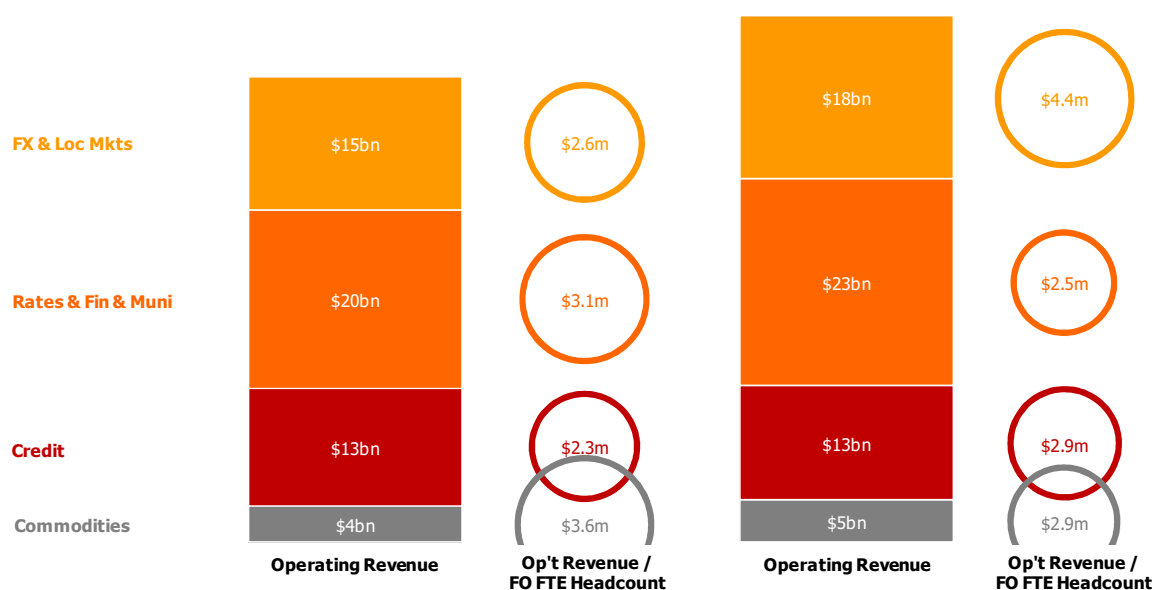
Rates had a tough start to 2Q25; several banks initially suffered steep losses from derivatives tied to US and Japan interest rates. However, most product areas recovered as the quarter wore on: by the end of 1H25, trading volumes hit records in US govies, short-term swaps, and repo. Muni issuance surged in 1H25 to a multi-decade 1H high, driven by concerns that the US administration might eliminate a tax break for private bonds to fund the new tax bill; traded volumes jumped 20% y/y.

High yield credit trading ADVs hit the all-time records in 2Q25, driven by the US administration's trade policies, as well as the electronic and high-speed trading. In the US, e-trading now accounts for 40%+ of all corporate bond volumes, a fourfold increase from a decade ago. The fall in currency hedging costs in APAC is boosting demand for local currency bonds.

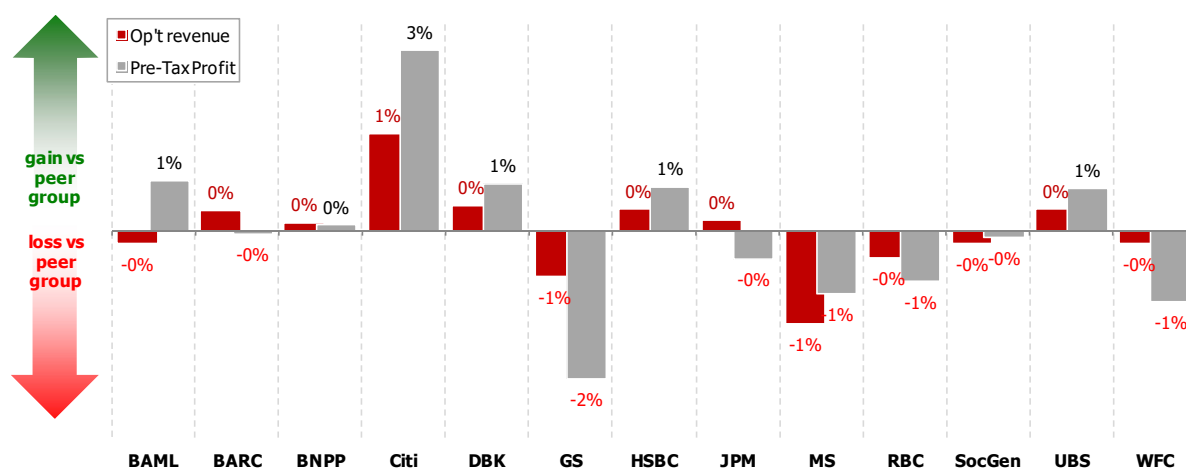
Commodities could make the comeback in institutional portfolios over the next 3-5 years as more money flows into AI and energy infrastructure. Also, central banks, increasingly concerned about 'weaponisation' of FX reserves, are looking to increase their holdings of gold (and Gold ETFs saw the highest 1H inflows since at least 2020).

### Revenue & productivity (6m24)

(6m25)



### % change share of peer group operating revenue and pre-tax profit: (6m25 / 6m24)



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

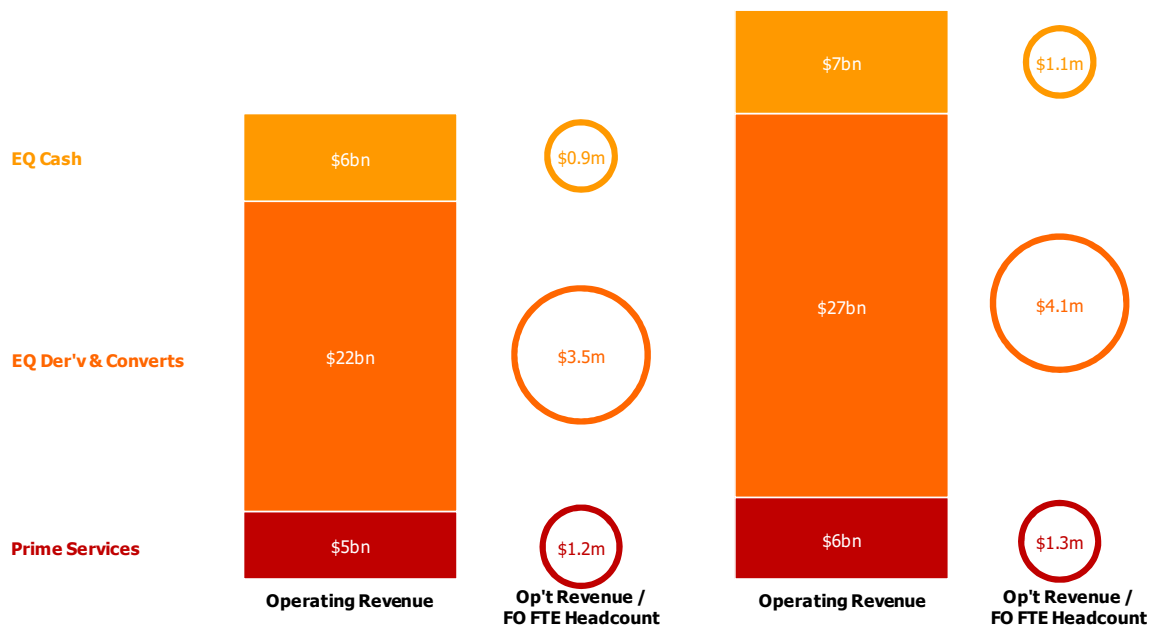
The 20% growth in cash equity revenue was driven by healthy client volumes, but also banks bulking up their operations. In research, a new frontier is opening up: several banks are bulking their coverage of private companies, with strong focus on tech and AI.

Equity derivatives grew even faster as institutional investors sought hedging strategies amid policy uncertainty and earnings pressure. In the US, optimism regarding the conclusion of trade deals drove a surge in demand for options. Trading in derivatives linked to US dividends is booming. Options and structured products also saw increased demand, particularly in APAC and Europe, where investors leveraged AI-driven strategies and sector rotation themes.

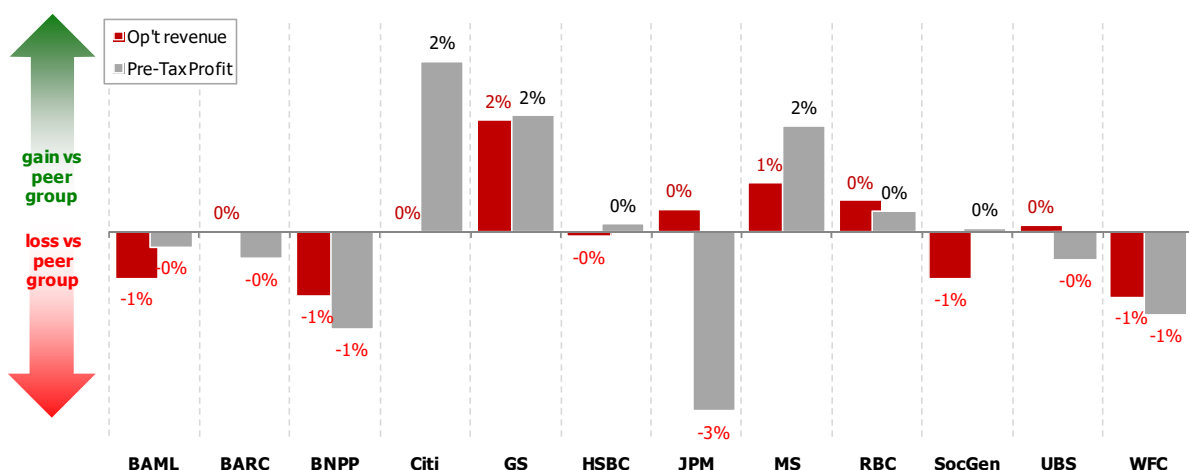
Prime services units also did very well. The demand for financing – especially from multi-strategy and macro hedge funds – continues to soar, prompting banks to optimise capital allocations. Driven by strong equity valuations, stock-picking hedge funds outperformed their quant/systematic counterparts in 2Q25.

### Revenue & productivity (6m24)

(6m25)



### % change share of peer group operating revenue and pre-tax profit (6m25 / 6m24)



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

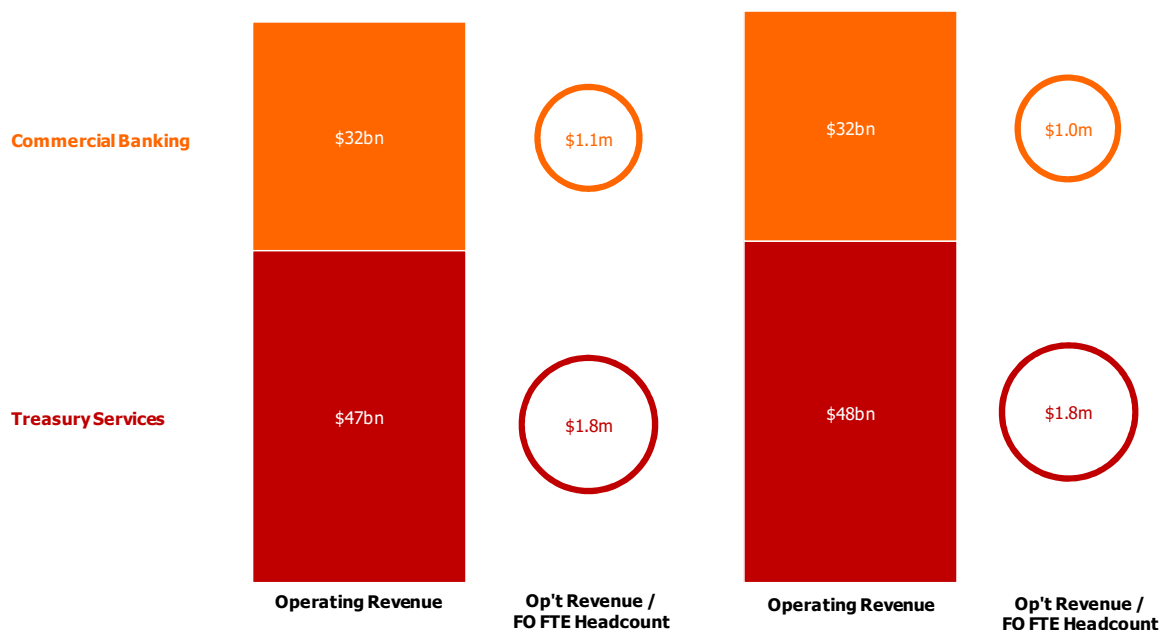
In the US, asset repricing and lower deposit costs boosted loan volumes to the post-2Q20 record.

In Europe, the demand for corporate loans also grew, driven by a decline in lending rates. Banks are optimistic regarding the 2H25; however, global uncertainty and ongoing trade tensions are damping enthusiasm. Credit standards in corporate lending remain broadly unchanged, though there was some tightening in Germany and easing in Italy.

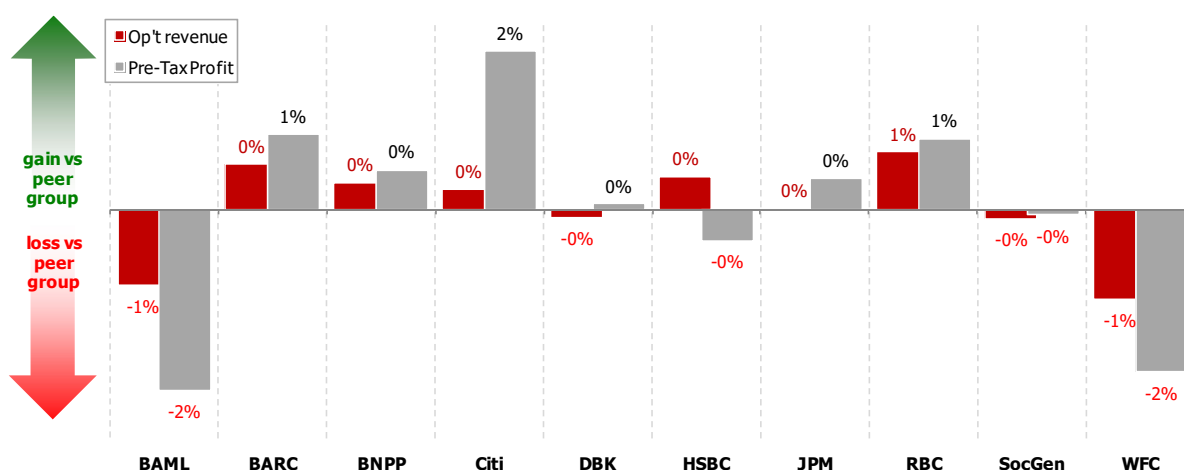
Demand for trade finance remained strong in 2Q25, driven by ongoing supply chain disruptions and economic and geopolitical uncertainty. In the US, receivables financing and invoice discounting are the fastest growing segment. Efforts to digitise processes continue.

### Revenue & productivity (6m24)

(6m25)



### % change share of peer group operating revenue and pre-tax profit (6m25 / 6m24)



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

### 6m25/6m24 (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	↗	↗	↗	↗	↗	↗	↗	↗	↗	↑	↗	↗	↓

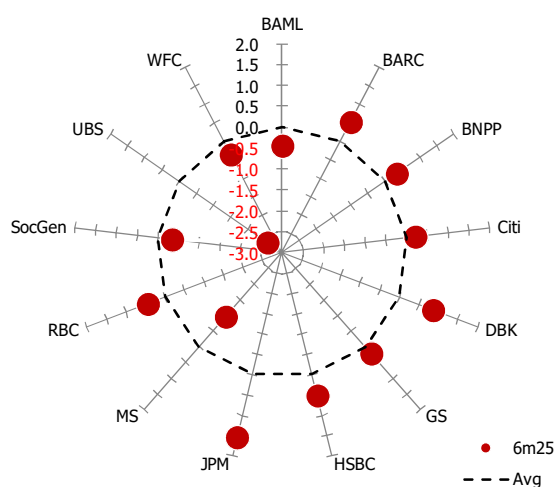
### 2Q25/2Q24 (Operating revenue, % change, US\$)

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

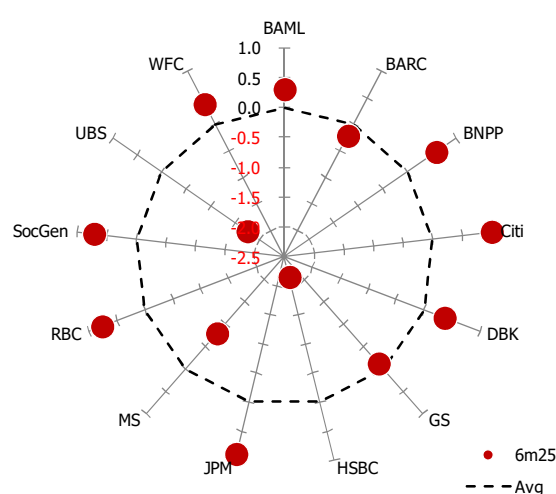
Source: Tricumen. Notes: (1) Tricumen product definitions throughout. (2) Arrows show % change in revenue vs peers. Up-/down-arrows: top-/bottom-quartile. (3) Operating revenue is post-writedowns, excludes DVA/equivalent and one-offs. (4) Commercial/Transaction Banking includes Large Cap/MNC and Mid-Cap/SMEs.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

## Pre-tax profit margin (US\$)

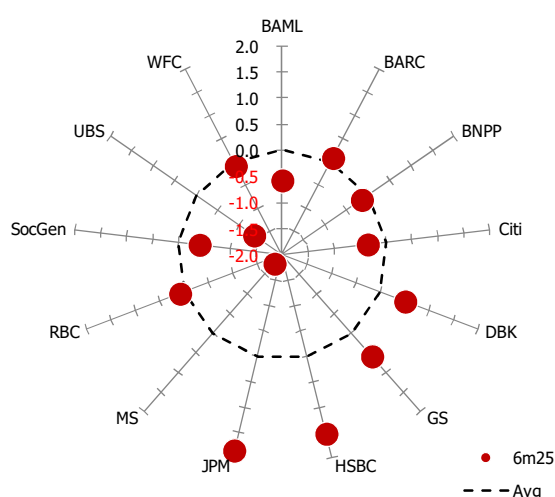
### Capital Markets



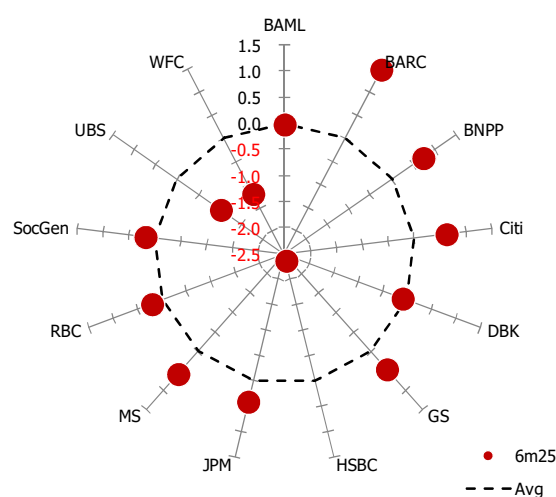
### Banking



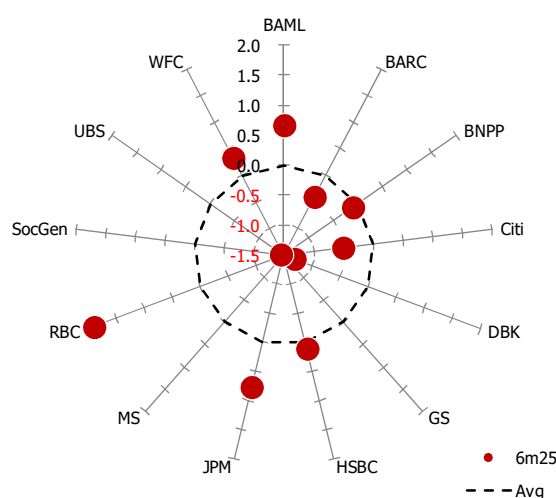
### FICC



### Equities



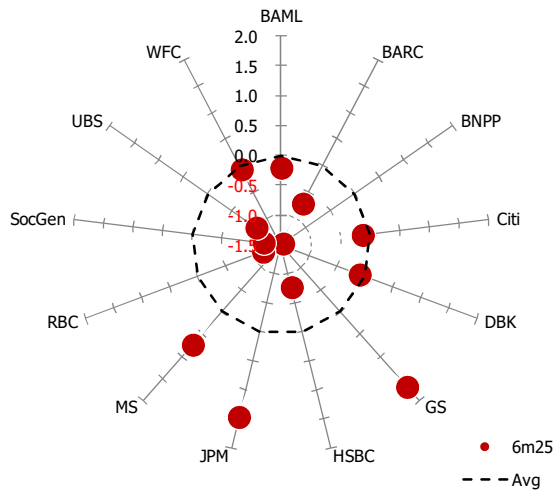
### Commercial Banking / Treasury Services



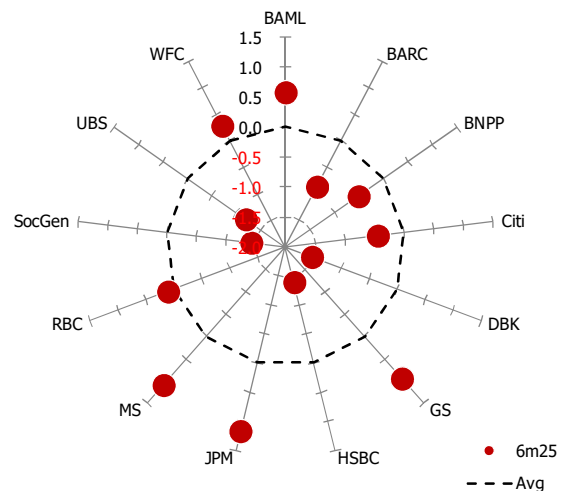
Source: Tricumen. Notes: (1) TRIC product definitions, standard deviation, product Level 1; (2) Operating expenses exclude one-off non-operational items, insurance-related benefits & claims, and credit expense/recovery/NPL provisions. Capital expenditure is included as accrued. Litigation expense is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

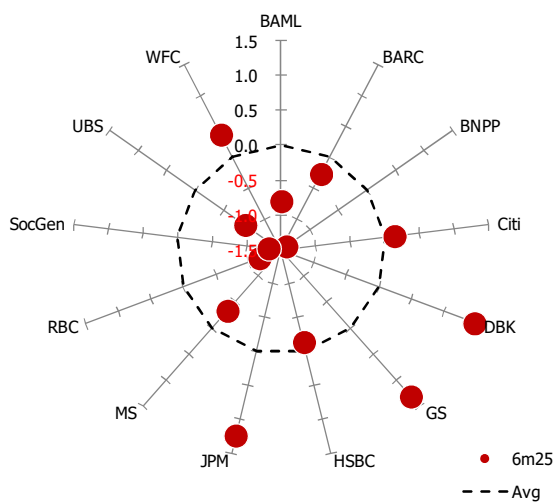
### Capital Markets



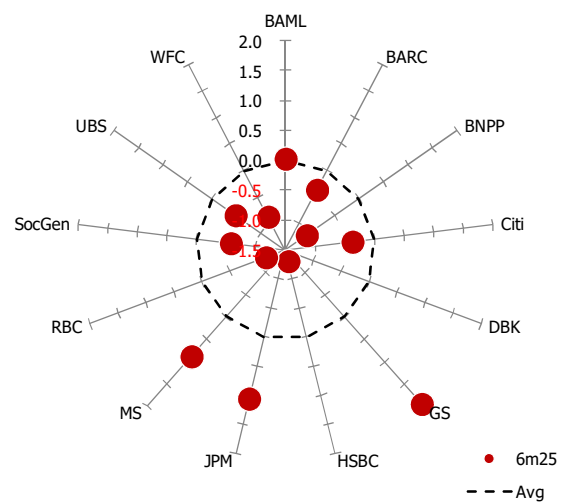
### Banking



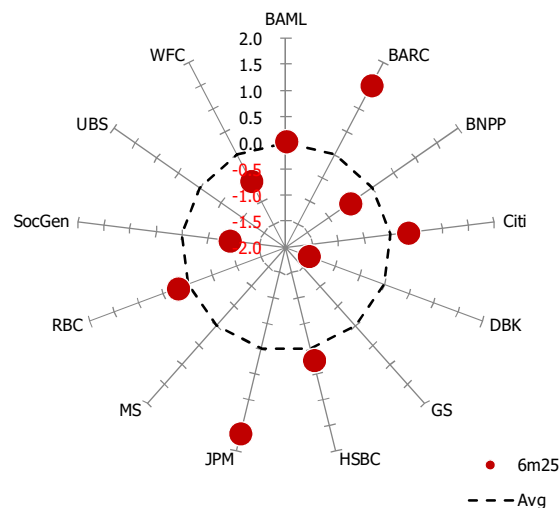
### FICC



### 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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