

CIB Results Review 4Q25 / FY25

Capital Markets: Overview

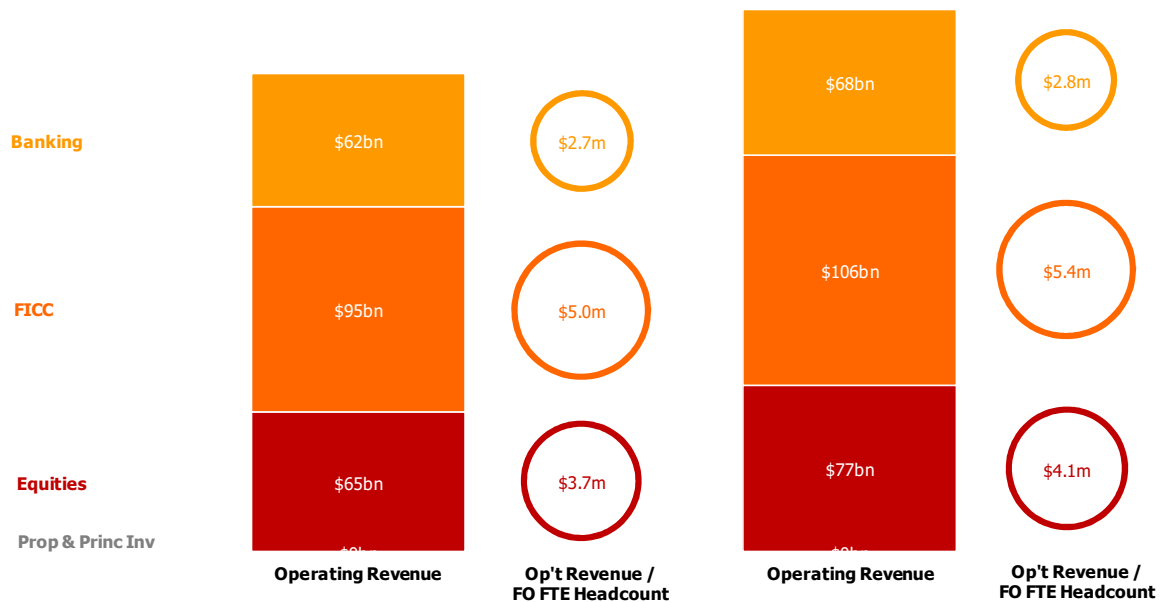
HSBC has not yet released its 2025 results, so Tricumen estimated the bank's 4Q25 performance.

Banks' capital markets revenues exceeded \$250bn, up 13% from FY24. Equities delivered the fastest growth, followed by FICC and Banking. Operating costs - driven mainly by performance-related compensation and technology - rose more slowly, allowing profits across all three core segments to surge by 20%. Front-office productivity improved broadly, with the strongest gains in Equities.

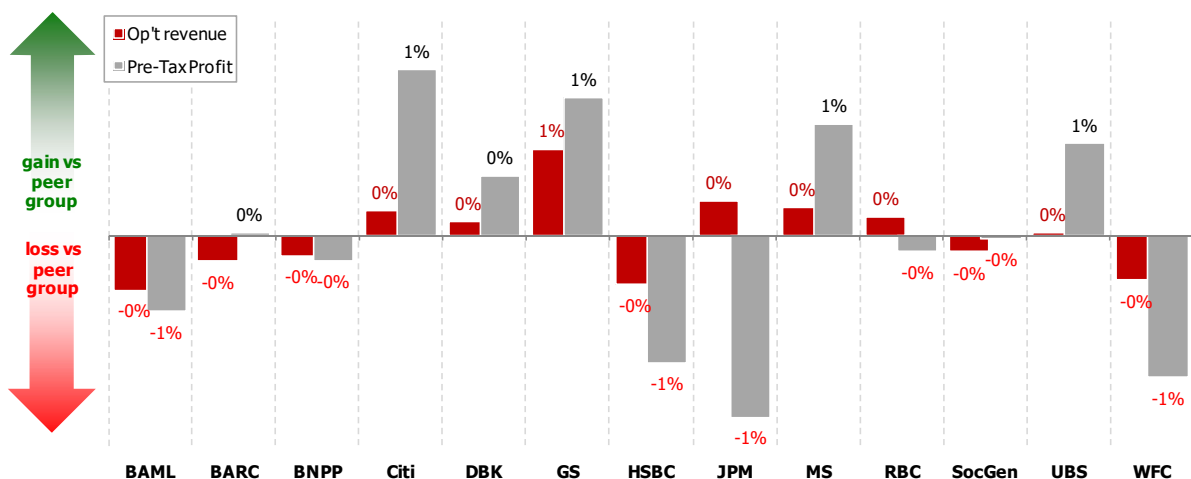
North American banks slightly outperformed their European peers on both revenue and profit growth, partly because FX movements weighed on reported European revenues.

Revenue & productivity (FY24)

(FY25)



% change share of peer group operating revenue and pre-tax profit (FY25 / FY24)



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

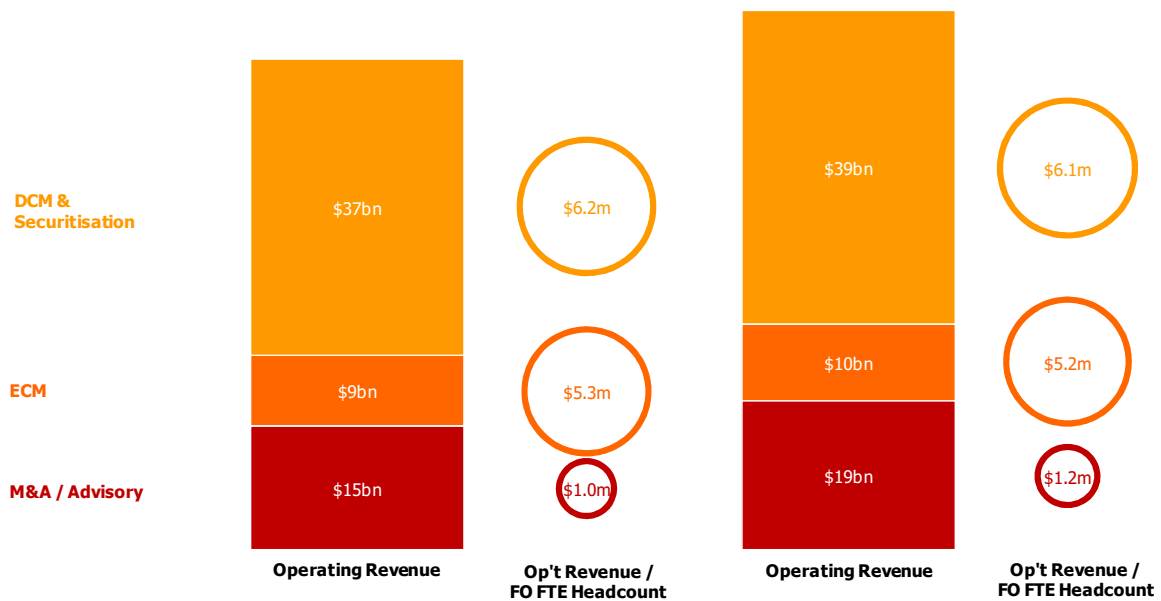
DCM bond issuance set all-time FY records across high-grade, green bonds and APAC local-currency markets, while high yield reached multi-year highs. In syndicated loans, global volumes also hit an all-time record, with strong growth in the Americas and EMEA more than offsetting flat activity in APAC. Across both bonds and loans, leading banks were able to preserve fee margins.

ECM fees rose to their highest level in four years. IPOs were the strongest contributor - with the US and China leading - pushing sector-wide fee margins ahead of underlying volume growth. Regionally, APAC delivered the fastest expansion despite a sharp decline in Japan, while Europe and the US recorded more moderate increases.

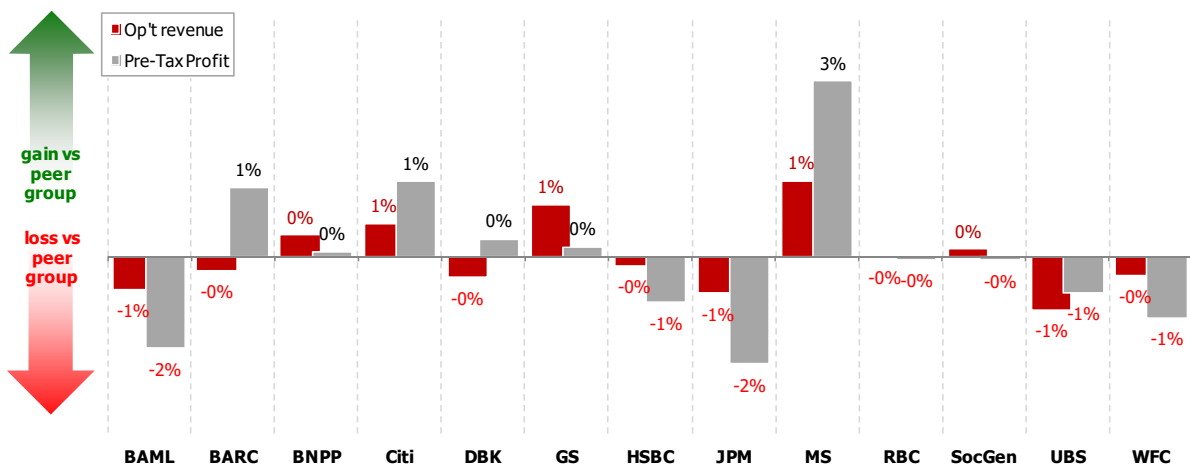
M&A/Advisory fees surged on multi-year record volumes across the US, EMEA and APAC, supported by jumbo transactions and private equity-driven activity. Fee margins, however, declined.

Revenue & productivity (FY24)

(FY25)



% change share of peer group operating revenue and pre-tax profit (FY25 / FY24)



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

In crypto, APAC is surging in global rankings. Institutional hubs – Singapore and Hong Kong - lead with regulatory clarity and institutional depth; Hong Kong also benefits from its links with China’s capital markets. Grassroots ecosystems – primarily Vietnam, Philippines and South Korea - showcase diverse adoption drivers. In Europe, smaller states – Lithuania, Estonia, Ireland – are in the lead, while large economies are progressing more slowly and are focused on integration with mainstream finance, rather than grassroots adoption. Banks’ crypto strategies are diverging. Also, crypto derivatives have continued to grow in prominence this year, evolving from a fringe product into a more mainstream asset class, not least due to the more favourable environment in the US.

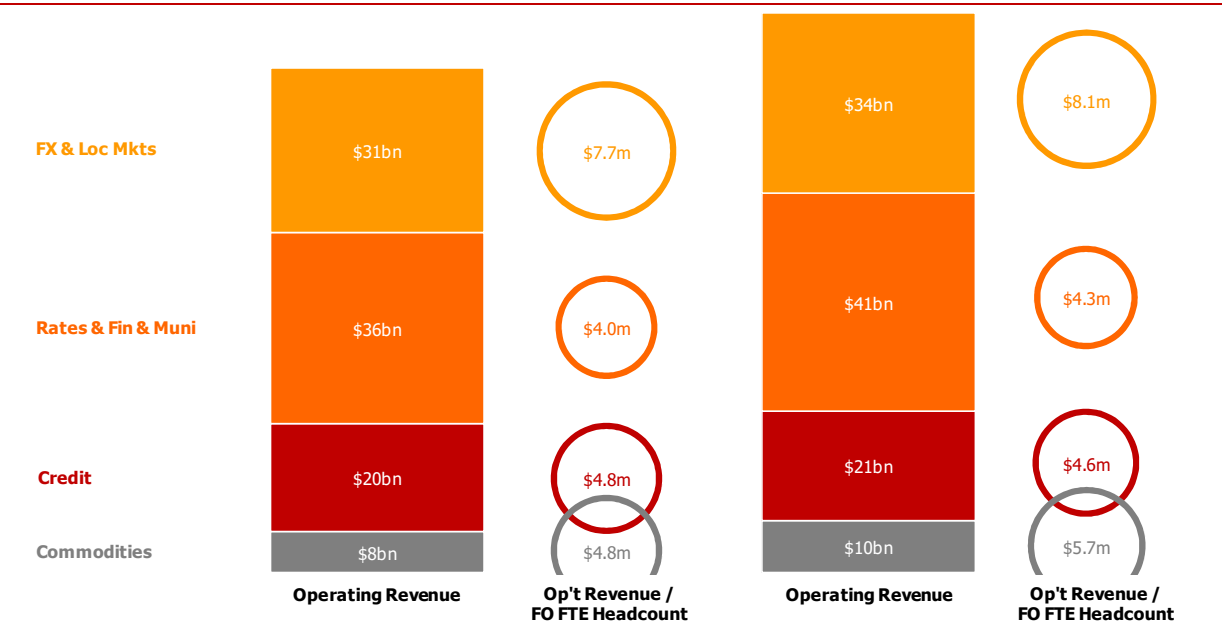
Rising yields and steep forward curves are turbo-charging demand for structured products. The market is evolving from equity-linked notes toward CMS and government bond yield-linked structures, offering higher coupons but also new rate-driven risks. In a year marked by expanding SMA activity and continued electrification, municipal markets closed 2025 on a strong note.

Credit revenues benefited from strong high grade flow, a high yield rebound, active derivatives trading, solid structured-product demand, and increased hedge fund financing. Emerging markets maintained momentum, but tighter valuations and geopolitical risks warrant selectivity.

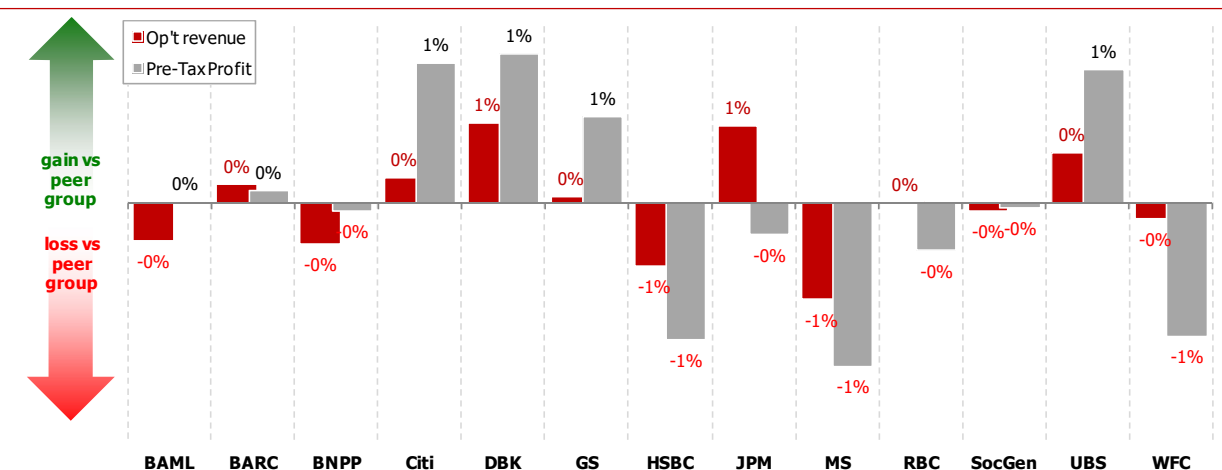
Among commodities, precious metals - especially gold and silver - have been the standout performers of 2025. Banks’ trading revenues hit new records, driven by investors declining level of trust. Structural supply factors, geopolitics, and global demand patterns remain the key driving forces.

Revenue & productivity (FY24)

(FY25)



% change share of peer group operating revenue and pre-tax profit: (FY25 / FY24)



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

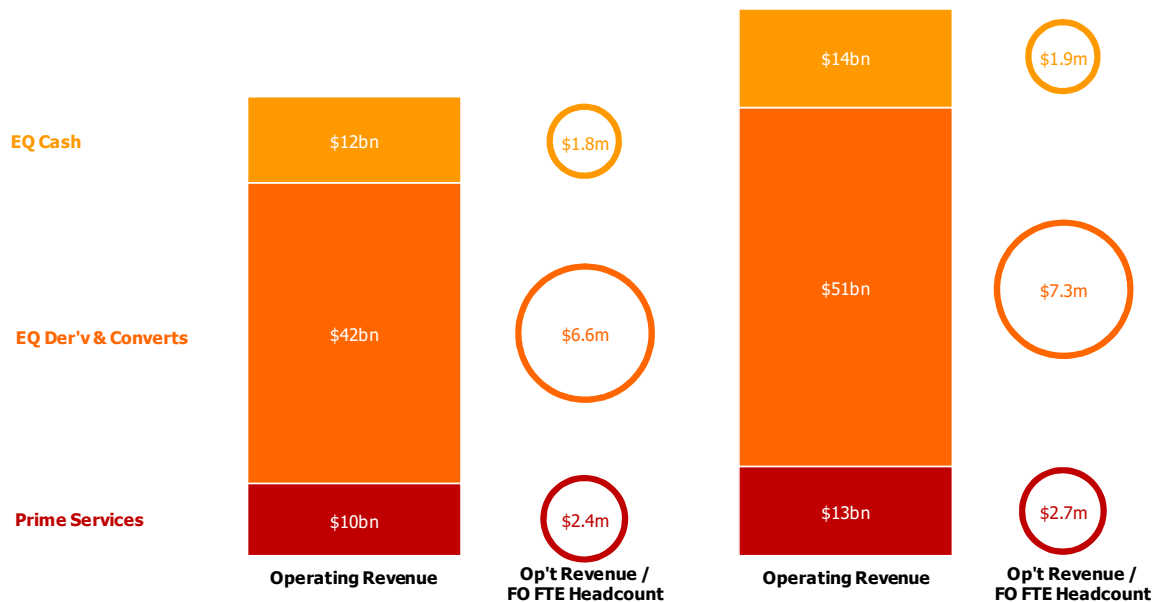
In 2025, cash equity revenue surged in 2025, with volumes breaking records in Europe and the US. In Europe, rather than spiking and then fading, volumes remained persistently high even after the US tariff-driven volatility in April, suggesting a structural - rather than event-driven - trading strength. The strongest relative pickup occurred in continental Europe, supported by improving macro conditions and increased investor flows.

Equity derivatives also boomed, in both the US and Europe. US activity was primarily driven by the need to navigate shifting trade policies, a rotation away from mega-caps and focus on managing interest rates-related volatility. In Europe, the main structural drivers were stronger retail participation, new listed products, and continued automation.

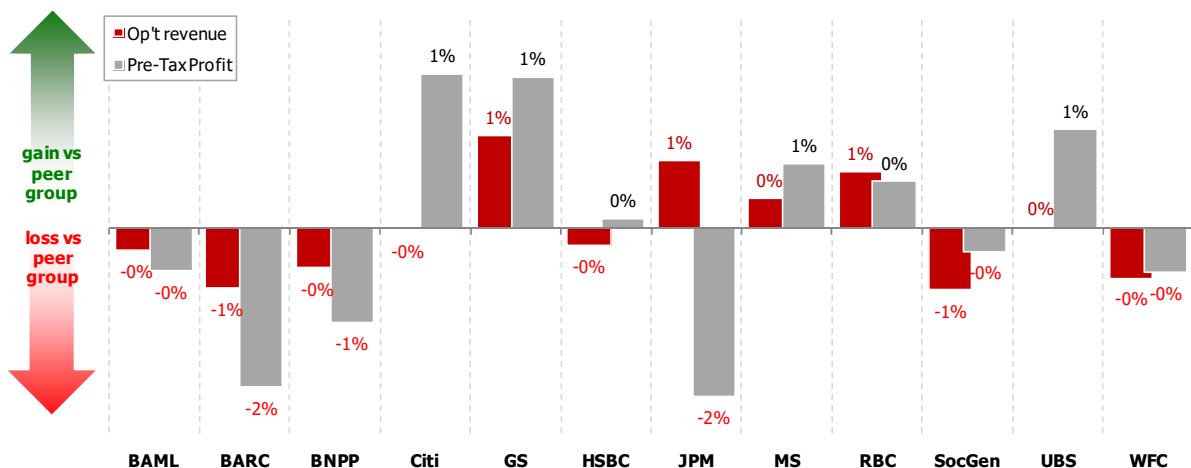
In prime services, banks with strong financing capabilities and risk appetite outperformed as hedge funds – multi and equity funds in particular – surged their leverage. Still, there are signs of concerns: in the wake of high-profile corporate defaults, banks are reviewing their relationships with hedge funds and smaller banks that are involved in private credit markets.

Revenue & productivity (FY24)

(FY25)



% change share of peer group operating revenue and pre-tax profit (FY25 / FY24)



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

Commercial banking revenues in 2025 were shaped by weaker global growth, persistent uncertainty, and a shift toward fee-based and data-driven services. Revenue growth was supported by strong financing demand, stable deposits, higher margins, and reinvestment of low-cost funding, while credit provisions increased though not (yet) to levels that cause concern. Net interest income outperformed consensus expectations, supporting overall profitability. Specialized lending saw a shift toward AI-driven infrastructure finance, heightened competition in commercial real estate (CRE), and a pivot towards sustainability-linked lending.

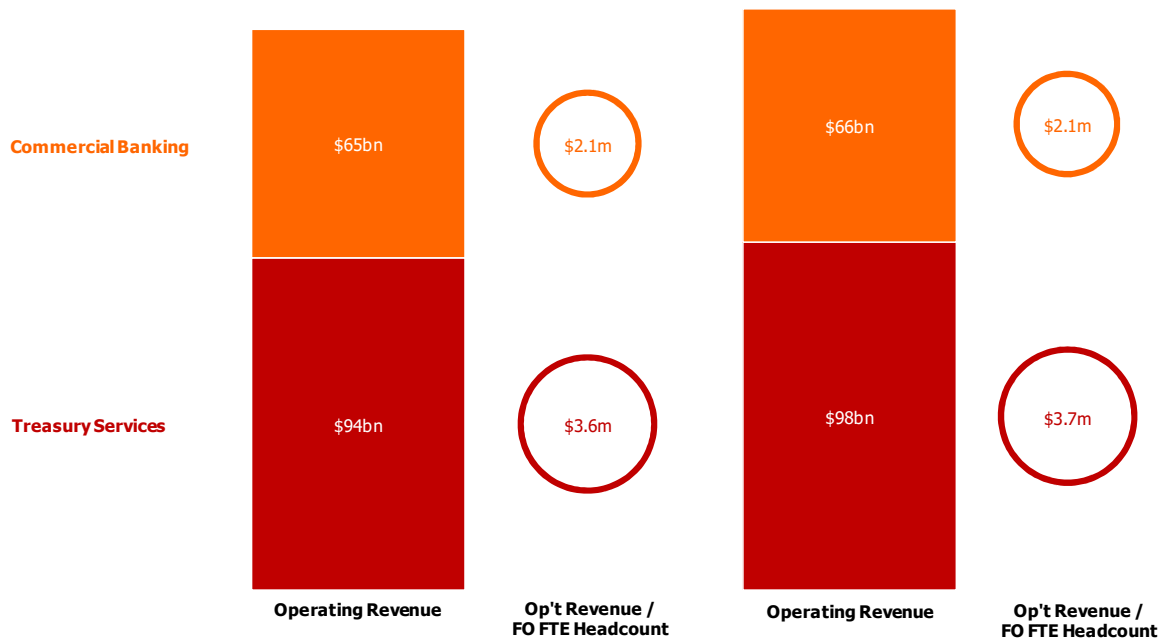
Treasury Services were driven by the rapid adoption of AI-powered forecasting, real-time liquidity management, and API integration to optimize cash flow. Key trends included heightened focus on reducing bank fee expenses through in-house banking, increased outsourcing of manual tasks, and leveraging technology to mitigate geopolitical risks.

BIS tested whether generative AI agents could handle intraday liquidity management in wholesale payment systems – and found that, even without specialised training, the system replicated prudential cash management practices without domain-specific training.

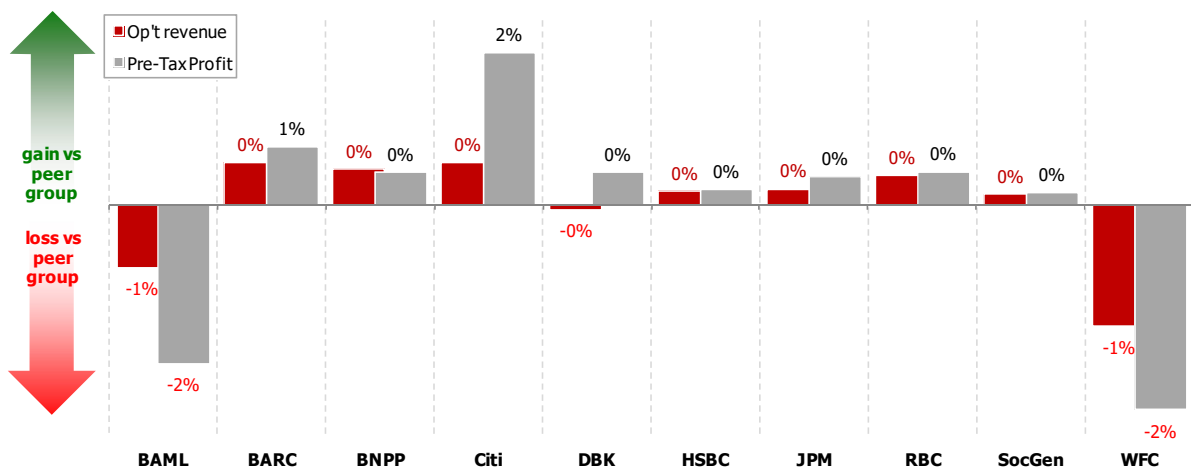
Several banks announced new initiatives designed to improve crypto capabilities for institutional clients.

Revenue & productivity (FY24)

(FY25)



% change share of peer group operating revenue and pre-tax profit (FY25 / FY24)



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

FY25/FY24 (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	↗	↗	↗	↗	↘	↗	↗	↗	↗	↗	↗	↘	↘

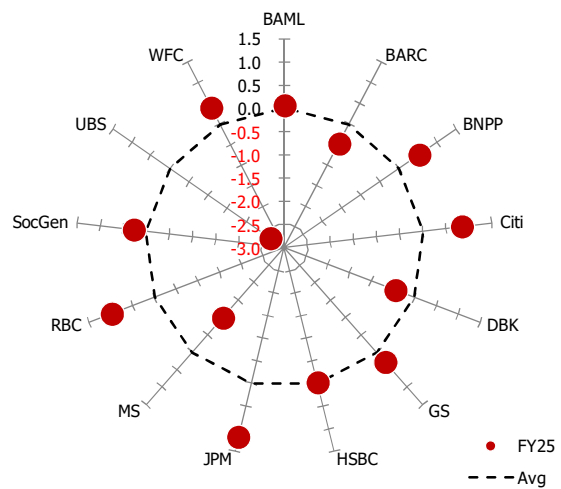
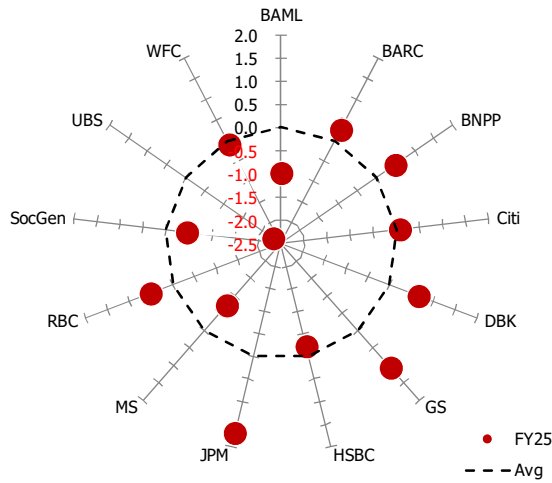
4Q25/4Q24 (Operating revenue, % change, US\$)

	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	↘	↘	↘	↘	↗	↗	↘	↗	↘	↘	↘	↗	↘
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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	↗	↗	↗	↗	↘	↗	↘	↗	↗	↘	↘	↘	↘

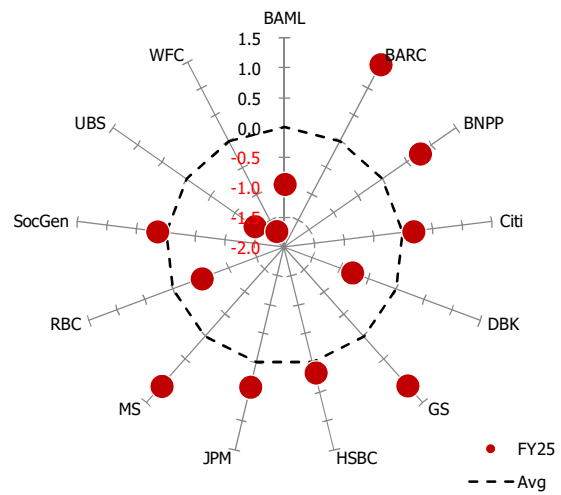
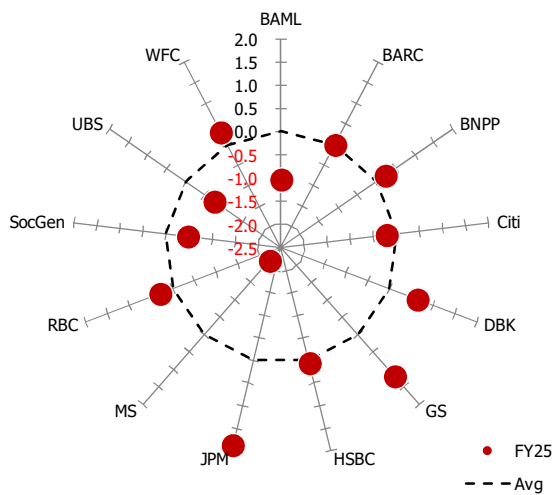
Source: Tricumen. Notes: (1) Tricumen product definitions throughout. (2) Arrows show % change in revenue vs peers. Up-/down-arrows: top-/bottom-quartile. (3) Operating revenue is post-writedowns, excludes DVA/equivalent and one-offs. (4) Commercial/Transaction Banking includes Large Cap/MNC and Mid-Cap/SMEs.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

Pre-tax profit margin (US\$)

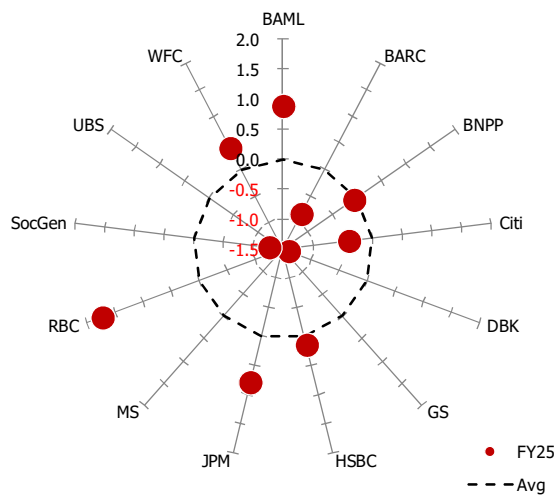
Capital Markets **Banking**



FICC **Equities**



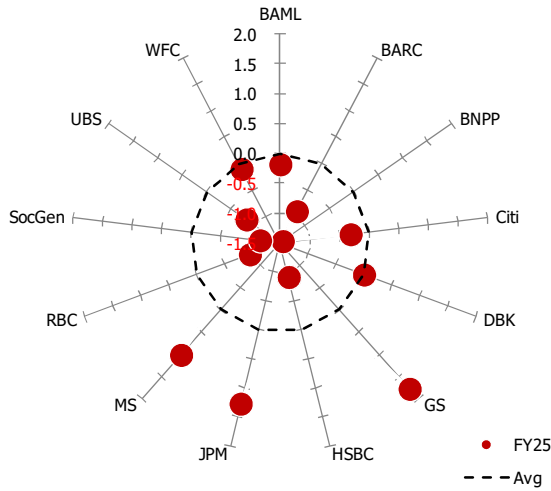
Commercial Banking / Treasury Services



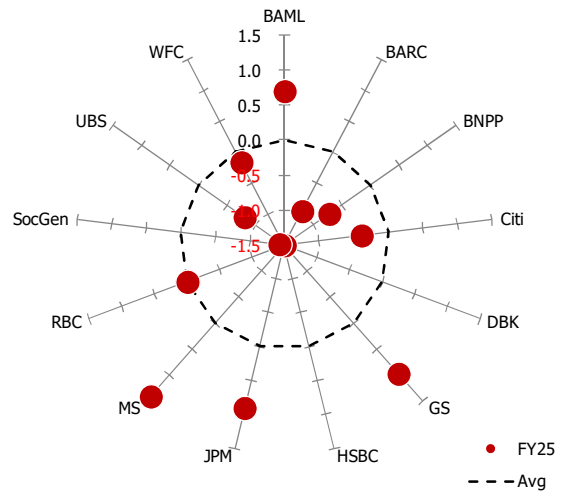
Source: Tricumen. Notes: (1) TRIC product definitions, standard deviation, product Level 1; (2) Operating expenses exclude one-off non-operational items, insurance-related benefits & claims, and credit expense/recovery/NPL provisions. Capital expenditure is included as accrued. Litigation expense is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

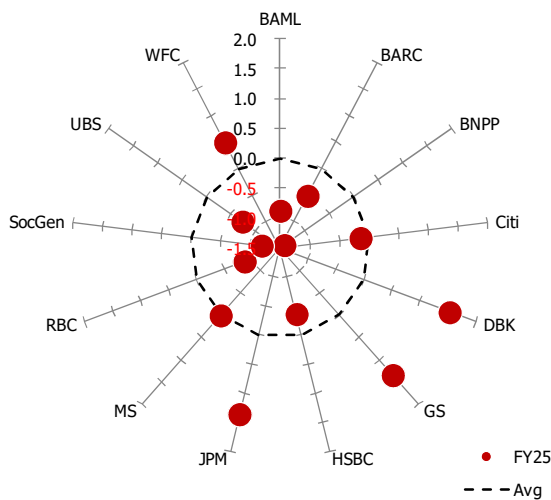
Capital Markets



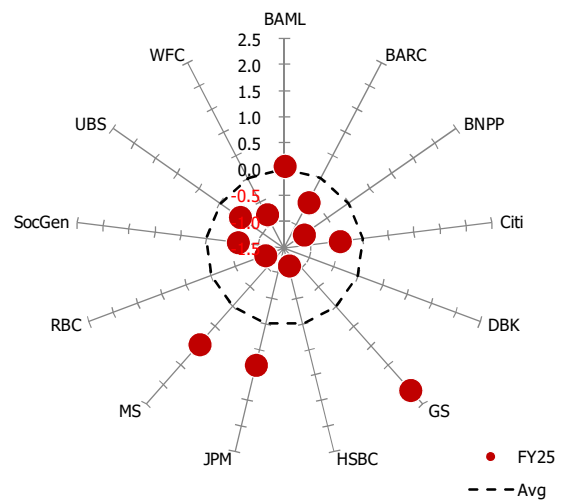
Banking



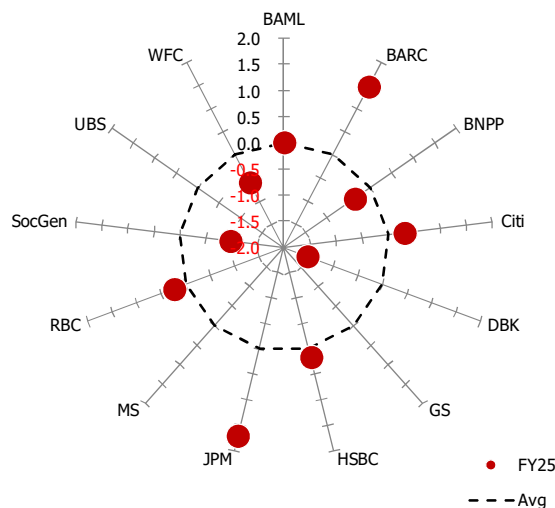
FICC



Equities



Commercial Banking / Treasury Services



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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Tricumen was founded in 2008. It quickly became a strong provider of diversified market intelligence across the capital markets and has since expanded into transaction and corporate banking, asset servicing, and asset and wealth management. Tricumen's data has been used by many of the world's leading investment banks as well as strategy consulting firms, investment managers and 'blue chip' corporations.

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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