

CIB Results Review 1Q26

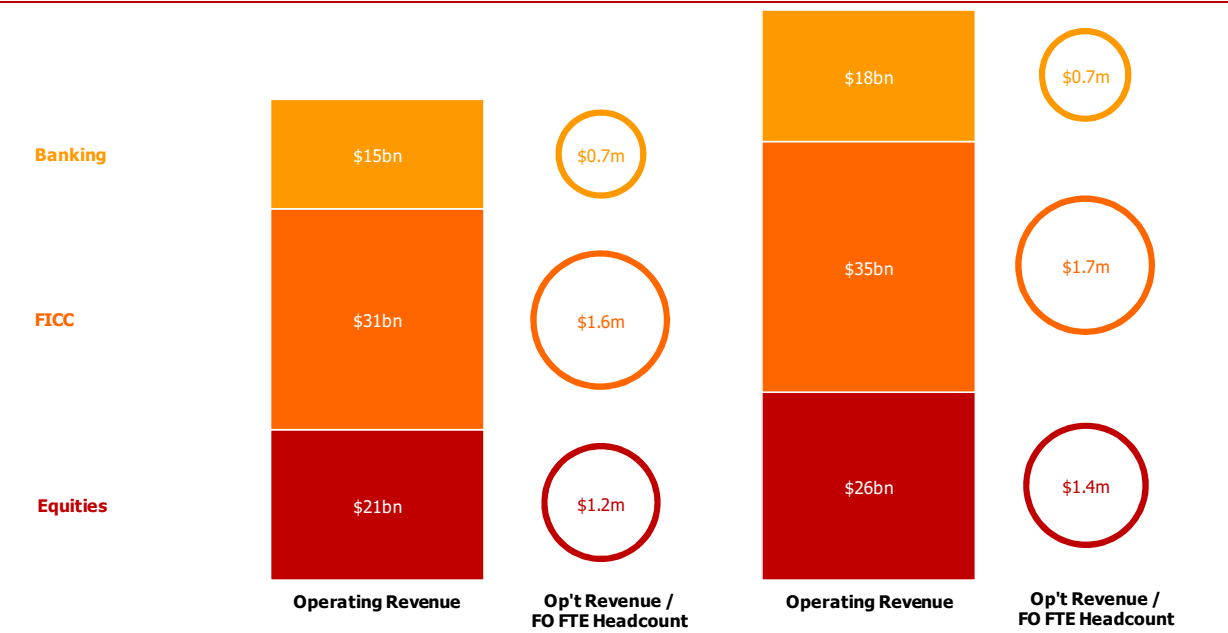
Capital Markets: Overview

Operating revenue topped \$79bn, 18% ahead of 1Q25. ECM, Advisory and Equities outperformed, with FICC also contributing meaningfully. Costs rose, but at a slower pace; as a result, the aggregate profit surged 21%. AMER banks outperformed their EMEA counterparts in revenue and profit growth. US regulators' Basel III endgame proposals look far softer than first feared. By removing duplicative capital charges, easing the G-SIB framework (moving to 10bp steps), restoring the usability of internal models for market risk, and lowering operational-risk requirements for low-loss businesses, the package could reduce overall capital needs for US banks. The UK and EU are moving in the opposite direction: the PRA's Basel 3.1 rules and the EU's CRR3/CRD6 implementation both raise Tier 1 requirements. The result is a widening regulatory gap, leaving UK and European banks at a growing structural capital disadvantage versus US peers.

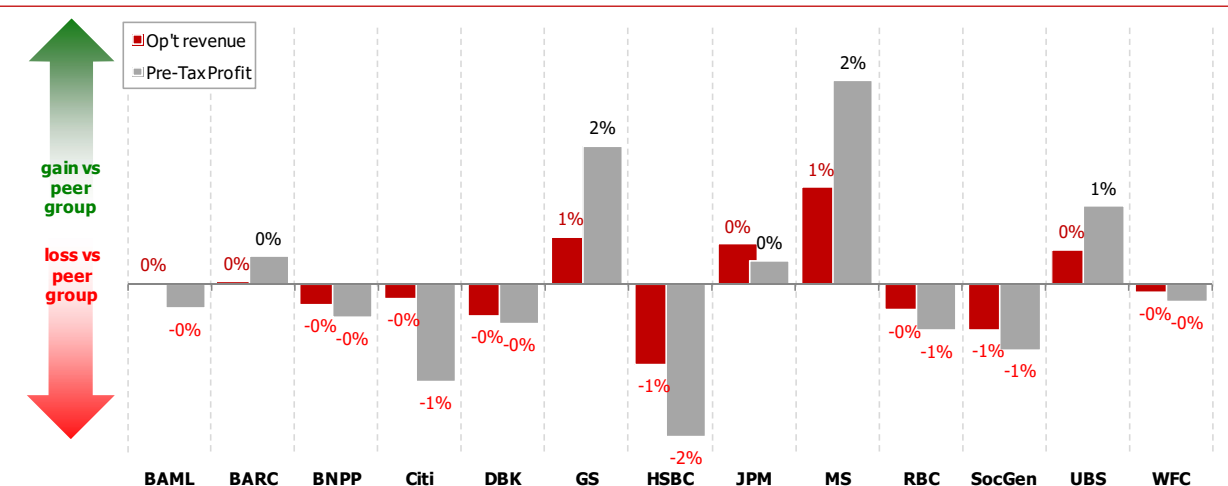
Citadel Securities has moved into high-touch equities trading, potentially marking a major shift in market structure. The firm is using its scale in electronic market-making - dominant US retail flow, ultra-low-latency tech, and real-time pricing - to compete directly with banks in block trading and human-driven execution. By sourcing blocks directly from institutions, Citadel can offer tighter pricing and faster execution, potentially pulling flow and margin away from investment banks. By comparison, banks face structural constraints: balance-sheet limits, tighter risk rules, and internal conflicts.

Revenue & productivity (1Q25)

(1Q26)



% change share of peer group operating revenue and pre-tax profit (1Q26 / 1Q25)



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

Sponsor activity remained slow across monetisations and exits, held back by valuation resets and tighter financing conditions. However, this may be a timing, rather than structural, issue: Sponsors will ultimately return capital to LPs, and dislocations may soon create opportunities.

As corporates rushed to tap the markets in periods of (relative) stability, bond fees grew to an all-time record, with strong growth across asset classes; only APAC local currency volumes dipped. Banks are facing a more cautious and uneven LBO environment: financing conditions remain fragile, Sponsors are selective, and the pipeline for large transactions is thinner than most expected.

Tokenised bonds - currently a tiny market made up of modest, early-stage pilots rather than meaningful issuance - are poised to grow as they modernise the infrastructure behind issuance, ownership and settlement, while leaving the underlying bond unchanged.

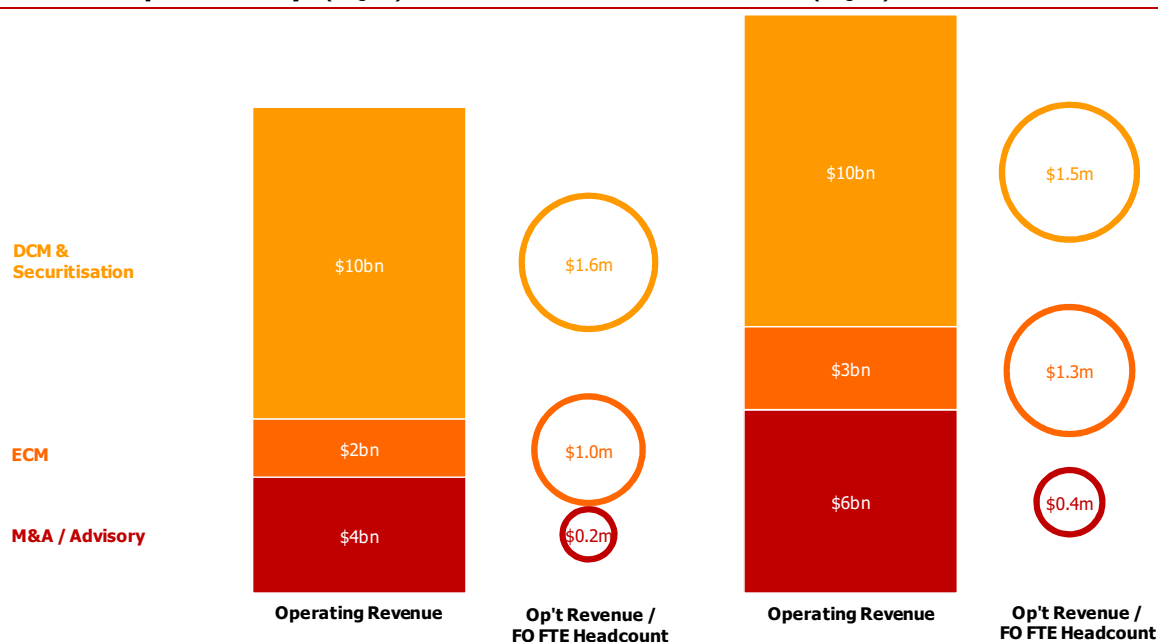
Syndicated loan volumes, however, declined, due to weakness in EMEA and APAC. Supported by the country's accommodative monetary stance, Chinese lenders are displacing internationals – especially in APAC and the Middle East – by offering credit at materially lower pricing.

ECM fees set multi-year records across IPO, APO and convertible issuance across regions, and the top banks grew fee revenue far faster than deal volumes.

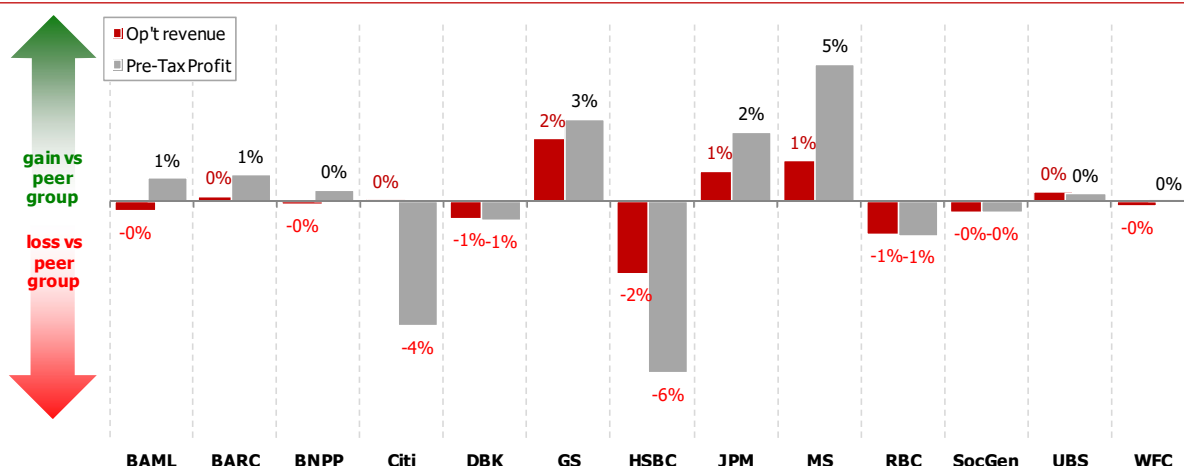
M&A/Advisory also hit records, mainly on mega- and private equity-backed deals. Regionally, EMEA volumes almost doubled and the US deals jumped by 45%. However, APAC dropped 30% y/y.

Revenue & productivity (1Q25)

(1Q26)



% change share of peer group operating revenue and pre-tax profit (1Q26 / 1Q25)



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Capital Markets (cont.): FICC

FX had a solid 1Q26: strong client flow and elevated hedging demand – on shifting rate expectations, geopolitical uncertainty and cross-border treasury activity - were partly offset by subdued volatility.

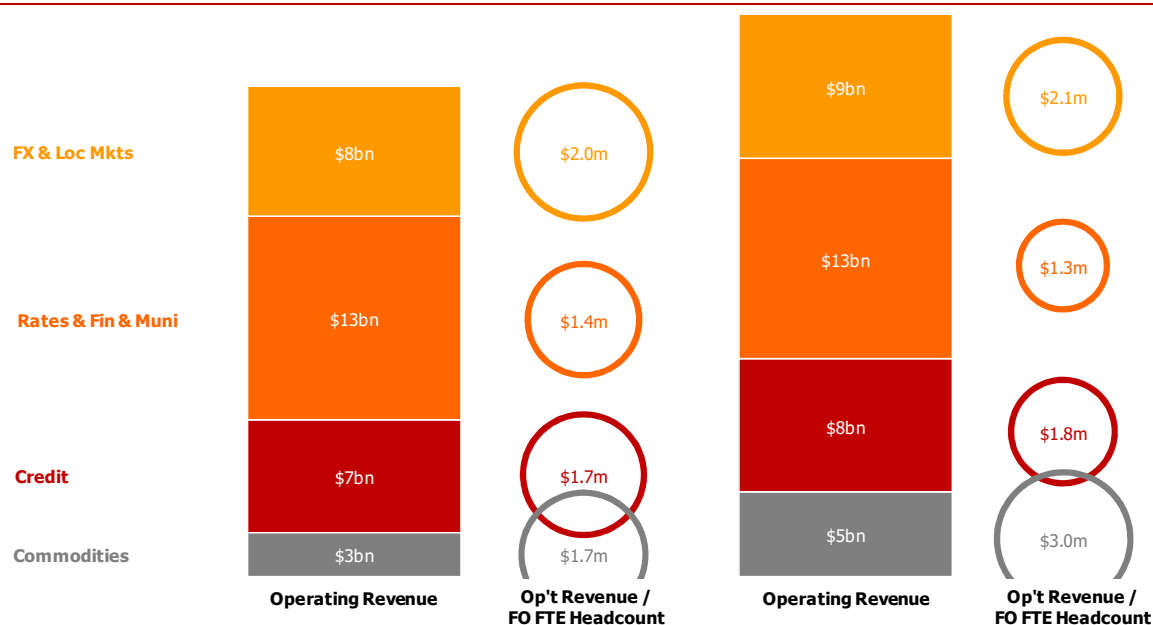
Rates were muted for most of 1Q26 as active hedging couldn't offset low realised volatility or the lack of clear macro direction. War-driven headlines dominated price action, repeatedly forcing traders to reprice central-bank expectations and overshadowing traditional data. Volatility only spiked meaningfully in March during the geopolitical shock. Some US banks are shifting Treasuries from HtM into trading books to regain flexibility in managing duration and risk.

Credit was one of the stronger areas in 1Q26, with solid activity across cash, structured products and financing. Rising macro risk in late 1Q26 triggered a broad risk-off stance and fund withdrawals across high grade and high yield. CDS trading hit record volumes. S&P Dow Jones introduced CDX Financials, bringing private-credit-linked names, including BDCs, into the index family.

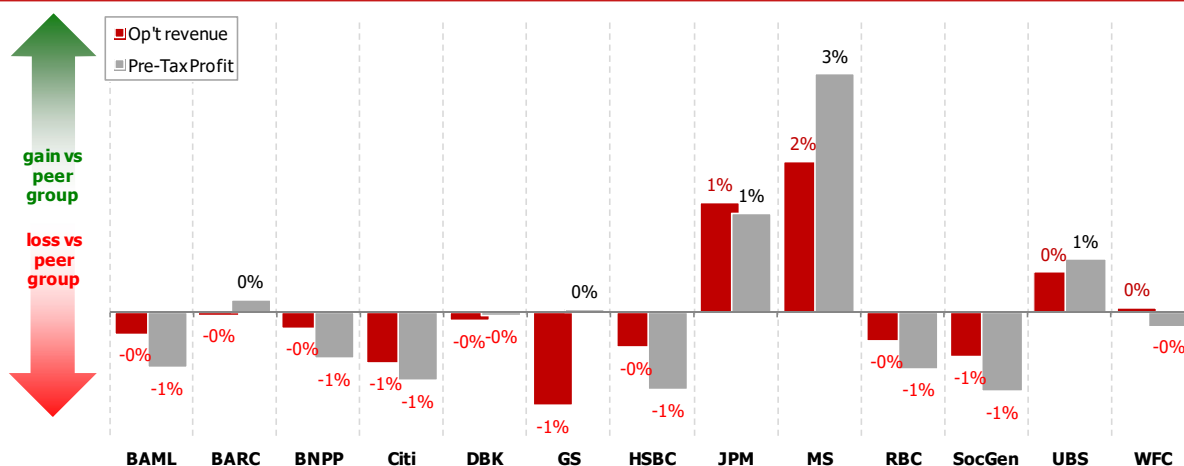
Commodities were a standout. Driven by energy and metals trading, geopolitical-driven dislocations and heavy client flow, leaders more than doubled revenues; a surge in European Brent was also a tailwind. European gas traders are now looking at options to protect against a surge in winter prices. Gold jumped at the start of the war but then dropped, despite the closure of Hormuz, as short-term fundamentals turned against it: markets priced in higher inflation and fewer rate cuts, while jewellery demand and central banks' buying fell. However, the structural shift caused by the 2022 freezing of Russian reserves underpins longer-term appeal. Derivatives in tokenised commodities are emerging.

Revenue & productivity (1Q25)

(1Q26)



% change share of peer group operating revenue and pre-tax profit: (1Q26 / 1Q25)



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

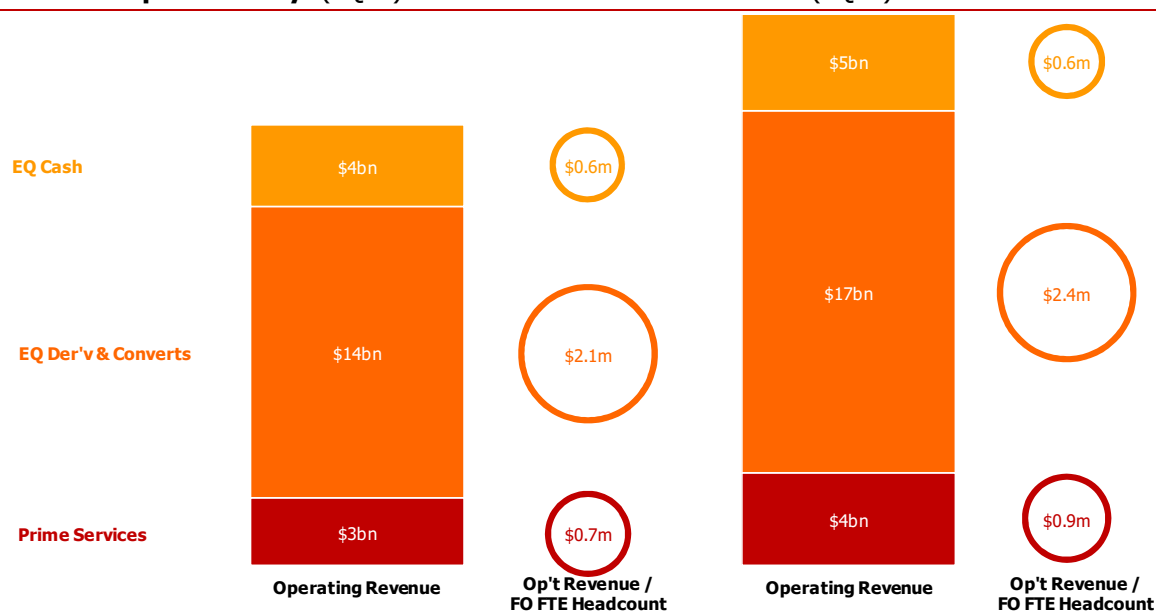
Equities had a very strong 1Q26, with gains across cash, derivatives and prime, and several banks breaking multi-year quarterly revenue records. The US banks led in derivatives and prime; European banks did well in structured products; and APAC-exposed banks benefited from the regional rebound. In cash equities, the client activity was robust. Single-stock dispersion remained elevated, creating more trading opportunities and boosting market-making revenues. Major US exchanges and Wall Street firms are racing to develop tokenised versions of traditional stocks, using blockchain technology to enable new ways of trading. Tokenised stocks are already available in parts of Europe and Asia.

Equity derivatives were the brightest spot in equities: volatility dispersion created ideal conditions for structured products, volatility trading and options market-making. Structured products demand was strong in EMEA and APAC, and US banks saw heavy options flow from both institutional and retail channels. Rising geopolitical tensions are driving a surge in demand for OTC hybrid options that blend exposures across multiple asset classes.

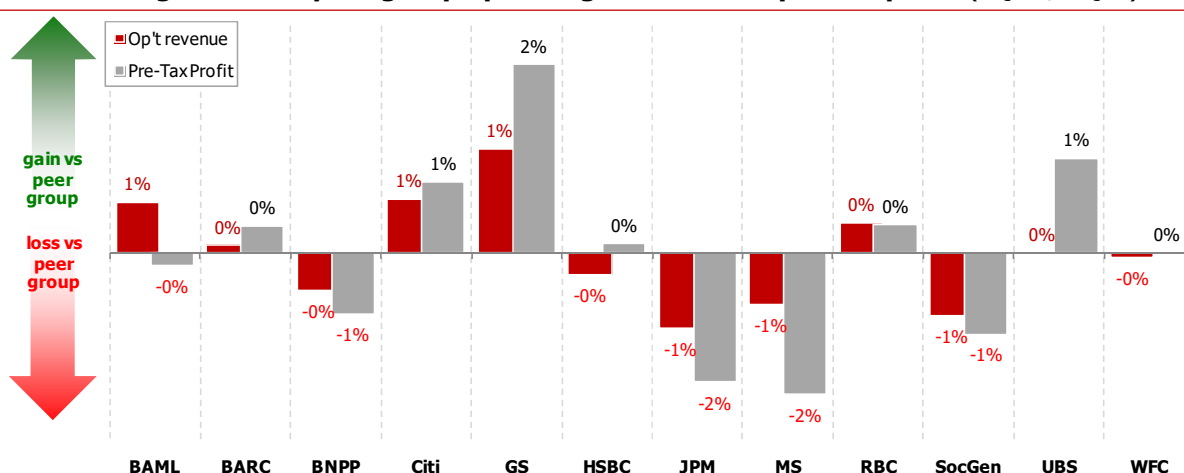
In prime services, Financing balances grew, supported by hedge-fund leverage and strong performance across multi-strategy and equity-long/short funds. Funding conditions remained benign and, as private credit and hedge funds face rising withdrawals and surge their leverage, banks with strong financing capability and risk appetite are seeing a profitable opportunity.

Hong Kong may extend its carried-interest regime to tax hedge-fund performance fees at 0%, not just PE profits. The move would bring securities, derivatives and cash positions into scope, strengthening its appeal versus other low-tax hubs.

Revenue & productivity (1Q25) (1Q26)



% change share of peer group operating revenue and pre-tax profit (1Q26 / 1Q25)



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

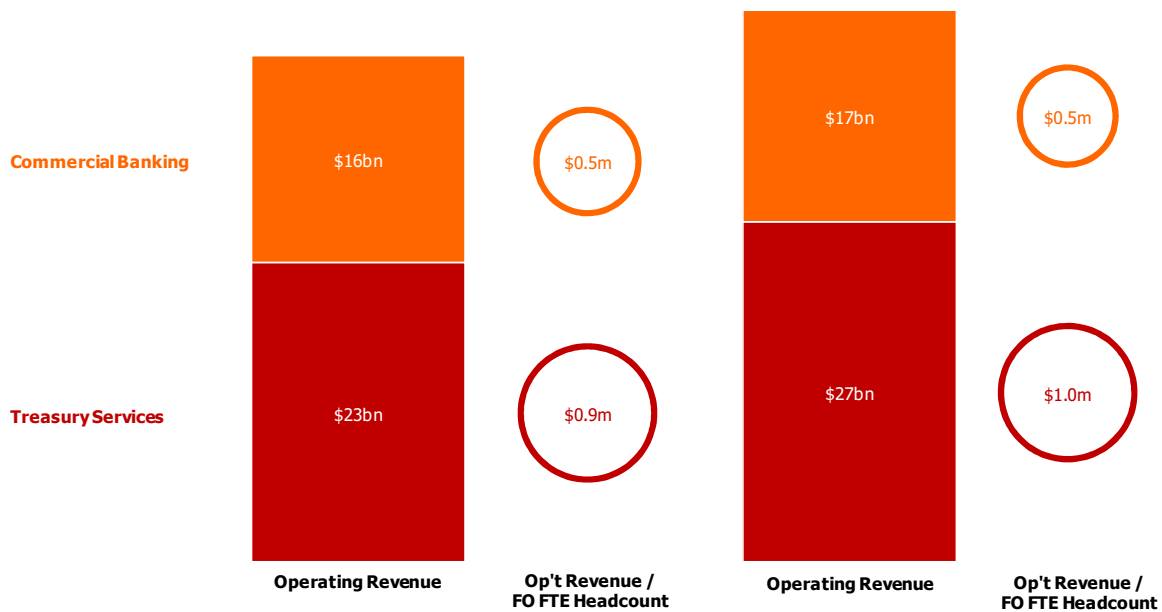
Commercial banking was steady and relationship-led, while treasury services remained a standout performer with strong payments, liquidity and trade activity.

Loan growth was modest but stable, with continued utilisation of revolvers and working-capital lines. Corporate deposits remain a key funding source, though pricing pressure persisted as clients sought higher yields. Treasury-linked and advisory-adjacent engagement stayed strong, especially among mid-market and multinational clients. Banks are marking down loan portfolios of private credit groups. Treasury services remained a structural outperformer, with broad-based growth across payments, liquidity, and trade. High volumes and strong cross-border flows supported a strong momentum in payment fees; clients continued to 'hyper-optimize' cash, driving growth in operating balances and yield-bearing solutions; and letters of credit, guarantees and supply-chain finance saw healthy demand, especially in APAC and Europe. Treasury teams have moved from piloting to producing, using AI for anomaly detection, cash forecasting, and fraud prevention.

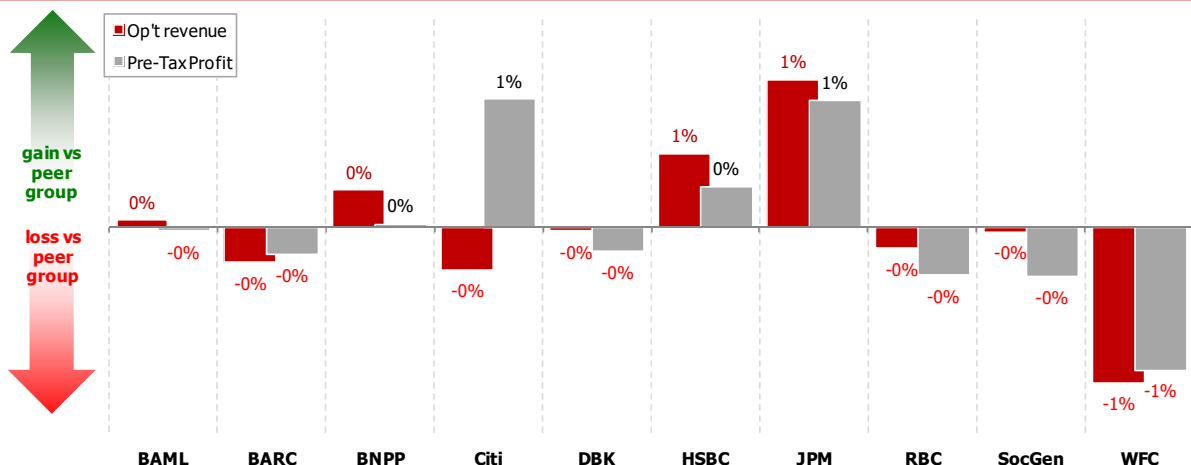
Standard Chartered's survey of 300+ corporates shows rising use of Chinese renminbi across operations: firms now have 23% of revenues and 25% of costs in RMB, but only 14% of debt, highlighting a financing gap. Adoption is driven by operational needs — trade settlement, supply-chain finance, balance-sheet alignment and risk management. Regionally, Greater China and North Asia are extending RMB use into funding and liquidity; SE Asia is driven by supply-chain flows; the Middle East and Africa by energy and infrastructure trade; and Europe/Americas by capital-markets issuance and selective funding diversification.

Revenue & productivity (1Q25)

(1Q26)



% change share of peer group operating revenue and pre-tax profit (1Q26 / 1Q25)



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

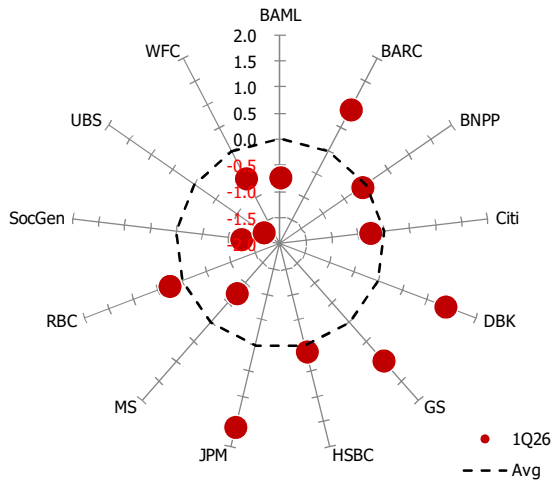
1Q26/1Q25 (Operating revenue, % change, US\$)

	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	↔	↔	↘	↔	↔	↕	↘	↔	↔	↕	↘	↕	↔
Comm Bank / Treasury Services	↔	↘	↕	↔	↔	↔	↕	↕	↔	↘	↔	↔	↘
Comm Bank	↕	↔	↕	↘	↔	↔	↕	↕	↕	↕	↕	↕	↔
Treasury Services	↔	↔	↔	↕	↔	↔	↔	↕	↕	↘	↔	↔	↔

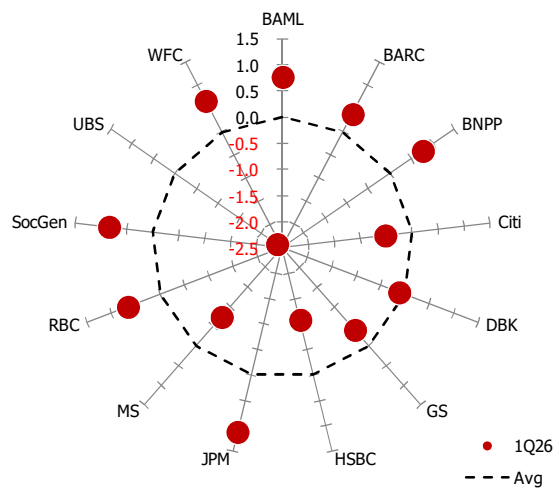
Source: Tricumen. Notes: (1) Tricumen product definitions throughout. (2) Arrows show % change in revenue vs peers. Up-/down-arrows: top-/bottom-quartile. (3) Operating revenue is post-writedowns, excludes DVA/equivalent and one-offs. (4) Commercial/Transaction Banking includes Large Cap/MNC and Mid-Cap/SMEs.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

Pre-tax profit margin (US\$)

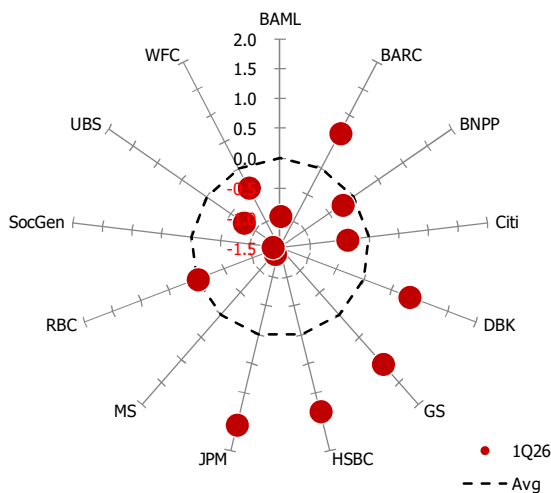
Capital Markets



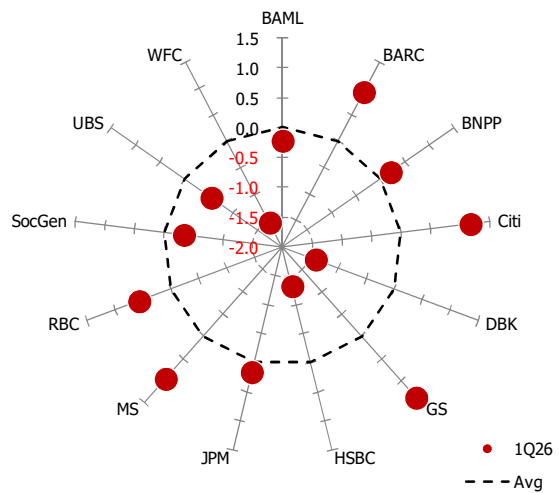
Banking



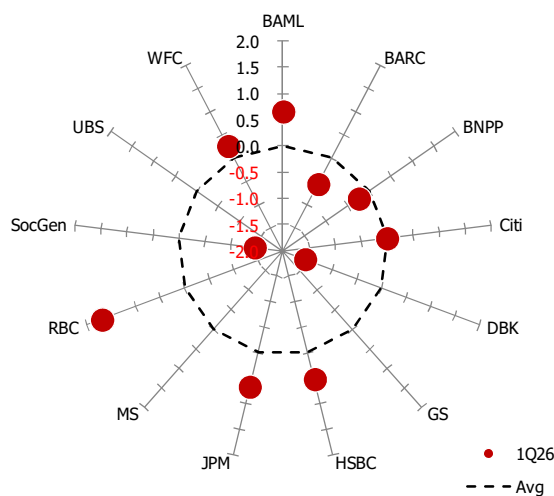
FICC



Equities



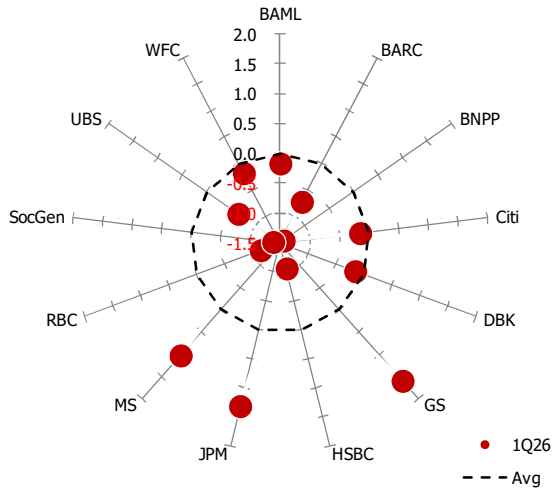
Commercial Banking / Treasury Services



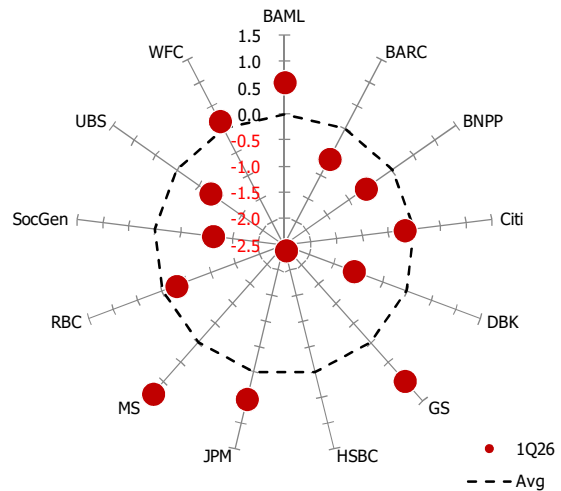
Source: Tricumen. Notes: (1) TRIC product definitions, standard deviation, product Level 1; (2) Operating expenses exclude one-off non-operational items, insurance-related benefits & claims, and credit expense/recovery/NPL provisions. Capital expenditure is included as accrued. Litigation expense is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

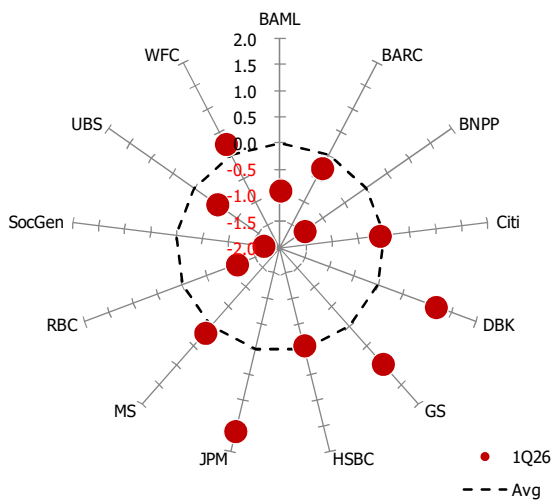
Capital Markets



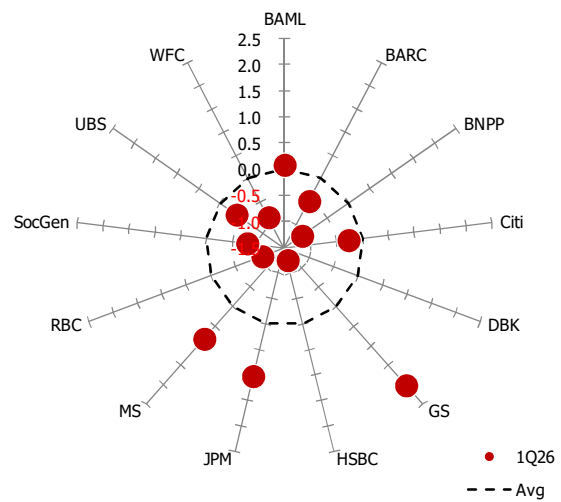
Banking



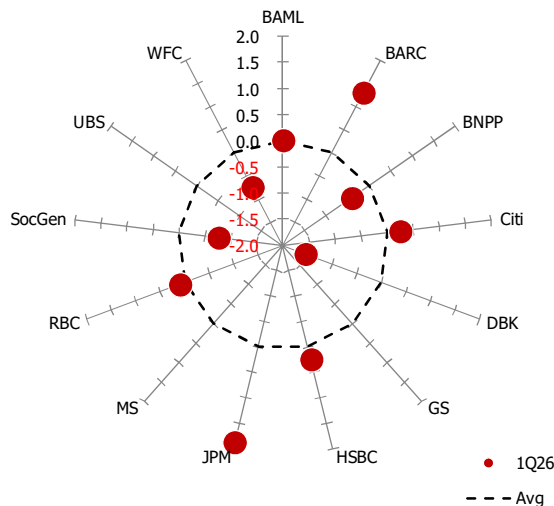
FICC



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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