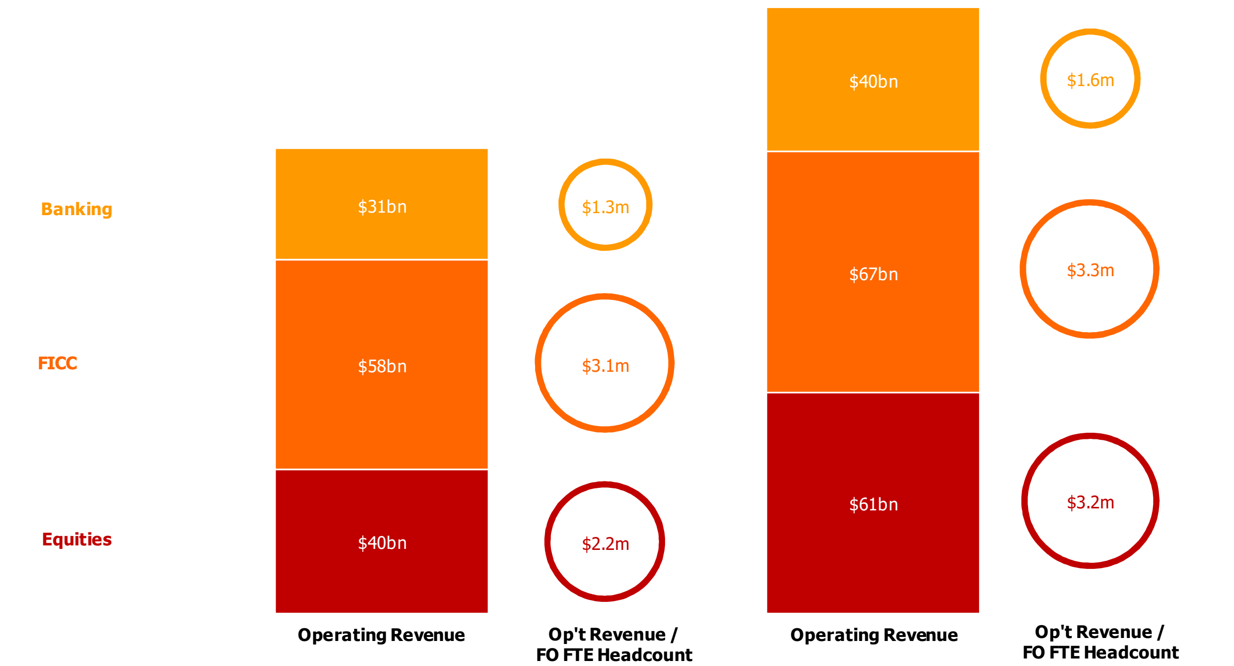
CIB Results Review 2Q26 / 6m26

Capital Markets: Overview

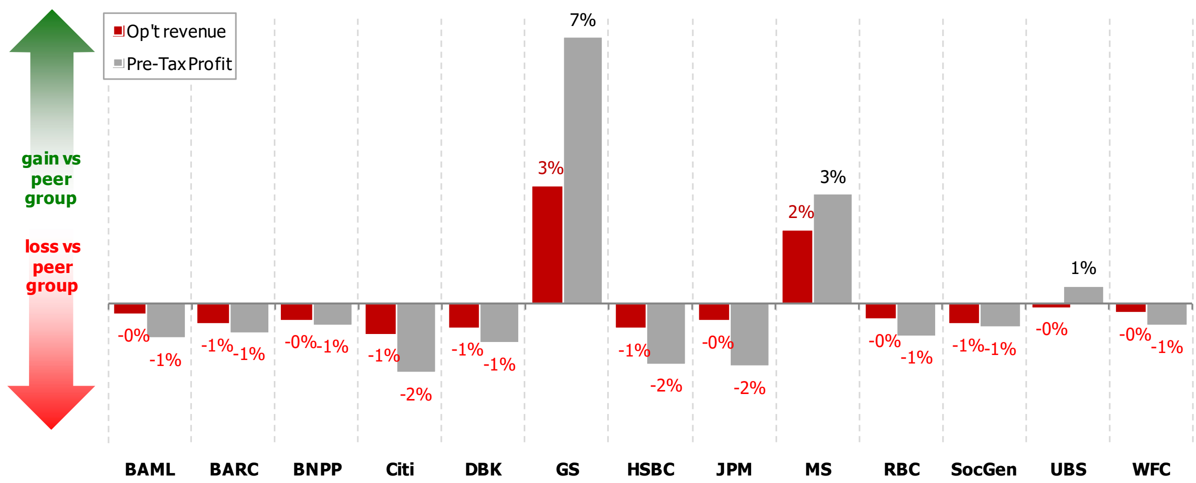
Combined 1H26 revenue reached $168bn, up 31% year-on-year, driven by record Equities revenue and a surge in Banking fees; pre-tax profits in both areas doubled. Bolstered by exceptionally favourable domestic market conditions, American banks significantly outperformed their European peers on both revenue and profit growth.

Private credit is increasingly being transformed into investment grade bonds via insurance guarantees, letting insurers and pension funds hold inherently risky private market exposures with far lower capital charges. After a rapid expansion, this engineered market now spans capital call facilities, collateralized fund obligations, rated feeders, and NAV loans. The setup carries clear echoes of 2008: growing structural complexity and dependence on insurer 'wrappers' can obscure where losses ultimately sit, and because many deals hinge on a single guarantor's rating, any downgrade could trigger simultaneous stress and forced selling across multiple securities.

Revenue & productivity (6m25) (6m26)



% change share of peer group operating revenue and pre-tax profit (6m26 / 6m25)



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.

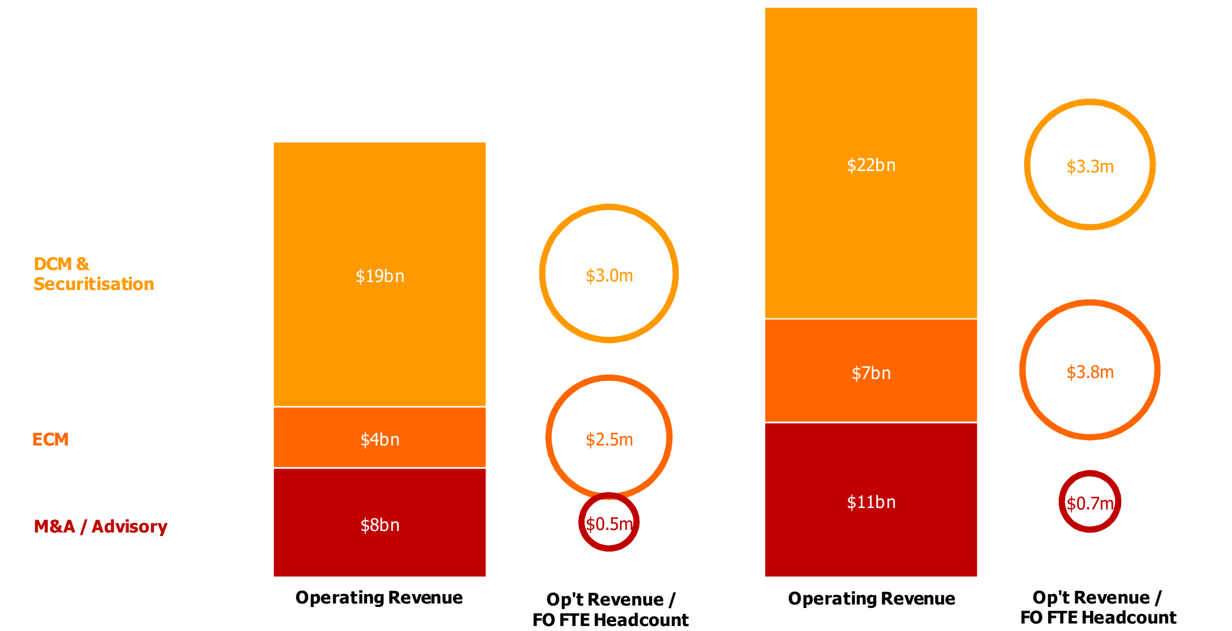
Capital Markets (cont.): Banking

Bond issuance reached an all-time record on fewer but larger transactions as corporates rushed to lock in spreads and fund strategic activity. Investment grade, high yield, green bonds, and international issuance all reached multi-year or all-time highs, while retail, tech, telecoms, and media issuers posted strong gains despite weakness in consumer staples, materials, and emerging markets corporates. APAC local currency softened. Syndicated loans also hit the records, driven by a surge in acquisition-related financing, financials and energy, and Americas. Europe and APAC volumes fell.

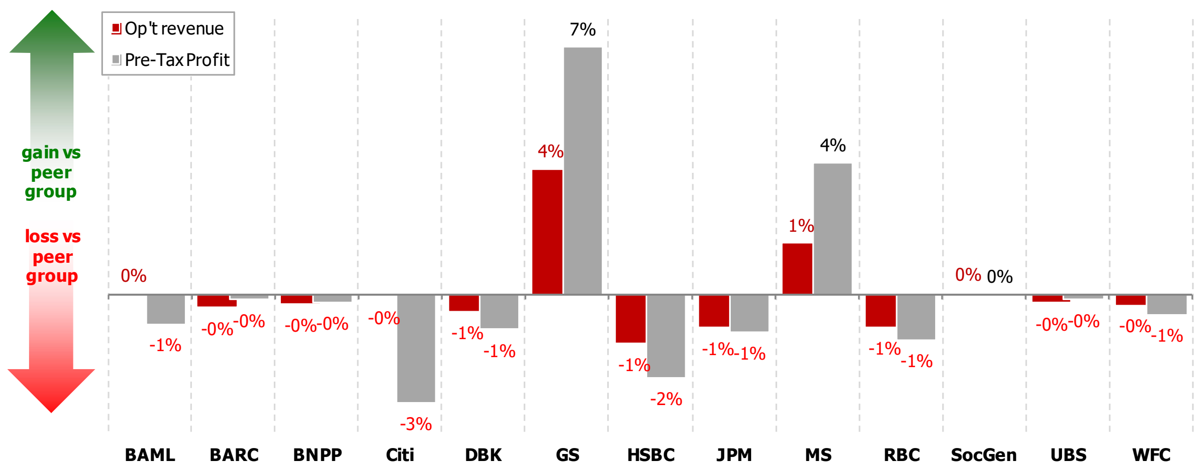
ECM had its strongest 1H since the exceptional 1H21, with activity accelerating across all products. IPO volumes tripled, while convertibles almost doubled and now account for a quarter of issuance. The US led the rebound, with Japan, Europe and APAC all reporting strong growth.

Worldwide M&A hit record value in 1H26, driven primarily by mega deals; these more than doubled vs the prior-year period, pushing global M&A to almost $3tn, even as overall deal count declined to a multi-year low. The boom was concentrated in the US and Europe, with tech, industrials, energy, private equity, and cross-border activity all surging to multi-year/all-time highs.

Revenue & productivity (6m25) (6m26)



% change share of peer group operating revenue and pre-tax profit (6m26 / 6m25)



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 markets were driven by a global supply-driven inflation shock due to the Strait of Hormuz disruption and the broader Middle East conflict and sharply diverging central bank paths.

US megabanks are developing a shared tokenized-deposit network that would enable instant, 24/7 settlement of bank deposits across blockchains, positioning it as a direct competitor to stablecoins and crypto payment rails. The network - targeted for launch in 1H27 - would be operated by The Clearing House and backed by Bank of America, Citi, JPMorgan and Wells Fargo. And in the UK, the Government has assembled a 54-firm task force to push tokenization from small pilots into a live wholesale-market infrastructure. Over the next year, the group will aim to build tokenized repo, collateral, funds, payments, secondary markets, and digital gilt, alongside new market standards.

As ETFs pull more quants and systematics into the asset class, crypto options are becoming core institutional tools. Trading is shifting from fragmented, manual OTC flows to e-execution, crucial for managing risk and multi-leg strategies in a 24/7 market. Further growth depends on reducing liquidity fragmentation and delivering unified, automated platforms for institutional-grade derivatives access.

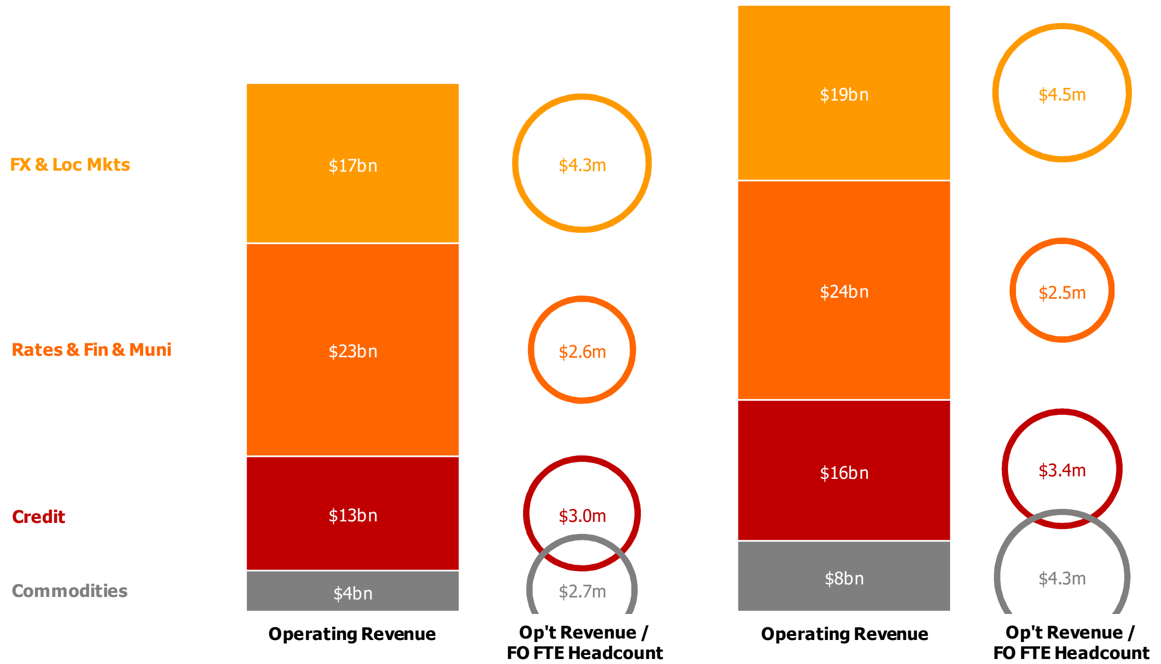
Some analysts point to signs of stress in repo markets in the US. These concerns are valid; but the modern US repo market is far more resilient than in past stress episodes because structural reforms - central clearing, sponsored repo access, and The Fed backstops - have made funding more elastic and reduced the risk of sudden intermediation failures. Volatility now reflects plumbing frictions, rather than systemic fragility, and genuine risks are shifting to margin procyclicality, clearing fragmentation, and operational bottlenecks, rather than abrupt funding freezes.

In the UK, BoE is proceeding with its plans to curb hedge fund leverage in gilts by introducing minimum repo haircuts, aiming to strengthen market resilience. Market participants warned that the measures could dampen liquidity and lift borrowing costs.

Credit held up despite geopolitical shocks, rate volatility, and AI-driven sector disruption. Major differences emerged between issuers: highly rated accessed capital easily, while lower-rated, Sponsor-backed and software issuers faced tightening conditions. APAC emerging market bond markets - especially India, Indonesia, Malaysia, and Thailand - are booming as foreign investors return on expectations that regional central banks will keep interest rates elevated. By contrast, Japanese bonds have seen heavy outflows, pressured by the weak yen and a pullback in BoJ purchases.

Commodities had one of the strongest quarters in years, driven by the Strait of Hormuz closure, which created extreme volatility and elevated oil, gas, and precious-metals trading flows.

Revenue & productivity (6m25) (6m26)



Capital Markets (cont.): Equities

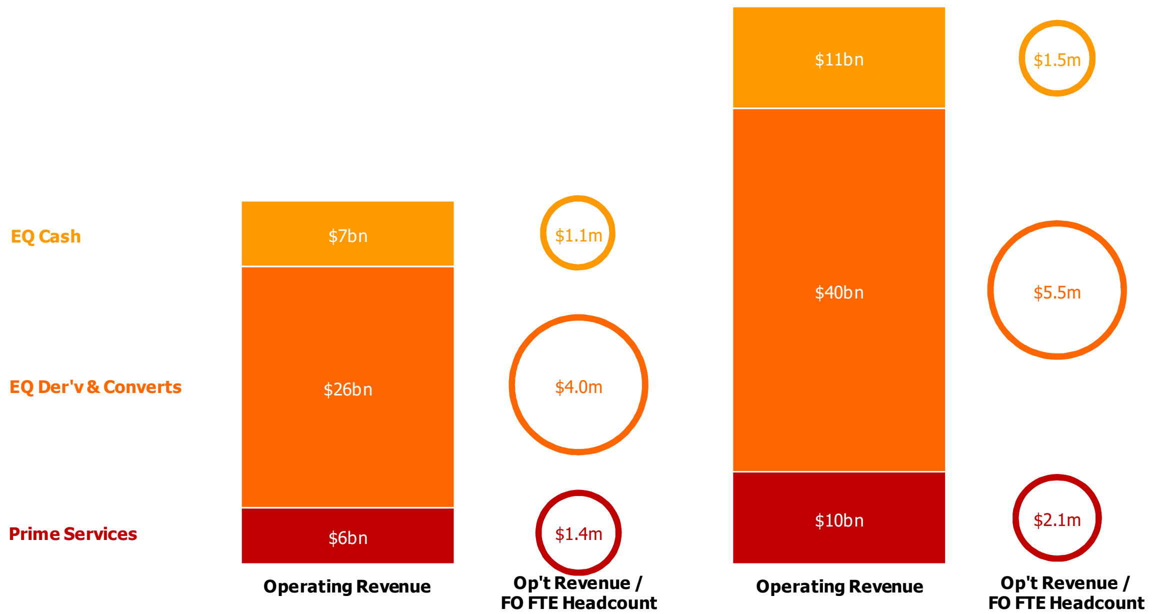
Cash equity volumes hit records in key geographies, driven by subdued volatility, strong corporate earnings, easing geopolitical risks, massive inflows into AI-related themes and a surge in capital formation. Execution & e-trading jumped as global flows intensified.

Banks are ramping up investment in systematic trading tech after their retreat from low-margin, on-exchange market making allowed tech-driven firms to make gains. In the Middle East, surging foreign investment and hedge fund inflows are accelerating the shift from voice to electronic and algo execution, with brokers building full-spectrum platforms and even voice-only firms now requesting POV and VWAP strategies. Structural gaps persist, though, including limited securities lending, colocation and shorting.

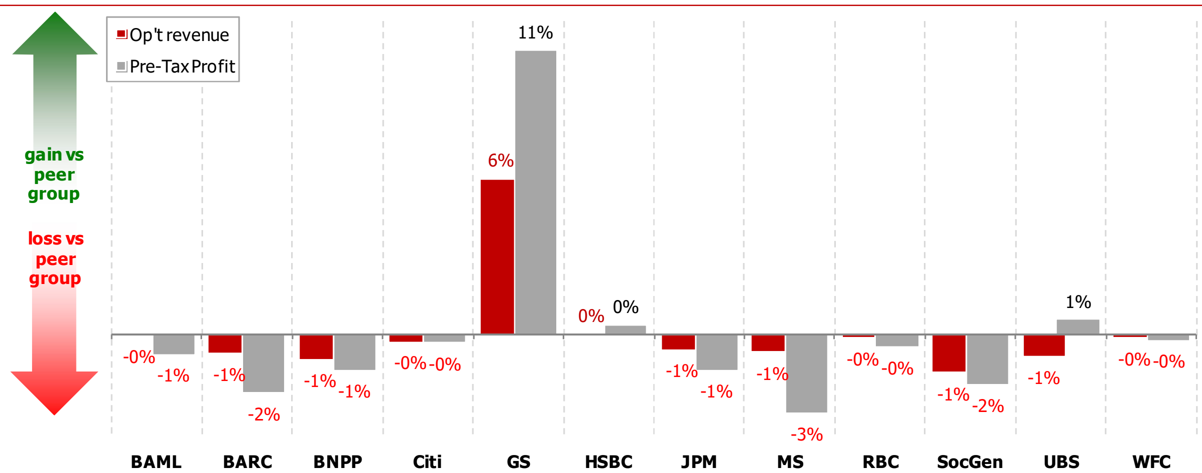
Equity derivatives were exceptionally strong, driven by elevated client hedging, structured product demand, dispersion trading and index-rebalance flows (MSCI & FTSE). FINRA is reviewing sales of high-risk structured notes: zeroing in on non-principal-protected 'worst-of' structured notes. The regulator is concerned that brokers are concentrating clients in complex notes, where payouts depend on the poorest-performing underlying and may lead to large, non-market-correlated losses. FINRA is asking firms to detail how they supervise sales, monitor concentration, and ensure RegBI compliance.

Prime services was defined by (near-)record balances, a surge in hedge fund leverage (especially multi and equity funds), and robust demand for financing capability across synthetics, swaps and margin lending. Banks with the full suite of services improved their pricing power. There was a huge jump in APAC prime, especially from multi-strategy and quant funds. However, the sharp sell-off in AI-related stocks in July prompted prime leaders to demand additional collateral from their clients.

Revenue & productivity (6m25) (6m26)



% change share of peer group operating revenue and pre-tax profit (6m26 / 6m25)

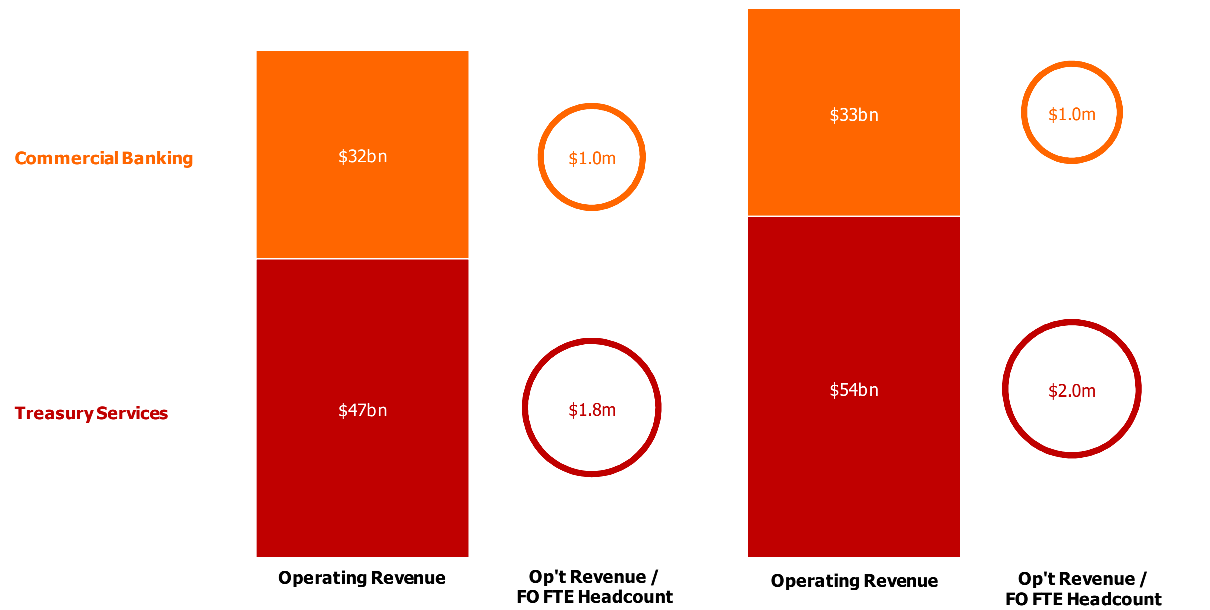


Commercial Banking & Treasury Services

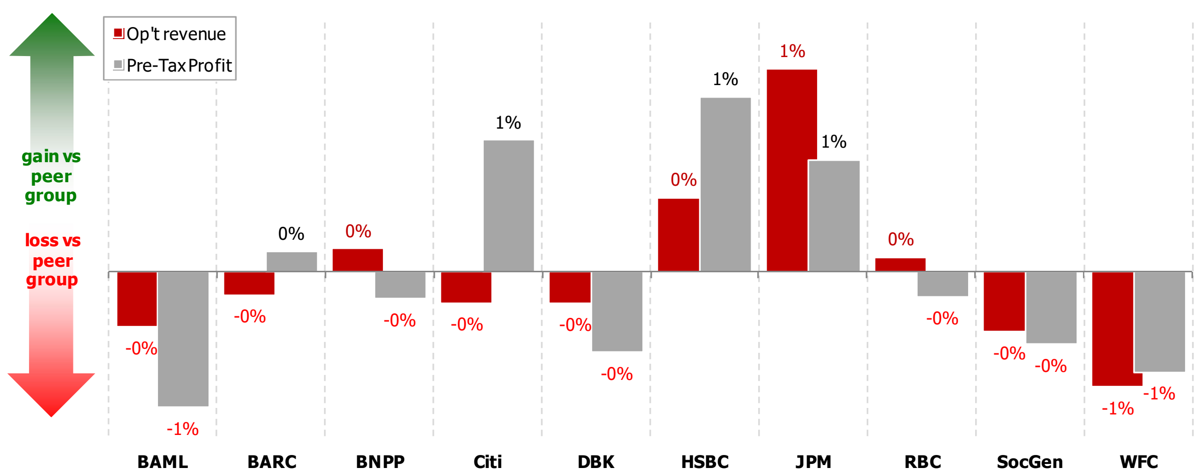
Commercial/corporate banking in the US was healthy and active, with strong loan growth, robust deposit inflows, and selective tightening for low(er)-quality credits. Corporate borrowers stepped in to replace weaker private equity demand, driving leveraged loan issuance. Europe, by contrast, saw moderate tightening in credit standards, higher borrowing costs, and cautious bank behaviour; however, corporate loan demand held up. APAC was mixed though generally strong, with Japan benefiting from rate shifts, India seeing strategic restructuring, and robust corporate flows in Hong Kong and other regions.

Treasury services revenue in the US and, to a lesser extent, Europe, was strong, driven by deposits, cross-border flows, corporates' need for liquidity and cash-flow visibility. APAC also made a major contribution, driven by strong cross-border and payments activity, driven by supply-chain complexity, e-commerce, and travel flows.

Revenue & productivity (6m25) (6m26)



% change share of peer group operating revenue and pre-tax profit (6m26 / 6m25)



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.

TRICUMEN

Revenue dynamics

6m26/6m25 (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	↓	↓	↓	↑	↓		↘	↑		↓	↓		↓

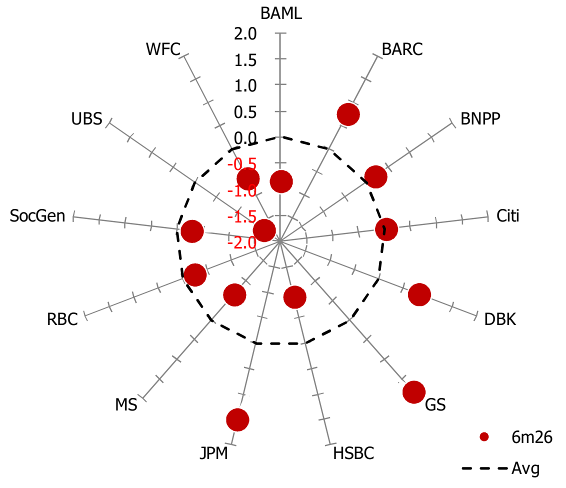
2Q26/2Q25 (Operating revenue, % change, US$)

	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	↘	↘	↘	↑	↓		↗	↑		↘	↓		↘

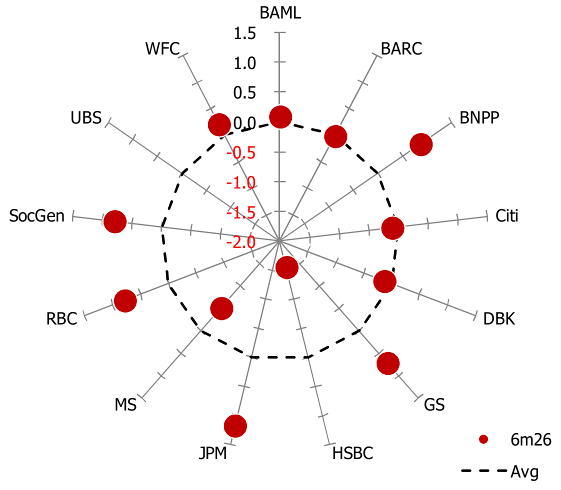
Source: Tricumen. Notes: (1) Tricumen product definitions throughout. (2) Arrows show % change in revenue vs peers. Up-/down-arrows: top-/bottom-quartile. (3) Operating revenue is post-writedowns, excludes DVA/equivalent and one-offs. (4) Commercial/Transaction Banking includes Large Cap/MNC and Mid-Cap/SMEs.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

Pre-tax profit margin (US$)

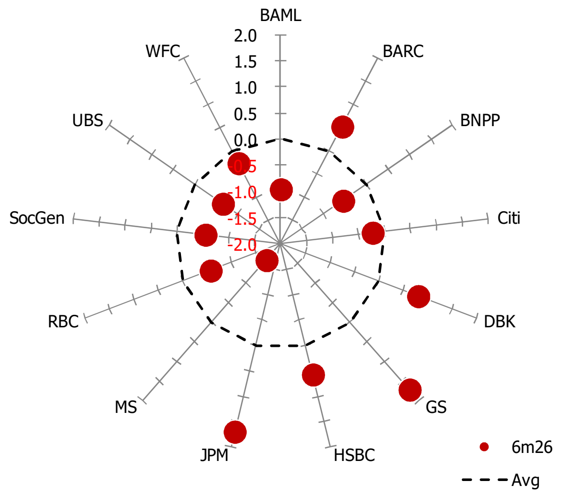
Capital Markets



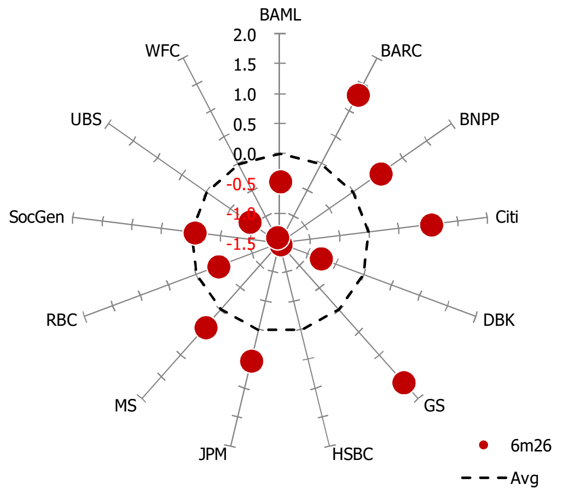
Banking



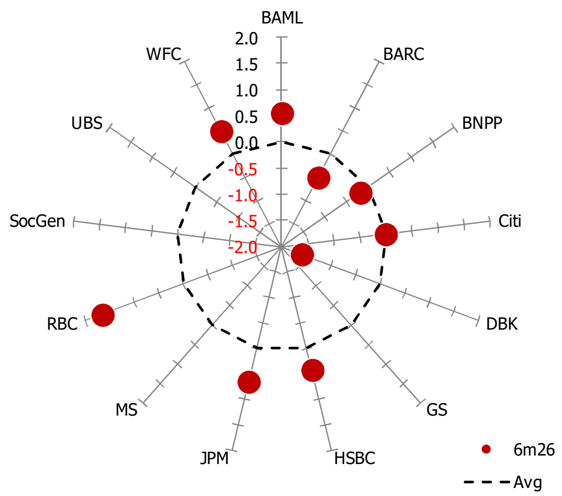
FICC



Equities



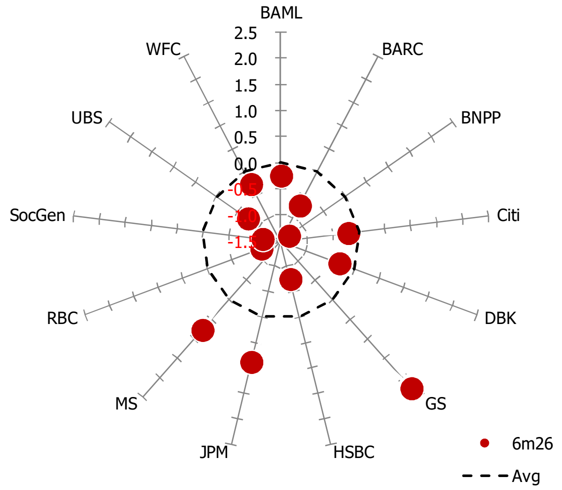
Commercial Banking / Treasury Services



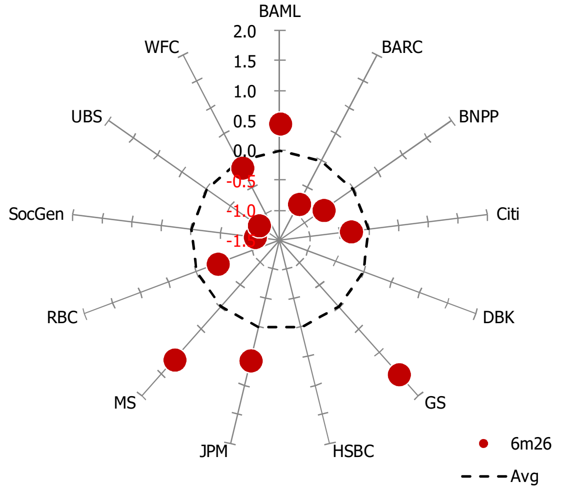
Source: Tricumen. Notes: (1) TRIC product definitions, standard deviation, product Level 1; (2) Operating expenses exclude one-off non-operational items, insurance-related benefits & claims, and credit expense/recovery/NPL provisions. Capital expenditure is included as accrued. Litigation expense is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

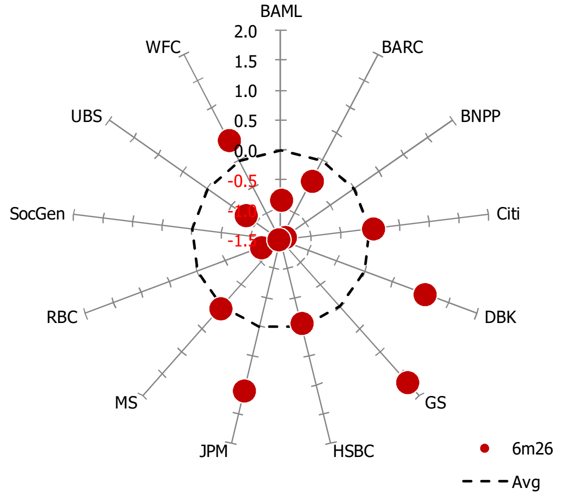
Capital Markets



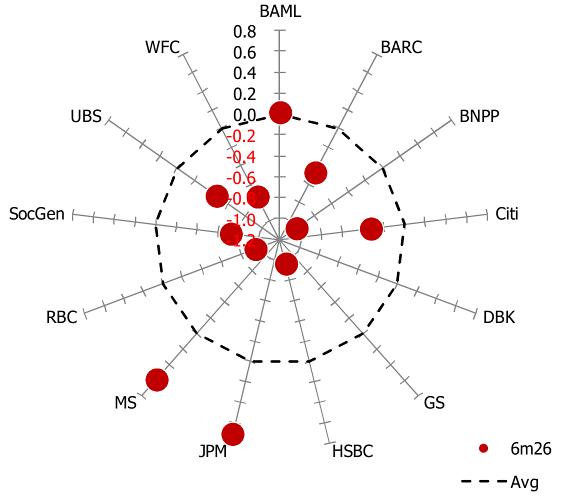
Banking



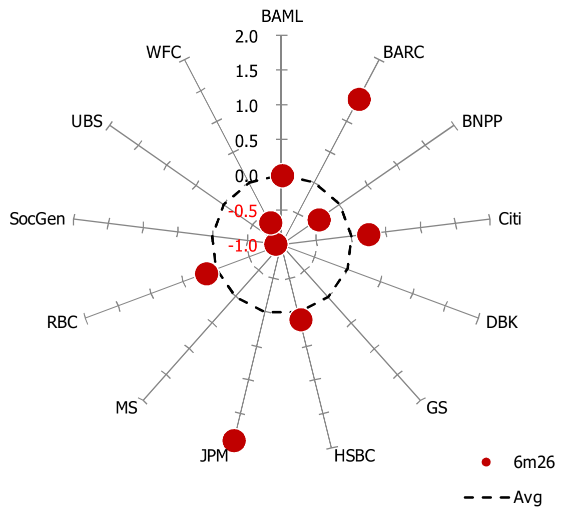
FICC



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.

About Tricumen

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.

Notes & Caveats

Tricumen Limited places no restrictions on reproduction or transmission of data contained in this report, provided that information released is sourced to Tricumen Limited and that it does not prejudice Tricumen Limited's business or compromise the company's ability to analyse the financial markets. Full acknowledgement of Tricumen Limited must be given.

Tricumen Limited has used all reasonable care in writing, editing and presenting the information found in this report. All reasonable effort has been made to ensure the information supplied is accurate and not misleading. For the purposes of cross- market comparison, all numerical data is normalised in accordance to Tricumen Limited's proprietary product classification. Fully-researched dataset may contain margin of error of 10%; for modelled datasets, this margin may be wider.

The information and commentary provided in this report has been compiled for informational purposes only. We recommend that independent advice and enquiries should be sought before acting upon it. Readers should not rely on this information for legal, accounting, investment, or similar purposes. No part of this report constitutes investment advice, any form of recommendation, or a solicitation to buy or sell any instrument or to engage in any trading or investment activity or strategy. Tricumen Limited does not provide investment advice or personal recommendation nor will it be deemed to have done so.

Tricumen Limited makes no representation, guarantee or warranty as to the suitability, accuracy or completeness of the report or the information therein. Tricumen Limited assumes no responsibility for information contained in this report and disclaims all liability arising from negligence or otherwise in respect of such information.

Tricumen Limited is not liable for any damages arising in contract, tort or otherwise from the use of or inability to use this report or any material contained in it, or from any action or decision taken as a result of using the report.