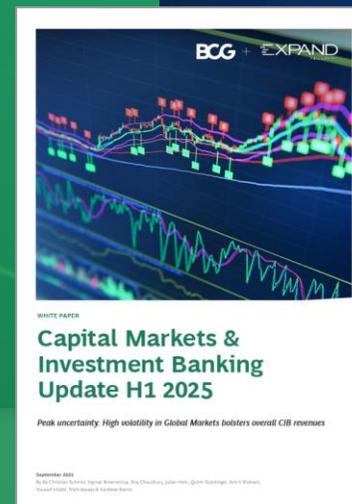


Capital Markets and Investment Banking (CIB) Report H1 2025

Peak Uncertainty:
High Volatility in Global Markets bolsters overall CIB revenues

SEPT 2025



CIB H1 2025 - Peak Uncertainty

High volatility
in global
markets
bolstered
overall CIB
revenues



Steady growth across CIB H1 revenue pools last 5 years

CIB pools have been growing ~6% CAGR for the last 5 years, with H1 2025 CIB pool up 5% YoY, showing rotation from NII to fee-based businesses as interest rates normalized and cutting cycles begin



Strong performance in Global Markets - Volatility driven

Global Markets was the outperforming segment in H1, as high market volatility benefitted CIBs with strong intermediation businesses in FICC (up 9%) and Equities (up 21%) YoY.



Gen(AI) adoption and roll out

CIBs have invested heavily in AI and are transitioning from use case exploration to production roll outs. More attention is being directed toward capex and ROI considerations



NBFIs continue to expand footprint consistently

NBFIs are continuing to invade the space of bank revenue pools. Private Credit, particularly direct lenders are increasingly competing on pricing with direct lending spreads converging leveraged loan market spreads



Internationalization of CIB growth strategies

CIBs anticipate mixed growth outlooks, with US firms moving toward non-US markets and international peers rationalizing their geographical footprints in the US and respective home markets

[Full Report
Available Here](#)

Note: CIB includes Investment Banking (origination & Advisory), Global Markets, and Corporate Banking revenue pools (of which corporate banking is inclusive of commercial banking division revenues)

CIB revenue pools continue annual growth story in H1 2025

BCG and Expand forecast CIB revenue pools to continue expanding into H2 2025

- 1 Overall CIB¹ revenue pools increased 5% YoY**

Normalization of rates and some developed economies announcing rate cuts has led to compression of net interest margins, impacting revenues in corporate banking and other NII business lines. Global Markets was the outperforming segment in H1
- 2 Origination & Advisory revenue pool remained flat (+0.5%) YoY**

Mixed performance across sub-products with resilient IG DCM issuance and a surge of mega M&A deals (\$10bn+), were offset by increased loan loss provisions in syndicated lending and a reduction in ECM activity, as volatility narrowed issuance windows
- 3 Equities revenue pool increased 21% YoY**

H1 volatility was the major driver of Equities revenues, which enjoyed the highest growth across all CIB products driven by spikes in trading volumes and QIS strategies growing. Cash equities up 14% YoY, EQD up 30% YoY and Prime and Futures up 17% YoY
- 4 FICC revenue pool increased 9% YoY**

H1 volatility also supported revenue growth in FICC, primarily led by Rates, Foreign Exchange (FX) and Emerging Markets pools, outperforming Credit, Commodities and Securitized products. Macro heavy banks outperformed Spread heavy banks in H1
- 5 Corporate Banking revenue pool increased 1% YoY**

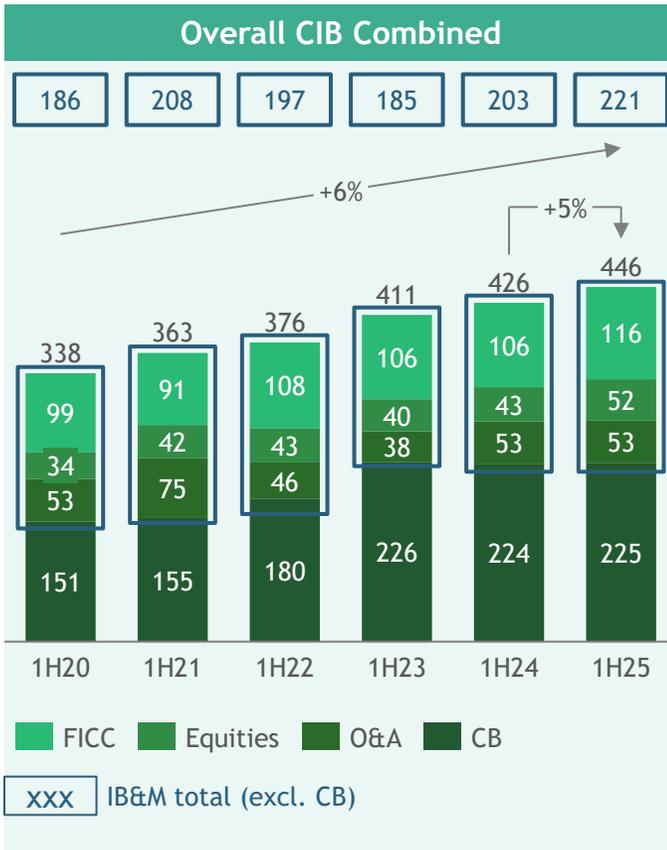
Corporate Banking revenue growth remained near flat as performance was primarily impacted by the continued compression of net interest margins (NIMs) and emerging rate cutting cycles. Banks are leaning on digitalization, GenAI, and diversification.

1. CIB includes Investment Banking (Origination & Advisory), Global Markets, and Corporate & Commercial Banking revenue pools

1 Overall CIB revenue pool has increased 5% YoY - Most banks saw expansion

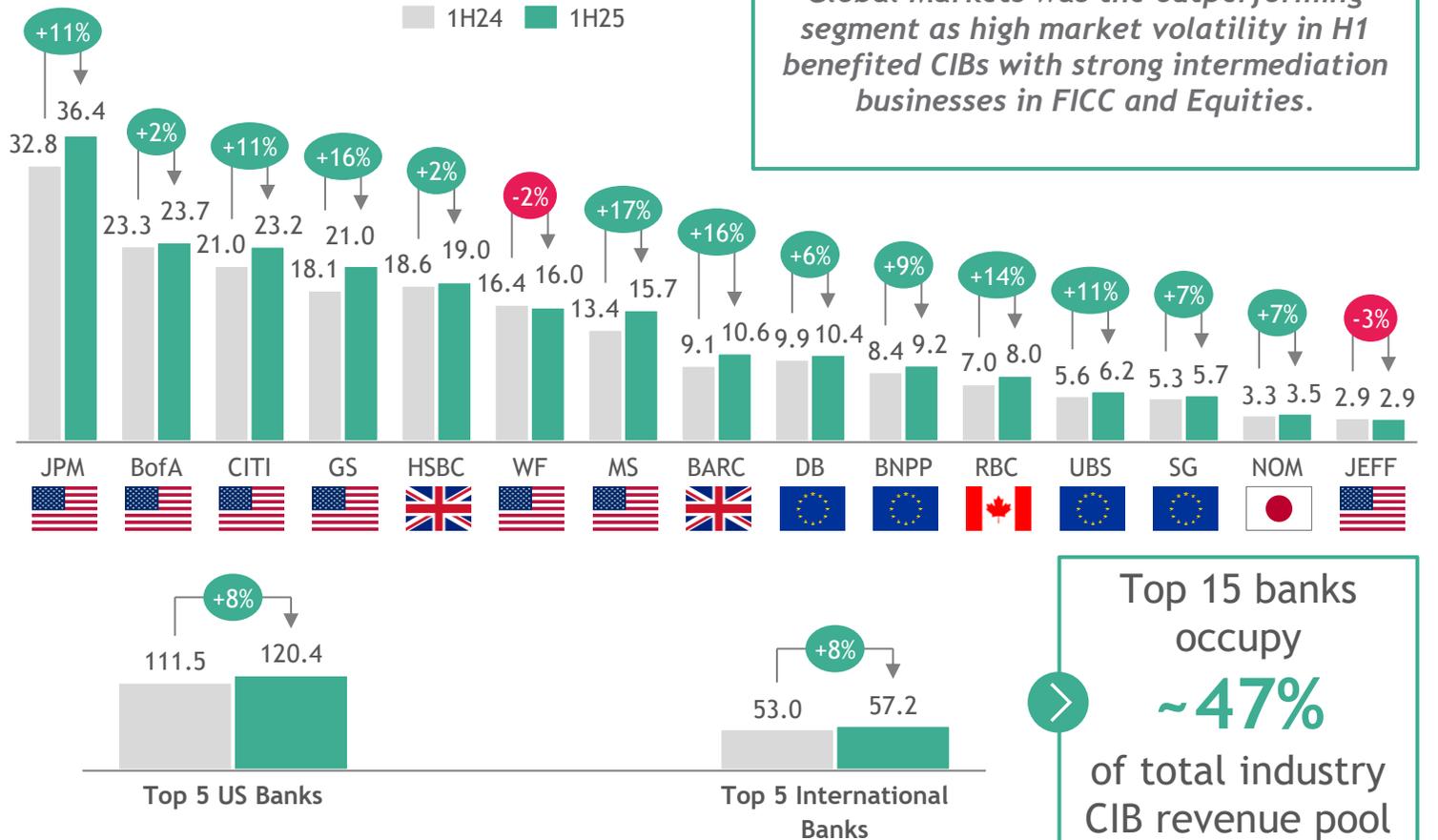
Total Industry CIB revenue pool

In \$B



Top 15 players | Y-o-Y development

In \$B



Key Message

Global Markets was the outperforming segment as high market volatility in H1 benefited CIBs with strong intermediation businesses in FICC and Equities.

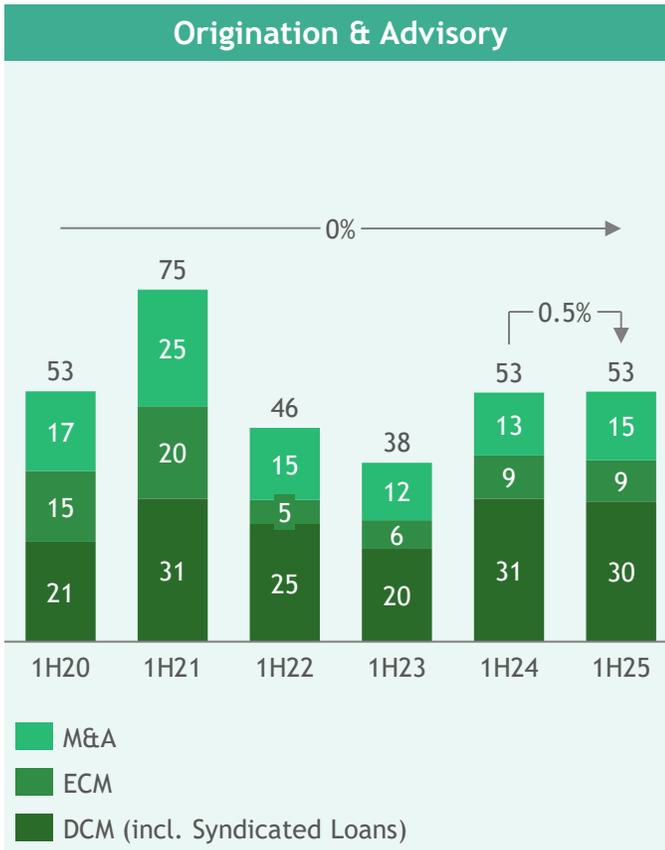
Top 15 banks occupy ~47% of total industry CIB revenue pool

Note: Corporate Banking revenue pool is inclusive of commercial banking division revenues
 Source: Company reports, BCG Expand data, BCG analysis

2 Origination & Advisory revenue pool remained flat YoY (+0.5%)

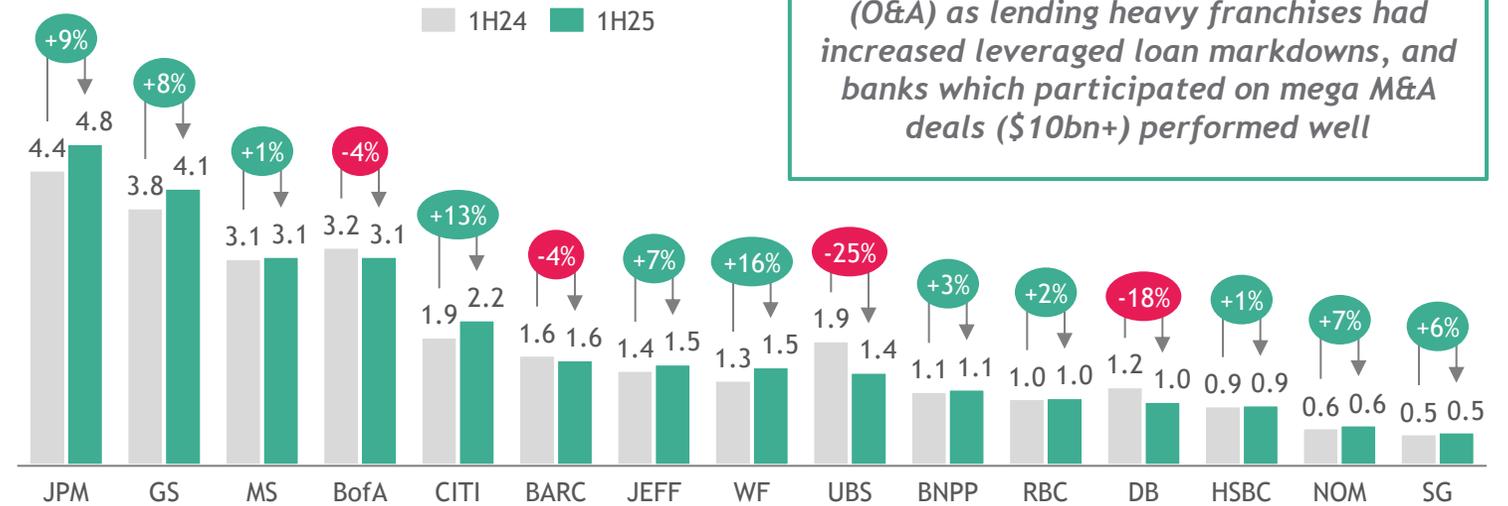
Total Industry revenue pool

In \$B



Top 15 players | Y-o-Y development

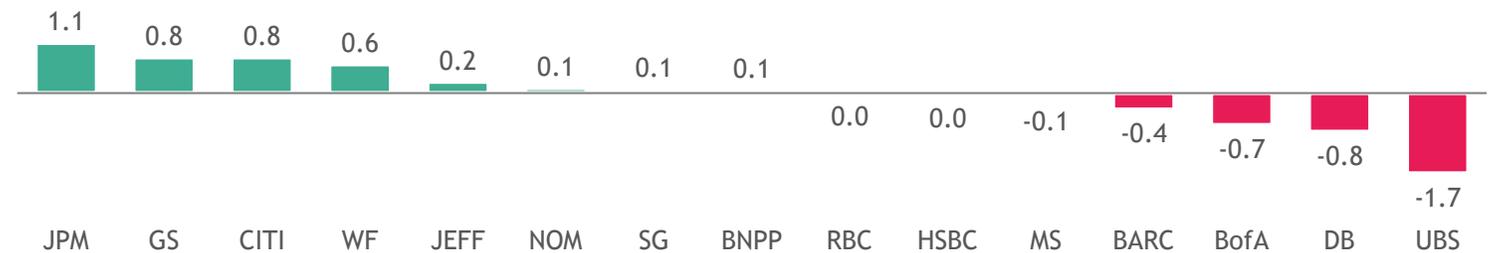
In \$B



Key Message

Mixed performance in Investment Banking (O&A) as lending heavy franchises had increased leveraged loan markdowns, and banks which participated on mega M&A deals (\$10bn+) performed well

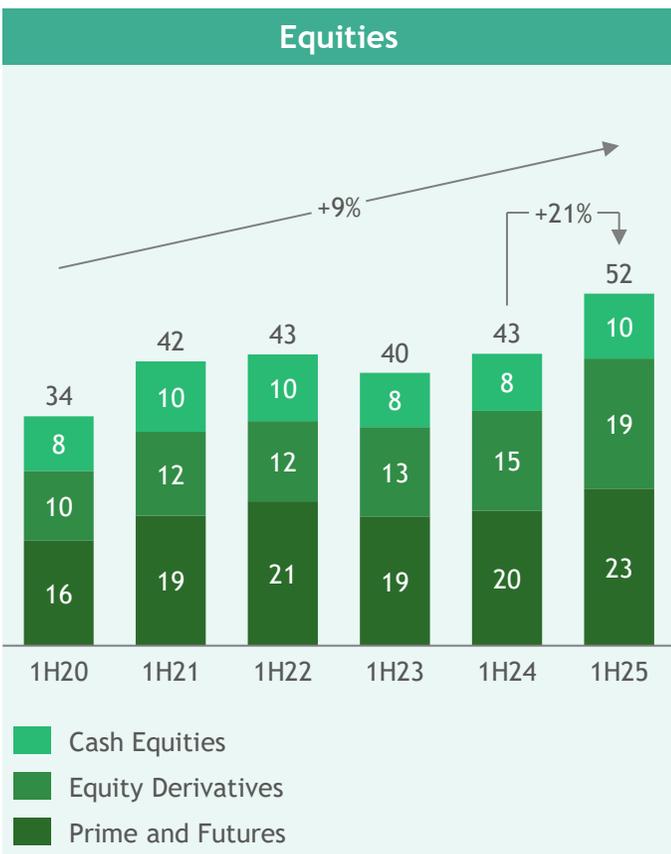
Top 15 relative market share gains/losses (%)



3 Equities revenue pool increased 21% YoY, driven by high market volatility in H1

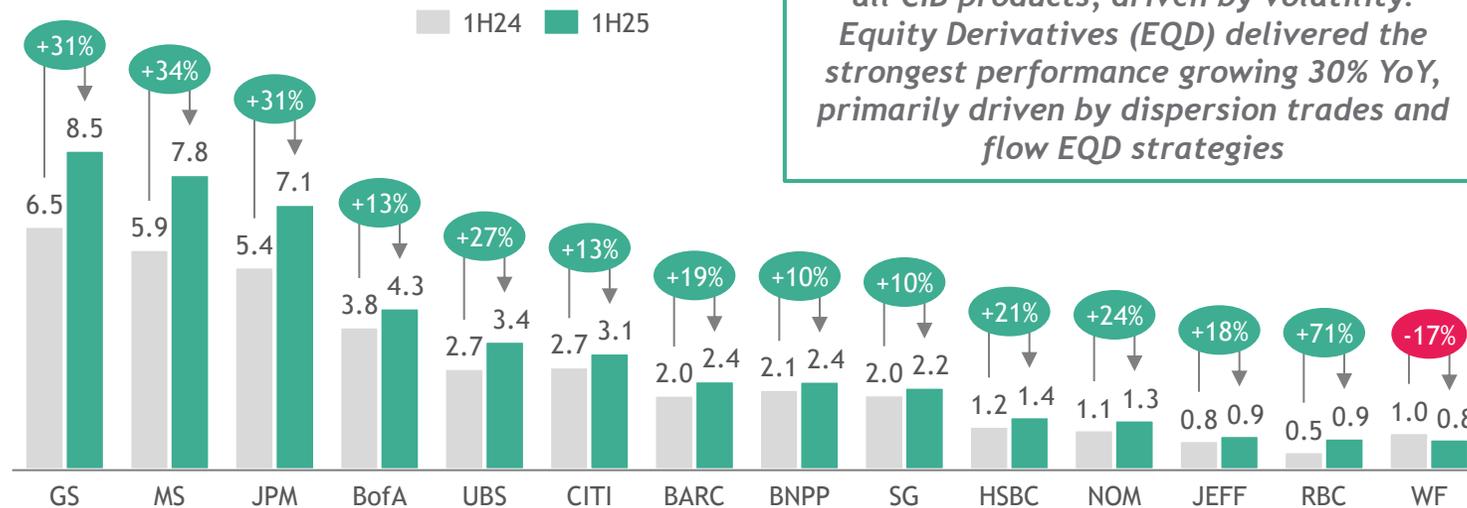
Total Industry revenue pool

In \$B



Top 14 players | Y-o-Y development

In \$B



Key Message

Equities enjoyed the highest growth across all CIB products, driven by volatility. Equity Derivatives (EQD) delivered the strongest performance growing 30% YoY, primarily driven by dispersion trades and flow EQD strategies

Top 14 relative market share gains/losses (%)



Note: A dispersion trade is a volatility-based trading strategy commonly used in the equity derivatives industry. It involves taking offsetting positions in index options and single-stock options within that index.

Source: Company reports, Expand, BCG analysis

4 FICC revenue pool has increased 9% YoY, Macro products outperformed Spread

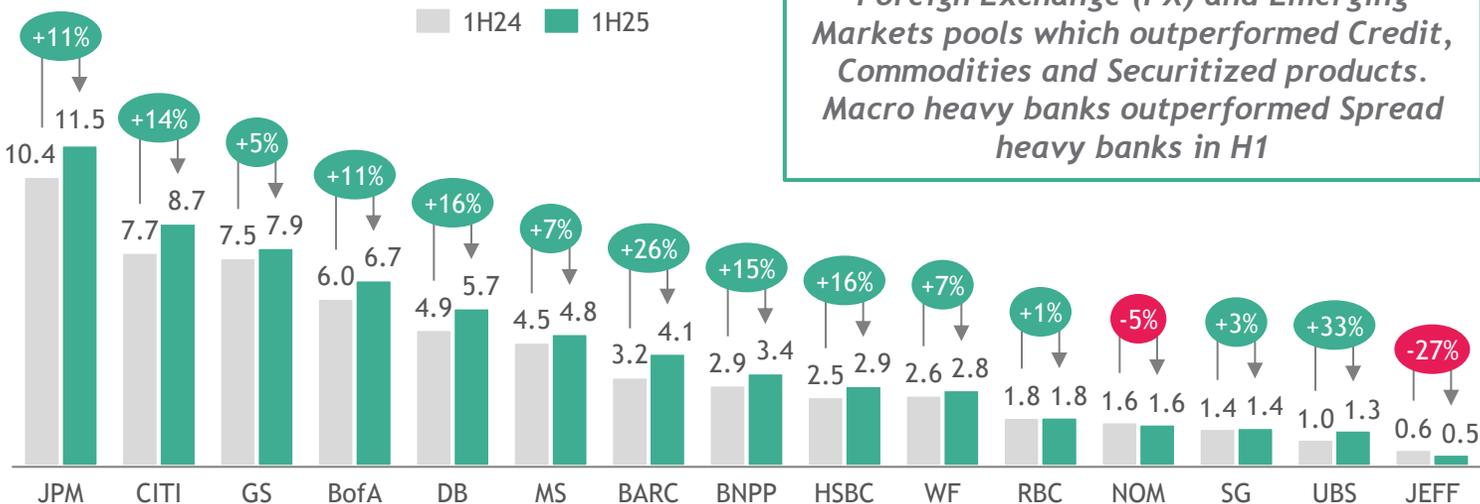
Total Industry revenue pool

In \$B



Top 15 players | Y-o-Y development

In \$B



Key Message

FICC Growth was primarily led by Rates, Foreign Exchange (FX) and Emerging Markets pools which outperformed Credit, Commodities and Securitized products. Macro heavy banks outperformed Spread heavy banks in H1

Top 15 relative market share gains/losses (%)

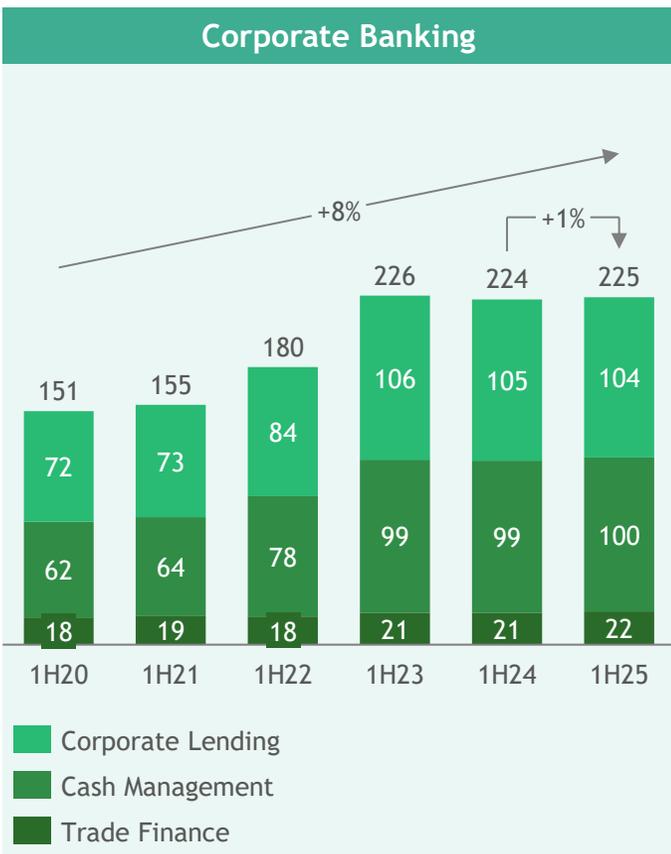


Source: Company reports, Expand, BCG analysis

5 Corporate Banking revenue pool increased 1% YoY, driven by NII normalization

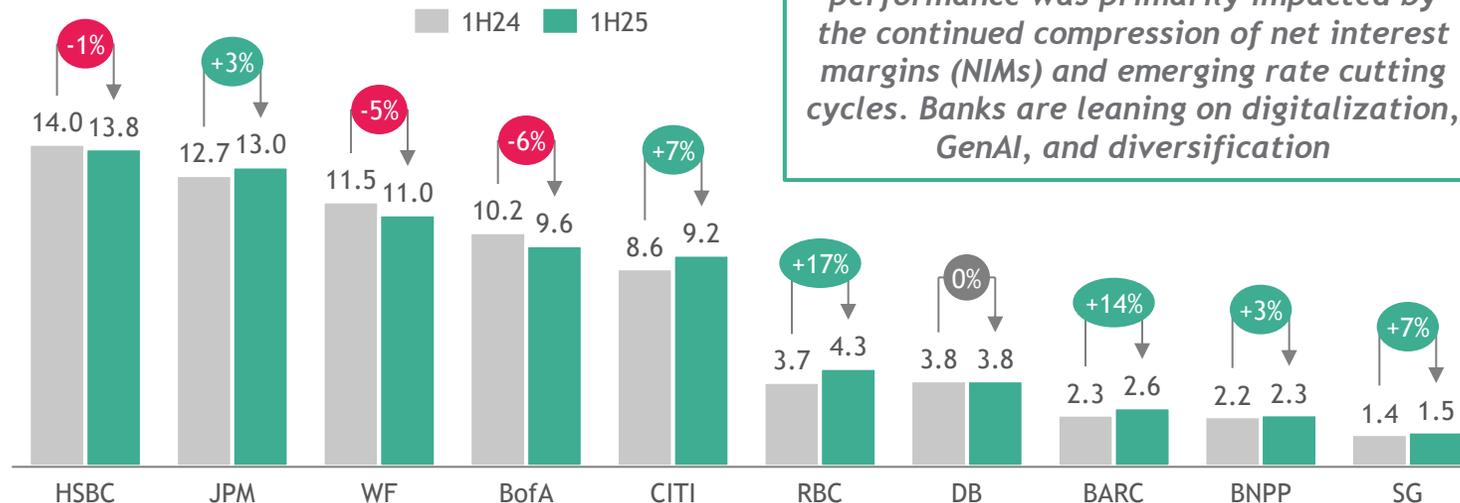
Total Industry revenue pool

In \$B



Top 10 players | Y-o-Y development

In \$B



Key Message

Revenue growth remained near flat as performance was primarily impacted by the continued compression of net interest margins (NIMs) and emerging rate cutting cycles. Banks are leaning on digitalization, GenAI, and diversification

Top 10 relative marketshare gains/losses (%)



Note: Corporate banking revenue pool is inclusive of commercial banking division revenues
 Source: Company reports, Expand, BCG analysis

IB Radar | Advisory only firms showing strength in H1 in a tough M&A Market

Bulge Brackets and Tier II banks have maintained flat market share movements YoY, Diversified Boutiques down 1%, Diversified Boutiques down 1%

	Tier I Global Bulge Bracket	Tier II Universal Banks	Diversified Boutiques	Advisory Only Firms																																																																																																																
Market archetypes	Top-5 US banks with full suite of IB & CM products and true specialists, that are fully global and the biggest brands	Universal banks with broad IB and CM franchises and either focusing on home-country or specific industries	Firms with M&A and ECM focus; opportunistic expansion into DCM & LevFin given limited B/S capacity	Boutiques with asset-light model via focus on advisory business; often differentiated in niche expertise																																																																																																																
Sample Size	5 Banks	60 Banks	20 Firms	11 Firms																																																																																																																
Wlt. share¹ (% fee pool)	<table border="1"> <thead> <tr> <th></th> <th>1H24</th> <th>1H25</th> <th>Trend</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="3">Flat share in 1H25</td> </tr> <tr> <td>M&A</td> <td>46%</td> <td>46%</td> <td>➤</td> </tr> <tr> <td>ECM</td> <td>51%</td> <td>52%</td> <td>⬆️</td> </tr> <tr> <td>DCM</td> <td>30%</td> <td>30%</td> <td>➤</td> </tr> <tr> <td>LevFin</td> <td>41%</td> <td>40%</td> <td>⬇️</td> </tr> <tr> <td>Total IB</td> <td>40%</td> <td>40%</td> <td>➤</td> </tr> </tbody> </table>		1H24	1H25	Trend		Flat share in 1H25			M&A	46%	46%	➤	ECM	51%	52%	⬆️	DCM	30%	30%	➤	LevFin	41%	40%	⬇️	Total IB	40%	40%	➤	<table border="1"> <thead> <tr> <th></th> <th>1H24</th> <th>1H25</th> <th>Trend</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="3">Flat share in 1H25</td> </tr> <tr> <td>M&A</td> <td>24%</td> <td>24%</td> <td>➤</td> </tr> <tr> <td>ECM</td> <td>37%</td> <td>37%</td> <td>➤</td> </tr> <tr> <td>DCM</td> <td>68%</td> <td>68%</td> <td>➤</td> </tr> <tr> <td>LevFin</td> <td>51%</td> <td>53%</td> <td>⬆️</td> </tr> <tr> <td>Total IB</td> <td>48%</td> <td>48%</td> <td>➤</td> </tr> </tbody> </table>		1H24	1H25	Trend		Flat share in 1H25			M&A	24%	24%	➤	ECM	37%	37%	➤	DCM	68%	68%	➤	LevFin	51%	53%	⬆️	Total IB	48%	48%	➤	<table border="1"> <thead> <tr> <th></th> <th>1H24</th> <th>1H25</th> <th>Trend</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="3">Lost share in 1H25</td> </tr> <tr> <td>M&A</td> <td>17%</td> <td>15%</td> <td>⬇️</td> </tr> <tr> <td>ECM</td> <td>12%</td> <td>10%</td> <td>⬇️</td> </tr> <tr> <td>DCM</td> <td>2%</td> <td>1%</td> <td>⬇️</td> </tr> <tr> <td>LevFin</td> <td>7%</td> <td>7%</td> <td>➤</td> </tr> <tr> <td>Total IB</td> <td>8%</td> <td>7%</td> <td>⬇️</td> </tr> </tbody> </table>		1H24	1H25	Trend		Lost share in 1H25			M&A	17%	15%	⬇️	ECM	12%	10%	⬇️	DCM	2%	1%	⬇️	LevFin	7%	7%	➤	Total IB	8%	7%	⬇️	<table border="1"> <thead> <tr> <th></th> <th>1H24</th> <th>1H25</th> <th>Trend</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="3">Gained share in 1H25</td> </tr> <tr> <td>M&A</td> <td>13%</td> <td>15%</td> <td>⬆️</td> </tr> <tr> <td>ECM</td> <td></td> <td>n/a</td> <td></td> </tr> <tr> <td>DCM</td> <td></td> <td>n/a</td> <td></td> </tr> <tr> <td>LevFin</td> <td></td> <td>n/a</td> <td></td> </tr> <tr> <td>Total IB</td> <td>4%</td> <td>5%</td> <td>⬆️</td> </tr> </tbody> </table>		1H24	1H25	Trend		Gained share in 1H25			M&A	13%	15%	⬆️	ECM		n/a		DCM		n/a		LevFin		n/a		Total IB	4%	5%	⬆️
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Key takeaways H1 2025	<ul style="list-style-type: none"> Lower YoY fees from LevFin deals versus Tier IIs Gained in ECM, mostly from diversified boutiques 	<ul style="list-style-type: none"> Gained share in LevFin, mostly from Tier I bulge brackets and div. boutiques Flat performance across all other product lines 	<ul style="list-style-type: none"> Loss of share in M&A, ECM, DCM versus other archetypes M&A lost to Advisory Only firms 	<ul style="list-style-type: none"> Gained share in M&A, from diversified boutiques, Deep expertise is valued in a tough M&A market 																																																																																																																

1. Market share & total fee pool based on league tables (fees) of top 100 players; excludes players that do not fit into archetypes (e.g., supranational banks, Big 4 advisory)
 Note: See appendix for full list of banks in each archetype. Percentages are rounded to nearest 1%, with all wallet share movements calculated on a YoY basis
 Source: BCG Analysis, LSEG (as of July 2025)

IB Radar | Most archetypes have moved towards larger deals YoY on average

Diversified boutiques have been the most consistent in their business mix with lowest YoY swings across all parameters

H124 vs H125 YoY Footprint (% fee pool)

Sample Size

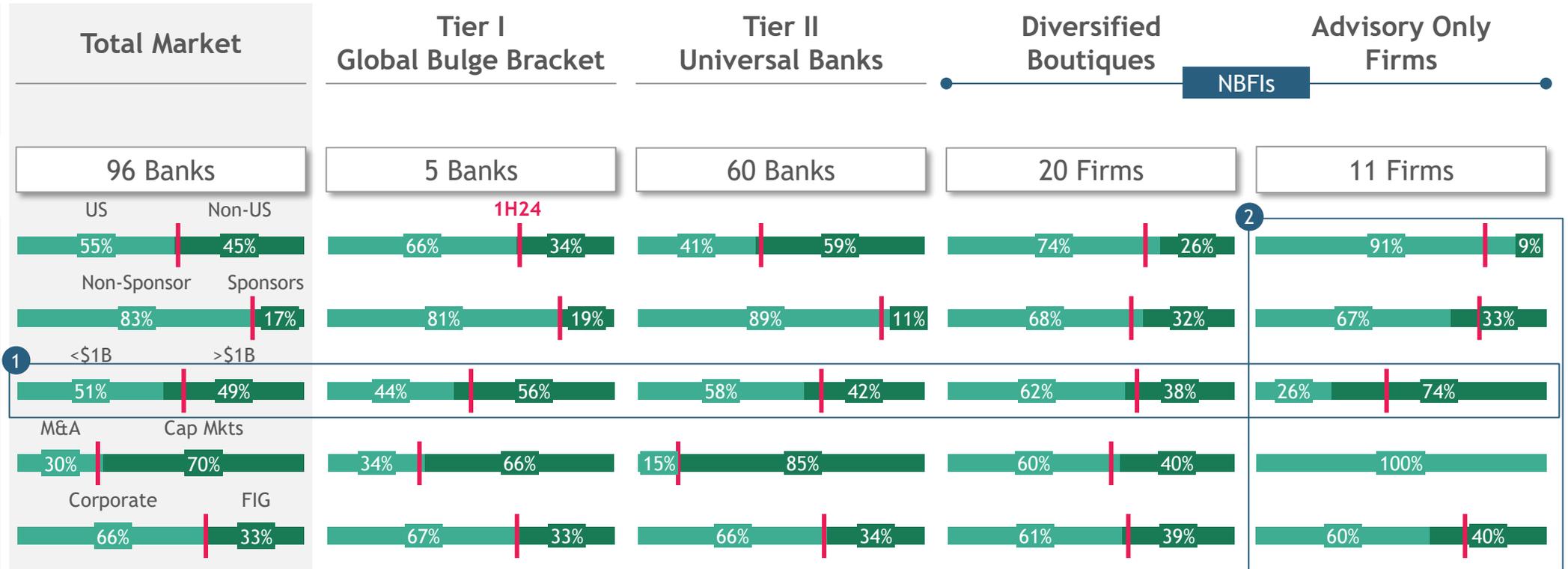
Region¹

Sponsor Involvement²

Deal size³

Product⁴

Corp vs FIG⁵



Key takeaways H1 2025

- 1 Deal sizes have trended towards larger deals YoY - All archetypes and the total market have shown a consistent trend towards larger deal sizes YoY,
- 2 Advisory Only firms had the highest YoY deviations across all parameters - Sizable swings particularly amongst Advisory Only firms showing pivots toward the US, Sponsors clients, Larger deals and more FI client types

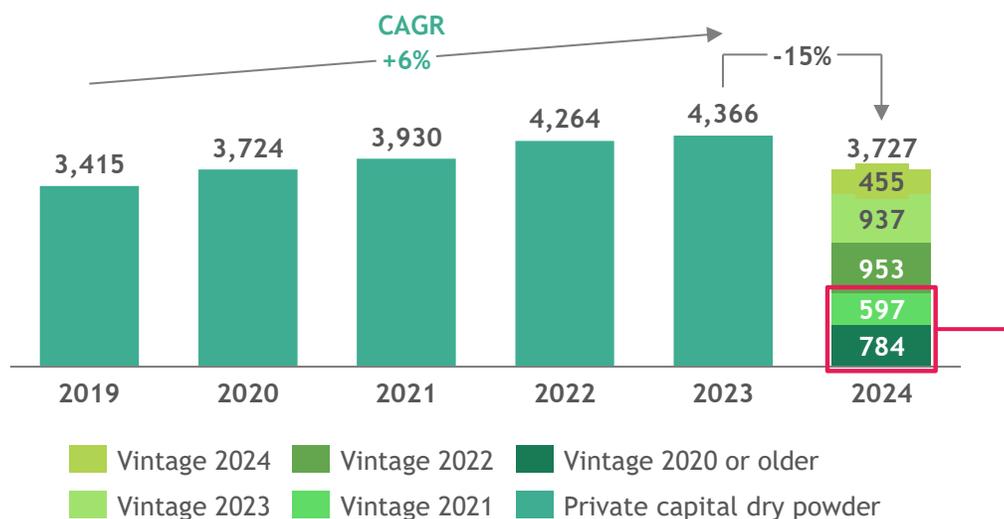
1. Deal Nation; 2. Accounts for sponsor involvement on both buy-side and sell-side; 3. Based on LSEG deal amount; 4. Cap Mkts includes ECM, DCM, LevFin fees; 5. Fees from deals where a financial institution was involved (as issuer/borrower for ECM, DCM, LevFin or Target and/or Acquirer for M&A)
Source: BCG analysis, LSEG (as of July 2025)

X Notable YoY deviations 9

H1 Spotlight | Sponsors are facing increased entry and exit pressures in 2025

Sponsor Entry Pressures

Over 37% of dry powder is 3 years old or older - creating a larger incentive for GPs to get off the sidelines and start buying

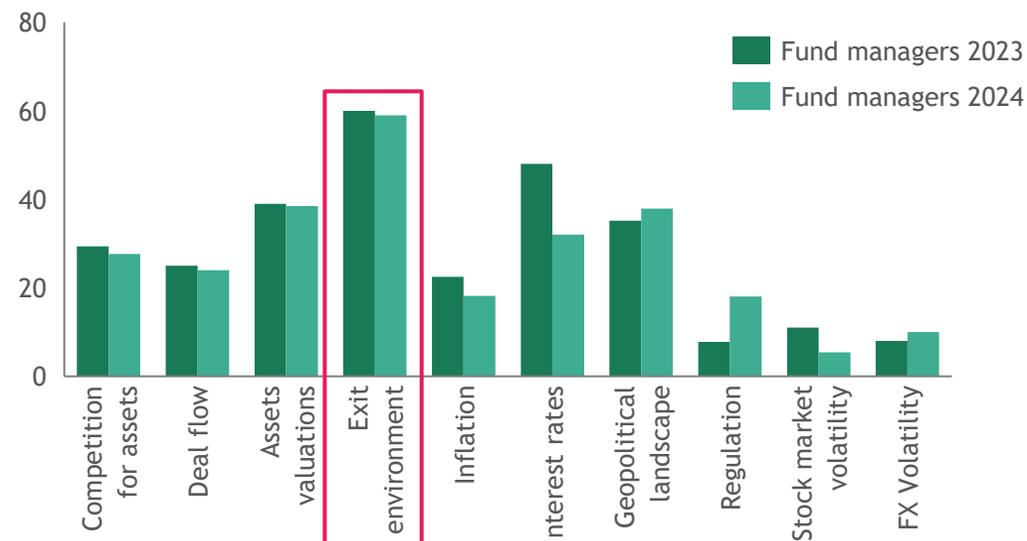


Summary of Entry Pressures

- **Aging dry powder:** 37% of global PE dry powder is now more than three years old (up from 30% in 2023), raising opportunity costs and increasing pressure to deploy capital.
- **Macroeconomic uncertainty:** Volatility in H1 2025 has complicated valuations and entry multiples, especially as sponsors in recent years have committed more equity up front due to higher rates.
- **Capital raising decreased:** 2024 fundraising fell 26% YoY to \$692 billion (from \$935 billion), driven by reduced private equity (PE) monetization and limited liquidity from LPs for reinvestment.

Sponsor Exit pressures

GPs continue to view the exit environment as their primary concern



Summary of Exit Pressures

- **Record portfolio company counts:** There were approximately 30,000 PE-backed firms in 2024, up 36% from 2019 - highlighting that entry activity has outpaced exit activity in recent years.
- **Alternative liquidity solutions:** Continuation funds are growing, providing General Partners (GPs) flexibility in retaining assets and avoiding forced sales, while offering liquidity and monetization opportunities to LPs.
- **Longer holding periods:** US average holding periods rose from around five years (the average long-term 20-year trend) to 6.3 years in 2024, reflecting a tough exit market.

Market outlook for H2 2025 / 2026 and strategic implications for CIBs

- **Investment Banking (Origination & Advisory) - Build and Execute on emerging pipelines particularly in M&A**
Anticipated lower volatility ahead with stable and declining interest rates are creating the prerequisite conditions for increased dealmaking and capital raising activity. Tech innovation around AI may increasingly emerge as a driving force behind many deals
- **Global Markets - CIBs can continue to benefit from volatility in FICC & Equities**
Markets are expected to be less volatile going forwards compared to H1, but CIBs can benefit from continued buy side portfolio adjustments and investor flight to high quality assets and rotation into international markets into Europe and Emerging Markets
- **Corporate Banking - Rotation away from NII to fee-based income streams**
Growth beyond core lending will be critical for CIBs with cash management / Txn Banking segments emerging as growth priorities. Stablecoin innovation will create opportunities in cross border payments, treasury and custody oriented businesses
- **Financial Sponsors - Entry & Exit Pressures as an opportunity for CIBs to capture market share**
CIBs can capture share via refreshing their sponsor franchises, launch new services around continuation vehicles and enhanced lending solutions (e.g. NAV/subscription financing) or private markets valuation services as public vs private markets converge
- **Core CIB Strategic imperatives into 2026 - Run a dual track strategy**
Near term priorities - monetize on volatility & build and execute on stronger M&A pipelines and double down on sponsor clients
Long term priorities - build a globally diversified digitally enabled and AI integrated CIB franchise to thrive in future capital markets

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