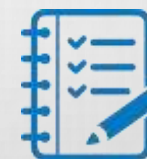


# B14-15. OTHER INTERMEDIARIES



- INVESTMENT BANKS, BROKERS, DEALERS
- PRIVATE EQUITY AND VENTURE CAPITAL
- WHY OTHERS AND WHAT DO THEY DO?
- A GLANCE AT FINTECH AND MUTUALITY

# INVESTMENT BANKS

- Merchant bankers in the Middle Ages
- XIX century: fundraising in Europe through stocks for infrastructures in the US (railways, steel, ...)
- 1929-1999: Glass-Steagall Act → separation from commercial banks (in Italy, f.i. banking laws in 1920s-30s required specialization, up to 1993's new EU-driven law)
- GFC:
  - bailouts and defaults: conflicts of interests and excessive risk-taking
  - «end» of pure investment banks in the US: M&A and extension of more stable retail commercial banking and increasing weight of EU-based investment/universal banks
- Fundraising services (and trading) for fee-based income (and capital gains):
  - Advice, design, underwriting, servicing, private placement on financial instruments (debt, equity, syndicate loans), including due diligence and consulting on M&A/buyouts/IPOs/...
  - Trading, merchant banking, asset management, brokering for HNWI
  - Market research

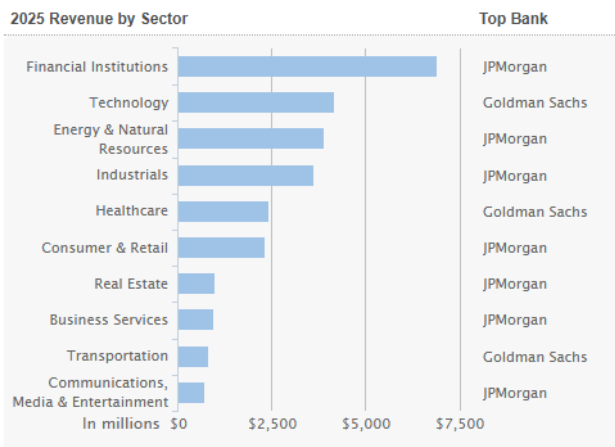


# INVESTMENT BANKS

## Global Investment Banking Bank Ranking

YTD 2025			YTD 2024		
Bank	Revenue \$m	% share	Rank	Revenue \$m	% share
JPMorgan	2,329.0	8.7	1	2,535.3	8.9
Goldman Sachs	2,088.8	7.8	2	1,950.0	6.9
BofA Securities	1,618.1	6.0	3	1,740.6	6.1
Morgan Stanley	1,527.8	5.7	4	1,568.1	5.5
Citi	1,375.9	5.1	5	1,264.5	4.4
Barclays	909.9	3.4	6	913.9	3.2
Wells Fargo	778.4	2.9	10	682.0	2.4
Jefferies LLC	641.6	2.4	11	647.9	2.3
Deutsche Bank	638.4	2.4	9	682.8	2.4
UBS	580.1	2.2	8	683.0	2.4
Subtotal	12,488.1	46.5		12,668.2	44.6
Total	26,848.2	100.0		28,430.7	100.0

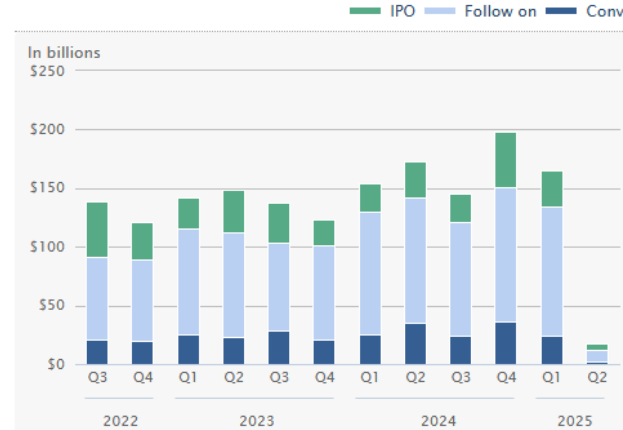
## Global Investment Banking Sector Ranking



## Global ECM Bookrunner Ranking

YTD 2025			YTD 2024		
Bookrunner	Value \$bn	#	Rank	Value \$bn	#
Goldman Sachs	20.38	80	1	17.52	111
JPMorgan	18.74	67	3	14.86	103
Morgan Stanley	13.75	63	2	17.16	98
BofA Securities	11.38	60	5	13.59	100
Barclays	6.81	36	8	6.36	57
Citi	6.30	46	4	13.99	95
UBS	5.47	37	7	6.58	50
BNP Paribas	5.38	37	10	3.55	29
TD Securities	5.37	23	14	2.43	37
CITIC Securities	3.95	27	20	1.79	23
Subtotal	97.54	251		97.84	367
Total	181.82	1,305		185.16	1,669

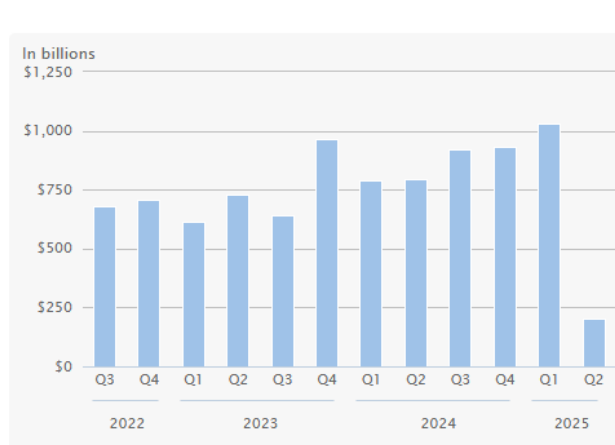
## Global ECM by Quarter



## Global M&A Advisor Ranking

YTD 2025			YTD 2024		
Advisor	Value \$bn	#	Rank	Value \$bn	#
Goldman Sachs	395.3	144	1	337.0	130
JPMorgan	337.9	123	2	322.3	141
Morgan Stanley	275.4	107	3	243.5	108
Citi	191.9	73	4	218.8	60
Barclays	147.6	42	8	121.9	62
BofA Securities	143.0	78	6	163.5	98
UBS	109.9	72	7	144.3	76
Lazard	99.3	58	16	69.5	88
Evercore Inc	97.1	56	5	165.8	57
Wells Fargo	80.6	18	15	78.2	23

## Global M&A by Quarter

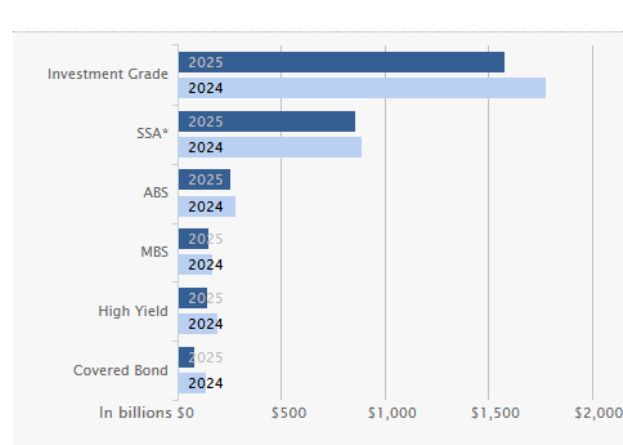


excludes spin-offs

## Global DCM Bookrunner Ranking

YTD 2025			YTD 2024		
Bookrunner	Value \$bn	#	Rank	Value \$bn	#
JPMorgan	200.63	891	1	226.04	998
BofA Securities	179.29	690	3	182.52	774
Citi	169.33	799	2	190.71	934
Barclays	130.57	635	5	139.53	719
BNP Paribas	129.31	487	6	130.15	559
Morgan Stanley	125.66	790	4	143.61	748
Goldman Sachs	124.34	560	8	119.43	728
Deutsche Bank	110.54	457	7	123.84	510
Wells Fargo	102.34	532	9	90.04	587
HSBC	82.76	369	10	89.06	440
Subtotal	1,354.8	3,527		1,434.9	3,984
Total	3,071.3	9,390		3,453.7	11,220

## Global DCM Deals by Type



\*Sovereign, Supranational, Agency



# BROKERS & DEALERS

## Brokers:

- Servicing **investors** by matching buyers and sellers: **fee-based** income
- **Orders** (market orders, limit orders)
- Also **stop-loss** and **short-selling** strategies
- Eventually, **margin credit** and accounts with settlement services
- Also **market research and continuous advice** (full-service)

BROKERAGE FIRM	ASSETS UNDER MANAGEMENT*
Vanguard Group	\$10.1 trillion
Charles Schwab	\$10.1 trillion
UBS	\$5.9 trillion
Fidelity Investments	\$5.8 trillion
JPMorgan Chase & Co.	\$4.05 trillion

Source: money.usnews.com (24.02.25)

## Dealers (and market makers):

- **own inventory** of securities
- **add liquidity** to assets (f.i. small volumes, new, less known, ...)
- **continuously offer bid/ask** opportunities for investors
- compensated by bid-ask **spreads** (and fees for market makers)



# PE & VC



Many similarities, except for the targeted investment:

- **Limited partnerships of HNWI** buying **equity**: long term, high risk/return
- **Expertise, networking, monitoring**
- **Exit** through **IPOs** and **M&As**



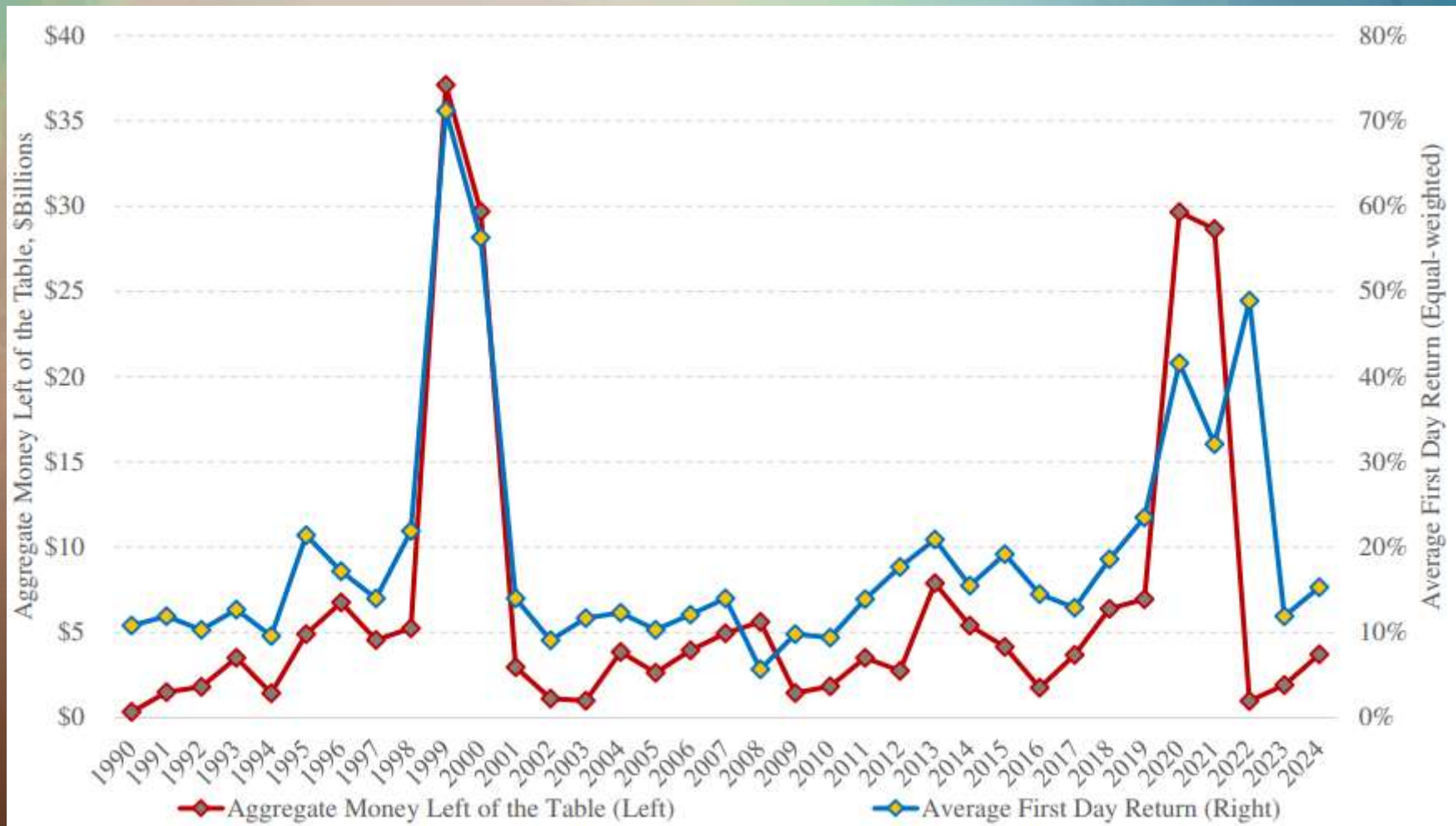
- **Venture capital:**

- Supply funds to start-ups with growth potential but limited access to traditional markets
- Usually specialized: (seed, early/late-stage) and segment (f.i. biotech, IT, ...)



- **Private equity / buyout:**

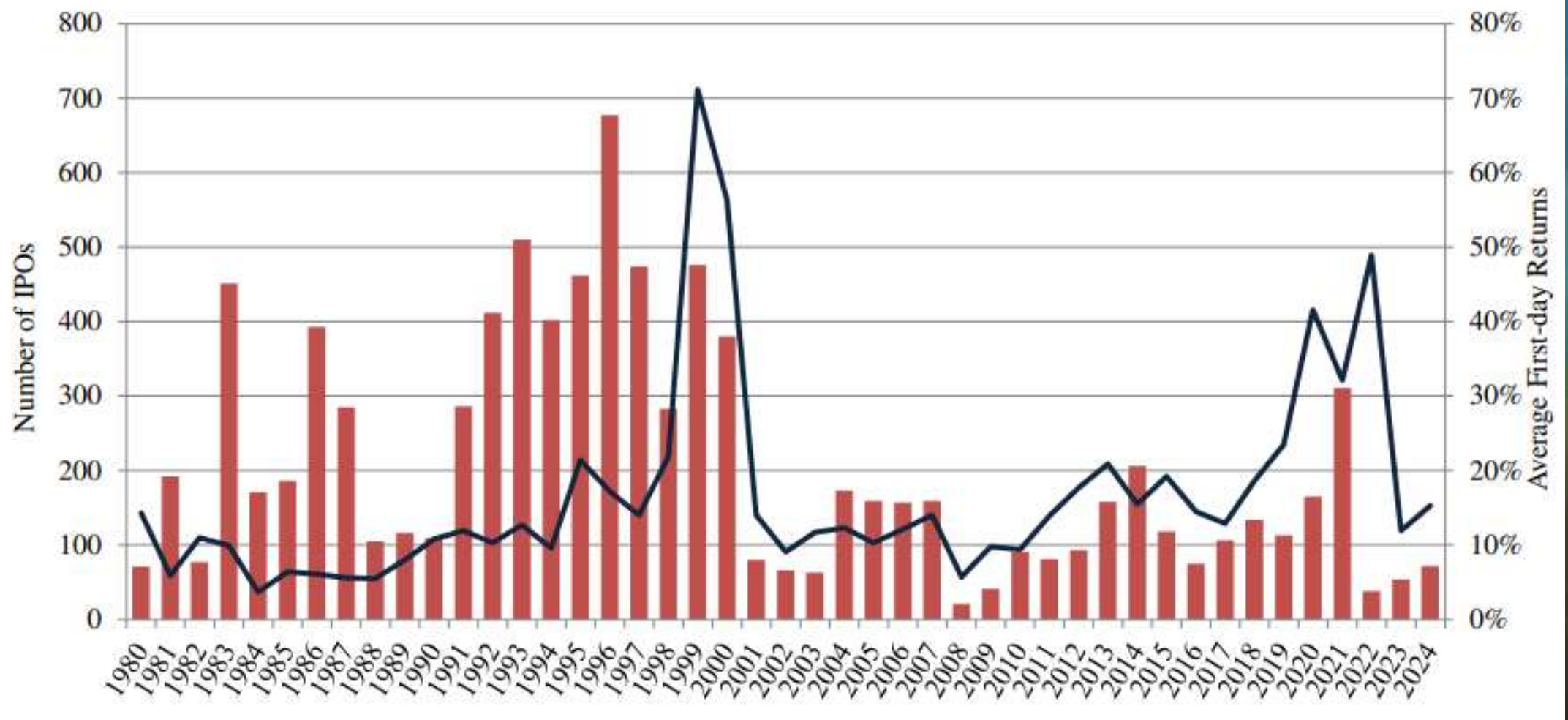
- buy troubled public companies to delist them (“private”)
- regulatory burden relieved, new management, return to profitability
- more capital absorbed, but more collateral available



## EXAMPLES: IPOs

Source: IPO Statistics, Ritter, U. of Florida  
(MLOTT: difference between day 1 close and offered price, times n. stocks offered)





## EXAMPLES: IPOs

Source: IPO Statistics, Ritter, U. of Florida  
(MLOTT: difference between day 1 close and offered price, times n. stocks offered)

Underwriter	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Goldman Sachs	272	27.6%	6.5%	-22.3%	-33.9%
JPM	224	25.7%	20.9%	-7.8%	5.6%
Morgan Stanley	218	26.9%	31.3%	3.0%	2.5%
BOA-Merrill	133	24.5%	15.0%	-15.8%	-8.5%
Jefferies	91	24.3%	-2.1%	-32.2%	-33.5%
Citigroup	82	8.0%	21.9%	-10.5%	-27.7%
UBS/Credit-Suisse	89	10.9%	16.8%	-17.3%	-16.2%
Barclays	46	16.7%	28.9%	0.7%	10.9%
Cowen	29	26.1%	-43.4%	-74.0%	-100.3%
Deutsche Bank	19	11.7%	44.4%	12.7%	-1.8%
Stifel	18	12.3%	44.8%	11.7%	25.3%
Others (regionals)	118	11.1%	9.8%	-24.5%	-16.3%
Others (lower tier)	140	38.2%	-42.3%	-67.4%	-28.1%
<b>2012-2021</b>	1,479	23.6%	10.4%	-19.3%	-15.6%

EXAMPLES: IPOs



## FUNDRAISING



## INVESTMENTS



## DIVESTMENTS

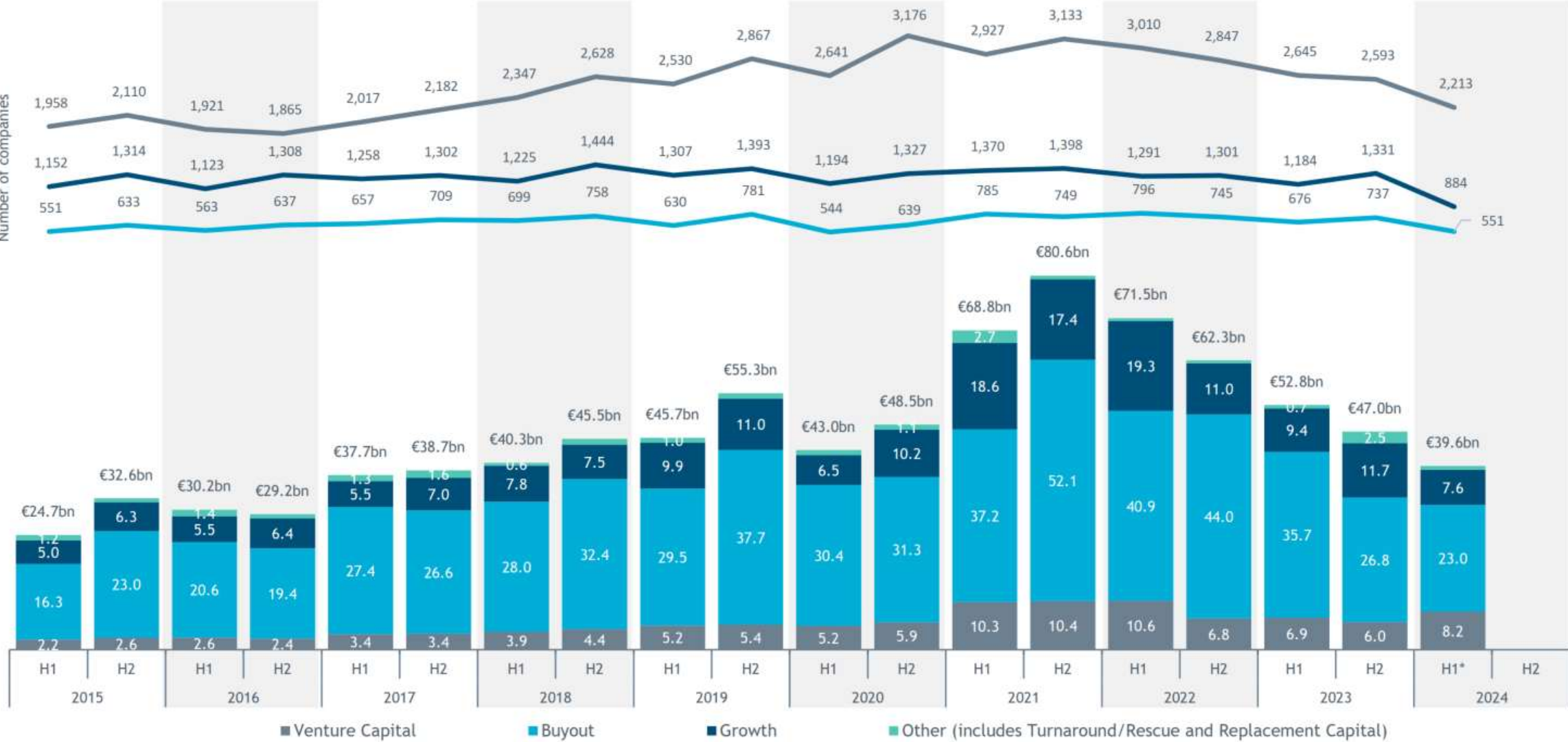


Source: Invest Europe / EDC

\* Data is preliminary and subject to change

# EXAMPLES: PE/VC

Number of companies



Source: Invest Europe / EDC

\* Data is preliminary and subject to change

EXAMPLES: PE/VC (investments)

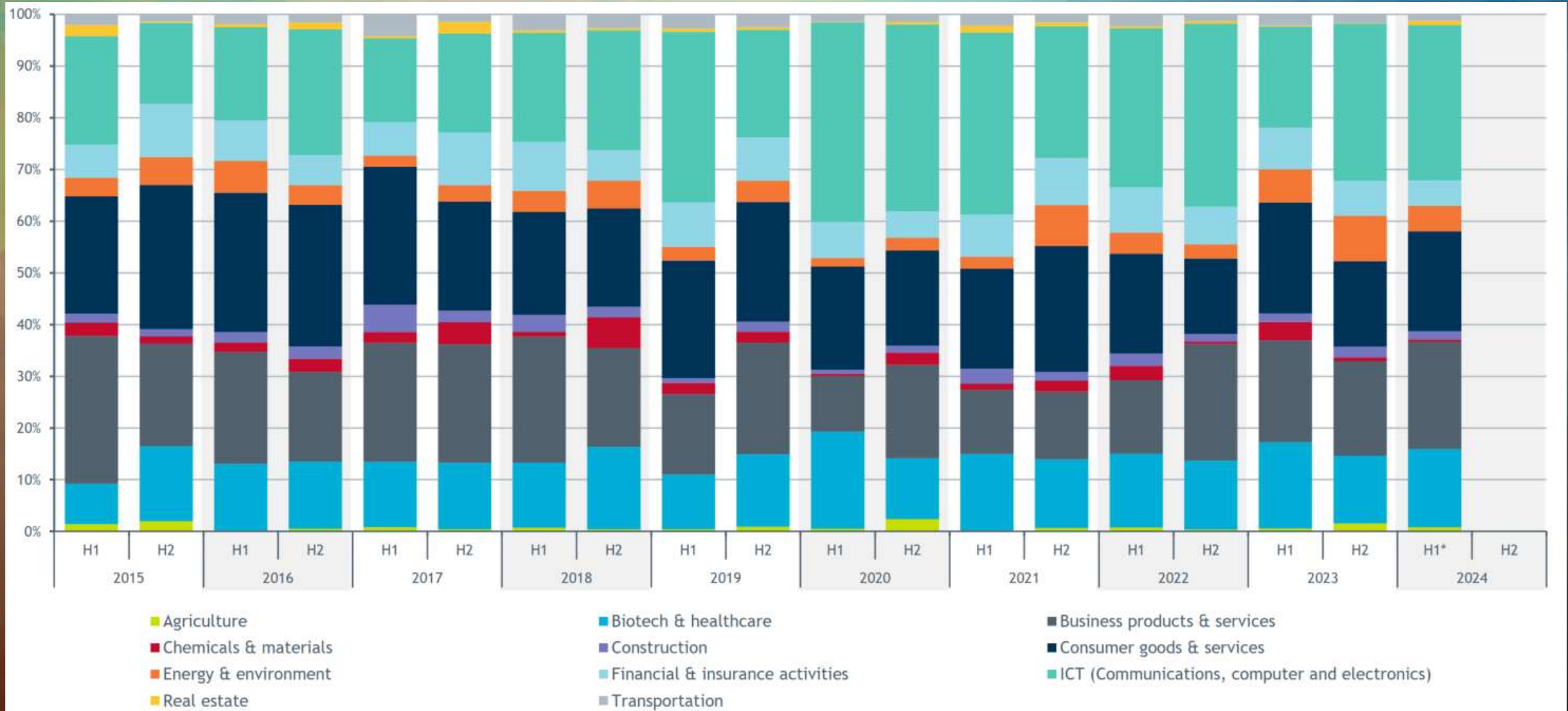


Source: Invest Europe / EDC

\* Data is preliminary and subject to change

EXAMPLES: PE/VC (investments)

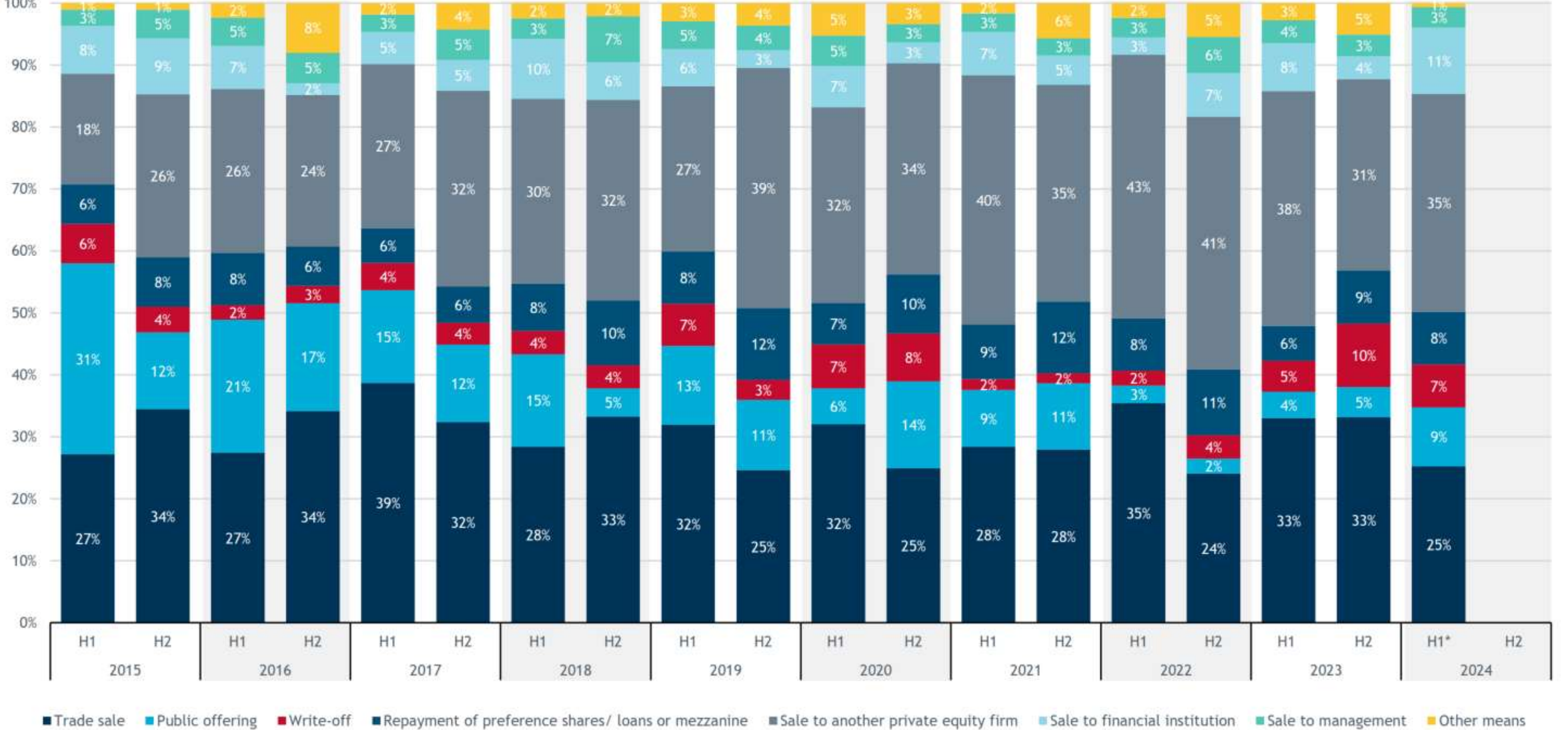




Source: Invest Europe / EDC

\* Data is preliminary and subject to change

EXAMPLES: PE/VC (investments)



Source: Invest Europe / EDC

\* Data is preliminary and subject to change

# EXAMPLES: PE/VC (exit)

# OTHER INTERMEDIARIES

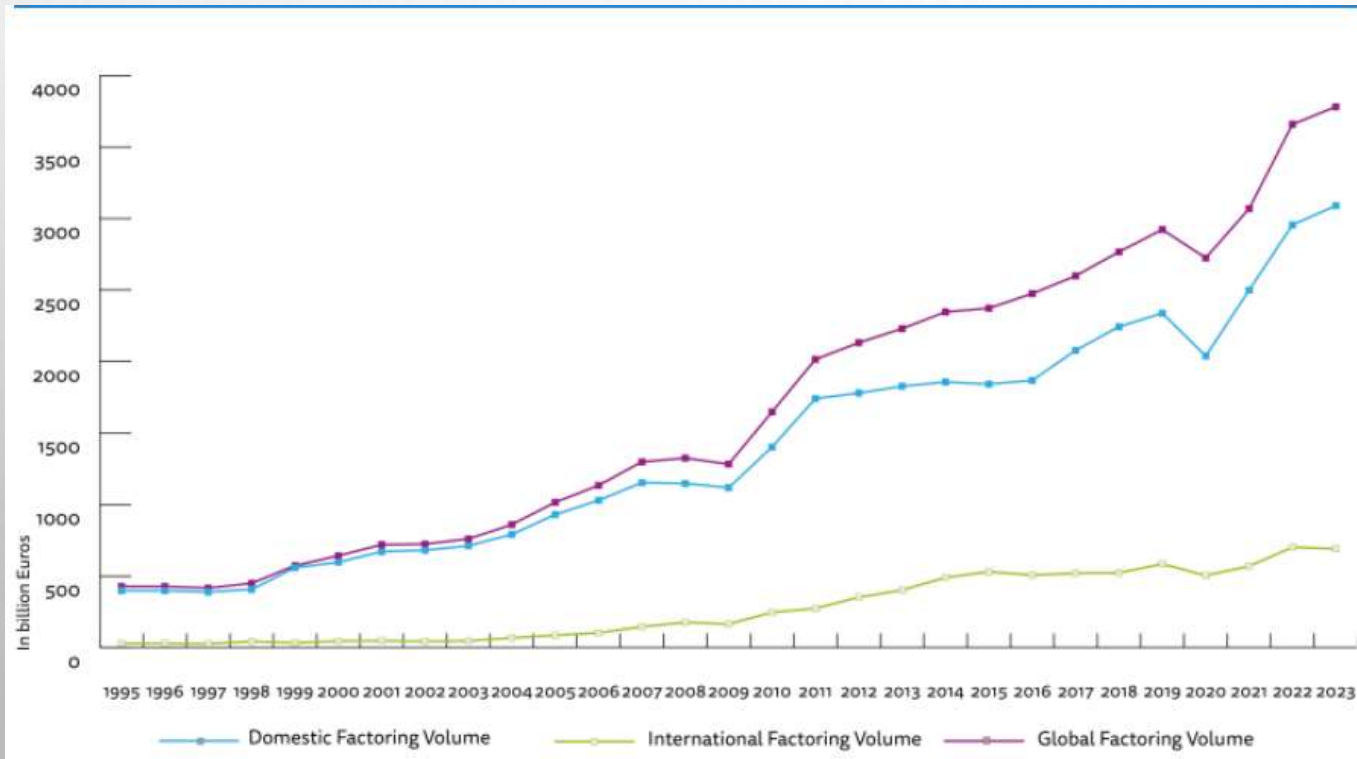
- **Servicing** main financial institutions, or **specialised** in customers (f.i. consumers) or products (f.i. leasing) less prominent in leading markets
- Funds from **money markets** (no deposits), **equity** and **bonds**
- Targeting high volumes of small-sized short/medium term loans:
  - **Lower liquidity risks (no deposits)**: still no secondary market
  - **Lower interest rate risk (shorter duration)**: still A/L gap
  - **Higher credit risks**: more concentration (geographical, customers, ...), more limited selection/monitoring tools → higher interest income
  - **Lower level of regulation/supervision**: still subject to disclosures and protection of retail borrowers/savers
- Frequently, **captives**





# FACTORING

- commercial credit: not only financial needs – administration and guarantees
- sums discounted (credit) or simply cashed in, with or without recourse
- *reverse factoring* originated from debtor (f.i. key companies in complex value chains)

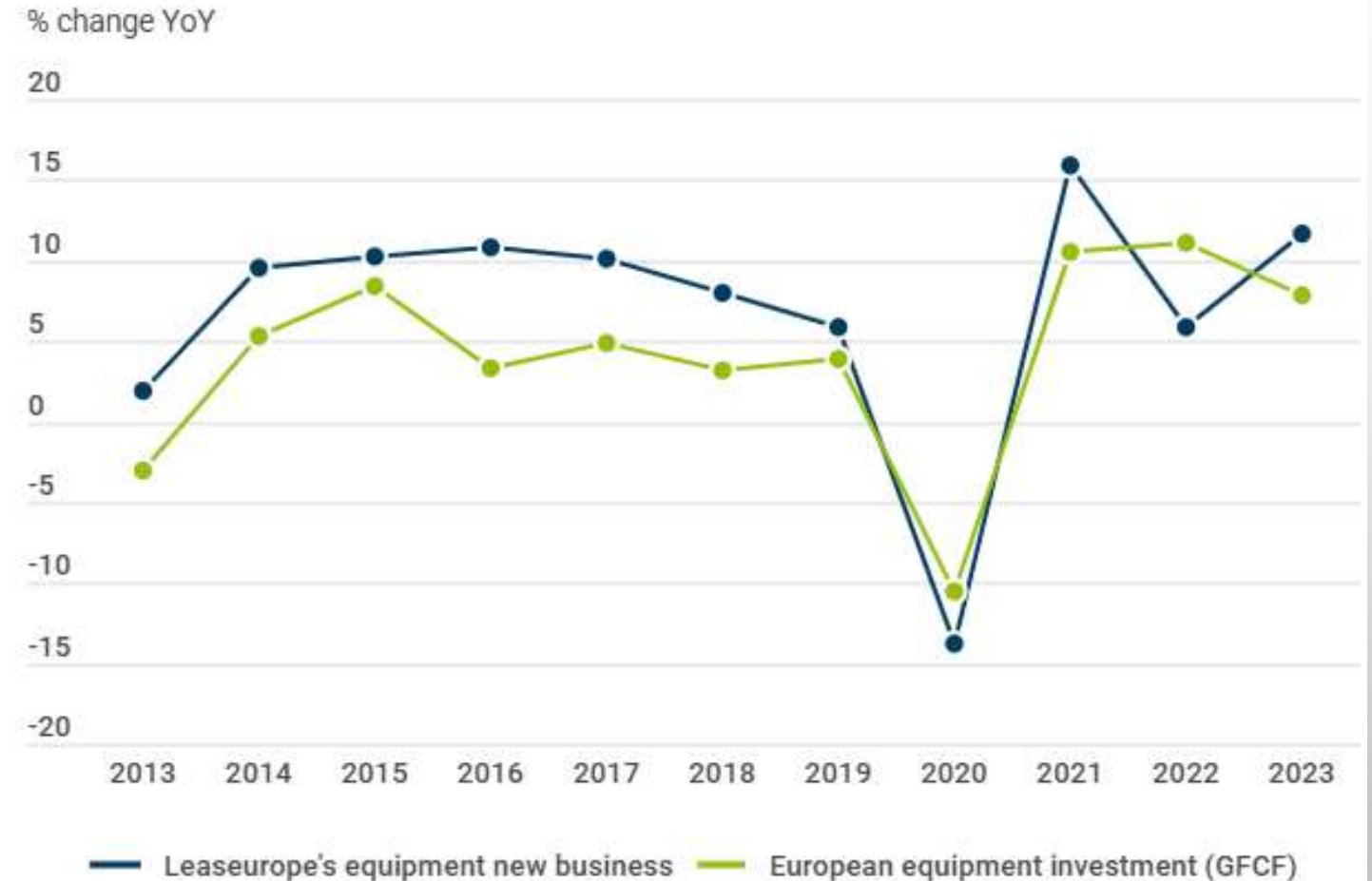


# LEASING

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- on real estate, equipment, ships, aircrafts, cars, ...: using an asset without ownership, with or without the right to redeem at maturity
- operational (from constructor/maker) or financial (from financial intermediaries)
- substantially, borrowing (payment of principal and interest), formally renting
- offering additional accounting, administration and tax advantages
- *(sale and) lease-back*



Sources: Leaseurope Annual Surveys, AMECO EC Statistics for Gross Fixed Capital Formation (GFCF) for equipment UIGEQ

# LEASING

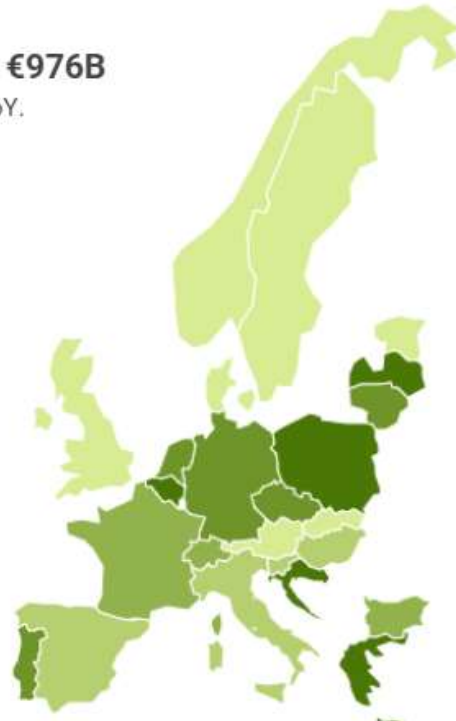
17

## European Leasing Market, 2023



New business volumes amounted **€448B**  
grew by **10.8% YoY**.

Outstanding reached **€976B**  
expanded by **4.3% YoY**.

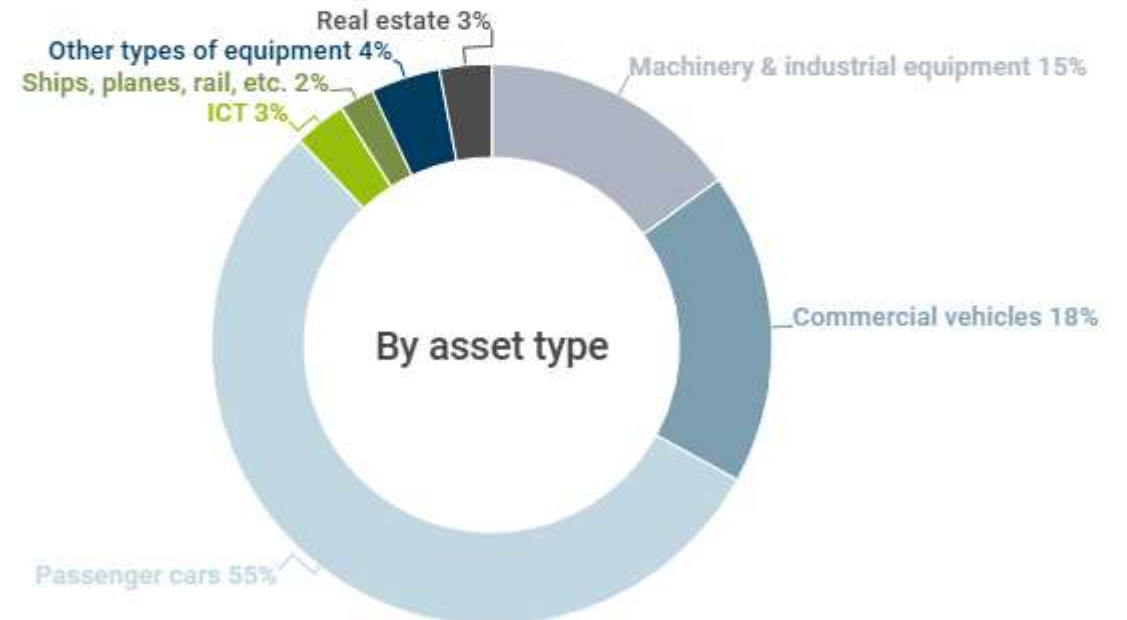


## New business volumes by main asset types, 2023



By asset type

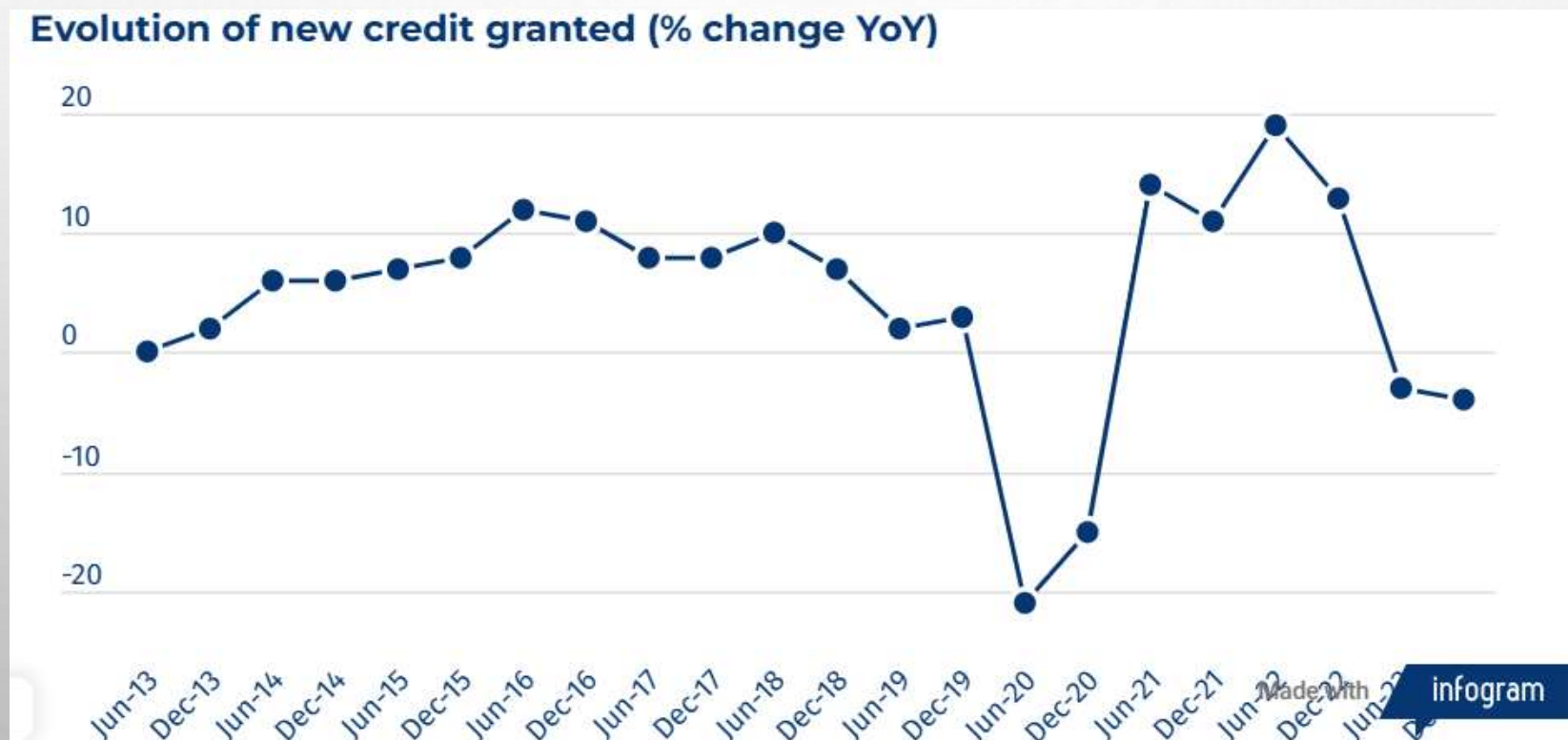
By machinery & industrial equipment type





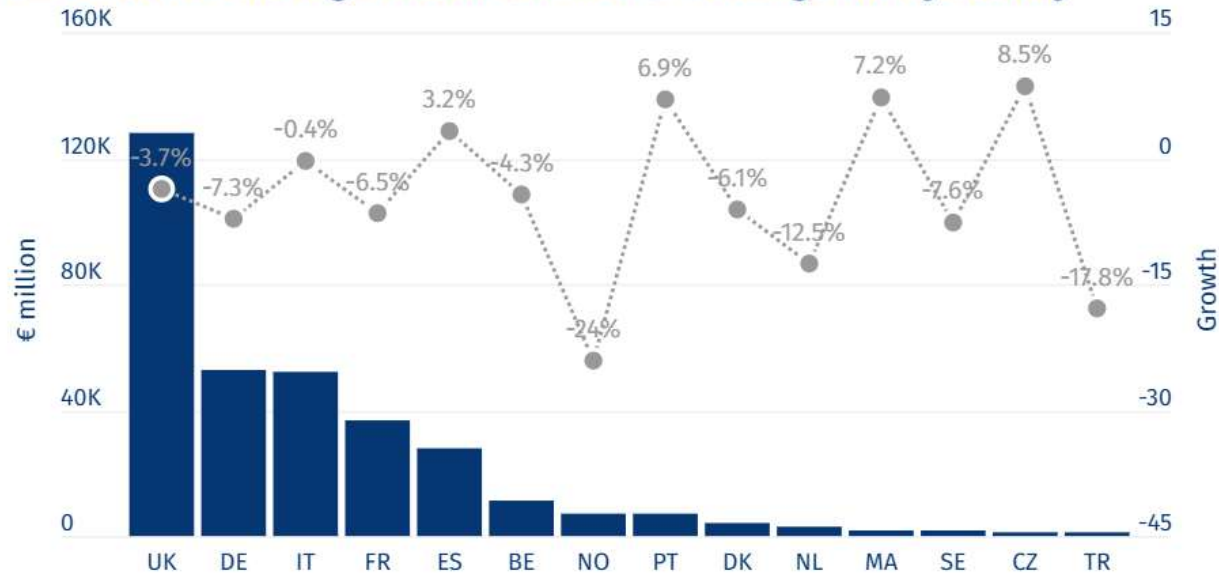
# CONSUMER CREDIT

- purpose: current personal consumption (usually with low size limits to qualify, other than real estate and debt refinancing)
- protection of retail borrowers strong in most countries (transparency, contracts, ...)
- many technical forms with huge cross-country variation (from direct debit to salary to revolving credit cards, ...)
- may require personal or insurance guarantees

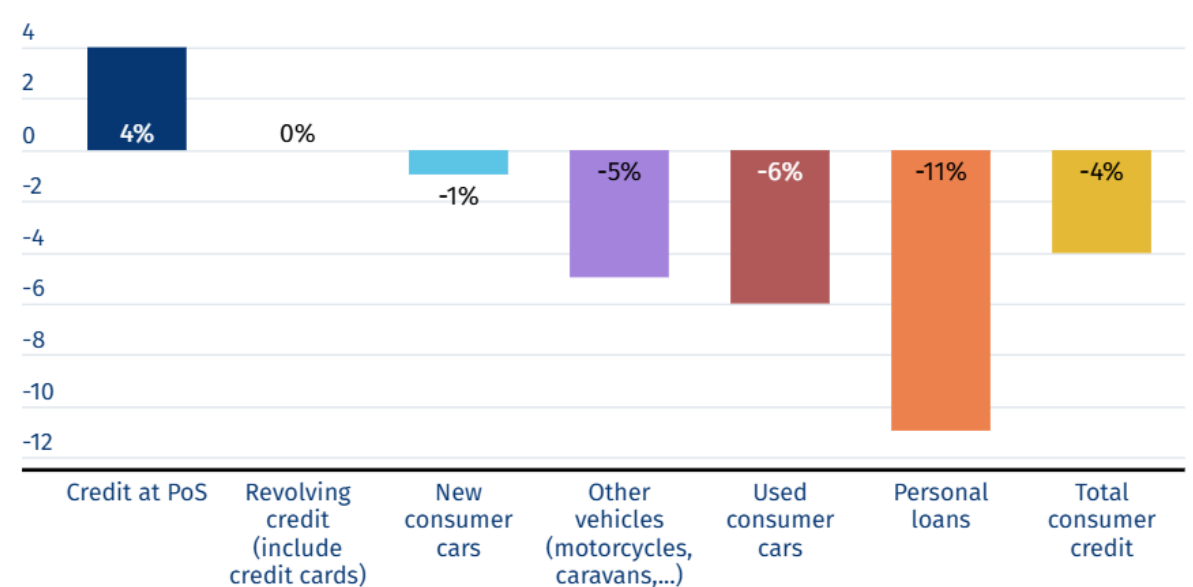


# CONSUMER CREDIT

New consumer credit granted in € million & % change YoY by country

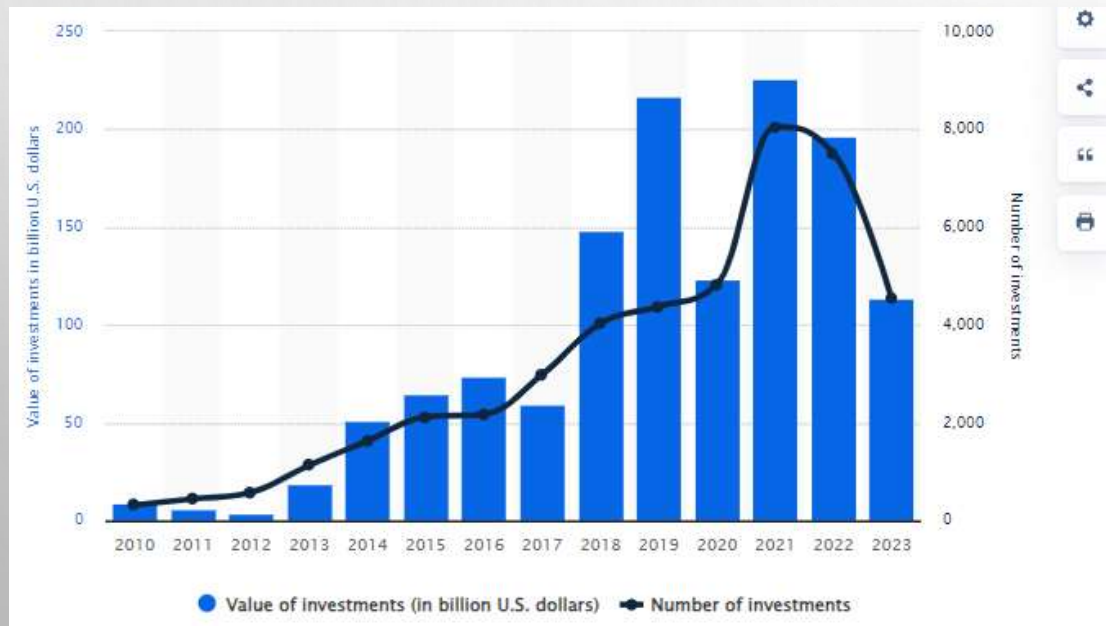


% change YoY of new consumer credit granted by products

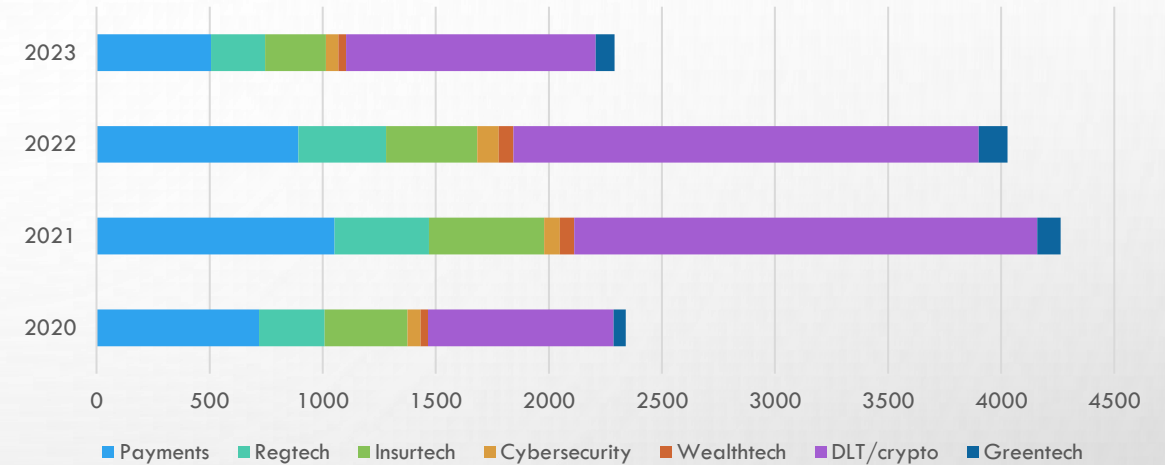


# FINTECH

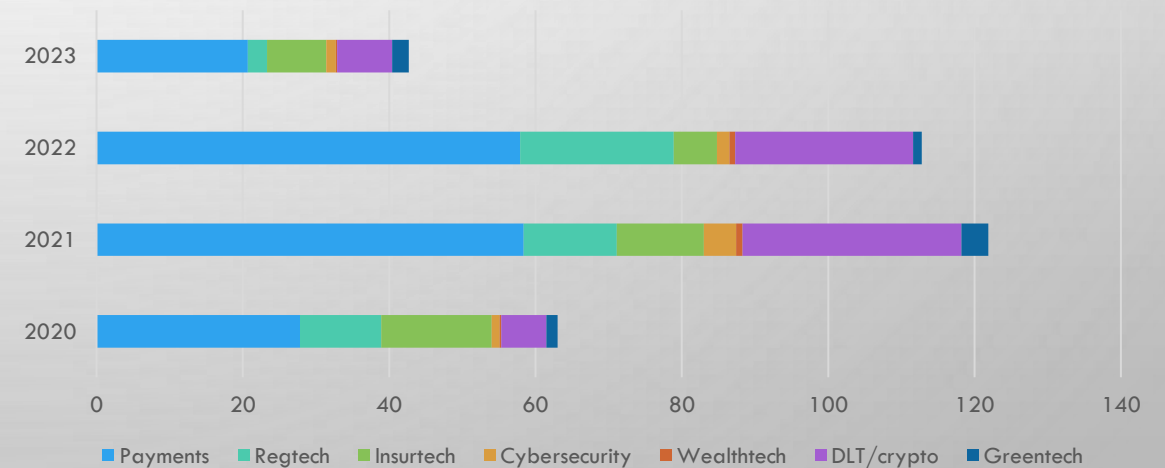
Finance + ICT: payments, wealthtech, insurtech, regtech, cybersecurity, DLT/crypto, greentech



Global Fintech by number of deals (VC, PE, M&A)



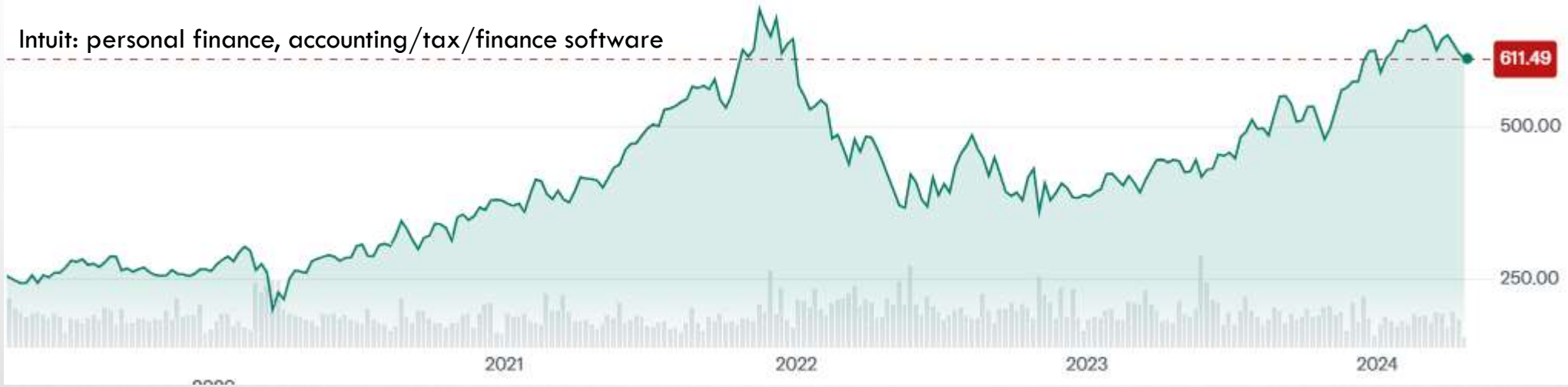
Global Fintech by volume of deals (VC, PE, M&A)



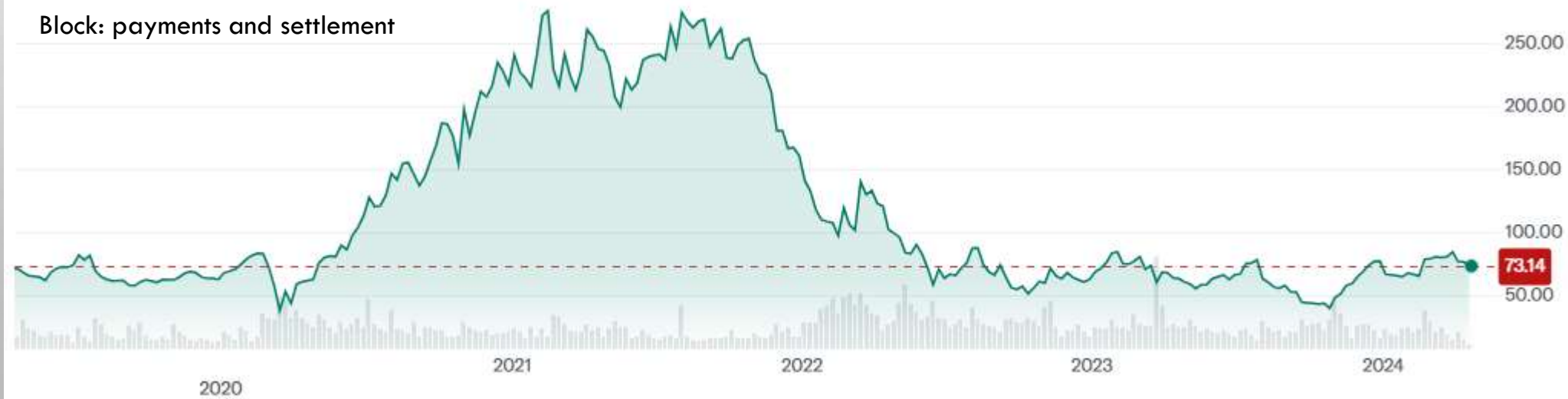


# FINTECH

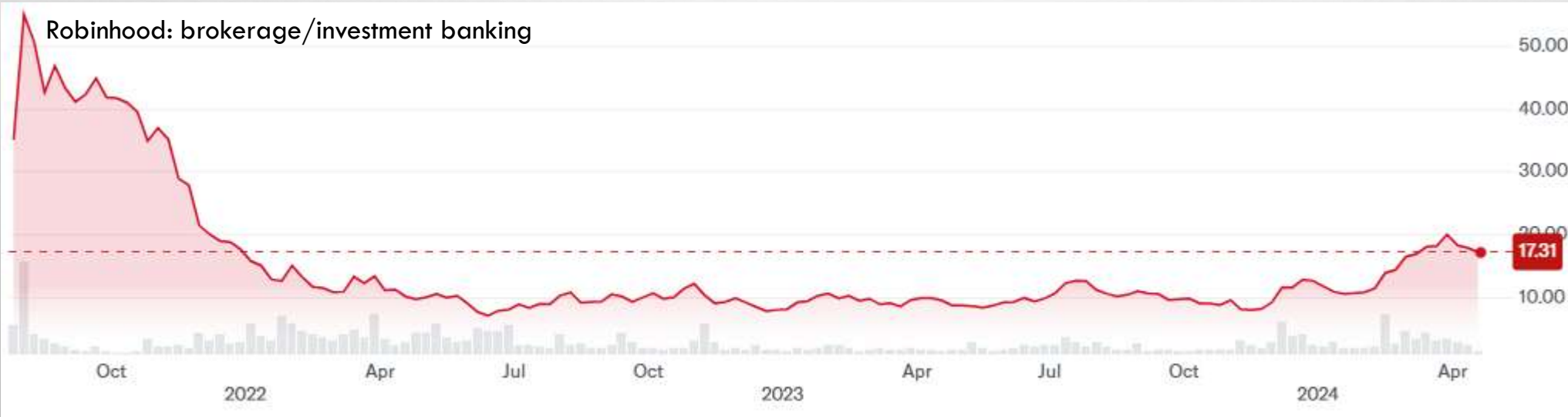
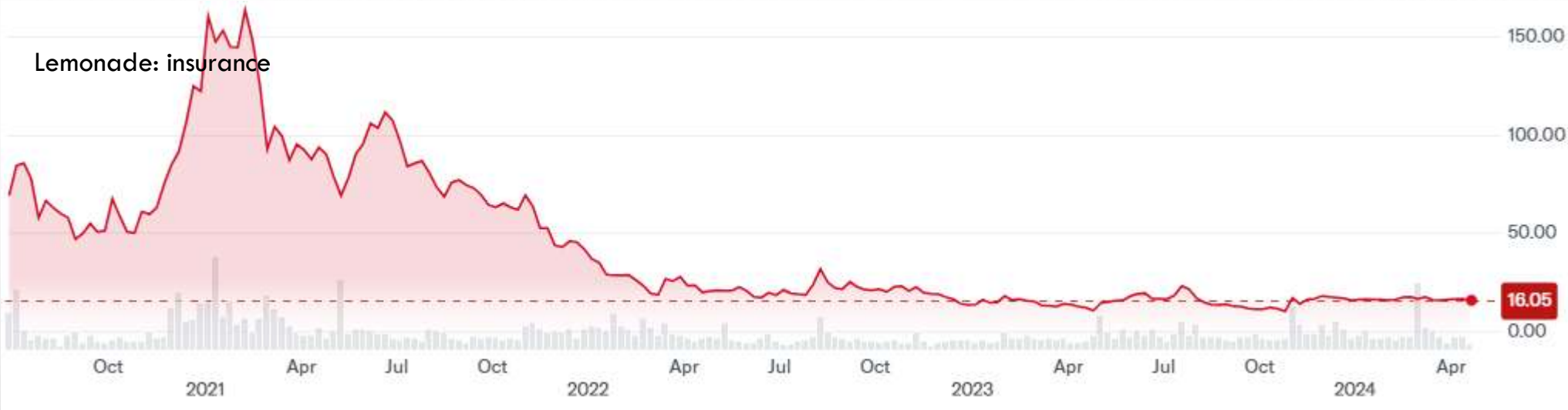
Intuit: personal finance, accounting/tax/finance software



Block: payments and settlement



# FINTECH



# MUTUALITY AND FINANCE

- Issue: limited supply for funding a **large number of small operations** (transaction costs)
- Different **models**:
  - Originally: urban (Schulze-Delitzsch, Luzzatti) and rural (Raiffeisen, Wollemborg) **credit unions**
  - Today: **cooperative banks**, but also **Islamic finance** and **microfinance**
- **Recurring features**:
  - **clients as main owners**,
  - **undistributable profits**,
  - **maximum share ownership**
  - **headcount voting**
- **Challenges**: agency issues and governance, lower efficiency and smaller scale, conflict of interest with politics (tax advantages) and regulation
- Not only credit: MGCI offer **guarantees** to access bank loans

