

FINANCIAL INSTITUTIONS

CORPORATE AND INVESTMENT BANKING REPORT 2025

# Positioning for Growth in Uncertain Times

October 2025



BCG



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# Contents

- 04** Introduction
- 06** State of the Industry
- 11** CIB in 2030—A Scenario-Based Outlook
- 17** Imperatives for CIBs and Capital Markets
- 21** Conclusion
- 22** About the Authors





# Introduction

Corporate and investment banking (CIB) rebounded strongly in 2024, with total revenues rising 4% to \$827 billion—\$989 billion, including non-bank financial institutions. Gains were fueled by sponsor activity, fee-based businesses, equities trading, and momentum in emerging markets. Early results for 2025 suggest the growth trend will continue. Yet behind the rebound lies a sector in flux.

Private capital and non-bank financial institutions (NBFIs) are now central to origination and intermediation. AI is beginning to transform front-to-back workflows from deal sourcing to trade execution. Digital assets and token-based infrastructure are moving from pilots to institutional adoption. And geopolitical fragmentation, once viewed as a risk scenario, has become part of the operating baseline. These shifts mark a structural realignment, reshaping who holds capital, how value is created, and where risk resides.

BCG's annual Corporate and Investment Banking Report offers our latest perspectives on this evolution. Our "State of the Industry" chapter traces how value is shifting and examines the forces driving that migration. We then provide a strategic toolkit for leaders to act on today's opportunities.

Our "CIB in 2030" chapter looks ahead to how value pools, business models, and financial flows could develop through 2030, presenting three plausible pathways grounded in proprietary modeling and recent market signals. Finally, our "Imperatives" chapter outlines how management and boards can respond with a portfolio-based strategy to reinforce today's margins, secure new revenue streams, and build a calibrated presence in emerging domains.

This is a moment of opportunity. While the operating environment is more complex than at any point in the past decade, the industry's fundamentals remain strong. Firms that move decisively to modernize capabilities, expand into high-value segments, and make bold, targeted investments can unlock sustained growth well into the future.



## Key Highlights

>30%

### **CIB Revenues Set to Expand ~30%+ by 2030, Reaching \$1.3 Trillion**

In our most likely scenarios, the global corporate and investment banking wallet, including NBFIs, will expand significantly—with revenues shifting to financial sponsors (or corporates owned by them), while fees from corporates and institutions decline.

>20%

### **Non-Bank Financial Institutions Gain Share of CIB Revenues Pools (from 2010: 3%; 2024: 16%)**

By 2030, NBFIs are projected to account for up to 22% of total CIB revenue pools (up from 3% in 2010 and 16% in 2024) and 30% of trading revenues.

25%–40%

### **AI to Free up to 25%–40% CIB Banker Capacity as Pilots Scale to Programs**

By 2030, productivity could rise 25% to 40% for corporate and investment bankers and 20% to 35% for operations teams. These gains are accelerating the shift from isolated pilots to CEO-backed transformation programs anchored in a handful of high-value enterprise initiatives.

\$3T

### **Stablecoins to Reach \$3 Trillion Market Cap by 2030**

Stablecoins are expected to scale to more than \$3 trillion market cap by 2030, moving from fringe experimentation to core digital market infrastructure, alongside a broader wave of digital assets.

+4pp

### **EMEA and APAC to Gain Share of Global CIB Revenue Mix from US**

Escalating tariffs and controls in early 2025 signal a deeper structural break. Protectionism and regulatory divergence are redrawing trade, capital, and technology patterns—and reshaping revenue pools for CIBs in Europe, Asia, and the US.

+3pp

### **FICC and Equities Positioned to Benefit**

Fixed income, currencies, and commodities plus equities trading are the biggest winners in tech-forward environments, especially in scenarios with NBFI expansion.

–4pp

### **Corporate Banking's Share of Product Mix Faces Greatest Disruption**

Corporate banking is the most exposed segment in our surge in tech and alternatives scenario, given the increased pressure from digital platforms and NBFIs.

8pp

### **RoTE Gap Between Leaders and Laggards Widens to 8pp (from 6pp in 2024)**

Leaders are expected to widen their return-on-tangible-equity advantage over laggards to 8 percentage points by 2030, primarily via scale and AI-led efficiency.

25%

### **Focus 25% of Strategic Efforts on Targeted Bets in High-Conviction Arenas**

Firms that double down on advantaged areas, scale selectively, and place targeted bets on emerging growth areas will outperform in the decade ahead.



# State of the Industry

Global corporate and investment banking marked another year of growth in 2024 and continued strong momentum in 2025.

Since 2023, CIB revenues, excluding NBFIs, have grown 4% to reach \$827 billion in 2024. In 2024, momentum has been strongest in investment banking, with exceptional growth in equity capital markets (up 54% YoY) and debt capital markets (up 39% YoY), and in equities (up 18% YoY). By contrast, fixed income, currencies, and commodities (FICC) were flat, and corporate banking revenues declined. (See **Exhibit 1.**) Growth of CIB continued into 2025, with H1 revenues up 5% YoY, driven by strong equities (up 21% YoY) and growing FICC (up 9% YoY); investment banking fees and corporate banking were flat.

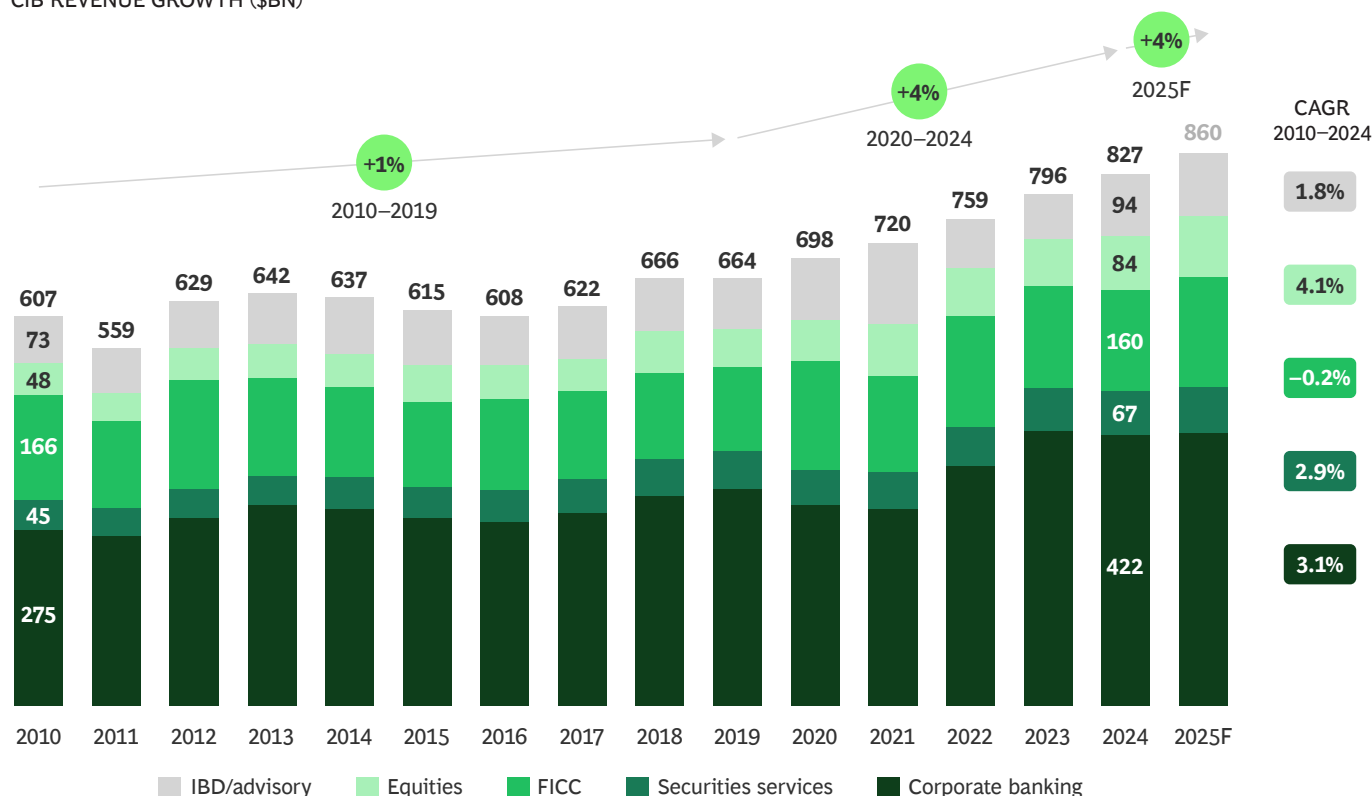
Yet these headline gains conceal a more complex reality. Beneath the surface, market structure, competitive dynamics, and capital flows are shifting. The industry is contending with new sources of capital, rapidly scaling technologies, and an unsettled geopolitical backdrop—all of which are reshaping how value is created. The sections that follow trace how these forces are playing out in practice.



## EXHIBIT 1

# CIB Revenues Rebound After a Decade of Slow Growth

CIB REVENUE GROWTH (\$BN)



Sources: BCG analysis; BCG Expand.

Note: Total revenue stack excludes NBFi revenue; CIB large cap corporate revenue pools (>\$1 billion in turnover) in open markets, excludes commercial lending; CIB = corporate investment and banking; FICC = fixed income, currency, and commodities; IBD = investment banking division.

## Private Markets and NBFIs Extend Their Reach

Sponsors, such as private equity firms, and alternative capital providers are becoming central to capital formation, especially in mid-cap and growth sectors. In 2010, revenues of non-bank financial institutions (NBFIs) represented less than 5% of the global CIB revenue pool. Now they account for more than 15%. Lean cost structures, specialist expertise, and freedom from regulatory capital requirements give them a natural edge. Their reach now spans the CIB value chain—from lending and advisory to markets activity. (See [Exhibit 2](#).)

Private credit funds have been a key player in this shift, stepping into lending opportunities where banks face capital or regulatory constraints. Today they account for 11% of global lending pools and are expanding beyond direct lending into asset-based finance, net asset value facilities, and warehouse platforms.

Non-bank liquidity providers now account for about 20% of global trading revenues, particularly in highly electrified, lower-margin asset classes. Their speed, advanced technology, and agile risk management helped deliver a standout 2024. Continued volatility, including from shifting trade and tariff dynamics, should sustain momentum, with their share expected to reach 30% by 2030. Boutique investment banks are also gaining ground and could capture 20% of investment banking revenue by the end of the decade.



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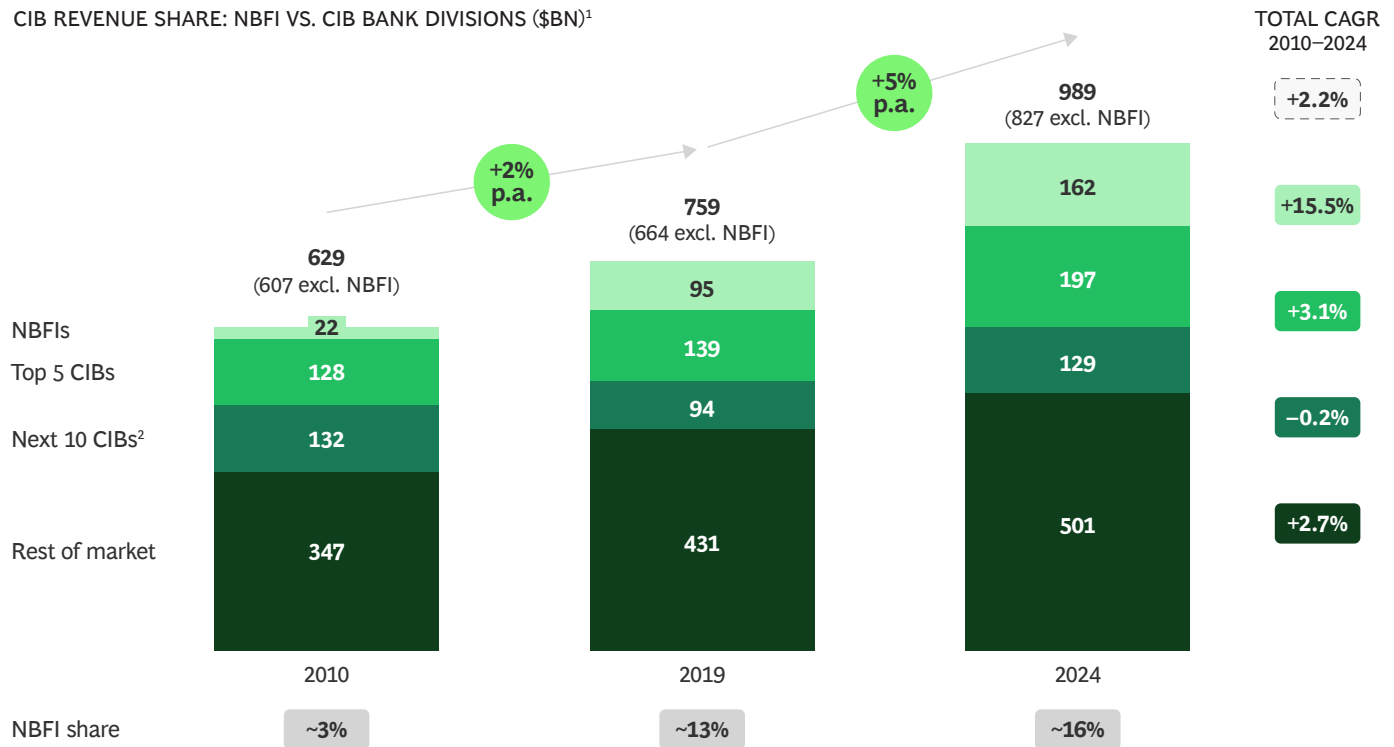




## EXHIBIT 2

# Non-Bank Financial Institutions Command a Growing Share of CIB Revenues

CIB REVENUE SHARE: NBFI VS. CIB BANK DIVISIONS (\$BN)<sup>1</sup>



Sources: BCG analysis; BCG Expand.

Note: CIB large cap corporate revenue pools (>\$1 billion turnover) in open markets.

<sup>1</sup>Revenues including securities services. <sup>2</sup>2010 “next 10 CIBs” view is top 6–14, as Jefferies CIB breakdown not available, included in 2019 and 2024.

## AI Adoption Expands Beyond Isolated Use Cases

AI in corporate and investment banking has evolved from its origins in predictive analytics focused on risk modeling and recommendation systems to a core engine of transformation. These new capabilities are changing how work gets done, how firms compete, and where value is created.

Between now and 2030, the largest productivity gains will come in corporate relationship management, investment banking, and operations. Productivity among junior bankers could rise by 25% to 40% in some banks, while operations teams may see 20% to 40% improvements. Attention is also shifting to senior banker productivity. With successful AI use cases—from client meeting preparation to prospecting—senior bankers are beginning to use these tools to unlock efficiencies and create new value in their day-to-day work.

Top firms are pushing further, launching CEO- and CIO-backed programs focused on strategic transformation. Instead of diffuse use cases, leaders are concentrating on four to six enterprise initiatives, selecting those with measurable P&L impact and giving them defined charters and owners.

Program management offices, structured “shark tank” funding rounds, and charter-driven execution models are emerging as new norms for top banks. Several are also setting explicit AI transformation targets as part of their “Investor Day” commitments to build accountability and sustain momentum. In many groups, AI announcements now take center stage, reflecting both the greater maturity of solutions in CIB and their outsized impact across the wider bank.

## Digital Assets and Tokens See Growing Institutional Interest

After years of hype and hesitation, digital assets are gaining traction, driven by regulatory clarity, technical progress, and integration into institutional workflows. Stablecoins are at the center of this shift. Projected to reach \$3 trillion in market capitalization by 2030, they represent the most mature form of digital money today. See our recent **BCG x Ripple** report for more details.

Financial institutions and financial technology firms are actively piloting coin-based solutions for wholesale payments, liquidity pooling, cross-border settlements, and client wallets. Additional applications are emerging across capital markets and transaction banking, from tokenized bonds to programmable stablecoins. Firms like Circle and JPMorgan are also testing stablecoins for foreign exchange settlement, securities payments, and business-to-business treasury.

Tokenization and real-world assets are gaining momentum, especially in repo transactions, collateral, and structured products, where they can enable new levels of precision, automation, and traceability. Leading institutions are exploring digital issuance and settlement models for fixed income, fund shares, and alternatives, while exchanges and custodians are building out supporting infrastructure. Although volumes are low, the promise of cost savings, enhanced liquidity, and better post-trade efficiency is igniting heightened interest in full-stack tokenized workflows.

This shift is extending to the infrastructure layer. For example, some exchanges are embedding tokenization into core listing, clearing, and settlement systems. Those moves position infrastructure players to influence emerging standards, interoperability, and governance. Early examples include tokenized bond pilots on regulated exchanges and collateral tokenization platforms aimed at unlocking capital efficiency.

## Geopolitical Shifts Alter the Global Financial Map

The US government's 2025 tariff agenda has accelerated a realignment already in motion. Trade flows are shifting, reserve strategies are diversifying, and de-dollarization is gaining ground.

Across Asia, Africa, and Latin America, renminbi use is rising, enabled by bilateral swap lines, non-dollar settlement rails, and digital currency pilots. The BRICS bloc—Brazil, Russia, India, China, and South Africa—is deepening financial cooperation, with new cross-border payment frameworks designed to reduce reliance on US-centric systems.

Capital markets are being redrawn as well. With issuance and liquidity flows becoming more regional, the relative competitiveness of financial centers is in flux. Europe has steadily lost ground over the past decade; to compete, the EU must revive its Capital Markets Union agenda and pursue a deeper, more integrated framework. Asia, by contrast, is gaining momentum, driven by domestic investor growth, cross-border listings, and government-backed digital infrastructure.

For banks and capital market providers, these shifts are forcing a rethink of network design, operating models, and regulatory posture. Institutions must reassess international footprints, reconfigure booking and liquidity hubs, and localize risk, compliance, and capital management.

The state of the industry reveals that long-standing assumptions about technology, regulation, and globalization no longer hold. To navigate what comes next, leaders must track how these forces converge and game out their implications.





# CIB in 2030— A Scenario-Based Outlook

The near-term outlook for capital markets is stable. But look five years out, and the ground gets less certain—and more consequential. Because linear forecasts don't work, leaders need to plan a range of possible futures.

This chapter lays out three scenarios, built from rigorous modeling, proprietary benchmarks, and global industry data, informed by client conversations. (See [Exhibit 3](#).) They're designed to help firms test strategies, surface risks, and clarify the conditions needed to stay ahead.

Each of these scenarios will shape revenue growth for corporate and investment banks, including NBFIs, through 2030. Profitability and return on tangible equity (RoTE) will also diverge sharply, widening the gap between industry leaders and laggards. (See [Exhibit 4](#).)

## EXHIBIT 3

# CIB Growth Could Follow Three Distinct Paths Through 2030

	1	2	3
	Base case scenario Secular industry trends continue at current pace	Surge in tech and alts Tech and private markets accelerate sharply	Shift to regional markets Increased regional fragmentation and shift toward EMEA and APAC
Rise of non-banks (NBFIs)	↗ NBFIs reach up to 20% of CIB fee pools; no regulatory hindrance	↑ NBFIs create a revenue pool up to >20% of CIB fee pools	↔ Follows base case assumptions
GenAI advancement and tech disruption	↗ Efficiency focused on mid/back-office; 70% e-trading	↑ GenAI is reshaping E2E workflows; 90% of trading via e-platforms	↔ Follows base case assumptions
Adoption of digital assets and DLT	↗ Stablecoins replace <5% of global commercial money; minimum institutional uptake	↑ Stablecoins replace 10%–15% of global commercial money; tokenized assets reach >5% of AUM	↔ Follows base case assumptions (but with higher institutional uptake of stablecoins ex-US)
Global fragmentation	↔ No further decoupling of regional capital markets	↔ Follows base case assumptions	↑ US influence wanes and EMEA and APAC gain ground

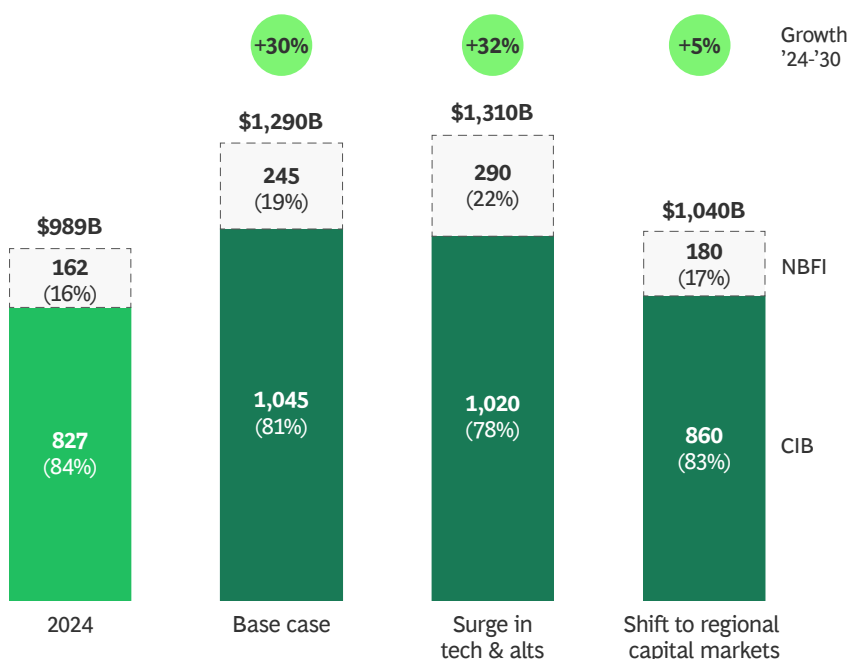
Sources: BCG publications and analysis.

Note: APAC = Asia-Pacific; AUM = assets under management; DLT = distributed ledger technology; EMEA = Europe, Middle East, and Africa; NBFI = non-bank financial institutions.

## EXHIBIT 4

# CIBs' Revenue Outlook Varies by Scenario

CIB revenue outlook 2030 across scenarios incl. NBFI<sup>1</sup>



CIB profitability metrics

CIR (%) <sup>2,3</sup>			
2024	71	58	55
Base case	68	56	53
Surge in tech & alts	67	56	50
Shift to regional CM	70	60	55
	Laggards	Industry average	Leaders
RoTE (%) <sup>2,3</sup>			
2024	10	15	16
Base case	10	16	17
Surge in tech & alts	10	17	18
Shift to regional CM	9	13	15
	Laggards	Industry average	Leaders

Sources: BCG analysis; BCG Expand data.

Note: Negligible differences in shares due to rounding and variation in projections; leaders represented as 80th percentile of top 15 CIBs by revenue and laggards as 20th percentile of top 15 CIBs by revenue; CIR = cost to income ratio; NBFI = non-bank financial institutions; RoTE = return on tangible equity. <sup>1</sup>Includes advisory and markets, and lending. <sup>2</sup>CIR & RoTE as weighted average based on revenue and capital, respectively. <sup>3</sup>Range built by using minimum and maximum values for CIR & across segment averages IBD, CB, markets.

# Scenario 1 (Base Case): Prepare for Steady Value Migration

If the forces outlined in our “State of the Industry” chapter persist at their current pace, CIB revenues will grow at 4% annually through 2030, reaching \$1.3 trillion. (See **Exhibit 5**.) Banks will retain roughly 80% of the pool, with non-bank providers nearing one-fifth. The product mix shifts slightly from today’s levels. Investment banking rises from 11% to 12%, corporate lending slips from 51% to 50%, and profitability improves modestly—with RoTE averaging 16% and cost-to-income ratios trending toward 56%.

AI investment holds at less than 1% of revenue for most institutions. Digital assets draw interest, but stablecoins stay under 5% of commercial money and tokenized assets under 2% of assets under management (AUM). Even without an acceleration in any disruptive trend, value migration continues:

- **Non-banks gain ground.** NBFIs grow from 16% to nearly 20% of revenues, and private markets reach \$24 trillion in AUM. While not explosive, the share shift confirms steady encroachment from sponsor-backed platforms, advisory boutiques, and non-bank market makers.
- **Private markets test the core.** Sponsors drive 12% of

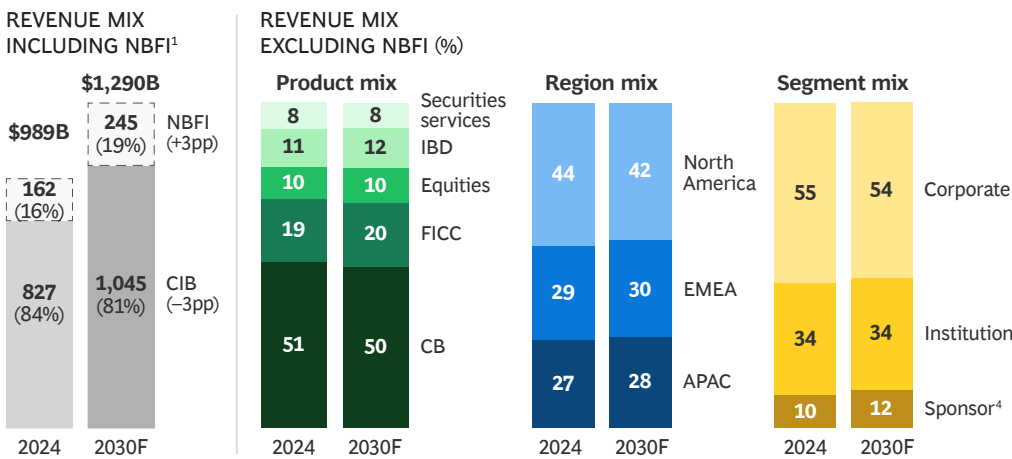
segment revenues (up from 10%). Their growing role in capital formation and deal flow puts pressure on banks, especially in leveraged finance, structured credit, and event-driven transactions.

- **Fee-based revenues matter more.** Investment banking rises modestly as a share of revenue, while corporate lending and net interest income declines, pushing banks to re-weight toward higher-value segments and clients to protect margin and relevance.
- **Modernization becomes mandatory.** E-trading surpasses 70%, reflecting ongoing market digitization. Even without a burning platform, this uptick adds pressure for banks to upgrade trading, data, and workflow infrastructure.

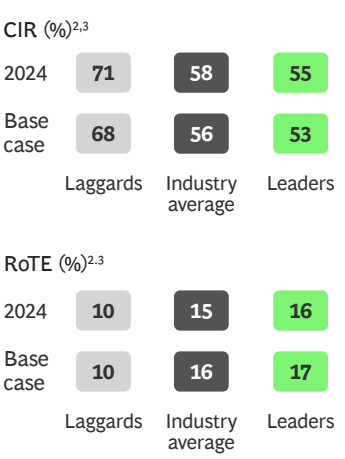
## EXHIBIT 5

### Base Case Projections Suggest 30+% Revenue Growth by 2030

#### Projected CIB revenues and mix by 2030



#### CIB profitability metrics



**Sources:** BCG analysis; BCG Expand data.  
**Note:** Total revenue stack includes securities services; CIB large cap corporate revenue pools (>\$1 billion turnover) in open markets; all figures rounded; leaders represented as 80th percentile of top 15 CIBs by revenue and laggards as 20th percentile of top 15 CIBs by revenue; APAC = Asia-Pacific; CB = corporate banking; CIR = cost to income ratio; EMEA = Europe, Middle East, and Africa; FICC = fixed income, currencies, and commodities; IBD = investment banking division; NBFI = non-banking financial institutions; RoTE = return on tangible equity.  
<sup>1</sup>Includes advisory and markets, and lending. <sup>2</sup>CIR & RoTE as weighted average based on revenue, and capital, respectively. <sup>3</sup>Range built by using minimum and maximum values for CIR & RoTE across segment averages (IBD, CB, markets). <sup>4</sup>Defined as financial sponsor clients and corporates owned by financial sponsors.



## Scenario 2: Brace for a Surge in Tech and Alternatives

While the base case is the minimum expectation, directional indicators suggest NBFIs, AI-driven advances, and digital assets will experience stronger tailwinds over the next five years. This convergence will redistribute value pools. Total CIB revenues stay at a similar level as in the base case (~\$1.3 trillion).

Private capital will further displace traditional lending, boosting growth in advisory, credit structuring, and sponsor coverage. NBFIs will gain share in markets and investment banking. AI deployments will scale, enabling significantly greater front-to-back efficiency, and digital assets will create new capabilities in payments, custody, and capital markets.

The overall result is a higher-growth but more competitive CIB landscape, where traditional banks must move beyond their core and specialize, partner, and modernize to defend returns. These are the main takeaways:

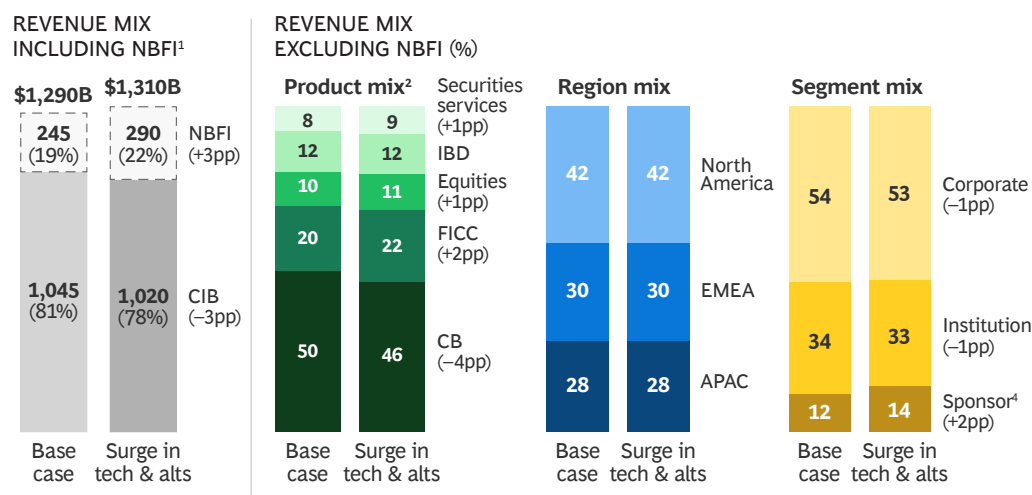
- **Profitability bifurcates.** Cost-to-income ratios stay flat, but split sharply. Leaders that embrace full-stack AI and redesign platforms reduce cost by up to 17 percentage points compared to laggards. RoTE rises modestly from 16% to 17%. But the spread between laggards and leaders widens by 8 percentage points, with bottom performers weighed down by complexity and underinvestment. (See [Exhibit 6](#).)

- **FICC and equities are clear winners.** FICC sees broad upside across all three trends: private capital boosts credit trading, AI improves productivity, and digital assets enable new instruments. Equities benefits from NBFI expansion and tokenization; however, AI impact is more modest. Securities services also gain from AI-driven automation and digital asset custody growth. Sponsor-related revenues expand as private market clients dominate origination and financing.
- **Corporate banking shows the steepest decline.** Disintermediation by private capital and tokenized alternatives weakens banks' lending role. AI and digital tools compress margins and rewire credit processes, compressing margins. Corporate banking's share of the product mix shrinks from 50% to 46% as banks lose share in advisory and financing to more agile NBFIs. Institutional revenues are largely neutral, reflecting offsetting forces: efficiency gains versus margin pressure.
- **Additional implications.** While flow remains central, markets and securities services gain strategic weight, especially as tokenization and AI reshape client service and operating models. As with FICC and equities, the product mix shifts toward fee-driven businesses, making scale and specialization more important than sheer breadth. Digital assets begin to reshape custody, liquidity, and capital formation, requiring new infrastructure and regulatory capabilities. GenAI reduces inefficiency across the value chain, with the most immediate impact in underwriting, servicing, and client meeting preparation.

### EXHIBIT 6

## NBFIs to Take 22% of Revenue Share as RoTE Gap Widens

### 2030 revenue base scenario versus surge in tech and alternatives



### CIB profitability metrics

CIR (%) <sup>2,3</sup>			
Base case	68	56	53
Surge in tech & alts	67	56	50
Laggards		Industry average	Leaders
RoTE (%) <sup>2,3</sup>			
Base case	10	16	17
Surge in tech & alts	10	17	18
Laggards		Industry average	Leaders

Sources: BCG analysis; BCG Expand data.

**Note:** Total revenue stack includes securities services; CIB large cap corporate revenue pools (>\$1 billion turnover) in open markets; all figures rounded; leaders represented as 80th percentile of top 15 CIBs by revenue and laggards as 20th percentile of top 15 CIBs by revenue; APAC = Asia-Pacific; CB = corporate banking; CIR = cost to income ratio; EMEA = Europe, Middle East, and Africa; FICC = fixed income, currencies, and commodities; IBD = investment banking division; NBFI = non-banking financial institutions; RoTE = return on tangible equity.

<sup>1</sup>Includes advisory and markets, and lending. <sup>2</sup>CIR & RoTE as weighted average based on revenue, and capital, respectively. <sup>3</sup>Range built by using minimum and maximum values for CIR & RoTE across segment averages (IBD, CB, markets). <sup>4</sup>Defined as financial sponsor clients and corporates owned by financial sponsors.

# Scenario 3: Hedge Against a Shift to Regional Capital Markets

Should geopolitical fragmentation intensify, we'll see growing divergence in regulatory regimes, capital mobility, and financial infrastructure. Capital markets will regionalize, particularly across Asia and Europe, forcing CIBs to rethink legal structures, booking models, and cross-border strategies. NBFi expansion, GenAI, and digital assets progress, but at a slower and more uneven pace as local compliance burdens increase and global scale advantages erode.

This scenario would see a lower CIB revenue pool as compared to base case or our "Surge in Tech and Alternatives" scenario, yet still ~5% above 2024 levels. (See [Exhibit 7](#).) Here's how the implications would play out:

- **The global revenue pool shrinks relative to the base case.** US share declines as Asia-Pacific and Europe, the Middle East, and Africa grow. Global institutions face mounting legal, capital, and operational complexity from maintaining multi-market coverage. Local firms and regional champions gain ground, benefiting from agility and proximity.

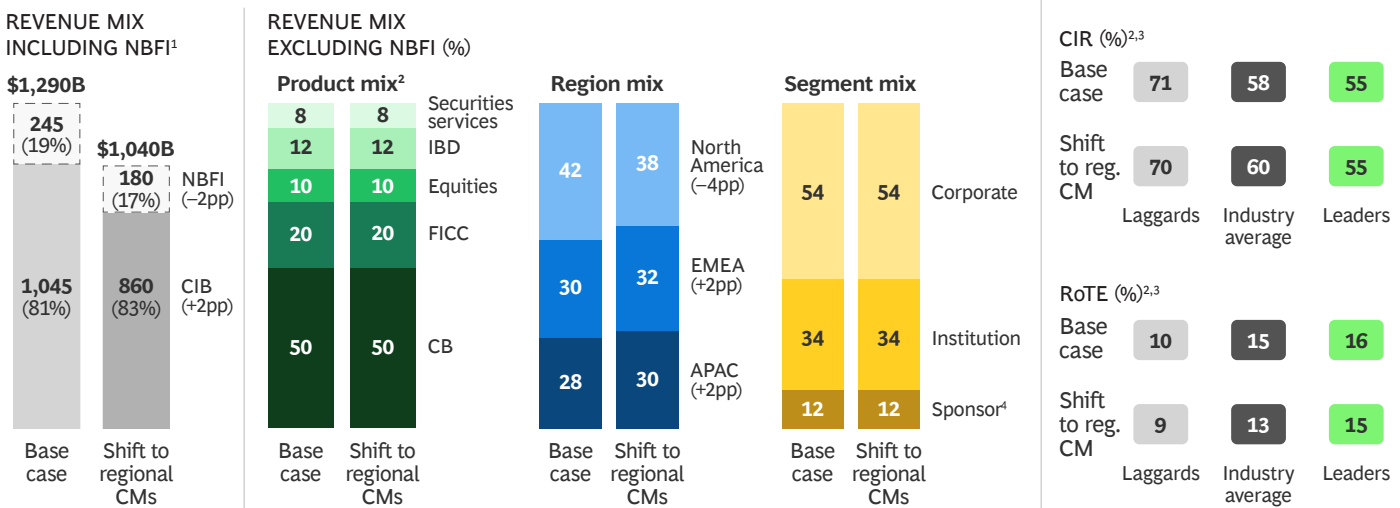
- **Profitability metrics for the industry deteriorate.** Margins compress. Global scale becomes harder to monetize. RoTE declines below 16%, with global firms hit hardest. Regional firms that can scale locally and selectively connect across borders perform better.
- **Digital assets and AI continue to develop but in uneven ways.** AI and digital assets still evolve, but under tighter regional frameworks, limiting interoperability and slowing adoption. Jurisdiction-specific regimes drive divergence in standards, protocols, and auditability.
- **Success hinges on regional focus.** CIBs will establish local value chains, building product depth tailored to domestic clients and adapting global platforms to divergent standards. Scale still matters, but regional scale eclipses global scale in some areas.

While these models are not mutually exclusive, they make clear that banks, infrastructure providers, and market participants must prepare for a range of outcomes and adapt their portfolios, operating models, and partnerships to succeed under multiple versions of the future.

## EXHIBIT 7

### EMEA and APAC to Gain +4pp Share of Global Revenue Mix from US

2030 revenue base scenario versus shift to regional capital markets



Sources: BCG analysis; BCG Expand data.  
Note: Total revenue stack includes securities services; CIB large cap corporate revenue pools (>\$1 billion turnover) in open markets; all figures rounded; leaders represented as 80th percentile of top 15 CIBs by revenue and laggards as 20th percentile of top 15 CIBs by revenue; APAC = Asia-Pacific; CB = corporate banking; CIR = cost to income ratio; EMEA = Europe, Middle East, and Africa; FICC = fixed income, currencies, and commodities; IBD = investment banking division; NBFi = non-banking financial institutions; RoTE = return on tangible equity.  
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Should geopolitical fragmentation intensify, we'll see growing divergence in regulatory regimes, capital mobility, and financial infrastructure.







# Imperatives for CIBs and Capital Markets

Now that we understand what the future might hold, the key question is how to prepare for it.

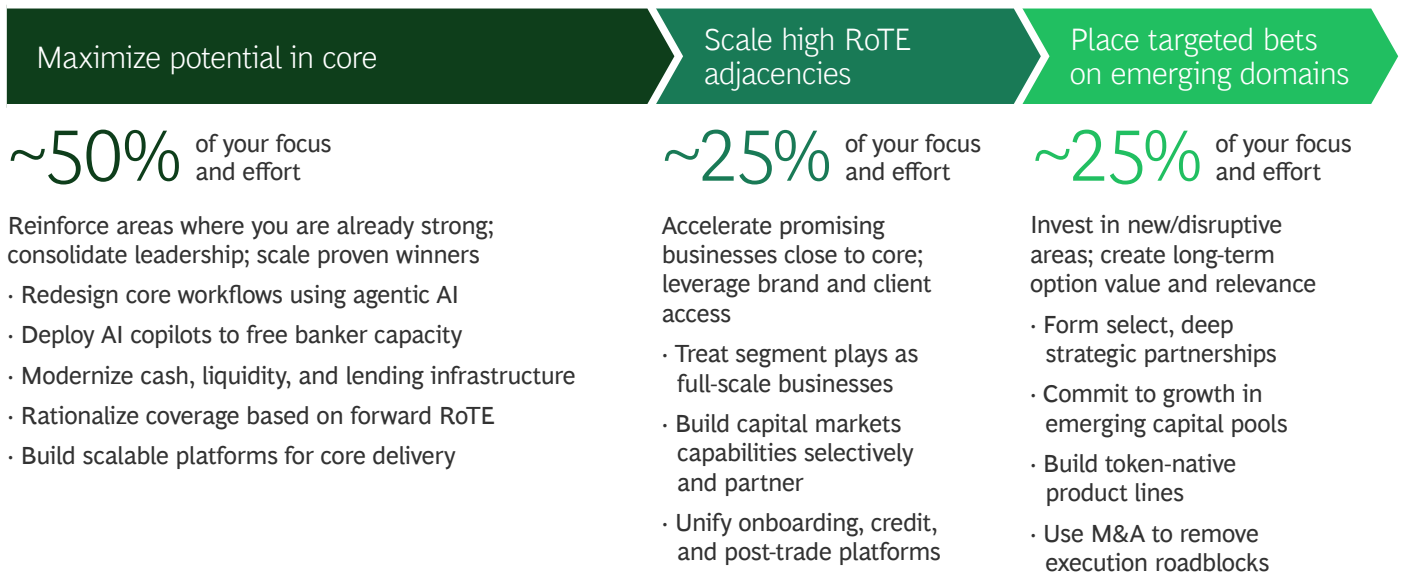
Each of the modeled scenarios—steady value migration, a surge in tech and alternatives, and regional fragmentation—point to the same truth: advantage will favor firms that act early and decisively, scale selectively, and build resilience into their foundations. Decisions made in the next 12 to 24 months will shape competitive positioning for the decade ahead. To balance near-term performance with long-term resilience across multiple futures, banks must adopt a portfolio-based strategy. (See **Exhibit 8.**)

Next, we show what this looks like, outlining imperatives that apply across all three scenarios and indicating how they play out depending on which trajectory materializes.

## EXHIBIT 8

# CIBs Can Turn Uncertainty into Advantage by Taking a Portfolio Approach to Strategy

### FOCUS AREAS FOR STRATEGIC CHOICES



Source: BCG case experience.

Note: RoTE = return on tangible equity.

## Maximize Potential in the Core (50% of Effort)

With growth at risk across all scenarios, leaders must take a tougher stance on cost, deepen coverage impact, and raise the RoTE bar for every segment. Here's how.

- **Redesign core workflows using agentic AI.** Many CIBs still operate with fragmented, high-friction processes. Credit approvals, onboarding, and servicing are common examples. Leading firms are reimagining these workflows end to end, sequencing changes across functions and embedding agentic AI to orchestrate entire front-to-back journeys. Based on our casework, top global banks are targeting 10% to 15% cost reductions from such redesigns, often as part of major CEO- or CIO-led initiatives.
- **Deploy AI copilots to free banker capacity.** Many CIB relationship managers spend a high percentage of their day in prep. GenAI copilots are beginning to flip that ratio. Leaders focus on fast-turnaround tasks—pitchbooks, term sheets, client meeting briefs—and track gains using hard metrics like proposal velocity, win rates, and cross-sell lift. Advisor productivity at one global CIB jumped between 20% and 40% after it deployed AI-enabled processes to assist relationship managers across the full client workflow.
- **Modernize cash, liquidity, and lending infrastructure.** Banks should upgrade treasury and funding platforms. While serious investments, these advances can deliver important margin gains and facilitate the integration of token-based capabilities. For example, updates to treasury platforms can enable real-time payments, automated sweeps, and programmable tools, and cut costs significantly.
- **Rationalize coverage based on forward RoTE.** Most institutions know they need to reallocate capital and talent toward higher-return segments, but few have done so decisively. Top CIBs are making tough calls: scaling back in low-yield sectors, shifting experienced talent, and concentrating depth where growth and cross-sell potential are strongest.
- **Build scalable platforms for core delivery.** To protect margins as fee-based revenues expand, CIBs should industrialize delivery in high-volume, standardized areas—especially in markets and investment banking. Embedding AI-driven pricing, straight-through processing, and self-service tools can boost throughput while significantly reducing unit costs.

## Scale High-RoTE Adjacencies (25% of Effort)

Segments such as small and mid-cap investment banking, sponsor finance, prime, and cross-border transaction banking were once treated as tactical extensions of the core. Today, they are emerging as strategic growth engines. But many banks still manage them in silos, with fragmented coverage, diluted accountability, and uneven investment holding back their potential. Here's how to build advantage:

- **Treat segment plays as full-scale businesses.** Banks should focus where they have the assets, talent, and client access to lead—and commit. Instead of incremental growth, they should concentrate on long-term franchise building to capture market share in specific client segments such as hedge funds or sponsors. Winners will back high-return adjacencies with dedicated leadership, capital, and full P&L ownership. One global investment bank, for example, rebuilt its sponsor client business into a standalone business. CIBs will need to differentiate through proprietary insights, smarter AI usage, and deeper strategic partnerships. Sponsors, for instance, are increasing AI adoption and will expect CIBs to provide true value-added services over and above the information they can obtain themselves.
- **Build capital markets capabilities selectively and partner.** For midsize and regional banks, global market capabilities remain an important lever for differentiation and client relevance. Yet building them fully in-house is not always efficient or necessary. Leading players are adopting a hybrid model: developing core offerings in areas such as foreign exchange and swaps to anchor client relationships while partnering with external providers to deliver scale, efficiency, and breadth in more technology-intensive activities such as cash equities, securitization, or US Treasuries. This approach allows regional banks to stay close to clients and reinforce profitability in priority areas. Several institutions are pursuing this path, tailoring their strategies around client needs while leveraging external ecosystems.
- **Unify onboarding, credit, and post-trade platforms.** Most banks have modernized core systems for large-cap clients and high-volume flow businesses. But in high-ROTE adjacencies, infrastructure often remains siloed. Leading firms are building unified servicing layers that span desks and geographies. Paired with embedded self-service for trade execution, pricing, and research, these platforms can unlock faster growth and higher segment margins. Client services and life-cycle management have also emerged as key focus areas in AI transformation programs, helping banks boost productivity.

## Place Targeted Bets on Emerging Domains (25% of effort)

CIBs must also focus investment in two or three high-conviction arenas, for example custody, tokenized infrastructure, or new liquidity hubs. If technology adoption accelerates, these platforms can scale quickly; if markets fragment, they provide local footholds where new rails and liquidity pools emerge.

- **Form selective but deep infrastructure partnerships.** Forward-leaning banks are partnering with NBFIs, fintechs, and tokenization platforms to gain faster, cheaper access to core infrastructure. In flow trading, for example, one bank reduced onboarding costs by 30% by integrating with a digital-native platform rather than building in-house. Another partnered with a regional stablecoin issuer to test wholesale liquidity tools tied to real-time settlement. (See the sidebar “**Infrastructure and Technology Players Must Evolve in Lockstep.**”)
- **Commit to growth in emerging capital pools.** In markets like Southeast Asia, Central Europe, and the Middle East, sponsor activity is accelerating. Global banks are moving fast to embed themselves, placing senior dealmakers on the ground and wiring foreign exchange into local platforms. Regional players can compete too, using proximity and local fluency to build sponsor-aligned platforms and partner outward where it counts.
- **Build token-native product lines.** Many firms still treat digital custody, settlement, and liquidity as overlays on legacy infrastructure. Leaders will design these offerings for blockchain-driven speed, programmability, and transparency. These investments deliver capital efficiency, faster settlement, and seamless mobility across asset classes. Based on our experience, banks are investing significantly to build a coin-based collateral pools with real-time pricing and margining aimed at clients active across both tokenized and traditional markets.
- **Use M&A to remove execution roadblocks.** The fastest way to scale in emerging domains is often by acquiring the tech, licenses, or capabilities that are hardest to build. Several firms have used targeted deals to close capability gaps.

By taking a portfolio approach to planning, leaders can leverage uncertainty—and make informed, strategically bold upgrades that will secure their success into 2030 and beyond.



# Infrastructure and Technology Players Must Evolve in Lockstep



Platform, data, and technology providers are becoming the operating system of modern finance, enabling liquidity and connectivity to powering analytics, automation, and compliance. But they too must adapt to meet the shifting need of banks and private markets:

- **Bridge private and public markets.** In private markets, there is a growing need for digital tools and platforms that support capital raising, deal-making, portfolio management and reporting, while also linking private and public capital formation to foster greater connectivity across the ecosystem.
- **Make AI functional within the ecosystem.** AI is raising expectations not only for internal use, but for externally delivered solutions: infrastructure providers will need to embed AI into analytics, risk models, compliance workflows, and execution platforms, transforming not just back-end plumbing but front-end functionality.
- **Enable next-generation digital financial rails.** The adoption of digital assets, including stablecoins and tokenized securities, is redefining the plumbing of financial markets. Infrastructure providers must prepare for a future where programmable money, instant settlement, and on-chain transaction visibility are not fringe innovations but foundational capabilities, impacting everything from payments and foreign exchange markets to collateral management and treasury operations.
- **Strengthen regional capital formation.** As geopolitical fragmentation potentially reshapes capital flows, regional capital market ecosystems will require stronger support from local infrastructure and technology providers. In Europe, Asia-Pacific, and the Middle East, regional champions must step up to reinforce liquidity, improve transparency, and enable regulatory alignment within local markets.

Banks will increasingly look to infrastructure, data, and software partners not only for tools and services, but for joint development of platforms, shared intelligence, and mutual enablement. Asset managers and investors will require deeper integration and faster time-to-insight, while regulators and end users will demand greater transparency and trust. The future of market infrastructure will be shaped through collaboration—between CIBs, NBFIs, infrastructure, data and tech firms, asset managers, investors, and issuers—working together to build the architecture of the next era of finance.





# Conclusion

We've laid out the structural shifts reshaping capital markets, shared three plausible trajectories, and offered a strategic lens to help firms navigate what's next. Now comes the hard part: making choices.

The conditions are in place for bold, informed action. Scenario-based planning can sharpen the signal, but advantage will come down to how leaders allocate capital, stretch capabilities, and shape the organization to respond—not react—as new conditions emerge. That calls for specificity. Which segments are truly under- or overexposed? Which talent pools need to shift today to stay competitive tomorrow? Which infrastructure bets narrow your future degrees of freedom—and which expand them?

Use the portfolio lens to engage your leadership team, pressure test your assumptions, and surface trade-offs early. The most resilient firms won't get everything right. But they'll have rehearsed the moves that others are still scrambling to define.



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