

# UK Investment Banking Review

## First Quarter 2016

UK investment banking revenue in 1Q 2016 totaled \$1.0bn, down 21% year-on-year. Deal volume from UK targeted M&A dropped 34% year-on-year to \$49.3bn. The same trend was seen across fixed income, with DCM volume down 17% year-on-year to \$77.1bn and loan volume down 53% to \$41.8bn. ECM volume dropped 46% year-on-year to \$9.5bn, the slowest start to a year since 1Q 2013

Key highlights from 1Q 2016 were:



**Goldman Sachs**

Led the UK IB revenue ranking in 1Q 2016 with a 12.3% wallet share



**\$571m**

UK M&A revenue of \$571m was the highest quarterly total since 2Q 2008 (\$678m)



**466 deals**

UK domestic M&A activity increased 9% from 1Q 2015



**\$2.1bn**

UK IPOs account for 51% of EMEA IPO volume in 1Q 2016



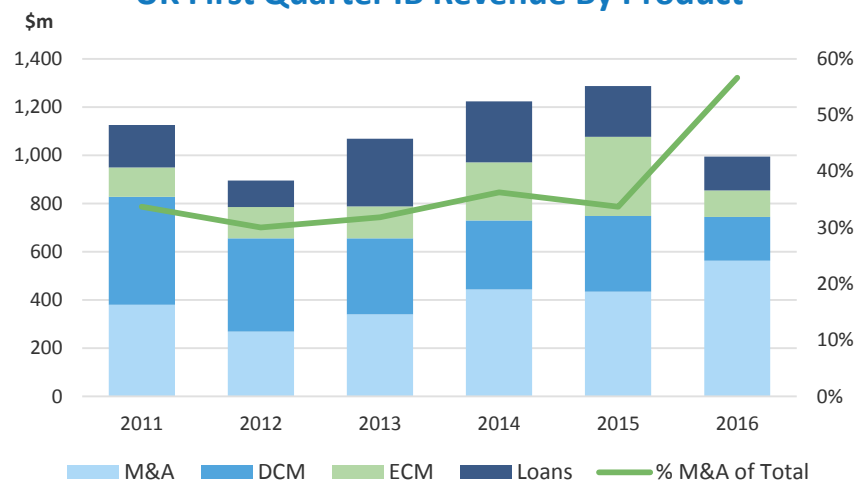
**\$16.3bn**

UK was the leading nationality for Finance targeted M&A globally in 1Q 2016

## UK Markets – Revenue Trends

- **Goldman Sachs** led the 1Q 2016 **UK investment banking (IB) revenue** ranking with a 12.3% wallet share, ranking top for the second consecutive 1Q period. **Perella Weinberg Partners** ranked within the top 10 for the first 1Q on record
- UK IB revenue totaled \$1.0bn in 1Q 2016, down 21% year-on-year and the lowest 1Q total since 2012 (\$895m), although the UK continued to be the top fee paying nation for **European IB revenue** (\$3.8bn) in 1Q 2016, with a 27% wallet share, compared to a 22% quarterly average in 2015
- **M&A** (\$571m) led IB, generating 56% of UK revenue, the highest quarterly share since 2Q 2000 (61%) and highest quarterly revenue since 2Q 2008 (\$678m). M&A revenue was led by **Royal Dutch Shell’s** \$66.0bn acquisition of **BG Group**, and **BT Group’s** \$20.7bn acquisition of **EE** (\$20.7bn), both completing in 1Q 2016
- **ECM** revenue totaled \$110m, down 66% from 1Q 2015 (\$329m) and the lowest first quarter total since 1Q 2008 (\$102m)
- Fees from **DCM** stood at \$181m, the lowest first quarter total since 1Q 2008 (\$156m). Similarly, **syndicated loan** revenue of \$140m dropped to the lowest 1Q level since 2012 (\$110m)

### UK First Quarter IB Revenue By Product

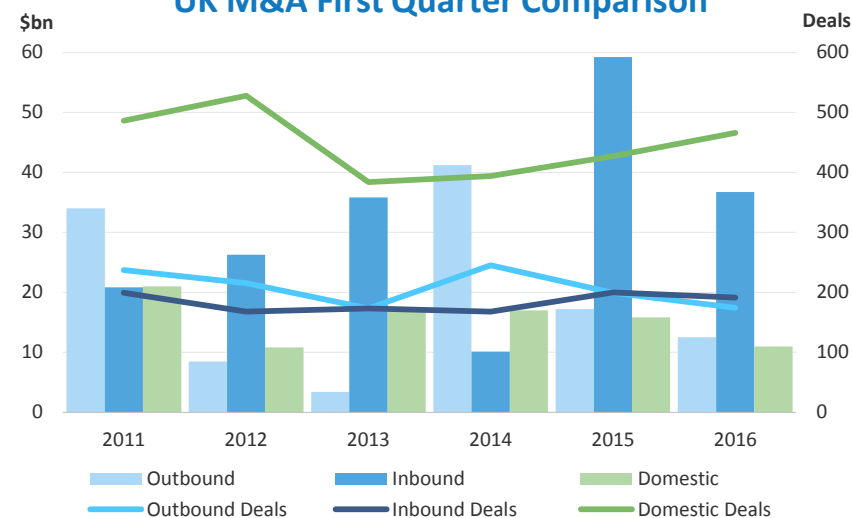


UK Investment Banking Revenue Ranking: 1Q 2016											
1Q 2016 Ranking			1Q 2015		1Q 2014		1Q 2013		1Q 2012		
Rank	Bank	% Share	Rank	% Share	Rank	% Share	Rank	% Share	Rank	% Share	
1	Goldman Sachs	12.3	1	8.0	2	7.6	7	5.7	12	3.0	
2	JPMorgan	10.4	2	6.7	1	9.2	2	8.1	1	7.6	
3	Barclays	6.9	6	4.8	4	6.1	5	7.0	2	7.5	
4	Bank of America Merrill Lynch	5.1	4	5.2	3	6.3	1	8.9	6	4.7	
5	Morgan Stanley	5.1	7	4.6	7	4.3	8	5.2	9	3.3	
6	HSBC	5.0	9	4.0	6	5.2	9	4.3	3	6.1	
7	Robey Warshaw	4.0	-	-	-	-	-	-	-	-	
8	Deutsche Bank	3.8	3	5.4	10	2.5	4	7.4	4	5.6	
9	Perella Weinberg Partners	3.6	-	-	-	-	-	-	-	-	
10	Evercore Partners	3.5	16	1.7	26	1.1	18	1.1	31	0.5	

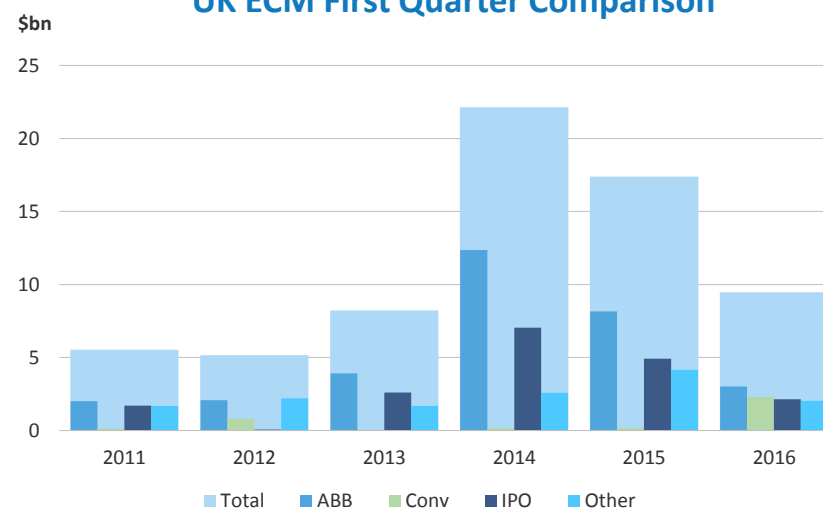
## UK Markets Review – Volume Trends

- UK inbound M&A** volume totaled \$36.73bn via 191 deals in 1Q 2016, the lowest first quarter volume since 2014 (\$10.1bn via 168 deals)
  - For the first 1Q on record, UK, with \$16.3bn via 32 deals, was the leading target nationality for global **Finance** targeted M&A
  - This was primarily due to **Deutsche Borse's** \$14.3bn pending bid for **London Stock Exchange Group**, the largest M&A deal on record globally for **Securities and Commodity Exchanges**
- UK domestic M&A** activity was up 13% (482 deals) from 1Q 2015 (427 deals), marking the highest 1Q activity recorded since 2012 (528 deals)
  - The largest of the UK domestic M&A deals was **J Sainsbury's** \$1.9bn bid for **Home Retail Group**, the largest acquisition by J Sainsbury on record
- UK ECM** volume of \$9.5bn (90 deals) was down 46% from 1Q 2015 (\$17.4bn via 114 deals), marking the slowest start to a year since 1Q 2013 (\$8.2bn via 72 deals)
  - The largest UK ECM deal in 1Q 2016 was **Vodafone Group's** two tranche convertible bond, pricing for \$4.1bn on February 19. The deal was also the biggest ECM transaction globally in 1Q 2016
  - UK IPO** volume dropped 56% from 1Q 2015 to \$2.1bn via 14 IPOs. UK issuance, however, accounting for 51% of EMEA IPO volume (\$4.1bn), the highest first quarter share on record
- UK DCM** volume dropped 17% year-on-year to \$77.1bn, however overall DCM volume was up 50% from 4Q 2015 (\$51.58bn)
  - HSBC** priced a \$7.0bn bond on March 1, the largest HSBC bond issued on record and the joint second largest European FIG bond on record alongside two \$7.0bn bonds issued by **Royal Bank of Scotland** in 2009
  - UK **corporate DCM** volume decreased 42% year-on-year to \$21.1bn via 23 deals, down from \$36.4bn (52 deals) in 1Q 2015, which was the second highest quarterly total on record behind 1Q 2012 (\$36.8bn)
- UK syndicated loan volume** totaled \$41.8bn, down from 1Q 2015 (\$86.5bn) and the lowest 1Q volume since 2013 (\$41.4bn)
  - On January 11, Healthcare company **Shire** signed a \$18.0bn USD-denominated facility for acquisition purposes, the largest UK **Healthcare** loan on record, and in the top 10 largest Healthcare loans on record globally

### UK M&A First Quarter Comparison



### UK ECM First Quarter Comparison



## Top UK Deals – First Quarter 2016

Top Five UK Targeted M&A Deals – 1Q 2016							
Announced	Value \$m	Status	Target	Target Sector	Acquiror	Acq Nat.	Advisors
23-Feb-16	14,311	Pending	London Stock Exchange Group	Finance	Deutsche Boerse AG	Germany	JPMorgan, UBS, Robey Warshaw, Goldman Sachs, RBC Capital Markets, Barclays, SG CIB, Deutsche Bank, HSBC, Perella Weinberg Partners, Bank of America Merrill Lynch
21-Mar-16	6,243	Pending	Markit	Technology	IHS	United States	JPMorgan, Goldman Sachs, Bank of America Merrill Lynch, M Klein & Co, Deutsche Bank
22-Feb-16	3,168	Pending	Brake Bros	Food & Beverage	SYSCO	United States	Goldman Sachs, Lazard, Barclays, Bank of America Merrill Lynch, Deutsche Bank, HSBC
26-Feb-16	2,788	Completed	London City Airport	Transportation	Alberta Investment Management Corp, Ontario Teachers Pension Plan, Kuwait Investment Authority, Ontario Municipal Employees Retirement System - OMERS	Canada	Credit Suisse, RBC Capital Markets, Bank of America Merrill Lynch
04-Jan-16	2,096	Completed	Priory Group	Professional Services	Acadia Healthcare Co	United States	Rothschild, Barclays, Bank of America Merrill Lynch, Jefferies, JPMorgan

Top UK DCM Deals – 1Q 2016						
Pricing Date	Value \$m	Issuer	Currency	Deal Type	Industry	Bookrunner
01-Mar-16	7,000	HSBC Holdings	USD	Corporate Bond-Investment-Grade	Finance	HSBC
22-Feb-16	6,678	Vodafone Group	EUR	Corporate Bond-Investment-Grade	Telecoms	Deutsche Bank, ING, Commerzbank Group, Bank of America Merrill Lynch
03-Mar-16	4,240	British Telecoms	EUR	Corporate Bond-Investment-Grade	Telecoms	Mizuho, Sumitomo Mitsui Financial Group, Goldman Sachs, BNP Paribas, HSBC, RBS, Barclays, SG CIB, Mitsubishi UFJ Financial Group, Citi, Santander, Lloyds Banking Group
05-Jan-16	4,000	Barclays	USD	Corporate Bond-Investment-Grade	Finance	Barclays
23-Feb-16	3,907	United Kingdom	GBP	Sovereign, Local Authority	Government	Goldman Sachs, RBS, Barclays, Citi

Top Five UK ECM Deals – 1Q 2016						
Pricing Date	Value \$m	Issuer	Deal Type	Exchange	Industry	Bookrunner
19-Feb-16	4,146	Vodafone Group	CONV	London	Telecoms	JPMorgan, Morgan Stanley
24-Feb-16	1,228	Auto Trader Group	FO	London	Technology	Deutsche Bank, Bank of America Merrill Lynch
03-Feb-16	566	CYBG	IPO	London	Finance	Morgan Stanley, Bank of America Merrill Lynch, Macquarie Group, JPMorgan
05-Feb-16	517	Micro Focus International	FO	London	Technology	Credit Suisse, Numis Securities, Jefferies, UBS
12-Feb-16	506	Countryside Properties	IPO	London	Real Estate	JPMorgan, Barclays, Numis Securities, Peel Hunt

Top Five UK Syndicated Loans – 1Q 2016						
Credit Date	Value \$m	Borrower	Deal Type	Use of Proceeds	Industry	Bookrunner
11-Jan-16	18,000	Shire	Investment Grade	Acquisitions	Healthcare	Barclays, Morgan Stanley
01-Mar-16	2,359	AMEC Foster Wheeler	Leveraged	Refinancing, Acquisitions	Construction	BNP Paribas, Bank of America Merrill Lynch, Bank of China, Mitsubishi UFJ Financial Group, Barclays, Citi, Credit Agricole CIB, Intesa Sanpaolo SpA, Lloyds Banking Group, RBS
22-Mar-16	1,880	ED&F Man Treasury Management	Investment Grade	Refinancing, Working Capital, General Corporate	Consumer Products	ABN AMRO Bank, ANZ, BNP Paribas, HSBC, ING, Lloyds Banking Group, Natixis, Rabobank, SG Corporate & Investment Banking, Standard Chartered Bank
16-Mar-16	1,564	Marks & Spencer Group	Investment Grade	Refinancing, General Corporate	Retail	BNP Paribas, Bank of China, Mitsubishi UFJ Financial Group, HSBC, Lloyds Banking Group, RBS, Sumitomo Mitsui Financial Group
25-Feb-16	1,535	Financial Services Compensation Scheme	Investment Grade	Refinancing, General Corporate	Finance	Bank of China, Barclays, HSBC, Lloyds Banking Group, Nationwide Building Society, RBS, Santander, Svenska Handelsbanken AB

## UK Rankings – First Quarter 2016

### Final Results

UK DCM Bookrunner Ranking – 1Q 2016				
Rank	Bookrunner	Value \$m	No.	% Share
1	HSBC	14,620	26	19.0
2	Barclays	10,224	22	13.3
3	RBS	5,524	15	7.2
4	Bank of America Merrill Lynch	5,291	16	6.9
5	Citi	4,146	12	5.4
6	Lloyds Banking Group	3,885	20	5.0
7	Goldman Sachs	3,689	7	4.8
8	Deutsche Bank	2,837	9	3.7
9	Santander	2,750	9	3.6
10	JPMorgan	2,321	27	3.0

UK Corporate DCM Bookrunner Ranking – 1Q 2016				
Rank	Bookrunner	Value \$m	No.	% Share
1	BNP Paribas	3,215	8	13.5
2	UniCredit	2,114	3	8.9
3	Deutsche Bank	2,017	9	8.5
4	Barclays	1,862	2	7.8
5	SG CIB	1,617	5	6.8
6	Commerzbank Group	1,410	4	5.9
7	Santander	1,233	2	5.2
8	LBBW	1,179	4	5.0
9	ING	1,138	3	4.8
10	Danske Bank	1,058	3	4.5

UK SSA Bookrunner Ranking – 1Q 2016				
Rank	Bookrunner	Value \$m	No.	% Share
1	Goldman Sachs	2,098	2	23.8
2	RBS	1,599	1	18.1
2	Citi	1,599	1	18.1
2	Barclays	1,599	1	18.1
5	JPMorgan	758	18	8.6
6	HSBC	593	4	6.7
7	Morgan Stanley	499	1	5.7
8	TD Securities	56	3	0.6
9	Credit Agricole CIB	13	1	0.2
10	Deutsche Bank	9	1	0.1

UK FIG DCM Bookrunner Ranking – 1Q 2016				
Rank	Bookrunner	Value \$m	No.	% Share
1	HSBC	12,231	15	34.7
2	Barclays	6,802	11	19.3
3	RBS	2,758	7	7.8
4	Bank of America Merrill Lynch	1,789	9	5.1
5	Santander	1,542	4	4.4
6	JPMorgan	1,427	7	4.1
7	Morgan Stanley	1,014	3	2.9
8	Lloyds Banking Group	943	5	2.7
9	Credit Suisse	824	3	2.3
10	Citi	794	3	2.3

UK Syndicated Loans Bookrunner Ranking – 1Q 2016				
Rank	Bookrunner	Value \$m	No.	% Share
1	Barclays	9,991	7	30.0
2	Morgan Stanley	9,000	1	27.0
3	HSBC	1,680	11	5.0
4	Lloyds Banking Group	1,520	8	4.6
5	RBS	1,308	7	3.9
6	Citi	1,249	3	3.8
7	BNP Paribas	897	5	2.7
8	Bank of China	651	3	2.0

UK Syndicated Loans Industry Ranking – 1Q 2016				
Rank	Industry	Value \$m	No.	% Share
1	Healthcare	18,323	3	43.8
2	Retail	4,233	7	10.1
3	Professional Services	2,775	8	6.6
4	Transportation	2,645	3	6.3
5	Construction	2,504	3	6.0
6	Consumer Products	2,248	2	5.4
7	Real Estate	2,205	5	5.3
8	Finance	1,535	1	3.7
9	Mining	1,500	1	3.6
10	Insurance	1,237	2	3.0

UK M&A Advisor Ranking – Announced Deals – 1Q 2016				
Rank	Advisor	Value \$m	No.	% Share
1	Bank of America Merrill Lynch	34,631	11	53.6
2	Goldman Sachs	30,138	4	46.6
3	UBS	25,428	6	39.3
4	Deutsche Bank	24,222	4	37.5
5	JPMorgan	23,720	8	36.7
6	Robey Warshaw	20,727	2	32.1
7	Barclays	20,544	6	31.8
8	HSBC	20,176	5	31.2
9	RBC Capital Markets	19,968	7	30.9
10	Perella Weinberg Partners	14,811	2	22.9

UK Targeted M&A Industry Ranking – 1Q 2016				
Rank	Industry	Value \$m	No.	% Share
1	Finance	16,306	48	25.3
2	Technology	9,139	170	14.2
3	Telecoms	6,499	7	10.1
4	Real Estate	5,935	51	9.2
5	Food & Beverage	5,599	30	8.7
6	Utility & Energy	4,631	29	7.2
7	Retail	3,819	24	5.9
8	Professional Services	3,448	186	5.3
9	Transportation	3,056	24	4.7
10	Healthcare	1,867	42	2.9

UK ECM Bookrunner Ranking – 1Q 2016				
Rank	Bookrunner	Value \$m	No.	% Share
1	JPMorgan	1,914	10	20.2
2	Morgan Stanley	1,387	4	14.6
3	Bank of America Merrill Lynch	842	3	8.9
4	Deutsche Bank	814	3	8.6
5	Jefferies	604	4	6.4
6	Numis Securities	601	6	6.4
7	Credit Suisse	450	3	4.8
8	Goldman Sachs	396	3	4.2
9	Peel Hunt	341	7	3.6
10	Stifel	260	4	2.7

## Notes to Editors

### About Dealogic

Dealogic is the platform utilized by investment banks worldwide to optimize performance and improve competitiveness.

Implemented across strategy, capital markets, sales, coverage banking and compliance, firms rely on Dealogic to interconnect their professionals to more effectively identify opportunities, cover the right clients, evaluate investor appetite, execute deals reliably and to ultimately win more business.

Dealogic is the only firm in the world providing the technology, content and consulting used by investment banks to manage and align their core operating units, leading to increased profitability and productivity.

More than 30 years' experience and a deep knowledge of the capital markets has put Dealogic in a unique position to foster numerous long standing relationships and to work in close partnership with investment banks globally.

### Dealogic Revenue Analytics

Dealogic Revenue Analytics creates a single, objective set of standards that allows for direct comparison of trending across, products, regions and industries for all investment banks. In instances where fees are not disclosed, Dealogic projects estimates based on historical disclosed precedent across dozens of statistically tested variables and thousands of individual fee scenarios. Dealogic Revenue Analytics rules are applied to recognition, booking, and classification of deal revenue to provide a standard metric for competitive analysis and benchmarking of investment banks.

### Note:

Varying banks (both universal and pure-play investment banks) apply varying reporting structures and classification in the execution of quarterly investment banking revenue numbers.

### Coverage and Criteria

Click [here](#) for the DCM coverage and criteria 2016

Click [here](#) for the ECM coverage and criteria 2016

Click [here](#) for the M&A coverage and criteria 2016

Click [here](#) for the Loan coverage and criteria 2016

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