

# Five Leading Investment Banks Globally Collected \$27 Billion in Fees Across 2022

Posted on



Investment banking is a vital aspect of the financial world, offering various services, including underwriting, capital raising, and merger and acquisitions (M&A) advice. However, a few investment banks still stand out as leaders in the fees they charge after establishing themselves as trusted partners and experts in the industry.

In this line, according to data acquired by Finbold on February 7, the top five leading investment banks globally amassed \$27.51 billion in fees across 2022. The fees emanated from products such as mergers and acquisitions, loans, bonds, and equity.

American banking giant JP Morgan (NYSE:JPM) topped the list with \$6.92 billion.

A significant share of JP Morgan's fees came from M&A activity accounting for 37%, followed by loans at 31%, while bonds represented 22% of the fees. Equity accounted for 10% of the bank's fees in 2022.

Goldman Sachs (NYSE:GS) ranked second in fees at \$6.5 billion. Bank of America Securities (NYSE:BAC) emerged third at \$5.52 billion, while Morgan Stanley

(NYSE:MS) ranked fourth after collecting \$4.61 billion in fees. Citi (NYSE: C) was fifth at \$3.96 billion.

Notably, all the top five banks by fees emanated from the United States, with United Kingdom's Barclays ranking sixth at \$2.83 billion. Wells Fargo (NYSE:WFC), another American lender, emerged eighth overall at \$2.03 billion.

### **Underlying Factors for Investment Banking Fees**

Despite the highlighted banks having varied fees, they have built a strong reputation and recognition as experts in the industry. As a result, they can charge premium fees for their services. The significant fees generated have emerged in an environment of high volatility and the disruptive increase in interest rates. At the same time, the banks' expenses have likely surged with the soaring inflation, slowdown in deal-making, geopolitical tensions, and possible job cuts.

Indeed, JP Morgan continues to dominate the various aspects of the banking industry, and it's no surprise that the lender accounts for the highest fees. It is worth noting that JP Morgan's fees from M&A saw the bank emerge top among leading financial advisors offering services in acquisitions. JP Morgan's hefty fees resulted from the M&A activity despite the sector's significantly remaining suppressed over the past year.

JP Morgan's position in the fees can also be linked to several factors, including its large size, extensive network, and strong reputation in the financial industry. As one of the largest investment banks in the world, JP Morgan has a broad reach and significant resources, allowing it to offer clients a broad range of services and compete effectively for the most lucrative deals.

Additionally, the bank has established a long history of delivering consistent and reliable results, which has helped to establish it as a trusted partner for clients and a go-to destination for the best talent in the industry. These factors enable JP Morgan to command high service fees and remain a leader in investment banking. Notably, the same factors have also elevated Goldman Sachs to account for significant fees in the investment banking space.

### **U.S. Banks Dwarf European Counterparts**

Furthermore, the fees earned highlight the dominance of U.S.- based investment

banks on the global scene. This element can be attributed to recent regulatory impositions that have made it challenging for lenders to expand. However, U.S. investment banks have a global reach, even in Europe.

One thing that stands out is that U.S. investment banking has beaten European counterparts on their turf, with the gap appearing to widen. Overall, American banks have exhibited resilience backed by factors such as constant investment in technology and capital market business.

### **2023 Investment Banking Outlook**

As 2023 unfolds, the investment banking space looks uncertain, considering the global economy is facing a possible recession that can affect transactions contributing to fee generation. For instance, the path of interest rates will be closely monitored if the global central banks will slow down.

Interestingly, despite commanding a significant share of the fees, JP Morgan had sounded the alarm that investors are likely to stay on the sidelines to monitor how the economic uncertainty plays out.

In general, once the current uncertainties and volatility subside, the investment banks are likely to record an uptick in fees over the possibility of the reemergence of activities such as initial public offerings and deal-making. However, strong headwinds, such as geopolitical strains, macroeconomic factors, and weak capital market performance, are likely to remain.

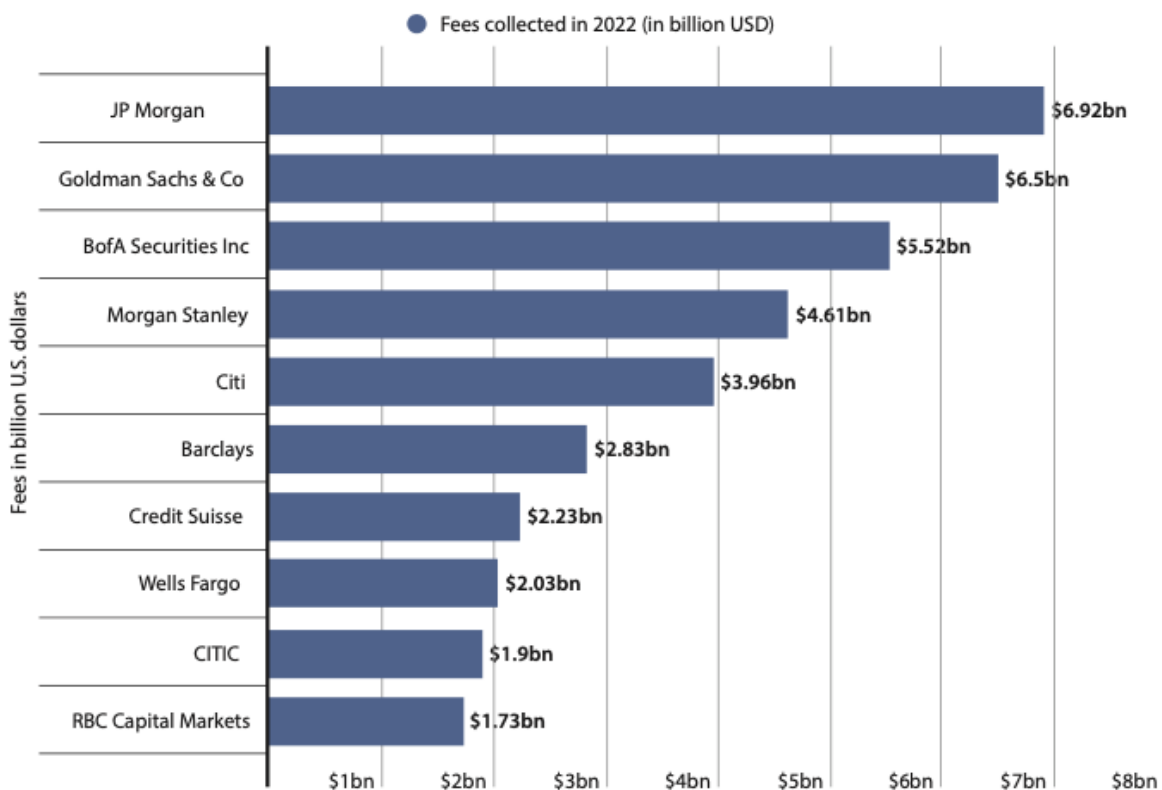
*Justin crafts insightful data-driven stories on finance, banking, and digital assets. His reports were cited by many influential outlets globally like Forbes, Financial Times, CNBC, Bloomberg, Business Insider, Nasdaq.com, Investing.com, Reuters, among others.*

## Leading Investment Banks Worldwide by fees collected in 2022

(Rounded figures; in billion in USD)

**Information:** Leading investment banks worldwide in 2022, by fees collected in 2022, (in million U.S. dollars). Data for the period of Jan 1, 2022 – Dec 28, 2022. Data as of Dec 28, 2022. Products include M&A, equity bonds and loans.

**Sources:** Statista, Finbold, Thomson Reuters; Financial Times



## JPMorgan Chase's % of Fees Collected in 2022 (by Product)

(Data for the period of Jan 1, 2022 - Dec 28, 2022)

**Sources:** Statista, Finbold, Thomson Reuters; Financial Times

