

DATA DISPATCH  
Credit card performance keeps improving as signs of lower-income stress ease

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By Harry Terris and Ronamil Portes  
Market Intelligence

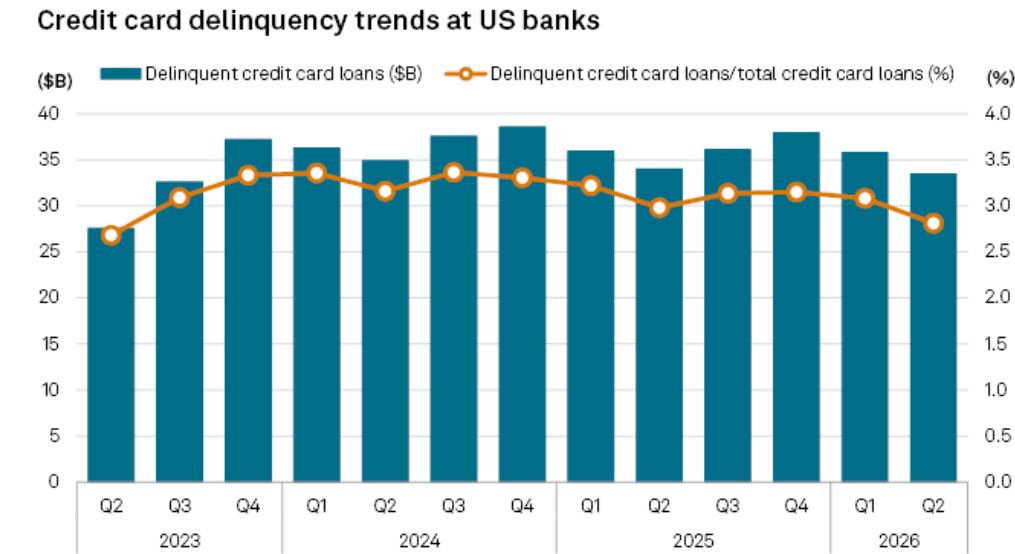
Overdue credit card loans [have kept declining](#), defying [persistent risks to the economy](#), with even wage and spending across lower-income groups appearing to strengthen.

The card delinquency rate across US banks and the rate of net charge-offs, or debt lenders determine is uncollectible, both declined sequentially and year over year once again in the second quarter, according to data from S&P Global Market Intelligence. The delinquency rate has declined year over year for seven consecutive quarters, and the NCO rate has declined for five consecutive quarters.

"When you look at the consumer side, I've stopped using this word resilient because it's just strong," [Wells Fargo & Co.](#) CFO Michael Santomassimo [said](#) at an investor conference this month, describing spending and credit performance patterns.

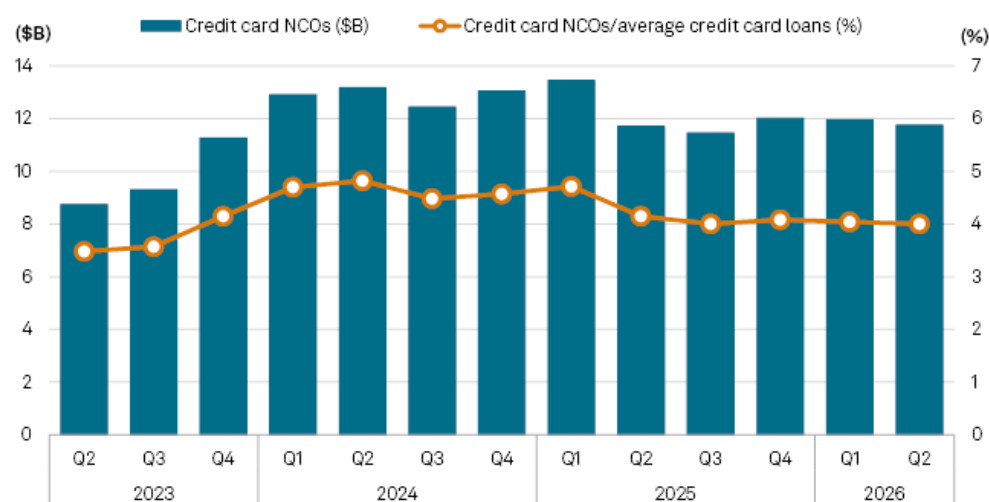
"Payment levels across the card space are quite high historically and not really changing," he said. Alongside economic growth and low unemployment, "you've got wages keeping up with inflation for the most part across most customer bases. And so it's hard to see sort of what's going to be the catalyst for that to change at this point."

"Consumers continue to spend, consumers continue to pay their bills on time. That's the simplest version," [Citigroup Inc.](#) CFO Gonzalo Luchetti [said](#) at the same conference.



Data compiled Sept. 16, 2026.  
Analysis based on regulatory filings by US commercial banks, savings banks, and savings and loan associations. Excludes nondepository trusts and companies with a foreign banking organization charter.  
Delinquent loans include those at least 30 days past due or in nonaccrual status.  
Source: S&P Global Market Intelligence.  
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## NCOs on credit card loans at US banks



Data compiled Sept. 16, 2026.

NCOs = net charge-offs.

Analysis based on regulatory filings by US commercial banks, savings banks, and savings and loan associations.

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Source: S&P Global Market Intelligence.

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## Not so k-shaped

While concerns over the impact of inflation have often centered on stress among lower-income households, recent differentials in spending and income growth across income categories have been erased, according to economists at the Bank of America Institute.

"Spending and wage growth have largely converged across income groups," they said in a Sept. 14 report. "Household finances also remain healthy, with credit card utilization declining across most age and income cohorts."

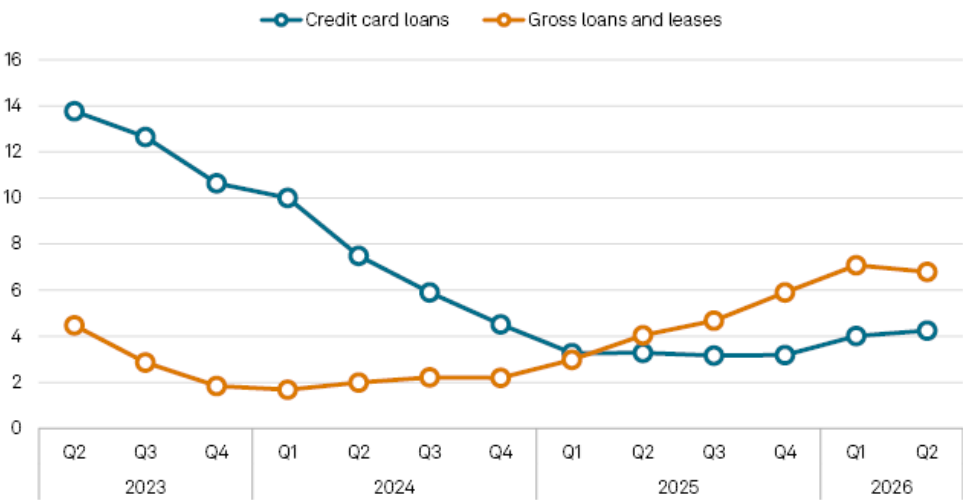
Using [Bank of America Corp.](#)'s internal data on card and deposit activity, they found that after-tax wage growth for customers in the bottom third of estimated income has climbed past customers in the top third, closing a gap that persisted for much of 2025 and 2026.

Meanwhile, "total card spending growth has largely converged in recent months, effectively closing the 'K' shape in overall spending," they said, with the same being true for discretionary spending.

"The credit quality is as good as it's been in a long, long time," Bank of America Chairman and CEO Brian Moynihan [said](#) at the investor conference.

There is "striking strength" in credit performance at [Capital One Financial Corp.](#), Chairman, CEO and President Richard Fairbank [said](#). "We see a similar spending strength across our credit spectrum, including some of our lowest income consumers." He added that the bank's performance does not necessarily capture the country as a whole, since its portfolio reflects its own underwriting decisions.

YOY credit card loan trends at US banks (%)



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Loan growth

Year-over-year credit card loan growth continued to strengthen to 4.2% in the second quarter, though it continued to lag loan growth overall.

Year-over-year growth at Capital One, the largest credit card lender by receivables, fell to 1.9% as the bank lapped its [acquisition](#) of [Discover Financial Services](#), which closed in May 2025.

Capital One says that the growth of its portfolio [is being restrained](#) by a transitory "brownout" in the Discover part of the business, reflecting a pullback by Discover before the acquisition and a decision by Capital One to cut back on Discover borrowers who carry high balances from month to month.

Year-over-year growth at Bank of America improved to 4.4% in the second quarter from 3.1% in the first quarter. The bank has sought to boost its growth in cards. "We've been on the stair step of growing the book," Moynihan said.

## Top 20 US banks by credit card loans, Q2 2026

| Company (top-level ticker)                           | Total assets (\$B) | Total credit card loans |                | Delinquent credit card loans as proportion of total credit card loans <sup>1</sup> |                  |                  |
|------------------------------------------------------|--------------------|-------------------------|----------------|------------------------------------------------------------------------------------|------------------|------------------|
|                                                      |                    | (\$B)                   | YOY change (%) | (%)                                                                                | QOQ change (bps) | YOY change (bps) |
| Capital One Financial Corp. (COF)                    | 673.84             | 250.52                  | 1.9            | 3.90                                                                               | -35              | -22              |
| JPMorgan Chase & Co. (JPM)                           | 5,015.07           | 216.17                  | 7.2            | 1.85                                                                               | -27              | -15              |
| Citigroup Inc. (C)                                   | 2,894.65           | 185.82                  | 6.3            | 2.74                                                                               | -21              | -2               |
| American Express Co. (AXP)                           | 308.20             | 119.61                  | 9.6            | 1.25                                                                               | -15              | -11              |
| Bank of America Corp. (BAC)                          | 3,499.19           | 105.66                  | 4.4            | 2.23                                                                               | -22              | -13              |
| Synchrony Financial (SYF)                            | 121.93             | 94.23                   | 2.2            | 4.20                                                                               | -39              | -9               |
| Wells Fargo & Co. (WFC)                              | 2,282.20           | 58.39                   | 5.6            | 2.52                                                                               | -18              | -8               |
| U.S. Bancorp (USB)                                   | 725.92             | 32.95                   | 9.7            | 2.24                                                                               | -27              | -23              |
| Barclays US LLC (BARC)                               | 234.43             | 28.22                   | -12.6          | 2.99                                                                               | -11              | 12               |
| Goldman Sachs Group Inc. (GS)                        | 2,127.71           | 19.50                   | -6.2           | 3.67                                                                               | -16              | -42              |
| United Services Automobile Association               | 244.94             | 18.63                   | 8.6            | 2.40                                                                               | -11              | 8                |
| TD Group US Holdings LLC (TD)                        | 507.74             | 13.30                   | -5.7           | 3.84                                                                               | -24              | -22              |
| Comenity Capital Bank (BFH) <sup>2</sup>             | 13.86              | 11.10                   | 4.9            | 6.79                                                                               | -39              | -55              |
| PNC Financial Services Group Inc. (PNC) <sup>3</sup> | 616.06             | 6.32                    | 12.5           | 1.83                                                                               | -38              | -74              |
| Comenity Bank (BFH) <sup>2</sup>                     | 7.37               | 6.32                    | -1.4           | 6.56                                                                               | -17              | -40              |
| Merrick Bank                                         | 9.13               | 6.28                    | 5.3            | 8.23                                                                               | -64              | -6               |
| Truist Financial Corp. (TFC)                         | 556.02             | 3.21                    | -2.3           | 2.74                                                                               | -23              | -9               |
| Central Service Corp. <sup>4</sup>                   | 5.42               | 2.91                    | 65.4           | 0.00                                                                               | 0                | 0                |
| Credit One Bank NA                                   | 2.44               | 1.97                    | 41.1           | 6.77                                                                               | -22              | -38              |
| Citizens Financial Group Inc. (CFG)                  | 234.27             | 1.91                    | 0.8            | 2.12                                                                               | -44              | -67              |
| <b>Industry aggregate<sup>5</sup></b>                |                    | <b>1,189.60</b>         | <b>4.2</b>     | <b>2.81</b>                                                                        | <b>-27</b>       | <b>-17</b>       |

Data compiled Sept. 16, 2026.

Analysis limited to top-tier consolidated US banks and thrifts.

<sup>1</sup> Delinquent loans include those at least 30 days past due or in nonaccrual status.<sup>2</sup> Comenity Capital Bank and Comenity Bank are both subsidiaries of Bread Financial Holdings Inc., which does not file regulatory reports at the consolidated level.<sup>3</sup> PNC Financial Services Group Inc. acquired FirstBank Holding Co. on Jan. 5, 2026.<sup>4</sup> Central Service Corp. announced a sale to Chime Financial Inc. on Sept. 8, 2026.<sup>5</sup> Represents aggregate data for US commercial banks, savings banks, and savings and loan associations. Excludes nondepository trusts and companies with a foreign banking organization charter.

Data based on regulatory filings.

Tickers based on top-level entities' home country stock exchanges.

Source: S&amp;P Global Market Intelligence.

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