

DATA DISPATCH

Securities-based lending emerges as a pillar of US bank loan growth**Thursday, September 3, 2026 9:02 AM ET**

By Harry Terris and Ayesha Shahbaz

Market Intelligence

Securities-backed lending has become one of the biggest engines of loan growth for US banks, joining commercial and industrial lending, as well as lending to nondepository financial institutions, as the top three drivers of new balances across the industry.

This lending includes margin loans that investors use for leverage, as well as general-purpose loans that can function like home equity loans for individuals with large expenditures who prefer not to liquidate securities holdings and incur taxes on capital gains.

Across US banks, balances reported as domestic office loans for purchasing or carrying securities, including margin loans, increased 5.8%, or \$31.24 billion, sequentially to \$573.49 billion in the second quarter, according to data from S&P Global Market Intelligence. That represented about 13% of the dollar amount of total loan growth, behind commercial and industrial (C&I) and nondepository financial institution (NDFI) lending, which each made up about 20% of the total loan growth.

Year over year, securities-backed loans increased 29.7%, or \$131.32 billion, representing about 15% of the dollar amount of total loan growth. NDFI loans represented about a third of the total dollar amount, C&I loans comprised about 17%. All three categories have been impacted by [reclassifications under new reporting instructions](#).

The growth in securities-backed loans is being supported by a bull market that has given clients significant wealth to borrow against. Lenders said that they are leaning into the business.

The Charles Schwab Corp. reported that its pledged asset line loans —securities-backed loans used for purposes such as home renovations and college tuition —increased 59% [year over year](#) to [\\$33.42 billion at June 30](#).

"We have clients that have large gains with big embedded capital gains, and so they don't want to sell security. ... They have growing wealth that may have concentrated positions. And they have a life they want to live," Charles Schwab CEO and President Richard Wurster [said](#) during an earnings call in July.

The loans earn about 100 basis points more than securities, Wurster said, and the company has an opportunity to catch up to industrywide levels of [bank loans as a percentage of total client assets](#).

US banks' loans to purchase or carry securities, Q2 2026

Ranked by loans to purchase or carry securities

Company (top-level ticker)	City, state	(\$B)	Loans to purchase and carry securities ¹	
			QOQ change (%)	YOY change (%)
JPMorgan Chase Bank NA (JPM)	Columbus, OH	100.09	10.3	30.0
Bank of America NA (BAC)	Charlotte, NC	99.84	4.0	17.0
Morgan Stanley Private Bank NA (MS)	Purchase, NY	97.61	8.5	36.3
UBS Bank USA NA (UBSG)	Salt Lake City, UT	50.61	4.7	8.7
Charles Schwab Bank SSB (SCHW)	Westlake, TX	33.09	32.5	78.1
Wells Fargo Bank NA (WFC)	Sioux Falls, SD	32.53	14.8	88.5
Citibank NA (C)	Sioux Falls, SD	19.45	5.2	24.0
Goldman Sachs Bank USA (GS)	New York, NY	18.85	5.0	24.7
TriState Capital Bank (RJF)	Pittsburgh, PA	12.88	7.2	37.6
Raymond James Bank (RJF)	Saint Petersburg, FL	10.72	9.6	36.1
Northern Trust Co. (NTRS)	Chicago, IL	10.47	1.0	-8.1
Morgan Stanley Bank NA (MS)	Salt Lake City, UT	9.60	0.7	-37.8
Truist Bank (TFC)	Charlotte, NC	8.81	5.4	37.4
BNY Mellon NA (BNY)	Pittsburgh, PA	8.15	-0.3	1,269.1
U.S. Bank NA (USB)	Minneapolis, MN	7.74	5.0	27.9
PNC Bank NA (PNC) ²	Wilmington, DE	4.16	4.0	39.1
Deutsche Bank Trust Co. Americas (DBK)	New York, NY	3.12	40.2	34.9
BMO Bank NA (BMO) ³	Chicago, IL	2.59	10.3	38.8
Safra National Bank of New York	New York, NY	2.28	585.9	762.3
Stifel Bank (SF)	Saint Louis, MO	2.15	46.8	27.9
Industry median			0.0	-0.1

Data compiled Aug. 17, 2026.

Analysis includes the 20 largest operating US commercial banks, savings banks, and savings and loan associations by loans to purchase or carry securities as of June 30, 2026.

Nondepository trusts, companies with a foreign banking organization charter and companies with a loans-to-deposits ratio below 25% as of June 30, 2026, are excluded.

¹ All loans to brokers and dealers in securities and all loans, whether secured or unsecured, to any other borrower for the purpose of purchasing or carrying securities.² PNC Financial Services Group Inc. acquired FirstBank Holding Co. on Jan. 5, 2026.³ First-Citizens Bank & Trust Co. announced the acquisition of 138 branches from BMO Bank NA on Oct. 16, 2025.

Data based on regulatory filings as of June 30, 2026.

Source: S&P Global Market Intelligence.

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Loan growth at largest US banks, Q2 2026

Ranked by gross loans and leases

Company (top-level ticker)	City, state	(\$B)	Gross loans and leases	
			QOQ change (%)	YOY change (%)
JPMorgan Chase Bank NA (JPM)	Columbus, OH	1,561.58	2.8	9.4
Bank of America NA (BAC)	Charlotte, NC	1,211.49	0.6	6.0
Wells Fargo Bank NA (WFC)	Sioux Falls, SD	997.79	1.3	11.5
Citibank NA (C)	Sioux Falls, SD	757.27	4.3	8.6
Capital One NA (COF)	McLean, VA	457.43	2.1	2.2
U.S. Bank NA (USB)	Minneapolis, MN	413.34	2.6	8.1
PNC Bank NA (PNC) ¹	Wilmington, DE	369.51	6.6	12.6
Truist Bank (TFC)	Charlotte, NC	332.16	0.3	3.9
Goldman Sachs Bank USA (GS)	New York, NY	248.99	2.9	19.6
Huntington National Bank (HBAN) ²	Columbus, OH	191.19	0.7	40.9
Morgan Stanley Private Bank NA (MS)	Purchase, NY	187.26	5.0	19.9
Fifth Third Bank NA (FITB) ³	Cincinnati, OH	179.39	1.0	45.8
American Express National Bank (AXP)	Sandy, UT	172.33	2.0	7.2
TD Bank NA (TD)	Wilmington, DE	165.36	-0.3	-3.6
First-Citizens Bank & Trust Co. (FCNC.A) ⁴	Raleigh, NC	151.12	0.9	6.8
Citizens Bank NA (CFG)	Providence, RI	149.24	2.6	5.5
Ally Bank (ALLY)	Sandy, UT	143.89	2.8	8.0
Manufacturers and Traders Trust Co. (MTB)	Buffalo, NY	143.30	2.3	5.2
BMO Bank NA (BMO) ⁴	Chicago, IL	141.64	0.9	-0.5
Morgan Stanley Bank NA (MS)	Salt Lake City, UT	115.12	1.2	20.7
Industry median			1.7	5.5

Data compiled Aug. 17, 2026.

Analysis includes the 20 largest operating US commercial banks, savings banks, and savings and loan associations by gross loans and leases as of June 30, 2026.

Nondepository trusts, companies with a foreign banking organization charter and companies with a loans-to-deposits ratio below 25% as of June 30, 2026, are excluded.

¹ PNC Financial Services Group Inc. acquired FirstBank Holding Co. on Jan. 5, 2026.

² Huntington Bancshares Inc. acquired Veritex Holdings Inc. and Cadence Bank on Oct. 20, 2025, and Feb. 1, 2026, respectively.

³ Fifth Third Bancorp acquired Comerica Inc. on Feb. 1, 2026.

⁴ First-Citizens Bank & Trust Co. announced the acquisition of 138 branches from BMO Bank NA on Oct. 16, 2025.

Data based on regulatory filings as of June 30, 2026.

Source: S&P Global Market Intelligence.

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Wealth engine

The 20 banks with the largest securities-backed loan portfolios posted 6.3% quarter-over-quarter median growth and 35.5% median year-over-year growth for the category in the second quarter

[Bank of America Corp. reported](#) that securities-based loans in its global wealth and investment management segment rose 5% sequentially and 17% year over year to \$62 billion in the second quarter.

CFO Alastair Borthwick described BofA's loan growth as broad-based in the company's second-quarter earnings report. "Things like securities-based lending have been pretty positive as well, just with the way the markets have performed and what our wealth management clients want to do," Borthwick [said](#).

"Securities-based lending has been a key driver of loan growth with average balances up 31% from a year ago, reflecting our success in increasing the number of financial advisers offering this product to their clients," [Wells Fargo & Co.](#) Chairman and CEO Charles Scharf [said](#) during the company's second-quarter earnings call in July. "Importantly, the opportunity in this business to grow investments and banking remains significant. We estimate that our existing customers hold trillions in assets at other financial institutions and their lending, deposit and payment needs are large and growing."

The recent growth in securities-backed lending followed a period of retrenchment starting in 2022 that coincided with the start of a Federal Reserve rate-hiking cycle and raised the cost of such loans, according to estimates by Fed researchers. Broadly, securities-backed loans and stock market wealth has grown rapidly since the global financial crisis of 2007-2009.

Reclassifications have impacted the numbers. Weekly Fed data on domestically chartered commercial banks during the second quarter included the addition of \$12.8 billion to a category that includes securities-backed loans because of the new reporting instructions. From March 25 through June 24, these other loans, not classified elsewhere, increased 4.8% to \$1.140 trillion, including the reclassifications, according to data published Aug. 28. Excluding these reclassifications, the loans increased 3.7%.

Over the preceding three quarters, reclassifications both added to and subtracted from the category, for a net increase of \$20.1 billion.

Securities-backed lending is highly concentrated at the largest banks, with the vast majority of banks reporting no such loans at all.

Along with generally better performance in categories such as C&I and NDFI, large banks posted stronger median sequential loan growth overall in the second quarter. The median increase was 2.07% for banks with \$50 billion to \$100 billion of assets, and 2.29% for banks with more than \$100 billion of assets, compared with a median of 1.65% across all banks.

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Overall strength

Total loan growth stayed robust in the second quarter, at [6.8% year over year in the aggregate](#) and 5.5% for the median bank.

According to the weekly data on domestically chartered commercial banks, year-over-year growth has flattened out so far in the third quarter. For weeks ending between July 1 and Aug. 19, year-over-year growth ranged from 6.3% to 6.6%, compared with 6.3% to 6.7% for weeks ending between April 1 and June 24.

Reclassifications during the second quarter for C&I and NDFI were relatively modest, according to the weekly data, with \$1.4 billion reclassified out of C&I and \$600 million reclassified out of NDFI.

In the second quarter, C&I loans increased 1.9% sequentially to \$2.540 trillion, and NDFI loans rose 3.1% to \$1.530 trillion, according to Market Intelligence data.

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