DATA DISPATCH

Aggregate securities at US banks increase for the second consecutive quarter

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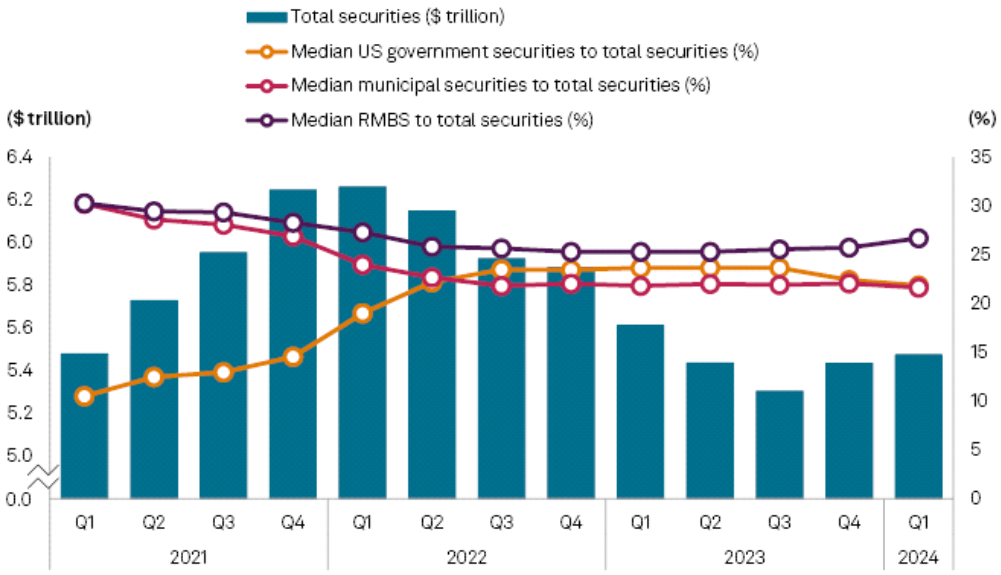
Platts

Securities at US banks remain underwater as unrealized losses ticked up during the first quarter after a short-lived relief at the end of 2023.

US banks had $5.475 trillion in total securities as of March 31, up $39.91 billion, or 0.7%, from the previous quarter. US government securities were up $76.17 billion to $1.544 trillion; however, the median concentration to total securities was down for the third consecutive quarter to 21.8% as of March 31.

US bank securities holdings



Data compiled May 29, 2024.
RMBS = residential mortgage-backed securities.
Analysis includes US commercial banks, savings banks, and savings and loan associations. Nondepository trusts and companies with a foreign banking organization charter are excluded.
Data based on regulatory filings.
Source: S&P Global Market Intelligence.
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Big banks skewing the aggregate trends

The increase in total securities was largely attributed to four banks — Bank of America NA, Goldman Sachs Bank USA, Bank of New York Mellon and First-Citizens Bank & Trust Co. — adding a combined $73.01 billion in debt securities.

Bank of America added $51.46 billion in US government securities during the first quarter, almost doubling since the second quarter of 2023. At the same time, it reduced its exposure to residential mortgage-backed securities (RMBS) by $8.96 billion. RMBS at the company are down $121.05 billion since the third quarter of 2021 to $499.77 billion, representing 56.7% of total securities as of March 31.

Largest operating US banks by total debt securities, Q1 2024

Company (top-level ticker)	Total debt securities ($B)	Total debt securities QOQ change (%)	Bonds ≤ 3 years[1] ($B)	Bonds ≤ 3 years[1] QOQ change (%)	Bonds > 15 years[2] ($B)	Bonds > 15 years[2] QOQ change (%)
Bank of America NA (BAC)	880.99	4.7	174.06	24.0	493.38	-1.8
JPMorgan Chase Bank NA (JPM)	570.77	-0.1	219.81	6.8	172.26	-8.8
Citibank NA (C)	468.05	-1.1	281.32	-2.3	103.50	0.8
Wells Fargo Bank NA (WFC)	390.24	1.0	53.77	-8.4	300.06	3.9
Charles Schwab Bank SSB (SCHW)	223.30	-3.7	37.78	-9.0	8.43	-2.5
U.S. Bank NA (USB)	154.71	1.1	9.23	10.1	95.22	0.6
TD Bank NA (TD)	140.87	-3.2	55.47	0.8	8.15	-3.3
Bank of New York Mellon (BK)	138.17	9.6	55.21	10.3	19.40	16.1
PNC Bank NA (PNC)	130.39	-1.6	38.16	-1.9	48.95	-1.9
Truist Bank (TFC)	119.14	-1.7	8.36	-10.9	65.10	0.0
State Street Bank and Trust Co. (STT)	101.26	-0.1	41.22	-5.4	22.22	1.5
Capital One NA (COF)	78.02	-0.9	13.19	17.5	41.29	-4.2
Morgan Stanley Bank NA (MS)	71.12	-1.1	21.07	-16.9	22.49	-1.1
BMO Bank NA (BMO)	62.36	-1.4	14.17	-0.4	14.44	-4.0
Goldman Sachs Bank USA (GS)[3]	54.35	44.3	31.97	27.9	6.72	N/A
USAA Federal Savings Bank	52.27	-1.7	2.49	4.7	27.89	-1.9
Fifth Third Bank NA (FITB)	49.51	-0.4	10.57	13.5	7.98	-2.9
Northern Trust Co. (NTRS)	48.73	0.0	22.11	-10.8	2.19	-10.2
KeyBank NA (KEY)	45.57	-0.4	12.66	9.9	2.38	-3.3
Morgan Stanley Private Bank NA (MS)	44.81	-2.7	13.23	-3.8	21.98	-1.4
Industry aggregate[4]	**5,464.49**	**0.7**	**1,566.24**	**2.9**	**1,882.73**	**-0.6**

Data compiled May 29, 2024.

N/A = not applicable.

Analysis limited to operating US commercial banks, savings banks, and savings and loan associations. Nondepository trusts and companies with a foreign banking organization charter are excluded.

[1] Includes collateralized mortgage obligations, real estate mortgage investment conduits and stripped mortgage-backed securities with a remaining maturity or next repricing date of three years or less.

[2] Excludes collateralized mortgage obligations, real estate mortgage investment conduits and stripped mortgage-backed securities.

[3] Goldman Sachs Bank USA reported zero balance for bonds with a remaining maturity or repricing frequency of more than 15 years at Dec. 31, 2023.

[4] Includes historical and operating 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 as of March 31, 2024.

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

Source: S&P Global Market Intelligence.

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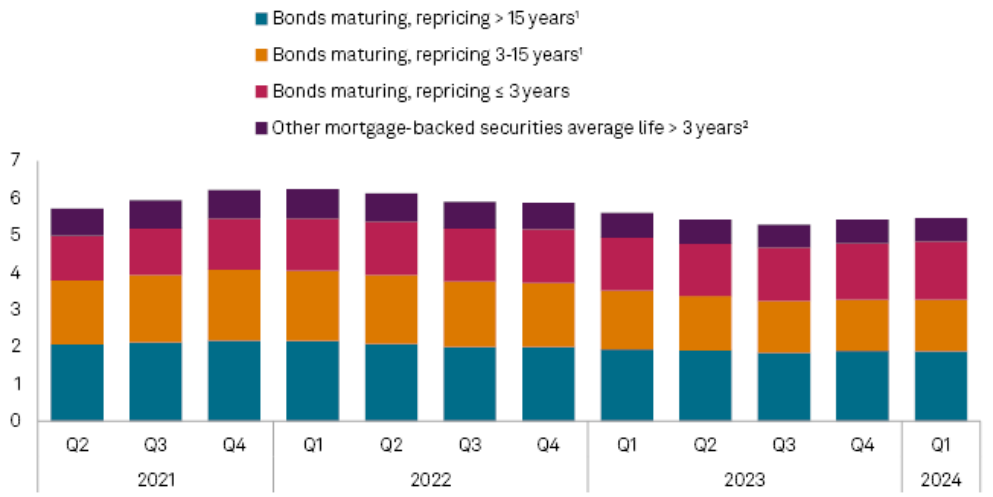
As rates remain higher for longer, many banks continue to work toward repositioning their securities portfolios by carrying out loss trades and investing the proceeds into higher-yielding assets. Roughly 75% of the banks reported a quarter-over-quarter decline in debt securities, of which 73% reduced exposure to longer-dated bonds, and 94% trimmed their available-for-sale securities portfolios.

Chasing yields in short-term securities

Long-term bonds, or those maturing in more than 15 years, were down 0.6% to $1.883 trillion during the quarter, while short-term bonds and medium-term bonds were up 2.9% and 0.6%, respectively. As of March 31, short-term bonds represented 28.7% of total debt securities, up from a low of 21.0% at the end of the second quarter of 2021 and the highest since the first quarter of 2020.

US banks' bonds by maturity ($ trillion)



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Securities decline in Q2

Securities at commercial banks are up 1.1% year to date through May 22 but have declined by 1.2% since March 27, according to seasonally adjusted data in the Federal Reserve's most recent H.8 report on bank assets and liabilities. Deposits are down 0.3% since March 27, while loan growth remains slow at 0.3%.

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