DATA DISPATCH

Bank loan growth defies persistent headwinds

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Market Intelligence

Loan growth accelerated in the second quarter despite signs of a slowing economy, with banks across the asset-size spectrum showing solid performance.

Industrywide, aggregate loans posted their fastest sequential increase since 2022 at 2.1%. The 20 banks with the most loans reported median growth of 1.7%, in line with the industrywide median, according to data from S&P Global Market Intelligence. Groups of banks with less than $3 billion of assets, and with between $50 billion and $100 billion of assets both posted aggregate growth of 1.75%.

The strength during the period drove a rebound in analyst loan growth forecasts for the year, which had been slashed after the shock of the April tariff announcements. Lending trends had appeared firmer than expected heading into earnings reports, and executives said clients are navigating policy and economic uncertainty.

Despite the recovery in analyst expectations, forecasts still anticipate a slowdown in loan growth for many banks in the second half of the year relative to the first half. Meanwhile, the Federal Reserve's senior loan officer survey found that commercial and industrial credit demand weakened further through June, reflecting softer investment plans and financing needs for inventories.

Loan growth at largest US banks, Q2 2025

Ranked by gross loans and leases

		Gross loans and leases		
Company (top-level ticker)	City, state	($B)	Vs. Q1 2025	Vs. Q2 2024
JPMorgan Chase Bank NA (JPM)	New York, NY	1,427.59	▲	▲
Bank of America NA (BAC)	Charlotte, NC	1,142.92	▲	▲
Wells Fargo Bank NA (WFC)	Sioux Falls, SD	894.62	▲	▲
Citibank NA (C)	New York, NY	697.15	▲	▲
Capital One NA (COF)	McLean, VA	447.57	▲	▲
U.S. Bank NA (USB)	Cincinnati, OH	382.53	▼	▲
PNC Bank NA (PNC)	Pittsburgh, PA	328.19	▲	▲
Truist Bank (TFC)	Charleston, NC	319.83	▲	▲
Goldman Sachs Bank USA (GS)	New York, NY	208.20	▲	▲
TD Bank NA (TD)	Wilmington, DE	171.54	▼	▼
American Express National Bank (AXP)	Sandy, UT	160.79	▲	▲
Morgan Stanley Private Bank NA (MS)	New York, NY	156.23	▲	▲
BMO Bank NA (BMO)	Chicago, IL	142.32	▼	▼
Citizens Bank NA (CFG)	Providence, RI	141.52	▲	▼
First-Citizens Bank & Trust Co. (FCNC.A)	Raleigh, NC	141.44	▼	▲
Manufacturers and Traders Trust Co. (MTB)	Buffalo, NY	136.17	▲	▲
Huntington National Bank (HBAN)	Columbus, OH	135.71	▲	▲
Ally Bank (ALLY)	Sandy, UT	133.20	▼	▼
Fifth Third Bank NA (FITB)	Cincinnati, OH	123.04	▲	▲
KeyBank NA (KEY)	Cleveland, OH	107.15	▲	▼

Data compiled Aug. 8, 2025.
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, 2025.
Nondepository trusts, companies with a foreign banking organization charter and companies with a loans-to-deposits ratio below 25% as of June 30, 2025, are excluded.
Data based on regulatory filings as of June 30, 2025.
Source: S&P Global Market Intelligence.
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Firmer growth, weaker demand

Year-over-year growth in loans across domestically chartered banks has ranged between 3.6% and 3.8% for the weeks ending so far during the third quarter, according to data from the Federal Reserve. That is faster than the range of 3.0% to 3.4% during the second quarter, which was faster than the range of 2.1% to 2.7% during the first quarter.

Loan growth still lags year-over-year growth in nominal GDP, however, and there are indications that the economy has been losing speed.

"Upward revisions to the US growth outlook may mask the fact that we still expect economic trends in the US to soften noticeably in the second half of 2025," Wells Fargo economists said in a update to their outlook on Aug. 19. In an Aug. 6 note, they said that their overall forecast for a "mild stagflationary shock" had not changed materially.

Consensus forecasts expect loan growth in the second half of the year to decelerate from the first half at the parent companies for six of the eight banks with most loans, according to data from Visible Alpha, a part of S&P Global Market Intelligence. First-half loan growth is anticipated to account for at least two-thirds of full-year loan growth at each of them.

Consensus forecasts anticipate that loan growth at Wells Fargo & Co. will accelerate to 1.7% in the second half from 1.3%, and to 1.4% from 0.1% at U.S. Bancorp.

"Our group could absorb a slowdown in loan growth in the second half and still hit [forecasts]," Piper Sandler analysts said in an Aug. 4 note on the Fed's senior loan officer survey. "If second-quarter strength continues, that would be good and our expectations could prove conservative. But if the [loan officer survey] ends up being a precursor of slower growth in coming months, then our group's numbers should still be all right because of the conservative view with which we have already approached our expectations."

By asset size

Overall loan growth was broad-based across asset-size categories, though the types of loans that delivered the growth varied.

Banks with more than $100 billion of assets showed strength in consumer lending. In the aggregate, their credit card loans increased 2.24% sequentially. Their auto loans increased 0.70%, compared with declines across all other size categories.

Banks with more than $100 billion of assets also posted aggregate declines in commercial real estate and multifamily loans, while all the other size categories posted increases.

Banks in size categories above $3 billion also all showed substantial increases in loans to nondepository financial institutions, which have been subject to changes in reporting requirements.

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