DATA DISPATCH

Big bank NIMs keep expanding in Q3 2025 amid steady deposit growth

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By Harry Terris and Hussain Shah
Market Intelligence

Large US banks reported another period of net interest margin expansion in the third quarter amid steady deposit growth, as assets continued to reprice higher and a Board of Governors of the Federal Reserve System cut late in the period opened the window for more deposit price reductions.

Publicly traded US banks with more than $100 billion of assets posted a median sequential increase in net interest margins (NIMs) of 5 basis points, according to data from S&P Global Market Intelligence. That was a bit better than the median increase of 4 basis points for the group in the second quarter. Deposits across the group increased a median 1.4% sequentially and a median 2.4% year over year.

Net interest income "and NIM outlooks remain favorable, underpinned by the continued repricing of fixed-rate assets, strategic balance sheet remixing, and disciplined management of deposit costs," Jefferies analysts said in a Nov. 3 report reviewing the third quarter. "Most bank balance sheets are positioned as neutral to modestly asset sensitive."

Bank of America Corp.'s NIM was up 8 basis points sequentially and 9 basis points from the year prior to 2.02%, according to Market Intelligence data. The bank is targeting NIM of 2.30% in the medium term and 2.40% in the long term, driven by organic growth, asset repricing and further reductions in short-term wholesale funding.

Ending-period deposits declined 0.5% sequentially for the bank, though average deposits increased. Its reported cost of deposits ticked up 2 basis points sequentially to 1.78%, though the bank expects that to fall in the fourth quarter, reflecting the September rate cut plus another in late October.

"You'll see us do the same thing we've been doing" on deposit pricing, CFO Alastair Borthwick said, including a full pass-through of rate cuts in the wealth business.

Deposit and margin trends at largest US public banks, Q3 2025

Ranked by total assets

Company (ticker)	Total assets ($B)	Total deposits ($B)	Total deposits QOQ change (%)	Total deposits YOY change (%)	Net interest margin (%)	Net interest margin QOQ change (bps)	Net interest margin YOY change (bps)
JPMorgan Chase & Co. (JPM)	4,560.21	2,548.48	-0.5	4.8	2.47	5	-13
Bank of America Corp. (BAC)	3,403.72	2,002.21	-0.5	3.7	2.02	8	9
Citigroup Inc. (C)	2,642.48	1,383.93	1.9	5.6	2.42	-9	8
Wells Fargo & Co. (WFC)	2,062.93	1,367.36	2.0	1.3	2.62	-5	-6
U.S. Bancorp (USB)	695.36	526.15	1.4	1.0	2.75	9	1
PNC Financial Services Group Inc. (PNC)[1]	568.77	432.75	1.4	2.1	2.84	2	17
Truist Financial Corp. (TFC)	543.85	394.91	-2.8	1.8	3.03	1	-11
First Citizens BancShares Inc. (FCNC.A)	233.49	163.19	2.0	7.7	3.29	3	-27
Citizens Financial Group Inc. (CFG)	222.75	180.01	2.8	2.8	3.02	8	23
Fifth Third Bancorp (FITB)[2]	212.90	166.57	1.4	-1.1	3.15	4	24
M&T Bank Corp. (MTB)	211.28	163.43	-0.6	-0.7	3.71	10	8
Huntington Bancshares Inc. (HBAN)[3]	210.23	165.21	1.1	4.3	3.16	6	16
KeyCorp (KEY)	187.41	150.77	2.6	0.3	2.80	10	56
Regions Financial Corp. (RF)	159.94	130.33	-0.4	3.1	3.62	-2	5
Flagstar Bank NA (FLG)	91.67	69.15	-0.9	-16.7	1.90	12	11
Western Alliance Bancorp. (WAL)	90.97	77.25	8.6	13.5	3.56	5	-7
Zions Bancorp. NA (ZION)	88.53	74.88	1.5	-1.1	3.30	14	25
Webster Financial Corp. (WBS)	83.19	68.18	2.8	5.7	3.43	-1	0
First Horizon Corp. (FHN)	83.19	65.53	-0.1	-1.6	3.57	17	25
East West Bancorp Inc. (EWBC)	79.67	66.59	2.4	7.9	3.57	22	30
Industry median			**1.2**	**4.1**	**3.57**	**8**	**29**

Data compiled Nov. 4, 2025.
Analysis limited to US public banks trading on the NYSEAM, NYSE or Nasdaq that reported earnings for the third calendar quarter of 2025, as of Oct. 31, 2025.
[1] PNC Financial Services Group Inc. announced the acquisition of FirstBank Holding Co. on Sept. 8, 2025.
[2] Fifth Third Bancorp unit Fifth Third Financial Corp. announced the acquisition of Comerica Inc. on Oct. 6, 2025.
[3] Huntington Bancshares Inc. acquired Veritex Holdings Inc. on Oct. 20, 2025, and announced the acquisition of Cadence Bank on Oct. 27, 2025.
Data based on GAAP filings.
Source: S&P Global Market Intelligence.
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More deposit price cuts coming

PNC Financial Services Group Inc. reported a sequential increase of 8 basis points in its rate paid on deposits, reflecting unusually large inflows into interest-bearing commercial deposits. It expects a decline in the fourth quarter, reflecting the September cut and two more anticipated by the end of the year.

Prices on commercial deposits "can be moved pretty fast. You can get to 100% beta, maybe not right out of the box, but eventually," CFO Robert Reilly said, referring to the relationship between deposit costs and underlying interest rates. "High net worth somewhat similar. Retail is where it's a little bit slower just because the rate paid there is still pretty low."

Truist Financial Corp.'s deposits declined sequentially, reflecting the reversal of temporary M&A-related deposits at two clients, and it reported that its total cost of deposits declined 1 basis point sequentially to 1.84%. It expects a further decline in deposit costs in the fourth quarter, supporting a projection for sequential growth of about 2% in net interest income.

Largest QOQ deposit declines at US public banks, Q3 2025

		Total deposits			Net interest margin		
Company (ticker)	Total assets ($B)	($B)	QOQ change (%)	YOY change (%)	(%)	QOQ change (bps)	YOY change (bps)
Avidia Bancorp Inc. (AVBC)	2.79	2.08	-14.9	1.5	3.46	28	60
Simmons First National Corp. (SFNC)	24.21	19.84	-9.1	-9.6	3.53	48	78
First Internet Bancorp (INBK)	5.64	4.92	-7.2	2.5	2.14	11	43
Eagle Financial Services Inc. (EFSI)	1.93	1.66	-6.3	7.1	3.61	20	56
Lake Shore Bancorp Inc. (LSBK)	0.74	0.59	-5.9	0.5	3.72	-13	44
Midland States Bancorp Inc. (MSBI)	6.91	5.60	-5.8	-10.4	3.83	27	49
IF Bancorp Inc. (IROQ)[1,3]	0.86	0.68	-5.7	0.5	2.97	26	70
The Bancorp Inc. (TBBK)	8.60	7.33	-5.6	5.8	4.45	1	-33
First Busey Corp. (BUSE)[2]	18.19	15.07	-4.6	51.6	3.61	13	58
Chemung Financial Corp. (CHMG)	2.70	2.36	-4.5	-3.8	3.48	44	74
Triumph Financial Inc. (TFIN)	6.36	4.96	-4.5	5.3	6.34	-7	-51
National Bankshares Inc. (NKSH)	1.80	1.56	-4.0	-2.6	2.75	20	54
Commercial Bancgroup Inc. (CBK)	2.21	1.78	-3.8	-5.9	3.82	N/A	N/A
Northeast Bank (NBN)[3]	4.17	3.25	-3.7	4.0	4.63	-50	-31
Summit State Bank (SSBI)	1.01	0.89	-3.7	-11.4	3.54	-11	80
LCNB Corp. (LCNB)	2.24	1.85	-3.7	-3.5	3.60	14	74
First Guaranty Bancshares Inc. (FGBI)	3.80	3.35	-3.6	-2.2	2.36	3	-16
Great Southern Bancorp Inc. (GSBC)	5.74	4.53	-3.3	-3.6	3.75	8	31
Horizon Bancorp Inc. (HBNC)	6.71	5.52	-3.1	-3.6	3.55	33	88
Blue Ridge Bankshares Inc. (BRBS)	2.50	1.95	-2.9	-16.9	3.60	45	86
Industry median			**1.2**	**4.1**	**3.57**	**8**	**29**

Data compiled Nov. 4, 2025.
N/A = not applicable.
Analysis limited to US public banks trading on the NYSEAM, NYSE or Nasdaq that reported earnings for the third calendar quarter of 2025, as of Oct. 31, 2025.
[1] ServBanc Holdco Inc. announced the acquisition of IF Bancorp Inc. on Oct. 30, 2025.
[2] First Busey Corp. acquired CrossFirst Bankshares Inc. on March 1, 2025.
[3] The third calendar quarter of 2025 represents the company's first fiscal quarter of 2026.
Data based on GAAP filings.
Source: S&P Global Market Intelligence.
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Big deposit declines

The largest sequential deposit declines were generally associated with margin expansion.

For the 20 banks with the biggest percentage drops, NIMs increased a median 14 basis points sequentially, nearly double the industrywide median increase of 8 basis points.

Deposits declined 9.1% sequentially at Simmons First National Corp., while its NIM increased 48 basis points. The bank executed a capital raise and a balance sheet repositioning that included shedding high-rate wholesale and public fund deposits.

Cash and securities at US public banks with over $50B in assets, Q3 2025

Ranked by total assets

Company (ticker)	Total assets ($B)	Cash and cash equivalents ($B)	Cash and cash equivalents QOQ change (%)	AFS securities ($B)	AFS securities QOQ change (%)	HTM securities ($B)	HTM securities QOQ change (%)
JPMorgan Chase & Co. (JPM)	4,560.21	977.62	-12.3	490.50	1.1	293.45	12.6
Bank of America Corp. (BAC)	3,403.72	580.52	-7.5	390.29	3.2	531.41	-1.8
Citigroup Inc. (C)	2,642.48	669.41	1.2	246.23	4.4	197.09	-4.4
Wells Fargo & Co. (WFC)	2,062.93	328.90	9.9	206.68	11.8	214.23	-3.3
U.S. Bancorp (USB)	695.36	NA	N/A	89.07	-1.7	76.93	-1.2
PNC Financial Services Group Inc. (PNC)[1]	568.77	NA	N/A	68.30	1.7	73.23	-2.6
Truist Financial Corp. (TFC)	543.85	39.83	-9.7	65.52	-1.3	48.02	-1.9
First Citizens BancShares Inc. (FCNC.A)	233.49	25.76	-5.9	34.96	5.8	10.05	-1.4
Citizens Financial Group Inc. (CFG)	222.75	12.34	33.8	35.42	2.2	8.12	-2.0
Fifth Third Bancorp (FITB)[2]	212.90	20.12	25.6	NA	N/A	11.50	-1.1
M&T Bank Corp. (MTB)	211.28	18.70	-12.7	23.16	7.5	12.71	-2.4
Huntington Bancshares Inc. (HBAN)[3]	210.23	13.23	20.9	26.09	-7.9	15.60	-2.3
KeyCorp (KEY)	187.41	15.27	14.6	40.46	-0.5	7.51	8.6
Regions Financial Corp. (RF)	159.94	12.10	8.3	26.89	2.1	5.77	-3.4
Flagstar Bank NA (FLG)	91.67	8.48	4.8	15.05	1.5	0.00	N/A
Western Alliance Bancorp. (WAL)	90.97	5.76	108.0	17.23	2.0	1.52	-0.5
Zions Bancorp. NA (ZION)	88.53	4.17	12.8	9.17	0.6	9.06	-2.3
Webster Financial Corp. (WBS)	83.19	3.06	2.3	9.93	3.2	8.08	-1.4
First Horizon Corp. (FHN)	83.19	2.91	20.1	NA	N/A	NA	N/A
East West Bancorp Inc. (EWBC)	79.67	5.19	5.0	12.74	2.0	2.88	-0.4
Comerica Inc. (CMA)[2]	77.38	5.11	-4.6	14.82	-0.4	0.00	N/A
Popular Inc. (BPOP)	75.07	5.13	-23.9	20.69	1.0	7.43	-1.4
UMB Financial Corp. (UMBF)[4]	71.88	9.73	-17.9	13.38	10.0	5.65	2.9
Old National Bancorp (ONB)[5]	71.21	1.68	-7.0	11.42	3.7	2.91	-0.6
Wintrust Financial Corp. (WTFC)	69.63	3.99	-24.3	5.27	7.9	3.44	-1.8
Columbia Banking System Inc. (COLB)[6]	67.50	2.34	20.6	11.01	27.3	0.02	794.2
SouthState Bank Corp. (SSB)[7]	66.05	3.14	-9.2	6.04	1.9	2.10	-2.3
Valley National Bancorp (VLY)	63.02	1.37	15.5	4.12	5.7	3.54	0.3
Synovus Financial Corp. (SNV)[8]	60.49	2.27	-20.3	7.58	-2.9	2.45	-2.1
Pinnacle Financial Partners Inc. (PNFP)[8]	55.96	3.35	8.6	6.41	0.5	2.64	-1.6
Cadence Bank (CADE)[9]	53.28	1.89	22.9	9.62	8.8	0.00	N/A
Cullen/Frost Bankers Inc. (CFR)	52.53	7.94	11.6	16.84	1.6	3.45	-0.9
BOK Financial Corp. (BOKF)	50.19	1.43	4.9	13.48	1.0	1.84	-3.1
Group median			**4.9**		**2.0**		**-1.6**

Data compiled Nov. 4, 2025.

AFS = available-for-sale; HTM = held-to-maturity; NA = not available; N/A = not applicable.

Analysis limited to US public banks trading on the NYSEAM, NYSE or Nasdaq that reported earnings for the third calendar quarter of 2025, Oct. 31, 2025., and had at least $50 billion in total assets as of Sept. 30, 2025.

[1] PNC Financial Services Group Inc. announced the acquisition of FirstBank Holding Co. on Sept. 8, 2025.

[2] Fifth Third Bancorp announced the acquisition of Comerica Inc. on Oct. 6, 2025.

[3] Huntington Bancshares Inc. acquired Veritex Holdings Inc. on Oct. 20, 2025, and announced the acquisition of Cadence Bank on Oct. 27, 2025.

[4] UMB Financial Corp. acquired Heartland Financial USA Inc. on Jan. 31, 2025.

[5] Old National Bancorp acquired Bremer Financial Corp. on May 1, 2025.

[6] Columbia Banking System Inc. acquired Pacific Premier Bancorp Inc. on Aug. 31, 2025.

[7] SouthState Corp.acquired Independent Bank Group Inc. on Jan. 1, 2025.

[8] Synovus Financial Corp. and Pinnacle Financial Partners Inc. announced a merger of equals on July 24, 2025.

[9] Cadence Bank acquired FCB Financial Corp. on May 1, 2025, and Industry Bancshares Inc. on July 1, 2025. Huntington Bancshares Inc. announced the acquisition of Cadence Bank on Oct. 27, 2025.

Data based on GAAP filings.

Source: S&P Global Market Intelligence.

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Cash and bonds

Across publicly traded banks with more than $50 billion of assets, cash increased a median 4.9% sequentially, available-for-sale securities increased a median

2.0% and held-for-sale securities declined a median 1.6%.

While changes at individual banks continued to vary widely, banks as a whole have continued to maintain high levels of cash as a percentage of assets compared with before the pandemic, according to data from the Fed.

Rates strategists at BofA Global Research say that banks have been holding high levels of cash because they do not want to sell bonds with unrealized losses if they need the liquidity.

As a result, banks do not have as much excess cash as it appears, helping to justify the end to the Fed's program of shrinking its balance sheet.

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