

DATA DISPATCH
US banks' provision-to-charge-off ratio hits highest since mid-2025

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Market Intelligence

The ratio of credit provisions to net charge-offs at US banks increased again in the first quarter after reaching [a multiquarter low](#).

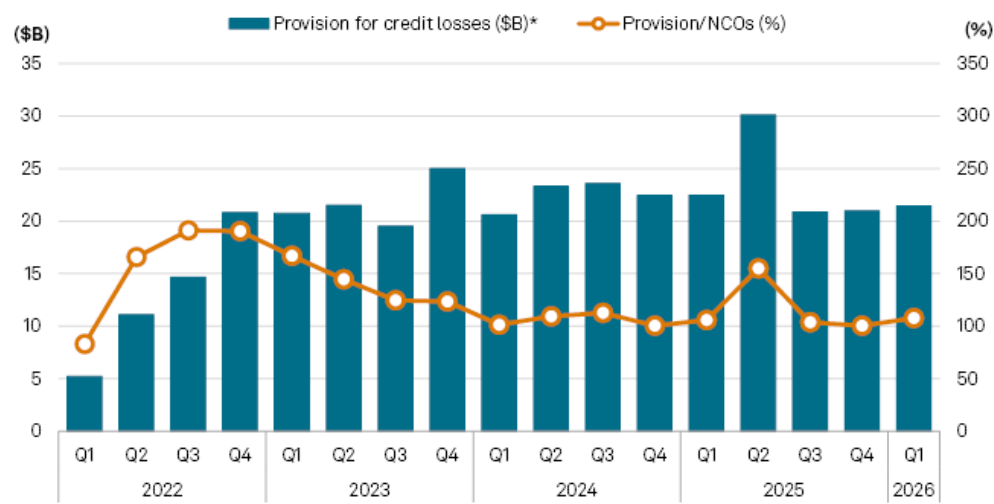
Provisions as a percentage of net charge-offs (NCOs) were 107.6% in the first quarter, representing the highest level since 155.0% in the second quarter of 2025. The ratio was 100.4% a quarter ago and 105.7% a year ago, according to S&P Global Market Intelligence data.

The quarter-over-quarter increase happened as provisions rose 2.2%, while NCOs fell 4.6%. Still, the majority of large US banks reported provisions for credit losses [below analyst expectations](#).

US banks' credit quality "was fine overall" in the first quarter despite some asset quality noise, isolated weaknesses in specific geographies and continued focus on [nondepository financial institution lending](#), Hovde Group analysts said.

"Overall, credit metrics were fine, even if there were continued signs of normalization," the analysts wrote in a May 6 report. "But certainly no evidence of doom [and] gloom in what we saw this season outside of select instances of credit deterioration."

Credit provision trends at US banks

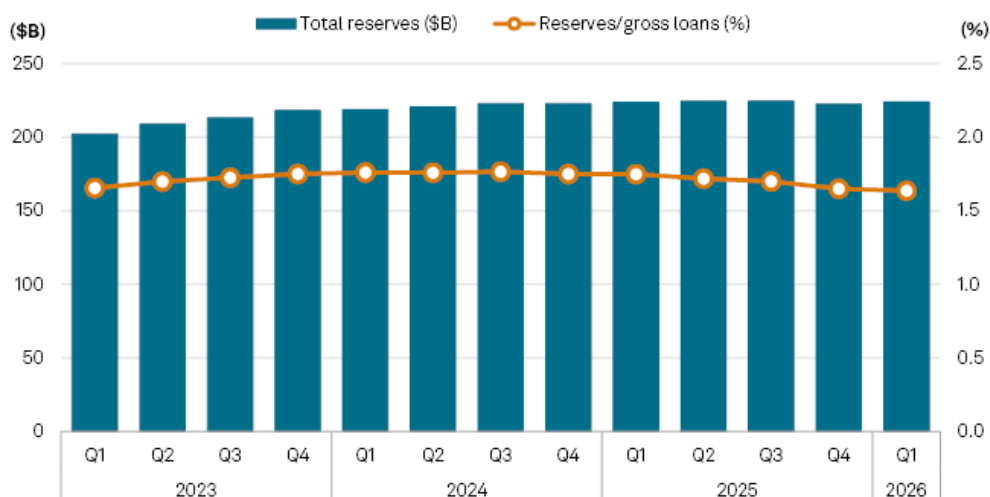


Data compiled May 14, 2026.
NCOs = net charge-offs.
Analysis includes US commercial banks, savings banks, and savings and loan associations. Nondepository trusts and companies with a foreign banking organization charter are excluded.
* Includes credit loss provisions for all financial assets and off-balance-sheet credit exposures.
Data based on regulatory filings.
Source: S&P Global Market Intelligence.
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US banks' reserves totaled \$224.03 billion in the first quarter, up from \$222.42 billion a quarter ago.

The reserves-to-gross loans ratio for the first quarter came in at 1.64%, versus the previous quarter's 1.65%, as reserves ticked up 0.7% and gross loans increased 1.6%. This represented the fourth consecutive quarter that the ratio declined sequentially.

Total reserves at US banks



Data compiled May 14, 2026.

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Data based on regulatory filings.

Source: S&P Global Market Intelligence.

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Among banks with over \$5 billion in total assets and loans-to-deposits ratio greater than 40% as of March 31, [Pathward NA](#) booked the largest quarter-over-quarter increase in reserves-to-gross loans ratio. The ratio was 2.0% for the first quarter, up 84 basis points from the previous quarter.

Pathward's provision for credit losses also climbed by \$42.4 million to \$45.6 million in the first quarter, partially reflecting some specific reserves, CFO Gregory Sigrist said.

"Many quarters, [the provision is] driven by increasing the loan book, but this quarter, it was more driven just by looking through and just taking a pragmatic view of where we're going to land on some of these credits," Sigrist said during an [earnings call](#). "But with the benefit of looking forward, we still believe this is a ... very stable credit environment."

[FirstBank](#) reported the second-largest sequential increase in reserves-to-gross loans ratio in the same quarter it was [acquired](#) by [PNC Financial Services Group Inc.](#) The ratio was 1.56%, up 51 bps from the fourth quarter of 2025.

[Amalgamated Bank](#)'s reserves-to-gross loans ratio was 1.35%, up 19 bps sequentially. The bank's parent, [Amalgamated Financial Corp.](#), reported [a sharp increase in nonperforming assets](#) in the first quarter, driven by a single multifamily borrower in the Washington, DC, metro area.

[Cross River Bank](#) posted the biggest quarter-over-quarter drop in reserves-to-gross loans ratio at 124 bps to 0.99%. SMBC MANUBANK followed with a 120-bp decline to zero percent.

[LendingClub Bank NA](#)'s ratio was 3.51%, down 73 bps from the prior quarter. The bank's provision for credit losses also fell by \$46.8 million to \$390,000.

The provision at LendingClub was driven by "the impact of our move to fair value option accounting for newly originated held-for-investment loans, combined with strong credit performance on the remaining legacy portfolio under CECL accounting," CFO Andrew LaBenne said during an [earnings call](#).

[Alerus Financial NA](#)'s ratio declined 28 bps sequentially to 1.24%, and its provision fell \$4.6 million to negative \$4.9 million. The bank's parent, [Alerus Financial Corp.](#), recorded a \$4.9 million reserve release in the fourth quarter due to "portfolio improvements and credit resolution activity," President and CEO Katie Lorenson said during an [earnings call](#).

[Flagstar Bank NA](#) reported a ratio of 1.57%, down 12 bps from a quarter earlier. In the same period, the bank's allowance for credit loss reserve decreased \$78 million, mainly driven by lower [commercial real estate](#) and multifamily loan balances, CFO, co-President and co-COO Lee Smith said during an [earnings call](#).

US banks with the most QOQ change in reserves-to-gross loans ratio, Q1 2026

Sorted by most QOQ change in reserves-to-gross loans ratio and then by total assets

Company (top-level ticker)	Total assets (\$B)	Reserves/gross loans			Provision for credit losses ¹		
		QOQ change (bps)	YOY change (bps)	(%)	(\$M)	QOQ change (\$M)	Provision/NCOs (%)
Largest QOQ percentage increase							
Pathward NA (CASH)	7.11	84	-28	2.00	45.6	42.4	781.5
FirstBank (PNC) ^{2,3}	29.36	51	56	1.56	-6.3	-8.5	NM
Synchrony Bank (SYF)	114.86	36	-46	10.53	1,317.0	-104.0	100.0
Santander Bank NA (SAN) ⁴	106.09	30	5	2.57	309.1	222.3	337.8
Comenity Capital Bank (BFH)	13.31	29	-80	11.74	223.2	-28.5	100.0
Barclays Bank Delaware (BARC)	46.65	25	15	7.46	323.0	-134.0	97.3
Comenity Bank (BFH)	7.77	23	-67	11.63	79.7	-41.2	74.2
TowneBank (TOWN) ⁵	22.36	20	22	1.29	0.3	0.7	19.5
Amalgamated Bank (AMAL)	9.17	19	12	1.35	13.5	8.0	413.0
Nicolet National Bank (NIC) ⁵	15.55	18	18	1.18	6.1	5.3	726.3
Republic Bank & Trust Co. (RBCA.A)	7.25	17	-29	1.70	9.9	-0.2	299.6
Lake Forest Bank & Trust Co. NA (WTFB) ⁶	9.00	13	1	0.79	12.8	6.8	NM
Capital One NA (COF)	672.01	13	38	5.28	4,068.0	-74.1	105.7
Sallie Mae Bank (SLM) ²	29.46	13	3	6.45	-11.2	8.3	NM
Beal Bank USA ²	13.03	13	52	1.18	9.2	1.9	NM
Largest QOQ percentage decrease							
Cross River Bank	8.71	-124	-78	0.99	14.1	-5.0	18.3
SMBC MANUBANK (8316)	7.73	-120	-502	0.00	10.9	-20.3	16.4
LendingClub Bank NA (LC)	11.85	-73	-75	3.51	0.4	-46.8	1.0
Alerus Financial NA (ALRS) ²	5.28	-28	-27	1.24	-4.9	-4.6	NM
Metropolitan Commercial Bank (MCB) ²	8.84	-27	9	1.16	-2.3	-5.1	NM
Emigrant Bank ²	5.85	-25	-21	1.84	-0.4	-3.9	NM
WEX Bank (WEX)	9.53	-24	26	1.38	24.5	9.5	125.4
First Security Bank	8.40	-23	-29	2.25	1.6	0.0	14.5
Fifth Third Bank NA (FITB) ⁵	296.12	-18	-29	1.65	227.0	109.0	157.6
Needham Bank (NBBK) ⁵	7.17	-16	42	1.28	6.3	7.4	46.5
Flagstar Bank NA (FLG) ²	87.13	-12	-17	1.57	-0.5	-3.5	NM
Northeast Bank (NBN) ²	5.03	-12	11	1.32	-0.2	-0.9	NM
Coastal Community Bank (CCB)	5.66	-11	-82	4.33	51.4	3.4	103.7
The Bancorp Bank NA (TBBK)	9.90	-11	0	0.80	27.6	-13.8	90.0
Stifel Bank and Trust (SF)	20.06	-10	-17	0.58	9.3	-0.8	37.4
Peapack Private Bank & Trust (PGC)	7.69	-10	-27	1.04	7.3	-0.3	64.6
Industry aggregate ⁷		-1	-11	1.64			103.6

Data compiled May 14, 2026.

NCOs = net charge-offs; NM = not meaningful.

Analysis includes US commercial banks, savings banks, and savings and loan associations with more than \$5 billion in total assets and loans-to-deposits ratio greater than 40% as of March 31, 2026. Nondepository trusts and companies with a foreign banking organization charter are excluded.

¹ Includes credit loss provisions for all financial assets and off-balance-sheet credit exposures.

² Provision-to-NCOs ratio for the first quarter of 2026 was negative.

³ FirstBank's parent, FirstBank Holding Co., got acquired by PNC Financial Services Group Inc. on Jan. 5, 2026.

⁴ Banco Santander SA announced the acquisition of Webster Financial Corp. on Feb. 3, 2026.

⁵ Completed a merger or acquisition since April 1, 2025.

⁶ Provision-to-NCOs ratio for the first quarter of 2026 was more than 1,000%.

⁷ Represents aggregate data for US commercial banks, savings banks, and savings and loan associations. Nondepository trusts and companies with a foreign banking organization charter are excluded.

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

Data based on regulatory filings.

Source: S&P Global Market Intelligence.

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