DATA DISPATCH

US bank asset growth shoots to near 6-year high in Q1 2026

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Market Intelligence

The US banking industry posted its highest aggregate asset growth rate in nearly six years during the first quarter.

Total assets at US commercial banks, savings banks, and savings and loan associations, excluding nondepository trusts and companies with a foreign banking organization charter, reached $26.145 trillion as of March 31, up $887.89 billion or 3.5% from year-end 2025, according to S&P Global Market Intelligence data. That rate of asset growth was the highest level since 4.4% in the second quarter of 2020. The industry's growth rate had been under 2% for the last 16 quarters, with seven of those quarters showing a negative change.

The increase in total assets was top-heavy. More than 85% of the aggregate growth came from the five biggest banks by total assets at March 31 — JPMorgan Chase Bank NA, Bank of America NA, Citibank NA, Wells Fargo Bank NA and Goldman Sachs Bank USA — plus Bank of New York Mellon and Morgan Stanley Bank NA. Of the dozen largest banks, only PNC Bank NA's balance sheet shrunk, and by just 0.1%.

The median change in total assets was 1.0% in the first quarter, which was down from 1.2% in the fourth quarter of 2025 and 1.3% in the year-ago quarter.

Components of asset growth

The aggregate growth in total assets was split among several different categories, including total loans and leases, up $214.99 billion, total securities, up $88.45 billion, cash and equivalents, up $214.19 billion, and total trading assets, up $252.96 billion.

Cash and equivalents went up 6.5% in aggregate, which was a 12-quarter high, as well as 8.3% on a median basis. The aggregate rose primarily because of Morgan Stanley, Bank of New York Mellon, Citibank and Bank of America.

About this analysis

This analysis, which covers US commercial banks, savings banks, and savings and loan associations, examines first-quarter 2026 financial performance based on aggregate and median change because the sector remains dominated by larger institutions that can skew the results. For instance, the five largest banks held about 43% of the industry's assets as of March 31.

For total securities, the median change of negative 1.1% diverged from the aggregate increase of 1.5%. Most of the aggregate growth was from JPMorgan and Goldman Sachs. Across the industry, the fair value of available-for-sale securities increased 2.9%, while the cost basis of held-to-maturity securities fell 0.8%.

Aggregate financial highlights for US banks, Q1 2026

	Industry aggregate	QOQ	YOY
Balance sheet	**($ trillion)**	**Change (%)**	
Total assets	26.145	3.5	6.6
Total loans and leases	13.693	1.6	7.1
Total securities	5.801	1.5	3.6
Cash and equivalents	3.492	6.5	2.5
Total deposits	20.548	2.3	5.5
Brokered US deposits	1.204	0.1	-1.5
Total borrowings	2.263	15.8	15.4
Tangible common equity	2.195	0.4	5.1
Balance sheet ratios	**(%)**	**Change (bps)**	
Loans/deposits	66.64	-49	96
Tangible common equity/tangible assets	8.53	-26	-11
Income statement	**($B)**	**Change (%)**	
Net income	80.45	3.5	14.2
Pre-provision net revenue	122.87	0.7	8.4
Net interest income	192.10	-0.8	7.3
Noninterest income	90.61	5.7	8.4
Noninterest expense	159.85	1.5	7.1
Provision for credit losses	21.44	2.2	-4.6
Profitability ratios	**(%)**	**Change (bps)**	
ROAA	1.25	2	9
ROAE	12.34	32	80
Net interest margin (FTE)	3.24	-8	5
Yield on earning assets	5.19	-22	-21
Cost of funds	2.07	-11	-21
Credit quality ratios	**(%)**	**Change (bps)**	
Modified loans/total loans and leases	0.37	-2	-6
NPAs+loans 90 or more days past due/ total assets*	0.54	0	1
NCOs/average loans	0.59	-4	-8
Reserves/gross loans and leases	1.64	-1	-11

Data compiled May 10, 2026.

ROAA = return on average assets; ROAE = return on average equity; FTE = fully taxable equivalent; NPA = nonperforming asset; NCO = net charge-off.

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

* Excludes modified loans and leases.

Data based on regulatory filings as of March 31, 2026.

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C&I and NDFIs driving loan growth

By median, loan growth of 0.5% was the slowest rate since the 0.3% contraction in the third quarter of 2021. The 1.6% aggregate growth was 43 basis points lower sequentially but 111 basis points higher year over year. Relative to other asset categories, the growth in the aggregate was far more diversified by company but focused on two lending types.

Commercial and industrial (C&I) loans and loans to nondepository financial institutions (NDFIs) comprised 45% and 38%, respectively, of the total loan growth.

The aggregate C&I category jumped 4.0% sequentially, following a 1.0% increase and a 0.6% decrease in the previous two quarters. The growth was widespread, as all 32 of the banks with greater than $10 billion in C&I loans as of March 31 reported at least 0.7% linked-quarter growth. The top C&I lender, Bank of America,

reported 2.2% growth. Morgan Stanley nearly tripled its C&I portfolio to $12.73 billion. In the regional bank space, Bank OZK grew C&I loans 11.3% on a sequential basis and 84.8% year over year.

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Total loans to NDFIs were up $80.67 billion, or 5.1% from the end of 2025. The majority of the growth was from loans to business credit intermediaries, which increased $56.92 billion, or 15.1%. Loans to consumer credit intermediaries represented another significant growth driver, up $18.16 billion, or 12.3%. The mortgage and private equity categories, however, had more muted growth, with both increasing approximately $14 billion, or about 4%.

JPMorgan remained the top NDFI lender with an outstanding balance of $238.44 billion at March 31, up 0.2% sequentially. Banks reporting a double-digit percentage increase included Bank of America, PNC and KeyBank NA.

In contrast to C&I and NDFI, several of the main lending categories declined in the first quarter. Junior-lien one-to four family was down 13.2%, as JPMorgan cut its exposure to $2.39 billion from $9.79 billion. Agricultural production fell 5.7% as Bank of America pulled back to $644.0 million from $3.28 billion. And credit card contracted 3.6% as each of the top 20 banks in the segment reported a lower balance.

Median financial highlights for US banks, Q1 2026

	Industry median	QOQ[1]	YOY[1]
Balance sheet	**($M)**	**Change (%)**	
Total assets	384.0	1.0	4.3
Total loans and leases	250.0	0.5	5.3
Total securities	65.0	-1.1	0.2
Cash and equivalents	29.9	8.3	4.5
Total deposits	326.0	1.4	4.0
Brokered US deposits	0.0	0.0	-7.0
Total borrowings	3.1	-1.8	-5.8
Tangible common equity	39.1	1.1	10.6
Balance sheet ratios	**(%)**	**Change (bps)**	
Loans/deposits	80.34	-64	63
Tangible common equity/tangible assets	9.94	-2	55
Income statement	**($000)**	**Change (%)**	
Net income	1,083	0.7	19.2
Pre-provision net revenue	1,344	-0.3	19.8
Net interest income	3,404	0.0	12.6
Noninterest income	394	-2.9	5.7
Noninterest expense	2,473	-0.8	6.2
Provision for credit losses	37	-40.3	-7.3
Profitability ratios	**(%)**	**Change (bps)**	
ROAA	1.18	2	16
ROAE	11.25	13	81
Net interest margin (FTE)	3.76	-4	25
Yield on earning assets	5.40	-13	9
Cost of funds	1.82	-10	-16
Credit quality ratios	**(%)**	**Change (bps)**	
Modified loans/total loans and leases	0.00	0	0
NPAs+loans 90 or more days past due/ total assets[2]	0.34	0	0
NCOs/average loans	0.00	0	0
Reserves/gross loans and leases	1.19	1	0

Data compiled May 10, 2026.
ROAA = return on average assets; ROAE = return on average equity; FTE = fully taxable equivalent; NPA = nonperforming asset; NCO = net charge-off.
Analysis includes US commercial banks, savings banks, and savings and loan associations. Nondepository trusts and companies with a foreign banking organization charter are excluded.
[1] Represents the median change, not the change in the median, for each respective period.
[2] Excludes modified loans and leases.
Data based on regulatory filings as of March 31, 2026.
Source: S&P Global Market Intelligence.
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Margin compression

Net interest margin on a fully taxable equivalent basis declined 8 basis points from the aggregate perspective and 4 basis points by median. Net interest income decreased 0.8%, while the median change was zero.

Most of the largest banks experienced margin compression. Wells Fargo's margin fell 17 basis points to 3.09% on a linked-quarter basis. On Wells Fargo & Co.'s first-quarter earnings conference call, analysts questioned if margin pressure would prevent the company from achieving its profitability goals.

Bank of Hawaii Corp. unit Bank of Hawaii was one of the banks that bucked the industry trend. Its margin expanded 10 basis points to 2.68%, representing the sixth quarterly increase in a row, as it repriced fixed assets and brought down deposit costs.

The company is on track to reach its 2.9% margin goal by the end of this year, "even against an uncertain rate backdrop," President and CEO Jim Polk said on the company's April 20 conference call.

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