

DATA DISPATCH
US banks' net charge-offs dip YOY in Q4 2025, but delinquencies rise

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Market Intelligence

US banks reported an improvement in actual loan losses in the fourth quarter of 2025, but increases in early-stage delinquencies and the total volume of troubled debt suggest that underlying credit stress has yet to subside.

The US banking sector's net charge-off (NCO) ratio fell to 0.63% in the fourth quarter from 0.71% a year earlier, according to S&P Global Market Intelligence data. Total net charge-offs declined 6.6% year over year to \$20.89 billion. However, nonaccrual loans climbed 5.3% year over year to \$89.45 billion, while restructured loans and leases increased 2.9% year over year to \$51.01 billion.

Early-stage delinquencies, or loans and leases overdue by 30 to 89 days, increased 2.4% year over year to \$72.86 billion. As a percentage of total loans and leases, these delinquencies fell by 2 basis points year over year to 0.54%.

Banks recorded \$146.97 billion in nonperforming assets (NPAs), up 5.2% from \$139.74 billion in the fourth quarter of 2024. As a proportion of total assets, NPAs remained unchanged year over year at 0.58%.

"Credit remained remarkably benign by and large," said analysts at Hovde Group in a Feb. 9 note. "There are definitely signs of NPA creep, but off cyclically low levels. Actual loss content just isn't an issue at the moment, and provisioning levels were more tied to the quarter's loan growth rather than a deteriorating credit backdrop."

Credit quality at US banks

	Q4 2025	Q4 2024	YOY change*
Nonperforming assets			
\$B	146.97	139.74	▲
Proportion of total assets (%)	0.58	0.58	NC
Nonaccrual loans			
\$B	89.45	84.95	▲
Proportion of total loans and leases (%)	0.66	0.67	▼
Restructured loans and leases			
\$B	51.01	49.58	▲
Proportion of total loans and leases (%)	0.38	0.39	▼
Loans and leases past due 90 days or more			
\$B	24.11	25.36	▼
Proportion of total loans and leases (%)	0.18	0.20	▼
Loans and leases past due 30-89 days			
\$B	72.86	71.19	▲
Proportion of total loans and leases (%)	0.54	0.56	▼
Net charge-offs			
\$B	20.89	22.36	▼
Net charge-offs/average loans and leases (%)	0.63	0.71	▼

Data compiled Feb. 12, 2026.
NC = no change.
Analysis includes US commercial banks, savings banks, and savings and loan associations; excludes nondepository trusts and companies with a foreign banking organization charter.
* Comparisons calculated out to two decimal places for all metrics.
Government-guaranteed loans are excluded.
Data based on regulatory filings.
Source: S&P Global Market Intelligence.
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Net charge-off ratios drop year over year

Several loan categories recorded lower net charge-off (NCO) ratios year over year in the fourth quarter of 2025.

The NCO ratio for the auto loan segment rose 14 basis points quarter over quarter to 1.13%, but it dropped 16 basis points from the year-ago period.

In the credit card segment, the NCO ratio stood at 4.08%, marking an increase of 8 basis points from the previous quarter and a decline of 49 basis points from the fourth quarter of 2024.

At 0.23%, the commercial real estate (CRE) NCO ratio remained unchanged sequentially in the fourth quarter of 2025, but it fell by 11 basis points from the same period in 2024.

The "other consumer loan" segment recorded the largest increase in NCO ratio both sequentially and year over year. In the fourth quarter of 2025, the NCO ratio for this category rose by 34 basis points from the previous quarter and by 32 basis points from the year-ago period, reaching a record high of 1.87%.

Nonperforming loan ratios rise

While nonperforming loan (NPL) ratios improved quarter over quarter in several loan segments, they remained elevated compared to the prior year.

The farm loan NPL ratio fell by 7 basis points sequentially to 0.67% in the 2025 fourth quarter, but it was up 8 basis points from a year earlier.

For multifamily loans, the NPL ratio declined 4 basis points quarter over quarter but increased 10 basis points year over year to 1.00%. The NPL ratio for C&I loans was 0.90%, down 1 basis point from the previous quarter and up 9 basis points from the year-ago period.

The construction loan segment posted the largest increase in NPL ratio, rising 6 basis points from the previous quarter and 16 basis points from a year earlier to 0.87%.

Capital One leads big banks with the highest NCOs

The 15 largest US banks by total assets reported a median NCO ratio of 0.44% and a median NPA ratio of 0.28% in the 2025 fourth quarter.

[Capital One Financial Corp.](#) unit [Capital One NA](#) reported the highest NCO ratio among the 15 banks. Capital One's NCO ratio was 3.42%, down 16 basis points from the previous year.

[JPMorgan Chase & Co.](#) unit [JPMorgan Chase Bank NA](#), the largest bank in the analysis, reported an NCO ratio of 0.68%, down 2 basis points year over year.

Capital One and JPMorgan Chase each reported the highest NCO ratios within their respective credit card portfolios.

[Bank of New York Mellon Corp.](#) unit [Bank of New York Mellon](#) reported the biggest year-over-year drop in NCO ratio, with a decline of 35 basis points to negative 0.03%.

[Goldman Sachs Group Inc.](#) unit [Goldman Sachs Bank USA](#)'s NCO ratio declined 34 basis points year over year to 0.57%. The bank's NPA ratio fell 22 basis points to 0.32%.

Net charge-off ratio at 15 largest US banks, Q4 2025

Company (top-level ticker)	City, state	Total assets (\$B)	NCOs/average loans		NPAs/total assets	
			(%)	YOY change (bps)	(%)	YOY change (bps)
JPMorgan Chase Bank NA (JPM)	New York, NY	3,752.66	0.68	-2	0.24	1
Bank of America NA (BAC)	Charlotte, NC	2,636.82	0.44	-10	0.28	4
Citibank NA (C)	Sioux Falls, SD	1,836.44	1.05	-17	0.11	-1
Wells Fargo Bank NA (WFC)	Sioux Falls, SD	1,822.69	0.45	-10	0.45	-3
U.S. Bank NA (USB)	Cincinnati, OH	676.13	0.54	-5	0.25	-1
Capital One NA (COF)	McLean, VA	658.46	3.42	-16	0.29	-9
Goldman Sachs Bank USA (GS)	New York, NY	645.00	0.57	-34	0.32	-22
PNC Bank NA (PNC)*	Wilmington, DE	568.34	0.20	-11	0.48	-6
Truist Bank (TFC)	Charlotte, NC	539.52	0.58	-2	0.30	0
Bank of New York Mellon (BK)	New York, NY	381.00	-0.03	-35	0.05	-2
State Street Bank and Trust Co. (STT)	Boston, MA	360.68	0.05	4	0.06	3
TD Bank NA (TD)	Wilmington, DE	346.19	0.44	-5	0.46	15
Morgan Stanley Private Bank NA (MS)	Purchase, NY	254.71	0.00	-7	0.19	1
Charles Schwab Bank SSB (SCHW)	Westlake, TX	253.77	0.00	0	0.01	1
Morgan Stanley Bank NA (MS)	Salt Lake City, UT	253.35	0.34	4	0.32	5
Group median			0.44	-7	0.28	0

Loan type with highest NCO ratio: ● Automobile ● C&I ● CRE ● Credit card ● N/A
 Loan type with highest NCO amount: ● Agricultural production ● C&I ● CRE ● Credit card
 ● Other consumer ● N/A

Data compiled Feb. 12, 2026.

NCO = net charge-off; NPA = nonperforming asset; C&I = commercial and industrial; CRE = commercial real estate; N/A = not applicable.

Analysis includes US commercial banks, savings banks, and savings and loan associations; excludes nondepository trusts and companies with a foreign banking organization charter.

* PNC Financial Services Group Inc. acquired FirstBank Holding Co. on Jan. 5, 2026.

Starting in the fourth quarter of 2024, margin loans are no longer included in commercial and industrial and other consumer loan categories.

Other consumer loans are loans to individuals for household, family and other personal expenditures other than those that meet the definition of credit card loan, auto loan, loan secured by real estate, other revolving credit plans, or those for purchasing or carrying securities. Examples include loans to purchase trailers, boats, furniture and appliances as well as student loans and loans to pay medical expenses.

Data based on regulatory filings.

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

Source: S&P Global Market Intelligence.

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TBO Bank posts highest NCO ratio

Orrick, Missouri-based [TBO Bank](#) led the top 15 banks with the highest NCO ratios at 57.40%, up 2,091 basis points year over year.

Provo, Utah-based [Green Dot Bank](#) followed with an NCO ratio of 36.83%, down 449 basis points from the previous year.

Top 15 US banks by net charge-off ratio, Q4 2025

Company (top-level ticker)	City, state	Total assets (\$M)	NCOs/average loans		NPAs/total assets	
			(%)	YOY change (bps)	(%)	YOY change (bps)
 TBO Bank	Orrick, MO	209.3	57.40	2,091	0.00	-15
 Green Dot Bank (GDOT)	Provo, UT	5,204.9	36.83	-449	0.04	-2
 Varo Bank NA	Draper, UT	376.2	31.17	1,275	0.00	0
 SMB Bank	Los Angeles, CA	7,675.7	16.32	1,526	0.81	3
 Crescent Bank	Metairie, LA	971.2	13.07	271	2.05	5
 Seiling State Bank	Seiling, OK	196.3	12.81	1,260	0.10	1
 Credit One Bank NA	Las Vegas, NV	1,966.6	11.76	-100	0.00	0
 Producer Bank of Texas	Powell, TX	53.5	11.57	N/A	2.26	167
 Atascosa Bank	Pleasanton, TX	88.7	11.26	1,126	0.00	-8
 Texas Exchange Bank	Crowley, TX	4,500.3	10.74	1,074	0.23	23
 Merrick Bank	South Jordan, UT	9,251.6	10.60	-205	0.37	-4
 Mi Bank	Bloomfield Hills, MI	292.6	8.89	889	1.07	97
 First Guaranty Bank (FGBI)	Hammond, LA	4,075.6	8.71	801	3.28	252
 Grand Rapids State Bank	Grand Rapids, MN	252.8	8.37	836	1.95	123
 Nano Banc	Irvine, CA	874.7	7.96	571	1.33	-264
Group median			11.57	863	0.37	1

Loan type with highest NCO ratio  Automobile  C&I  Credit card  Leases  Other consumer

Loan type with highest NCO amount  Automobile  C&I  CRE  Credit card  Other consumer

 Other loan

Data compiled Feb. 12, 2026.

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