DATA DISPATCH

US banks' NIMs to keep grinding higher, analysts say

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Market Intelligence

Analysts expect bank net interest margins to keep improving after gains in the third quarter driven by asset yields that moved faster than funding costs.

Net interest margins at the 20 largest publicly traded US banks by assets increased by a median 5 basis points sequentially, a little behind the industrywide median increase of 8 basis points, according to data from S&P Global Market Intelligence. Deposit levels increased by a median 0.8% for the big banks, compared with the industrywide median of 0.9%.

In the aggregate, the yield on earning assets across the industry increased 13 basis sequentially, outpacing an increase of 7 basis points in the cost of funds, and pushing the NIM up 7 basis points to 3.33%.

"NIM should continue to grind higher," led by asset pricing, Piper Sandler analysts said in a Nov. 12 note. They cited factors including an upward sloping yield curve, maturing and repricing assets, and new loan production, even as "deposit pricing competition and pace of core funding growth remain key wild cards."

For the 20 big banks, consensus forecasts at Nov. 12 had NIMs increasing sequentially in the fourth quarter at 15 of them, and at a median increase of 4 basis points for the group.

Deposit trends at the largest US public banks by assets, Q3 2026

Among banks that filed calendar third-quarter 2026 earnings as of Oct. 30, 2026

		Total deposits			Net interest margin		
Company (ticker)	Total assets ($B)	($B)	QOQ change (%)	YOY change (%)	(%)	QOQ change (bps)	YOY change (bps)
JPMorgan Chase & Co. (JPM)	5,091.55	2,780.79	2.5	9.1	2.50	11	3
Bank of America Corp. (BAC)	3,427.70	2,038.76	0.7	1.8	2.17	9	15
Citigroup Inc. (C)	2,941.27	1,505.32	0.9	8.8	2.45	-8	3
Wells Fargo & Co. (WFC)	2,253.29	1,502.65	0.1	9.9	2.44	2	-18
U.S. Bancorp (USB)	702.97	531.71	-0.1	1.1	2.85	6	9
PNC Financial Services Group Inc. (PNC)[1]	627.82	466.36	3.7	7.8	2.99	1	15
Truist Financial Corp. (TFC)	554.20	413.23	0.9	4.6	3.02	4	-1
Fifth Third Bancorp (FITB)[1]	301.23	239.49	2.3	43.8	3.37	2	22
Huntington Bancshares Inc. (HBAN)[1,2]	287.83	224.68	1.0	36.0	3.27	7	11
First Citizens BancShares Inc. (FCNC.A)[3]	241.18	185.26	6.8	13.5	3.09	0	-19
Citizens Financial Group Inc. (CFG)	234.46	185.23	-0.2	2.9	3.21	5	19
M&T Bank Corp. (MTB)	220.51	167.51	-0.8	2.5	3.67	-3	-4
KeyCorp (KEY)	193.10	153.81	0.5	2.0	3.01	8	21
Regions Financial Corp. (RF)	163.21	129.51	-0.9	-0.6	3.71	5	9
Pinnacle Financial Partners Inc. (PNFP)[4]	130.69	103.04	2.1	125.3	3.43	-1	13
Western Alliance Bancorp. (WAL)	98.07	81.76	-0.1	5.8	3.60	8	4
Zions Bancorp. NA (ZION)	90.92	77.95	1.7	4.1	3.26	0	-4
Flagstar Bank NA (FLG)	87.41	67.82	0.4	-1.9	2.16	7	26
East West Bancorp Inc. (EWBC)	86.01	71.49	2.0	7.4	3.52	9	-5
First Horizon Corp. (FHN)	84.32	67.70	-0.5	3.3	3.50	1	-7
Industry median			**0.9**	**4.2**	**3.76**	**8**	**17**

Data compiled Nov. 6, 2026.

Analysis limited to US public banks trading on the Nasdaq, NYSE or NYSEAM that reported earnings for the third calendar quarter of 2026, as of Oct. 30, 2026.

[1] Acquired a whole bank in 2026.

[2] Acquired a whole bank in 2025.

[3] First Citizens BancShares Inc. acquired 138 branches from Bank of Montreal on Sept. 4, 2026.

[4] Pinnacle Financial Partners Inc. and Synovus Financial Corp. completed a merger of equals on Jan. 1, 2026.

Data based on quarterly GAAP filings.

Comparison for net interest margin is calculated to two decimal places.

Source: S&P Global Market Intelligence.

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Beta wild card

Banks have been framing their outlooks for deposit costs amid expectations for further rate hikes.

Some executives have argued that factors that helped drive deposit costs higher the last time rates were increasing, such as movement into interest-bearing accounts, have largely washed through the system, while others emphasize that the shift leaves more deposits in accounts that are sensitive to underlying rates.

First Horizon Corp. expects a deposit beta, or increases in its deposit costs relative to underlying rates, of about 60% through the current cycle, versus about 70% in the last one, with the worse performance previously explained by pressure emanating from a string of large bank failures.

"The last cycle, we saw a 70% beta as rates were rising, but that had the regional bank pricing right in the middle of it, where we all went to top of market and spent quarters trying to walk that back as so much money flowed out of the regional bank system, either completely out of the banking system or to the larger banks that were seen as too big to fail," CFO Hope Dmuchowski said during a Nov. 5 conference. "So we looked at that and kind of modeled in that increase and said, 'Okay, if we don't have that type of onetime top-of-the-market repricing, what do we think is realistic looking at our back book?'"

Among the 20 publicly traded banks with the largest sequential deposit growth in the third quarter, most completed acquisitions during the period.

Those include Prosperity Bancshares Inc., which acquired Stellar Bancorp Inc. in July. Prosperity expects its underlying core deposits to continue to grow at an annual rate of about 2% to 4%, Chairman and CEO David Zalman said in October.

Top US public banks by QOQ deposit increases, Q3 2026

Among banks that filed calendar third-quarter 2026 earnings as of Oct. 30, 2026

		Total deposits			Net interest margin		
Company (ticker)	Total assets ($B)	($B)	QOQ change (%)	YOY change (%)	(%)	QOQ change (bps)	YOY change (bps)
Catalyst Bancorp Inc. (CLST)[1]	0.63	0.48	142.1	155.2	3.72	-9	-14
Esquire Financial Holdings Inc. (ESQ)[1]	4.81	3.98	82.5	111.7	5.78	-16	-30
Richmond Mutual Bancorp. Inc. (RMBI)[1]	2.60	2.09	81.9	86.5	3.68	45	60
Columbia Financial Inc. (CLBK)[1,2]	17.56	12.56	32.2	52.4	2.99	55	68
Arrow Financial Corp. (AROW)[1]	5.55	4.74	29.6	15.6	3.84	42	58
Prosperity Bancshares Inc. (PB)[1]	54.10	41.23	26.5	48.4	3.76	31	49
Hawthorn Bancshares Inc. (HWBK)[1]	2.14	1.79	20.3	17.4	4.41	26	41
Northeast Community Bancorp Inc. (NECB)	2.22	1.82	18.4	20.1	5.09	-5	-29
FS Bancorp Inc. (FSBW)[1]	3.68	2.87	17.1	6.7	4.40	11	-1
Union Bankshares Inc. (UNB)	1.64	1.25	14.4	5.2	3.13	15	10
Independent Bank Corp. (IBCP)[1]	6.26	5.52	13.6	13.6	3.84	13	29
Avidbank Holdings Inc. (AVBH)	2.97	2.61	12.5	27.5	4.10	-14	17
First Carolina Financial Services Inc. (FCBM)	3.67	3.16	11.7	3.0	3.41	19	32
Banner Corp. (BANR)[1]	18.08	15.39	11.6	9.8	4.17	6	16
Hancock Whitney Corp. (HWC)[1]	38.58	32.18	8.6	12.3	3.62	7	12
Metropolitan Bank Holding Corp. (MCB)	9.47	8.32	7.6	17.6	4.39	32	48
First Citizens BancShares Inc. (FCNC.A)[3]	241.18	185.26	6.8	13.5	3.09	0	-19
First Internet Bancorp (INBK)	5.89	5.15	6.7	4.8	2.57	10	43
Winchester Bancorp Inc. (WSBK)[4]	1.14	0.86	6.6	20.4	2.67	5	18
Community Bancorp. (CMTV)	1.23	1.04	6.3	3.5	4.11	17	29
Industry median			**0.9**	**4.2**	**3.76**	**8**	**17**

Data compiled Nov. 6, 2026.

Analysis limited to US public banks trading on the Nasdaq, NYSE or NYSEAM that reported earnings for the third calendar quarter of 2026, as of Oct. 30, 2026.

[1] Acquired a whole bank in 2026.

[2] The bank has a mutual holding company ownership structure.

[3] First Citizens BancShares Inc. acquired 138 branches from Bank of Montreal on Sept. 4, 2026.

[4] The third calendar quarter of 2026 represents the bank's first fiscal quarter of 2027.

Data based on quarterly GAAP filings.

Comparison for net interest margin is calculated to two decimal places.

Source: S&P Global Market Intelligence.

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Cash and securities

Aggregate US bank loan growth of 1.9% sequentially in the third quarter continued to outpace deposit growth at 0.9%.

Overall balance sheet growth dipped below deposit growth at 0.7%. On the asset side, the loan growth was accommodated by declines in cash and securities.

Across publicly traded banks with more than $50 billion of assets, cash holdings fell by a median 0.3% sequentially, available-for-sale securities fell by a median 3.1% and held-for-sale securities declined by a median 0.8%. Shifts at individual banks varied widely.

The aggregate loan-to-deposit ratio increased for the second consecutive quarter to 67.9%.

The aggregate ratio of securities to assets declined for the fourth consecutive quarter to 21.6%, and the ratio of cash to assets declined for the second consecutive quarter to 12.6%.

Cash and securities at US public banks with over $50B in assets, Q3 2026

Listed 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)	5,091.55	1,117.98	0.0	547.19	2.1	274.56	2.3
Bank of America Corp. (BAC)	3,427.70	605.41	-7.1	328.81	-5.7	496.40	-1.9
Citigroup Inc. (C)	2,941.27	766.17	-0.6	306.85	7.0	157.50	-6.2
Wells Fargo & Co. (WFC)	2,253.29	374.17	-8.5	255.77	2.2	192.58	-3.0
U.S. Bancorp (USB)	702.97	53.65	-25.7	80.23	-9.9	72.92	-1.6
PNC Financial Services Group Inc. (PNC)	627.82	NA	N/A	67.18	-5.5	79.20	1.0
Truist Financial Corp. (TFC)	554.20	49.38	12.9	61.52	-9.1	48.67	5.0
Fifth Third Bancorp (FITB)	301.23	20.61	-13.1	41.90	-3.0	20.86	13.4
Huntington Bancshares Inc. (HBAN)	287.83	17.40	8.4	34.62	-1.7	14.73	2.4
First Citizens BancShares Inc. (FCNC.A)[1]	241.18	19.47	-16.8	35.61	4.8	9.16	-2.8
Citizens Financial Group Inc. (CFG)	234.46	13.56	-2.2	36.03	-3.8	8.30	8.6
M&T Bank Corp. (MTB)	220.51	16.14	-7.5	NA	N/A	NA	N/A
KeyCorp (KEY)	193.10	14.51	2.7	36.31	-5.6	9.61	1.0
Regions Financial Corp. (RF)	163.21	10.33	4.1	26.39	-3.6	5.06	-4.0
Pinnacle Financial Partners Inc. (PNFP)	130.69	NA	N/A	18.19	0.2	2.38	-2.8
Western Alliance Bancorp. (WAL)	98.07	5.33	-10.2	18.44	-2.3	1.72	3.4
Zions Bancorp. NA (ZION)	90.92	5.57	67.1	8.79	-4.9	8.27	-2.5
Flagstar Bank NA (FLG)	87.41	NA	N/A	16.40	-1.0	0.00	N/A
East West Bancorp Inc. (EWBC)	86.01	5.07	-8.2	15.19	4.1	2.83	-0.4
First Horizon Corp. (FHN)	84.32	3.84	37.7	NA	N/A	NA	N/A
Popular Inc. (BPOP)	77.76	5.49	11.5	23.43	-5.5	5.48	-11.5
Wintrust Financial Corp. (WTFC)	75.97	4.19	0.6	7.57	-0.2	3.12	-2.4
Old National Bancorp (ONB)	74.42	1.68	-5.0	11.32	-2.3	2.82	-0.8
UMB Financial Corp. (UMBF)[2]	72.74	5.96	-10.5	13.01	-3.6	5.70	-0.2
SouthState Bank Corp. (SSB)	70.44	2.97	26.6	6.39	-3.1	1.91	-2.6
Columbia Banking System Inc. (COLB)	65.14	1.74	-1.8	10.94	-1.8	0.02	0.0
Cullen/Frost Bankers Inc. (CFR)	54.52	7.10	9.8	17.06	-5.5	3.36	-0.7
Prosperity Bancshares Inc. (PB)[3]	54.10	2.36	40.4	NA	N/A	NA	N/A
BOK Financial Corp. (BOKF)	54.08	1.27	-16.8	13.86	2.0	1.57	-3.7
F.N.B. Corp. (FNB)	52.05	2.53	6.4	3.75	-0.3	4.40	3.6
Associated Banc-Corp (ASB)	51.40	1.63	-11.1	6.20	-2.6	3.46	-1.4
Group median			**-1.2**		**-2.7**		**-0.8**

Data compiled Nov. 6, 2026.

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

Analysis limited to US public banks trading on the Nasdaq, NYSE or NYSEAM that reported earnings for the third calendar quarter of 2026, as of Oct. 30, 2026, and had at least $50 billion in total assets as of Sept. 30, 2026. Excludes banks for which cash and cash equivalents, AFS securities and HTM securities are not available.

[1] First Citizens BancShares Inc. acquired 138 branches from Bank of Montreal on Sept. 4, 2026.

[2] Announced a whole bank acquisition in 2026 that is still pending.

[3] Completed a whole bank acquisition in the third quarter of 2026.

Data based on GAAP filings.

Source: S&P Global Market Intelligence.

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