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Aggregate loan growth at US banks shoots to a 3-year high in Q2 2025

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Market Intelligence

Strong and better-than-expected loan growth was a recurring theme throughout the US banking industry's second-quarter earnings season.

Total loans and leases on an aggregate basis for US commercial banks, savings banks, and savings and loan associations, excluding nondepository trusts and companies with a foreign banking organization charter, were $13.050 trillion as of June 30, up $263.05 billion from March 31, according to S&P Global Market Intelligence data. The 2.1% sequential growth rate was 1.6 percentage points higher than in the first quarter and represented the fastest growth since 3.7% in the second quarter of 2022.

JPMorgan Chase Bank NA, the largest bank in the US with 15.2% of the industry's total assets, represented 22.7% of the total loan growth.

On a median basis, second-quarter loan growth was 1.7%, up from 0.6% sequentially and unchanged year over year.

About this analysis

This analysis, which covers US commercial banks, savings banks, and savings and loan associations, examines second-quarter 2025 financial performance based on aggregate and median change because the sector remains dominated by larger institutions that can skew the results. For instance, the four largest banks held 40.2% of the industry's assets as of June 30.

Loans to NDFIs driving growth

Loans to nondepository financial institutions (NDFIs) increased by $114.77 billion, or 9.1%, quarter over quarter and comprised about 44% of the aggregate growth in total loans and leases. The vast majority of the NDFI growth was split between business credit intermediaries, mortgage intermediaries and private equity funds, all of which had a double-digit percentage gain. Loans to consumer credit intermediaries were up less than 5% and other loans to NDFIs decreased.

At least a portion of the change in loans to NDFIs in regulatory filings could have been simply a reclassification from commercial and industrial (C&I). In public company filings, banks typically lump loans to NDFIs into a general C&I bucket.

PNC Bank NA contributed $33.49 billion of the total NDFI growth, topping all other banks. Its balance of loans to NDFIs more than doubled to $62.47 billion, while its C&I loans excluding NDFIs fell by $25.79 billion. The bank's parent company, PNC Financial Services Group Inc., reported 4.6% quarter-over-quarter growth in total C&I loans to $188.83 billion in a July 16 filing but did not specifically cite NDFIs.

In a July 16 earnings call, CFO Robert Reilly said the loan growth was from "an uptick in utilization in part due to obviously some tariff-related considerations," along with new production largely from the company's growth markets.

"The tariff-driven increase in utilization across broad assets is probably, in some form, present at all banks," he added. "Where we're different are these growth markets that are adding to that loan growth that are independent of sort of a reaction to the current environment."

In a July 16 investor presentation, PNC raised its full-year 2025 guidance for average loans to an increase of 1% from stable.

U.S. Bancorp disclosed total commercial growth of 2.3% to $147.42 billion in a July 17 filing. CFO John Stern said in a July 17 earnings call that utilization continued to go up and that "the growth really in C&I was everywhere."

The NDFI component was close to half of C&I growth for the quarter, Stern said.

U.S. Bancorp subsidiary U.S. Bank NA reported that loans to NDFIs grew $3.12 billion sequentially and that the C&I category excluding loans to NDFIs was $653.1 million higher.

JPMorgan Chase led the industry in loans to NDFIs. Its balance at June 30 was $205.84 billion, up 8.5% quarter over quarter.

Aggregate financial highlights for US banks, Q2 2025

Balance sheet	Industry aggregate ($ trillion)	QOQ	YOY
		Change (%)	
Total assets	24.987	1.8	4.6
Total loans and leases	13.050	2.1	4.0
Total securities	5.682	1.5	4.1
Cash and equivalents	3.429	0.6	1.8
Total deposits	19.663	1.0	4.6
Brokered US deposits	1.229	0.6	-7.6
Total borrowings	2.142	9.3	3.7
Tangible common equity	2.123	1.7	7.5
Balance sheet ratios	**(%)**	**Change (bps)**	
Loans/deposits	66.37	69	-32
Tangible common equity/tangible assets	8.64	-1	23
Income statement	**($B)**	**Change (%)**	
Net income	69.91	-0.9	-2.4
Pre-provision net revenue	116.96	3.0	9.5
Net interest income	181.99	1.6	6.0
Noninterest income	84.40	1.0	6.4
Noninterest expense	149.44	0.2	3.6
Provision for credit losses	30.08	33.9	29.1
Profitability ratios	**(%)**	**Change (bps)**	
ROAA	1.13	-3	-6
ROAE	11.18	-39	-109
Net interest margin (FTE)	3.20	1	9
Yield on earning assets	5.41	1	-26
Cost of funds	2.28	0	-34
Credit quality ratios	**(%)**	**Change (bps)**	
Modified loans/total loans and leases	0.44	1	9
NPAs+loans 90 or more days past due/total assets*	0.52	-1	3
NCOs/average loans	0.61	-6	-8
Reserves/gross loans and leases	1.72	-3	-4

Data compiled Aug. 14, 2025.

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 June 30, 2025.

Source: S&P Global Market Intelligence.

– Download a template to compare a bank's financials to industry aggregate totals.
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Other financial metric changes

In addition to growing loans to NDFIs during the second quarter, banks in the aggregate increased exposure to one- to four-family, credit card, automobile and commercial real estate. Balances fell for construction and development, consumer loans excluding automobile and revolving credit plans, and C&I excluding the impact of NDFIs.

The median change in total securities sequentially was negative 0.7%, while the aggregate rose 1.5% relative to March 31. Available-for-sale (AFS) securities on a fair value basis rose for the seventh consecutive quarter, and held-to-maturity (HTM) securities on a cost basis declined for the 10th quarter in a row. Goldman Sachs Bank USA and JPMorgan Chase highlighted this strategy, ramping up AFS securities 31.9% and 21.5%, respectively, and cutting HTM securities 6.3% and 1.7%, respectively.

Cash and equivalents experienced the same dynamic, with the median change down 5.7% and the aggregate up 0.6%. Both East West Bank and Webster Bank NA bolstered cash and equivalents by 19.2% quarter over quarter, while Flagstar Bank NA and Huntington National Bank lowered those balances by more than 30%.

Despite accelerated loan growth, the industry experienced a slowdown in total deposit growth. The median change declined to 0.1% from 1.6% and the aggregate growth fell to 1.0% from 1.3%. Several regional banks, including Flagstar, Zions Bancorp. NA and Comerica Bank, reported lower balances for both total deposits and non-brokered US deposits. On the other hand, Citibank NA was a star performer in this category. The majority of its 3.8% total deposit growth was from non-US deposits.

Total borrowings were unchanged on a median basis but up 9.3% in aggregate. JPMorgan and Wells Fargo Bank NA represented the majority of the aggregate increase.

Net interest margin was another category in which the aggregate and median change significantly diverged. While the aggregate was up 1 basis point to 3.20%, the median increased 15 basis points to 3.66% quarter over quarter. Old National Bank and SouthState Bank NA expanded their margin by 25 basis points, while JPMorgan and Citibank had margin compression. Many community banks were able to raise asset yields while keeping their cost of funds steady.

The net charge-offs to average loans ratio improved 6 basis points to 0.61% from an aggregate perspective, and remained at zero on a median basis. Credit card lender Synchrony Bank reported an improvement of 61 basis points. Auto lender Ally Bank's ratio declined by 40 basis points.

Median financial highlights for US banks, Q2 2025

Balance sheet	Industry median ($M)	QOQ[1]	YOY[1]
		Change (%)	
Total assets	367.2	0.5	3.9
Total loans and leases	238.3	1.7	5.0
Total securities	63.4	-0.7	-2.4
Cash and equivalents	25.7	-5.7	12.5
Total deposits	312.2	0.1	4.4
Brokered US deposits	0.0	0.0	-1.6
Total borrowings	5.0	0.0	-20.9
Tangible common equity	35.9	2.4	10.1
Balance sheet ratios	**(%)**	**Change (bps)**	
Loans/deposits	80.82	109	0
Tangible common equity/tangible assets	9.67	17	54
Income statement	**($000)**	**Change (%)**	
Net income	1,005	10.5	20.0
Pre-provision net revenue	1,291	11.9	22.1
Net interest income	3,189	5.6	13.3
Noninterest income	392	4.6	3.0
Noninterest expense	2,335	1.5	5.9
Provision for credit losses	46	0.0	0.0
Profitability ratios	**(%)**	**Change (bps)**	
ROAA	1.12	11	17
ROAE	11.41	87	114
Net interest margin (FTE)	3.66	15	28
Yield on earning assets	5.45	14	18
Cost of funds	1.97	0	-10
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]	0.30	0	1
NCOs/average loans	0.00	0	0
Reserves/gross loans and leases	1.19	0	-1

Data compiled Aug. 14, 2025.

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 June 30, 2025.

Source: S&P Global Market Intelligence.

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