

DATA DISPATCH

**Illinois community banks fall short of Midwest, US peers in 5 key metrics**

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Market Intelligence

Illinois community banks lagged behind their US Midwest peers and national community banks in five of six key financial metrics during 2025.

Banks headquartered in Illinois with assets below \$10 billion came up short in median return on average assets (ROAA), net interest margin (NIM), efficiency ratio, loan growth rate and deposit growth rate in the year ended Dec. 31, 2025, according to an S&P Global Market Intelligence analysis. However, they outperformed in median cost of funds at 1.75%, beating the median for Midwest, Northeast, South Central, Southeast and West community banks, as well as the national median of 1.95%. A lower cost of funds — as well as lower efficiency ratios — indicates better performance for banks, while higher totals are better for the other metrics.

The Illinois community banks posted a median ROAA of 1.02%, compared with Midwest community banks' median ROAA of 1.11% and the national median of 1.09%. Illinois community banks booked a median NIM of 3.48%, which was lower than both the Midwest community banks' median NIM of 3.59% and the national median NIM of 3.67%.

From the prior year, Illinois community banks posted median growth of 4.2% in total loans and leases and 2.7% in total deposits. Both figures trailed the median for the Midwest, where loans grew 5.2% and deposits rose 3.9%, as well as the national growth rates of 5.4% for loans and 4.1% for deposits.

**Regional median trends at US community banks, 2025**

Dec. 31, 2025 (%)

State/region	Dec. 31, 2025 (%)					
	ROAA	NIM	Efficiency ratio	Cost of funds	Total loans and leases	Total deposits
Illinois	1.02	3.48	65.83	1.75	4.2	2.7
Midwest	1.11	3.59	63.56	1.94	5.2	3.9
Northeast	0.69	3.13	73.43	2.11	4.3	3.4
South Central	1.28	4.07	63.21	1.92	5.4	4.7
Southeast	1.08	3.75	64.17	1.95	6.6	4.3
West	1.13	3.90	62.87	1.87	5.6	4.5
National	1.09	3.67	64.40	1.95	5.4	4.1

YOY change ● Improved ● Worsened ● No change

Data compiled April 2, 2026.

ROAA = return on average assets; NIM = net interest margin.

Analysis limited to operating commercial banks, savings banks, and savings and loan associations, that had under \$10 billion in total assets as of Dec. 31, 2025. The middle-tier and ultimate parents must also have below \$10 billion in assets for the most recent year reported. Nondepository trusts and foreign banking organizations are excluded.

Change in values represents the year-over-year comparison of the six financial metrics.

Data based on regulatory filings.

Source: S&P Global Market Intelligence.

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**Largest banks' performance**

Chicago-based [Byline Bank](#), the largest Illinois community bank by assets at \$9.63 billion as of Dec. 31, 2025, outperformed in-state community banks' median in three financial metrics: ROAA, NIM and efficiency ratio. Among the top-20 Illinois community banks by total assets, [Byline Bancorp Inc.](#)'s subsidiary had the second-highest NIM at 4.36%, while it had the second-highest net charge-offs to loans among its peers at 0.39%.

Byline's net charge-offs may "raise eyebrows" at first glance as it is above the peer median, but the company is "more than compensated for the added risk," with net loan yields — loan yields minus net charge-offs — highest amongst its peers, Stephens analyst Brandon Rud said in a March 27 report.

On April 1, 2025, Byline Bancorp completed its [acquisition](#) of [First Security Bancorp Inc.](#), adding approximately \$280 million in deposits and \$153 million in loans, President Alberto Paracchini said during a July 25, 2025, [conference call](#). Byline Bancorp is preparing to cross the \$10 billion asset threshold in 2026, Paracchini said during a Jan. 23 [earnings conference](#).



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In 2025, Elk Grove Village, Illinois-based [First American Bank](#) and Mattoon-based [First Mid Bank & Trust NA](#), the second- and third-largest Illinois community banks by assets, respectively, both outperformed the state median in ROAA, NIM and efficiency ratio. First Mid also exceeding it in the cost of funds.

Among the top 20 Illinois community banks by assets, Effingham, Illinois-based [Midland States Bancorp Inc.](#) recorded the lowest ROAA, at negative 1.60%, and the highest net charge-offs to loans, at 2.03%.

Midland States Bancorp's "loan balances declined over the last two years due to the [strategic exit of the third-party-originated and equipment finance portfolios](#)," but it has been growing at a stable pace, Rud said in a separate March 27 research report. Rud added that he anticipates "relatively flat loans in 2026" for the bank as its "success" is offset by runoff in the specialty lending portfolio.

**Largest Illinois community banks, 2025**

Ranked by total assets

Company (top-level ticker)	Year ended Dec. 31, 2025					
	Total assets (\$B)	ROAA (%)	NIM (%)	Efficiency ratio (%)	Cost of funds (%)	NCOs/avg. loans (%)
Byline Bank (BY)	9.63	1.47	4.36	49.77	2.16	0.39
First American Bank	8.11	1.71	3.68	56.53	2.16	0.07
First Mid Bank & Trust NA (FMBH)	7.90	1.13	3.67	57.64	1.67	0.09
Old Second National Bank (OSBC) <sup>1</sup>	6.90	1.42	4.97	55.18	1.08	0.35
Midland States Bank (MSBI)	6.50	-1.60	3.70	66.43	2.27	2.03
Morton Community Bank	5.40	1.51	3.10	50.54	1.66	-0.03
Heartland Bank and Trust Co. (HBT) <sup>2</sup>	5.07	1.66	4.19	50.13	1.19	0.07
United Community Bank	4.09	1.27	2.96	53.88	2.20	0.02
Carrollton Bank	3.81	1.04	3.12	57.06	2.62	0.13
Parkway Bank and Trust Co.	3.62	1.16	2.94	45.54	2.84	0.03
Banterra Bank	3.29	0.80	3.07	66.98	2.30	0.13
Lakeside Bank	2.89	1.62	3.59	53.74	2.75	0.01
Republic Bank of Chicago	2.72	1.28	3.95	60.51	2.12	0.19
FCB Banks	2.60	1.61	3.08	52.52	2.51	0.02
INB NA	2.52	1.17	3.05	65.24	2.67	0.07
First Bank Chicago	2.18	0.24	1.96	84.58	3.42	-0.01
Marquette Bank (MNAT)	2.15	0.48	2.75	79.96	1.45	0.03
American Commercial Bank & Trust NA (FOTB)	2.03	1.46	3.88	48.20	2.72	0.14
Peoples National Bank NA	2.00	1.57	3.98	60.39	2.15	0.10
Signature Bank	1.99	1.85	4.13	41.37	1.59	0.11
<b>Median for community banks in Illinois</b>		<b>1.02</b>	<b>3.48</b>	<b>65.83</b>	<b>1.75</b>	<b>0.03</b>

Data compiled April 2, 2026.

ROAA = return on average assets; NIM = net interest margin; NCOs = net charge-offs.

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<sup>1</sup> Old Second Bancorp Inc. acquired Bancorp Financial Inc. on July 1, 2025.

<sup>2</sup> HBT Financial Inc. acquired CNB Bank Shares Inc. on March 2, 2026.

Data based on regulatory filings.

Source: S&P Global Market Intelligence.

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