

# US Banks Earnings Summary

2Q 2025 – KEY TAKEAWAYS

**Key Takeaways-**

- **Strong Trading and Investment Banking (IB) Performance:** Non-interest income, driven by trading and IB revenues, was robust in Q2 2025, capitalizing on market volatility from tariff-related uncertainties. However, sustaining this momentum may be challenging in future quarters due to potential stabilization in market conditions.
- **Revenue Performance:** Major U.S. banks reported modest y/y revenue growth in Q2 2025, though revenues dipped q/q. Strong fee income and trading gains drove performance, exceeding analyst expectations.
- **Loan and Deposit Trends:** Most banks, including JPM and BAC, reported healthy loan and deposit growth. Wells Fargo and U.S. Bancorp lagged, but Wells Fargo's loan portfolio is poised for expansion following the removal of its USD1.95 trillion asset cap on June 3, 2025. NIM compression was evident across the sector due to competitive deposit pricing and Federal Reserve rate cuts in September and December 2024.
- **Capital Returns:** Most banks, well-capitalized with CET1 ratios above 11%, increased dividends and sustained share buybacks. This trend is likely to continue, reflecting strong balance sheets and stable earnings.
- **Digital Transformation:** Investments in digital platforms are driving cost efficiencies, with quarter-over-quarter expense reductions observed across major banks, enhancing operating leverage.
- **Loan Loss Provisions:** Banks with consumer-focused portfolios, like Bank of America and JPMorgan, maintained stable credit quality. In contrast, IB-focused firms like GS and MS significantly increased loan loss provisions, bracing for potential credit deterioration.

**JP Morgan** exceeded consensus revenue and EPS forecasts in Q2 2025, despite a 10% y/y revenue decline. Robust fixed income trading (+14% y/y), equity trading (+15% y/y), and investment banking (+7% y/y), driven by strong debt underwriting and advisory, fueled the outperformance. Non-interest income fell due to the absence of the prior year's USD7.9 bn Visa share gain. Loan and deposit growth remained solid, though net interest margin compression persisted. JPMorgan reaffirmed its 2025 guidance.

**BAC** delivered mixed Q2 2025 results, surpassing EPS expectations but falling short on revenue. As a leading retail banking franchise, the bank reported robust net interest income (NII), though it slightly missed analyst forecasts due to NIM compression. Declining non-interest income further weighed on total revenue. The bank reaffirmed its full-year net interest income guidance.

**Citigroup** beat on revenue and EPS, driven by IB (+13.2% y/y) and trading revenue (+15.6%; o/w FICC:19.8%; Equity: 5.8%). Full-year revenue guidance affirmed. Maintained dividend and bought back USD1bn shares, reflecting comfort level in capitalization. Maintained other previous guidance for FY25.

**Wells Fargo** exceeded revenue and EPS expectations in Q2 2025, propelled by strong investment banking (+13.2% y/y) and trading revenue (+15.6% y/y; FICC: +19.8%, Equities: +5.8%). Full-year revenue guidance was reaffirmed. The bank maintained its dividend and repurchased \$1bn in shares, signaling confidence in its robust capital position. All other FY25 guidance remained unchanged.

**U.S. Bancorp** outperformed EPS consensus estimates in Q2 2025, despite revenue falling short of expectations. Muted NII and overall lower revenue growth were offset by lower loan loss provisions and enhanced cost discipline, driving the profit beat. Consistent with U.S. banking peers, NIM faced ongoing compression. The bank resumed share buybacks, signaling capital strength, and positive operating leverage is expected to bolster profitability in 2H-2025.

**GS** delivered robust Q2 2025 results, surpassing analyst revenue expectations. Exceptional deal-making drove IB revenue up 26.4% y/y, while heightened market volatility boosted trading revenue by 22.3%, significantly lifting total revenue. The bank increased its dividend by 33%. However, trading revenues are expected to soften as market volatility stabilizes. NII grew solidly as well, supported by strong loan growth and a modest improvement in NIM.

**MS** reported robust Q2 2025 revenue growth, driven by strong trading activities (+17.6% year-over-year). In contrast to Goldman Sachs, investment banking revenue declined year-over-year. The bank significantly increased credit loss provisions both year-over-year and sequentially, reflecting caution about potential credit risks. Operating expenses rose substantially y/y but showed modest improvement on a sequential basis.

US Banks	Crncy	Net Interest income						Non-interest Income						Total Income						Operating Expenses					
		2Q-2025		2Q-2025				2Q-2025		2Q-2025				2Q-2025		2Q-2025				2Q-2025		2Q-2025			
		Fx	2Q-2025	1Q-2025	2Q-2024	Δ q/q	Δ y/y	2Q-2025	1Q-2025	2Q-2024	Δ q/q	Δ y/y	2Q-2025	1Q-2025	2Q-2024	Δ q/q	Δ y/y	2Q-2025	1Q-2025	2Q-2024	Δ q/q	Δ y/y			
US Banks	USD mn		74,264	72,563	70,196	2.3%	5.8%	77,951	81,587	80,690	-4.5%	-3.4%	152,215	154,150	150,886	-1.3%	0.9%	93,314	94,103	90,177	-0.8%	3.5%			
JPM	USD mn		23,209	23,273	22,746	-0.3%	2.0%	21,703	22,037	27,454	-1.5%	20.9%	44,912	45,310	50,200	-0.9%	0.5%	23,779	23,597	23,713	0.8%	0.3%			
BAC	USD mn		14,670	14,443	13,702	1.6%	7.1%	11,793	12,923	11,675	-8.7%	1.0%	26,463	27,366	25,377	-3.3%	4.3%	17,183	17,770	16,309	-3.3%	5.4%			
C	USD mn		15,175	14,012	13,493	8.3%	12.5%	6,493	7,584	6,539	-14.4%	-0.7%	21,668	21,596	20,032	0.3%	8.2%	13,577	13,425	13,246	1.1%	2.5%			
WFC	USD mn		11,708	11,495	11,923	1.9%	-1.8%	9,114	8,654	8,766	5.3%	4.0%	20,822	20,149	20,689	3.3%	0.6%	13,379	13,891	13,293	-3.7%	0.6%			
USB	USD mn		4,051	4,092	4,023	-1.0%	0.7%	2,924	2,836	2,815	3.1%	3.9%	6,975	6,928	6,838	0.7%	2.0%	4,181	4,232	4,214	-1.2%	-0.8%			
GS	USD mn		3,104	2,895	2,242	7.2%	38.4%	11,479	12,167	10,489	-5.7%	9.4%	14,583	15,062	12,731	-3.2%	14.5%	9,241	9,128	8,533	1.2%	8.3%			
MS	USD mn		2,347	2,353	2,067	-0.3%	13.5%	14,445	15,386	12,952	-6.1%	11.5%	16,792	17,739	15,019	-5.3%	11.8%	11,974	12,060	10,869	-0.7%	10.2%			

US Banks	Crncy	Pre-Provision Income						Provision for Credit Losses					Group PAT					NIM				
		Fx	2Q-2025	1Q-2025	2Q-2024	2Q-2025 Δ q/q	2Q-2025 Δ y/y	2Q-2025	1Q-2025	2Q-2024	2Q-2025 Δ q/q	2Q-2025 Δ y/y	2Q-2025	1Q-2025	2Q-2024	2Q-2025 Δ q/q	2Q-2025 Δ y/y	2Q-2025	1Q-2025	2Q-2024	2Q-2025 Δ q/q	2Q-2025 Δ y/y
US Banks	USD mn		58,901	60,047	60,709	-1.9%	-3.0%	9,399	9,399	9,198	0.0%	2.2%	39,376	40,436	39,593	-2.6%	-0.5%					
JPM	USD mn		21,133	21,713	26,487	-2.7%	-20.2%	2,849	3,305	3,052	-13.8%	-6.7%	14,630	14,317	17,718	2.2%	-17.4%	2.4%	2.6%	2.6%	-0.1%	-0.2%
BAC	USD mn		9,280	9,596	9,068	-3.3%	2.3%	1,592	1,480	1,508	7.6%	5.6%	6,825	6,990	6,582	-2.4%	3.7%	1.9%	2.0%	1.9%	-0.1%	0.0%
C	USD mn		8,091	8,171	6,786	-1.0%	19.2%	2,872	2,723	2,476	5.5%	16.0%	4,019	4,064	3,217	-1.1%	24.9%	2.5%	2.5%	2.4%	0.0%	0.1%
WFC	USD mn		7,443	6,258	7,396	18.9%	0.6%	1,005	932	1,236	7.8%	-18.7%	5,222	4,616	4,640	13.1%	12.5%	2.7%	2.7%	2.8%	0.0%	-0.1%
USB	USD mn		2,794	2,696	2,624	3.6%	6.5%	501	537	568	-6.7%	-11.8%	1,815	1,709	1,603	6.2%	13.2%	2.7%	2.7%	2.7%	-0.1%	0.0%
GS	USD mn		5,342	5,934	4,198	-10.0%	27.3%	384	287	282	33.8%	36.2%	3,473	4,583	2,891	-24.2%	20.1%	0.8%	0.7%	0.5%	0.0%	0.3%
MS	USD mn		4,818	5,679	4,150	-5.2%	16.1%	196	135	76	-45.2%	157.9%	3,392	4,157	2,942	-18.4%	15.3%	0.0%	0.0%	0.0%	0.0%	0.0%

US Banks	Crncy	Gross Customer Loans					NPL Ratio					NPL Coverage					Deposits								
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US Banks	Crncy	Return on Tangible Equity					ROA					CET1 Ratio (Basel 3 Fully Loaded)					Capital Adequacy Ratio					
		Fx	2Q-2025	1Q-2025	2Q-2024	2Q-2025 Δ q/q	2Q-2025 Δ y/y	2Q-2025	1Q-2025	2Q-2024	2Q-2025 Δ q/q	2Q-2025 Δ y/y	2Q-2025	1Q-2025	2Q-2024	2Q-2025 Δ q/q	2Q-2025 Δ y/y	2Q-2025	1Q-2025	2Q-2024	2Q-2025 Δ q/q	2Q-2025 Δ y/y
US Banks	USD mn																					
JPM	USD mn		21.0%	21.0%	28.0%	0.0%	-7.4%	1.4%	1.4%	1.8%	-0.1%	-0.4%	15.0%	15.4%	15.3%	-0.3%	-0.3%	17.8%	18.2%	18.5%	-0.4%	-0.7%
BAC	USD mn		13.4%	13.9%	13.6%	-0.5%	-0.2%	0.8%	0.9%	0.9%	-0.1%	0.0%	11.5%	11.8%	11.9%	-0.3%	-0.4%	14.8%	15.0%	15.1%	-0.1%	-0.3%
C	USD mn		8.7%	9.1%	7.2%	-0.4%	1.5%	0.6%	0.7%	0.5%	0.0%	0.1%	13.5%	13.4%	13.6%	0.1%	-0.1%	15.3%	18.1%	18.0%	-2.8%	-2.7%
WFC	USD mn		15.2%	13.6%	13.7%	1.6%	1.5%	1.1%	1.0%	1.0%	0.1%	0.1%	11.1%	11.1%	11.0%	0.0%	0.1%	15.0%	15.2%	15.0%	-0.2%	0.0%
USB	USD mn		18.0%	17.5%	16.9%	0.5%	1.1%	1.1%	1.0%	1.0%	0.0%	0.1%	10.7%	10.8%	10.3%	0.0%	0.4%	14.4%	14.4%	14.0%	0.0%	0.4%
GS	USD mn		13.6%	18.0%	11.6%	-4.4%	2.0%	0.8%	1.1%	0.7%	-0.3%	0.1%	14.5%	14.8%	14.9%	-0.3%	-0.4%	18.0%	18.4%	18.9%	-0.3%	-0.9%
MS	USD mn		18.2%	23.0%	17.5%	-4.8%	0.7%	1.1%	1.4%	1.0%	-0.3%	0.0%	15.0%	15.3%	15.2%	-0.3%	-0.2%	19.0%	19.5%	19.5%	-0.4%	-0.5%