



4Q25

Quarterly Bank Report

February 4, 2026

CPG monitors the quarterly financial performance trends of publicly traded banks and provides opinions on the implications for the industry and the strategies required to deliver top-tier performance going forward.

If you have any feedback or would like to discuss this report, please contact Claude Hanley at 703-861-8623 or chanley@capitalperform.com.

CPG's Takeaways:

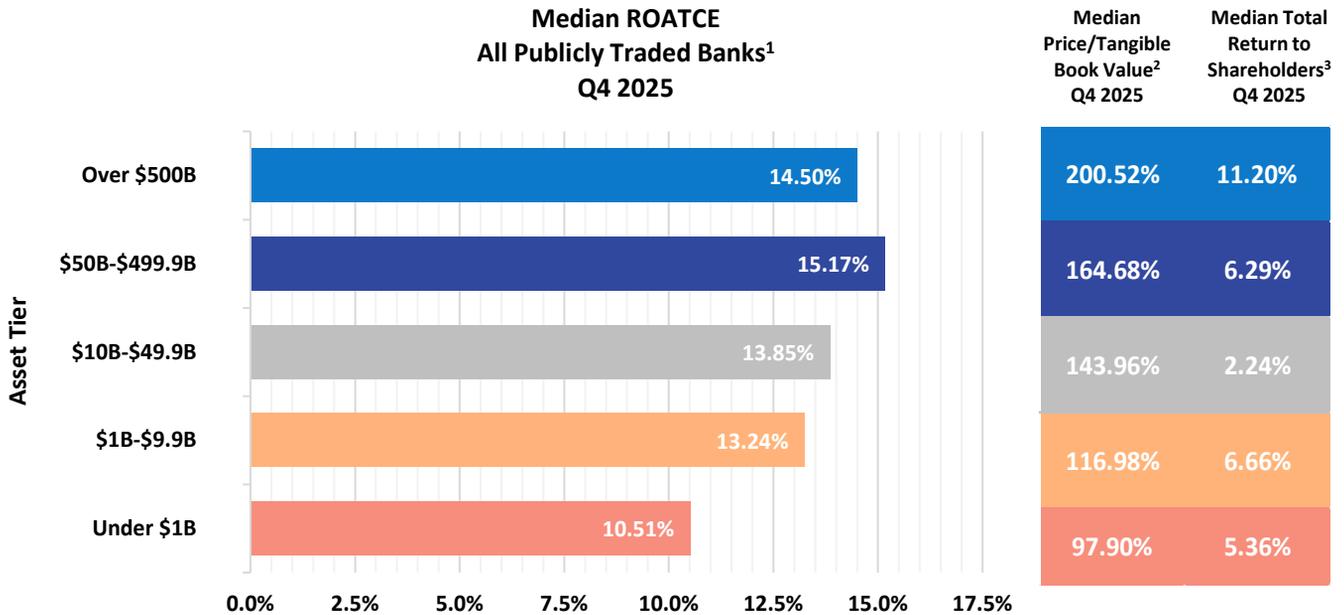
A steepening yield curve drove robust earnings in 4Q25.

- ✓ Margins expanded for the fifth consecutive quarter, primarily driven by the Federal Reserve's three rate cuts in the fourth quarter. As a result, funding costs fell across all asset tiers, with double-digit basis-point declines in the three largest tiers. At least one additional rate cut is expected in 2026.
- ✓ Median ROATCEs across all asset tiers remained in double digits for the quarter. And the median total return to shareholders was positive across all asset tiers. In the largest asset tiers, ROATCE declined as fee revenue normalized following the 3Q25 peak
- ✓ Median net loan growth was positive across all asset tiers. In 4Q25 earnings calls, executives at many banks noted consumer resilience and steady commercial loan demand as factors expected to support loan growth throughout 2026.
- ✓ All asset tiers saw modest deposit growth, with the two largest tiers seeing the most. However, deposit growth lagged loan growth, particularly among institutions with total assets under \$10.0B. Yet some banks achieved double-digit organic deposit growth (see page 5).
- ✓ For the third consecutive quarter, bank stock indices outperformed the broader market indices. Investors remained bullish on the sector, partly driven by expectations of a steepening yield curve, continued economic growth, and solid credit fundamentals.
- ✓ The ABA's latest Credit Conditions Index rose 3.1 points in Q4 to 37.5, a slight improvement from the prior quarter. However, the index has been below the neutral threshold of 50 for the fourth consecutive quarter, signaling that overall conditions will weaken over the next six months. Delinquency rates on consumer loans jumped in December. The increase was across loan types and was highest among subprime borrowers, according to an [analysis](#) by Mark Zandi of Moody's Analytics.
- ✓ Investors continued to place a premium on asset size, with the median price-to-tangible book value increasing by asset tier and the smallest asset tier trading at a slight discount to tangible book value.

Economic Outlook

Goldman Sachs forecasts U.S. GDP growth of 2.5% in 2026 and predicts the Fed will make two 25 bps rate cuts.

Median ROATCE



Median ROATCEs across all asset tiers remained in double digits for the quarter. Investors continued to place a premium on asset size, with the median price-to-tangible book value increasing by asset tier and the smallest asset tier trading at a slight discount to tangible book value. The median total return to shareholders was positive across all asset tiers.

Source: CPG analysis of data provided by S&P Global Market Intelligence, 2026.

1. 464 publicly traded U.S. banks and thrifts that had reported Q4 2025 results as of 2/2/26.

2. Share price as of 12/31/25.

3. Total Return to Shareholders Q4 as of 12/31/25.

Stock Performance



For the third consecutive quarter, bank stock indices outperformed the broader market indices. Investors remained bullish on the sector, partly driven by expectations of a steepening yield curve, economic growth, and solid credit fundamentals.

Source: S&P Global Market Intelligence, 2026. Price Change (%) collected from September 30, 2025, through December 31, 2025.

Banks with the Highest Organic Deposit Growth

Wealth-management-focused banks reported above-median organic deposit growth, as clients moved investments into insured deposits.

Dime Community Bancshares has capitalized on the disruption among competitors.

LendingClub and NewtekOne increased deposits by cross-selling to their loan customers. LendingClub focused on consumers, while NewtekOne focused on small businesses.

Chain Bridge Bancorp has focused on banking political organizations.

FinWise Bancorp pursued a BaaS strategy through its ILC.

Asset Tier (Institution) ¹	Headquarters (City, State)	Total Deposits Change	
		As of 12/31/25	[9/30/25 - 12/31/25]
\$50B-\$499.9B Median		68.1B	1.63%
The Charles Schwab Corporation	Westlake, TX	255.7B	6.51%
The Bank of New York Mellon Corporation	New York, NY	331.9B	5.18%
Northern Trust Corporation	Chicago, IL	142.8B	4.90%
First Horizon Corporation	Memphis, TN	67.5B	2.89%
BOK Financial Corporation	Tulsa, OK	39.4B	2.37%
\$10B-\$49.9B Median		16.5B	0.91%
Central Bancompany, Inc.	Jefferson City, MO	15.9B	6.77%
Dime Community Bancshares, Inc.	Hauppauge, NY	12.8B	6.07%
OceanFirst Financial Corp.	Toms River, NJ	11.0B	4.82%
LendingClub Bank, National Association	Lehi, UT	9.9B	4.32%
Axos Financial, Inc.	Las Vegas, NV	23.2B	4.17%
\$1B-\$9.9B Median		2.28B	0.64%
NewtekOne, Inc.	Boca Raton, FL	1.4B	16.95%
Northeast Bank	Portland, ME	3.8B	14.89%
Chain Bridge Bancorp, Inc.	McLean, VA	1.6B	13.27%
The Bancorp, Inc.	Wilmington, DE	8.2B	10.22%
Solera National Bancorp, Inc.	Lakewood, CO	1.1B	9.22%
Under \$1B Median²		467.6M	0.15%
WVS Financial Corp.	Pittsburgh, PA	181.0M	18.83%
Pacific Valley Bancorp	Salinas, CA	620.3M	16.95%
First Resource Bancorp, Inc.	Exton, PA	725.3M	13.04%
FinWise Bancorp	Murray, UT	754.6M	9.58%
Beach Cities Commercial Bank	Irvine, CA	143.5M	8.01%

Source: CPG analysis of data provided by S&P Global Market Intelligence, 2026.

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2. Banks under \$100M in assets were excluded from this list.

Top Valued Banks as of September 30, 2025 (Price/Tangible Book Value)

Asset Tier (Institution) ¹	Headquarters (City, State)	Price/Tangible Book Value (X)	
		As of 12/31/25	Change [9/30/25 - 12/31/25]
Over \$500B Median		2.0	0.1
Morgan Stanley	New York, NY	3.6	0.3
JPMorgan Chase & Co.	New York, NY	3.0	0.0
The Goldman Sachs Group, Inc.	New York, NY	2.6	0.2
\$50B-\$499.9B Median		1.6	0.0
The Bank of New York Mellon Corporation	New York, NY	4.0	0.1
State Street Corporation	Boston, MA	2.4	0.2
Northern Trust Corporation	Chicago, IL	2.3	0.0
Synchrony Financial	Stamford, CT	2.2	0.4
Fifth Third Bancorp	Cincinnati, OH	2.1	0.0
\$10B-\$49.9B Median		1.4	0.0
Community Financial System, Inc.	Dewitt, NY	2.8	-0.1
Cullen/Frost Bankers, Inc.	San Antonio, TX	2.2	0.0
ServisFirst Bancshares, Inc.	Birmingham, AL	2.1	-0.4
Glacier Bancorp, Inc.	Kalispell, MT	2.1	-0.3
Commerce Bancshares, Inc.	Kansas City, MO	2.0	-0.2
\$1B-\$9.9B Median		1.2	0.0
The Bancorp, Inc.	Wilmington, DE	4.2	-0.1
Coastal Financial Corporation	Everett, WA	3.6	0.1
Triumph Financial, Inc.	Dallas, TX	3.0	0.5
Esquire Financial Holdings, Inc.	Jericho, NY	3.0	-0.1
Pathward Financial, Inc.	Sioux Falls, SD	2.9	-0.2
Under \$1B Median		1.0	0.1
GBank Financial Holdings Inc.	Las Vegas, NV	2.9	-0.6
Truaxton Corporation	Nashville, TN	2.2	0.1
First Capital, Inc.	Corydon, IN	1.6	0.4
Union Bankshares, Inc.	Morrisville, VT	1.4	-0.1
Hawthorn Bancshares, Inc.	Jefferson City, MO	1.4	0.1

The median price-to-tangible book value multiples rose slightly across both the largest and smallest asset tiers and remained unchanged across all other tiers.

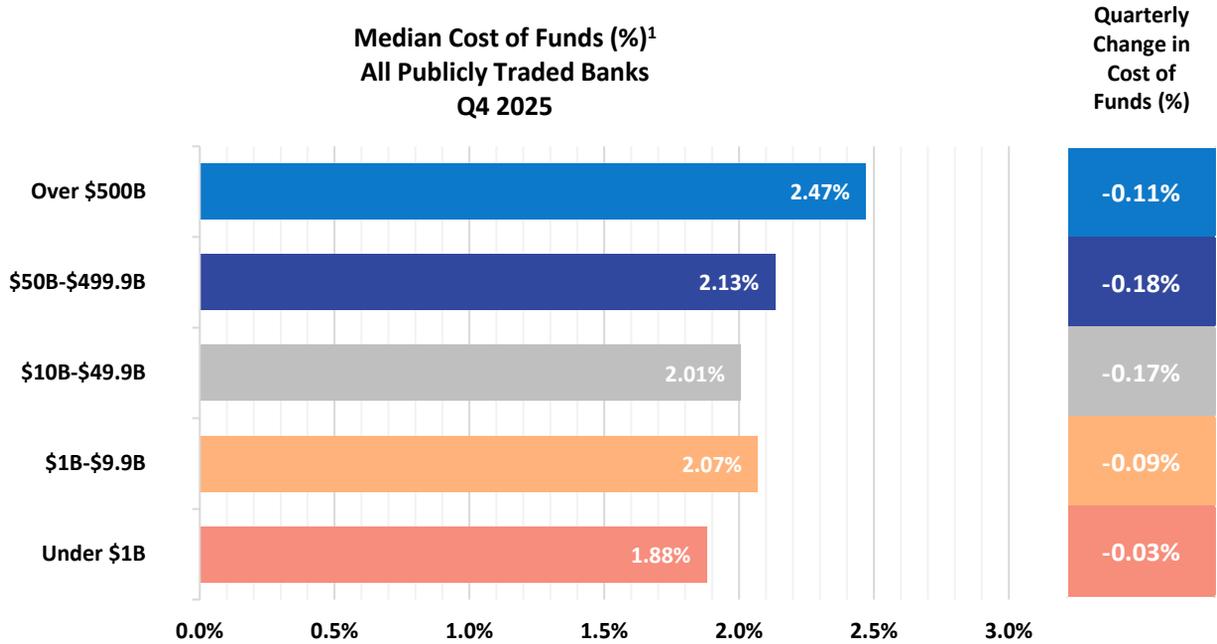
Among larger banks, the price-to-tangible book value multiples increased among those with investment banking, asset management, and capital markets businesses.

Some of the higher-valued community banks experienced valuation declines. For example, GBank and ServisFirst, with analysts citing macro and credit concerns as the cause.

Source: CPG analysis of data provided by S&P Global Market Intelligence, 2026.

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Cost of Funds



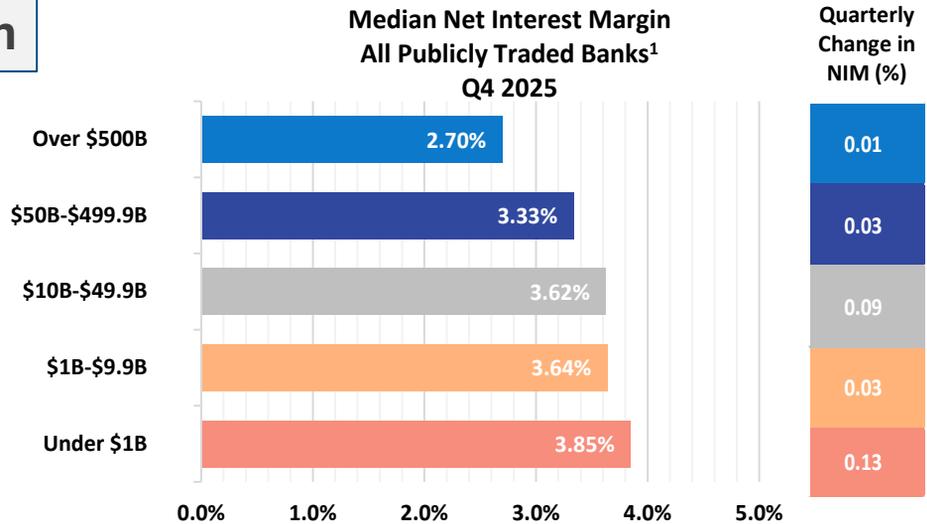
The Federal Reserve reduced rates three times in the fourth quarter. As a result, funding costs fell across all asset tiers, with double-digit basis-point declines in the three largest tiers. At least one additional rate cut is expected in 2026.

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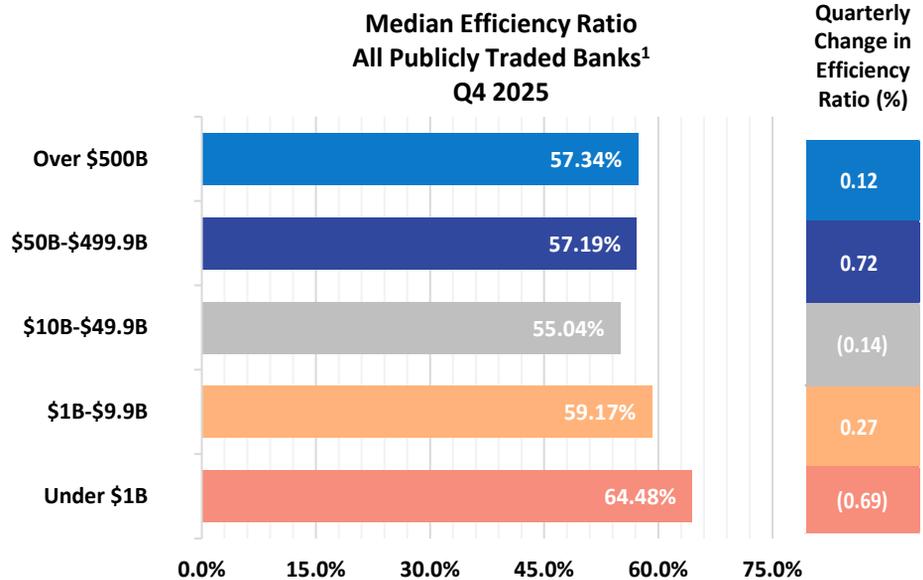
Net Interest Margin

The median net interest margin expanded across all asset tiers in 4Q25. The expansion was greatest in the smallest asset tier. The expansion was driven by continued asset repricing, lowered funding costs, and favorable seasonal deposit mixes.



Efficiency Ratio

Median efficiency ratios improved slightly for the \$10.0B-\$49.9B and under \$1.0B asset tiers. Noninterest expenses grew across all asset tiers over the quarter, particularly in the \$50.0B-\$499.9B range, and noninterest income was negative in the over \$500.0B and \$1.0B-\$9.9B ranges.

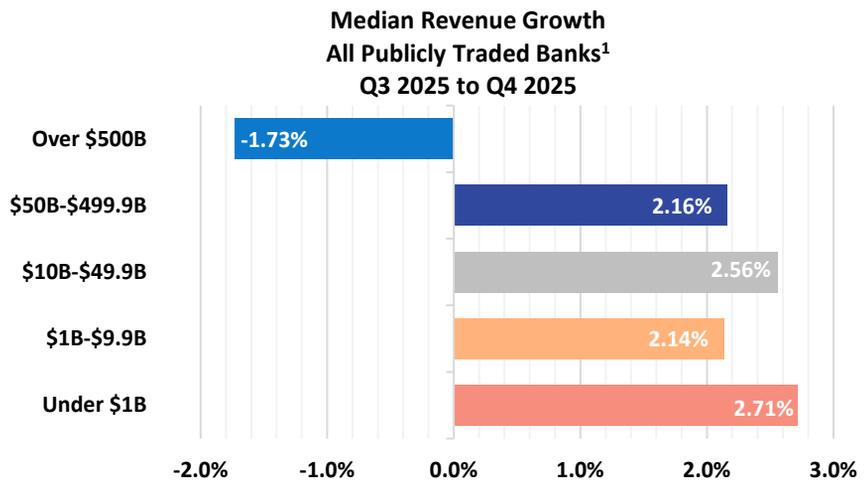


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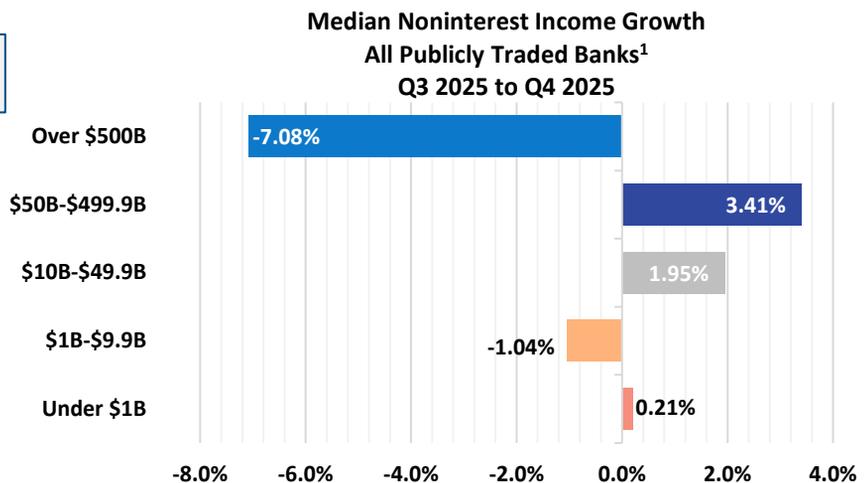
Revenue Growth

Median revenue growth fell for banks over \$500.0B but grew by 2% - 3% for all other asset tiers. However, this decrease in the largest tier reflected normalization in investment banking revenue, after an unusually strong third quarter.



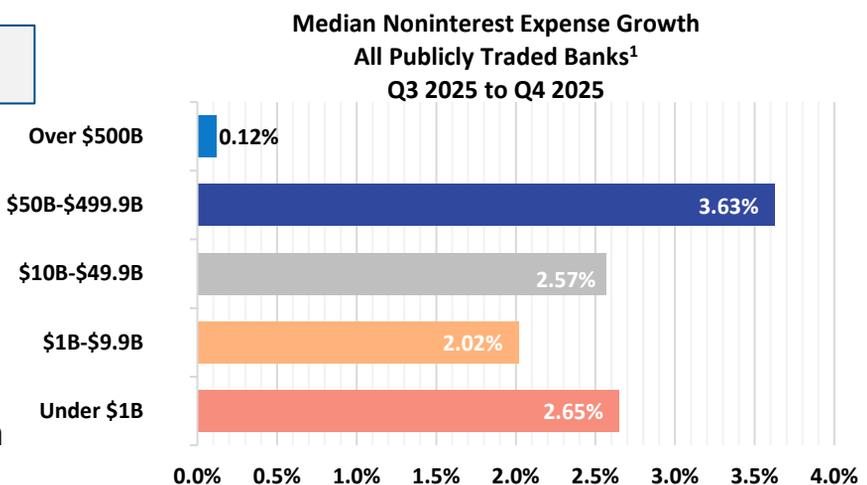
Noninterest Income

Noninterest income growth varied across asset tiers over the quarter. The reduction in the largest tier was related to normalization from Q3. Regional banks continued to see improvements in other fee-income sources.



Noninterest Expense

Noninterest expense increased across all asset tiers, with the largest growth in the \$50.0B-\$499.9B tier. Growth in the largest tier was minimal due to normalization of commissions paid in connection with M&A activity and other compensation expenses.

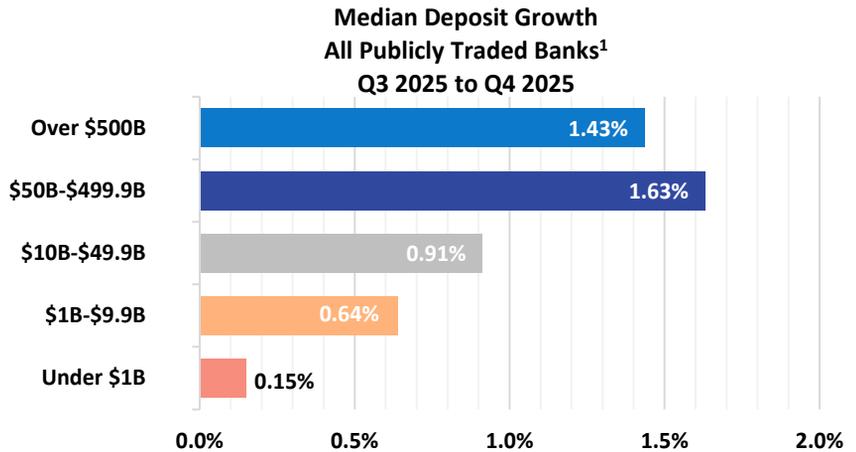


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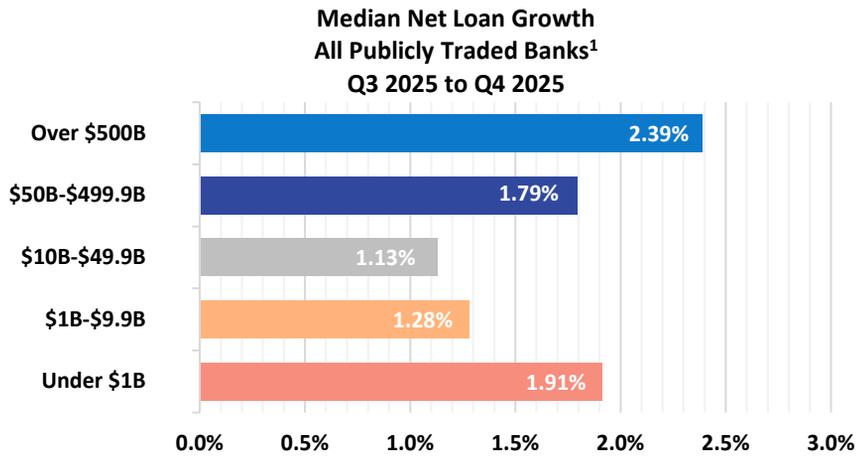
Deposit Growth

In 4Q25, all asset tiers saw modest deposit growth, with the two largest tiers seeing the most. However, deposit growth lagged loan growth, particularly among institutions with total assets under \$10.0B.



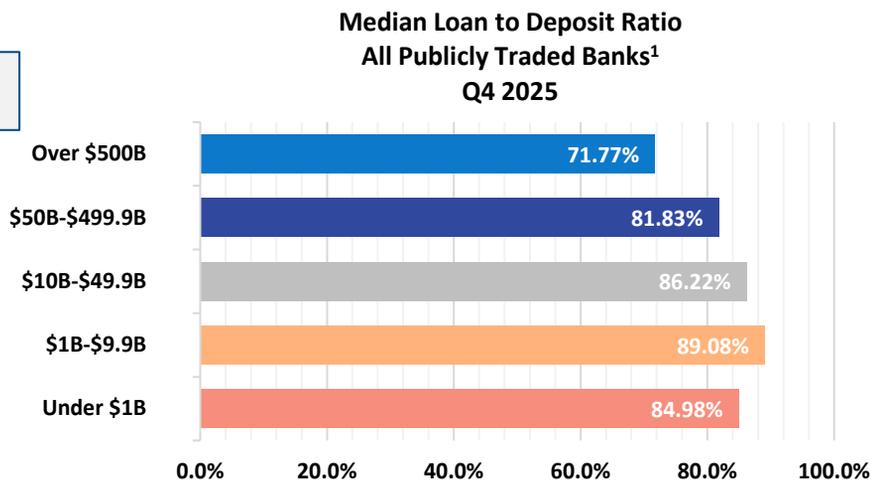
Net Loan Growth

Median net loan growth was positive across all asset tiers. In 4Q25 earnings calls, executives at many banks noted consumer resilience and steady commercial loan demand as factors expected to support loan growth throughout 2026.



Loan to Deposit Ratio

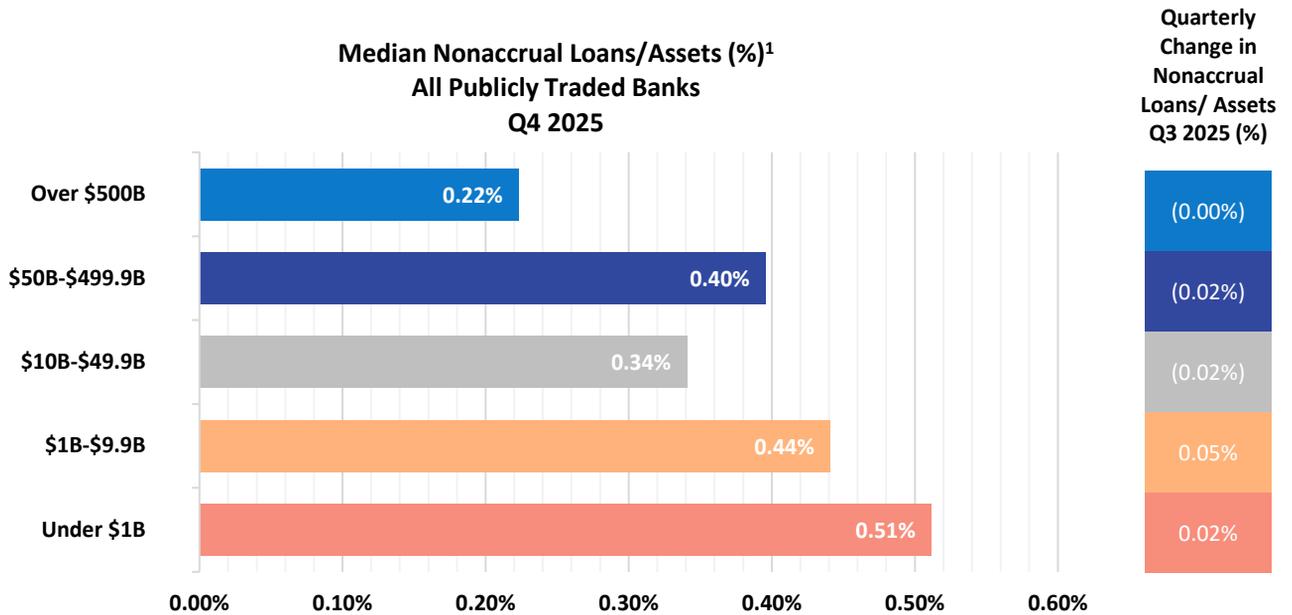
The median loan-to-deposit ratios remained steady in 4Q25, with only marginal changes from the prior quarter. All four asset tiers below \$500B maintained loan-to-deposit ratios over 80.0%.



Source: CPG analysis of data provided by S&P Global Market Intelligence, 2026.

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Nonaccrual Loans/Assets



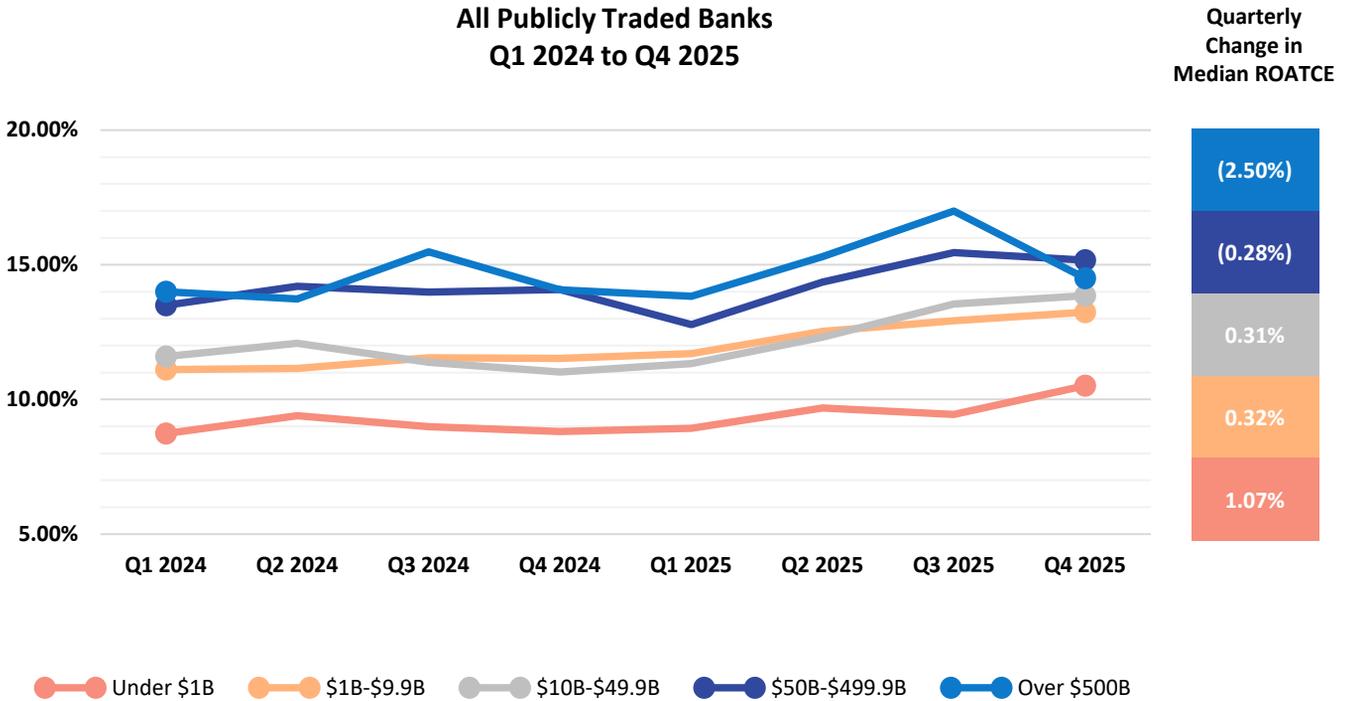
The median ratio of nonaccrual loans to total assets was relatively unchanged for all asset tiers. The ABA's latest Credit Conditions Index rose 3.1 points in Q4 to 37.5, a slight improvement from the prior quarter. However, the index has been below the neutral threshold of 50 for the fourth consecutive quarter, signaling that overall conditions will weaken over the next six months. Nevertheless, this improvement in the index reflects reduced uncertainty in the economic outlook.

Source: CPG analysis of data provided by S&P Global Market Intelligence, 2026.

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ROATCE Trends by Asset Tier

Median ROATCE¹ (%)
All Publicly Traded Banks
Q1 2024 to Q4 2025

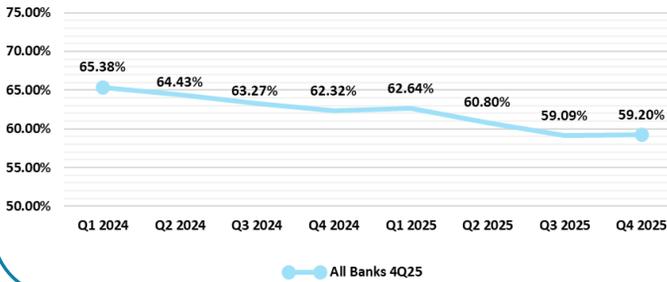


Median ROATCE trends by asset tier were positive for asset tiers below \$50.0B, reflecting their greater NIM expansion in 4Q25. In the largest asset tiers, ROATCE declined as fee revenue normalized following the 3Q25 peak, while equity levels remained high.

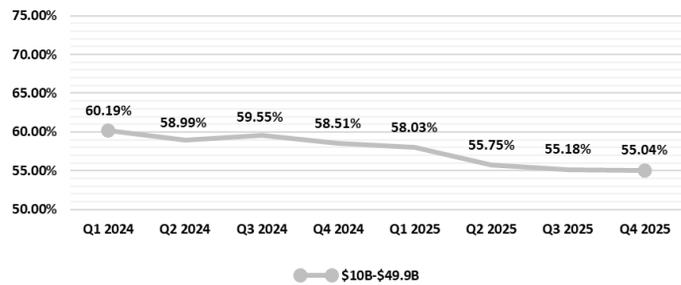
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Efficiency Trends by Asset Tier

Median Efficiency Ratio¹ (%)
All Publicly Traded Banks
Q1 2024 to Q4 2025



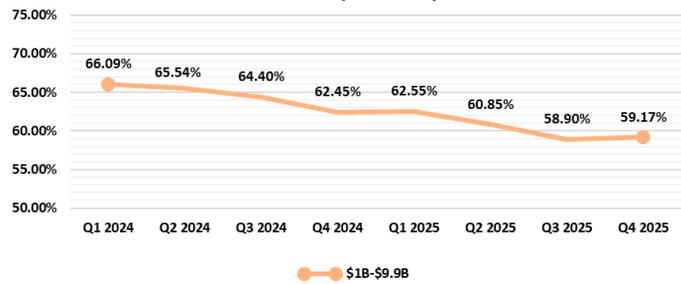
Median Efficiency Ratio¹ (%)
Publicly Traded Banks \$10B - \$49.9B
Q1 2024 to Q4 2025



Median Efficiency Ratio¹ (%)
Publicly Traded Banks Over \$500B
Q1 2024 to Q4 2025



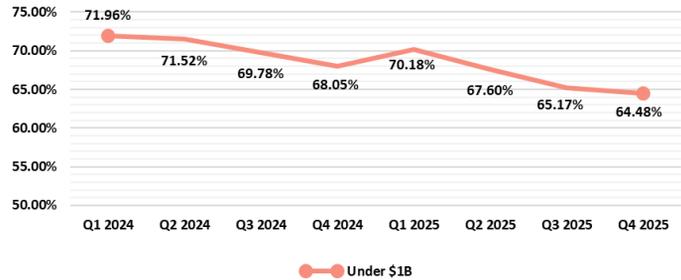
Median Efficiency Ratio¹ (%)
Publicly Traded Banks \$1B - \$9.9B
Q1 2024 to Q4 2025



Median Efficiency Ratio¹ (%)
Publicly Traded Banks \$50B - \$499.9B
Q1 2024 to Q4 2025

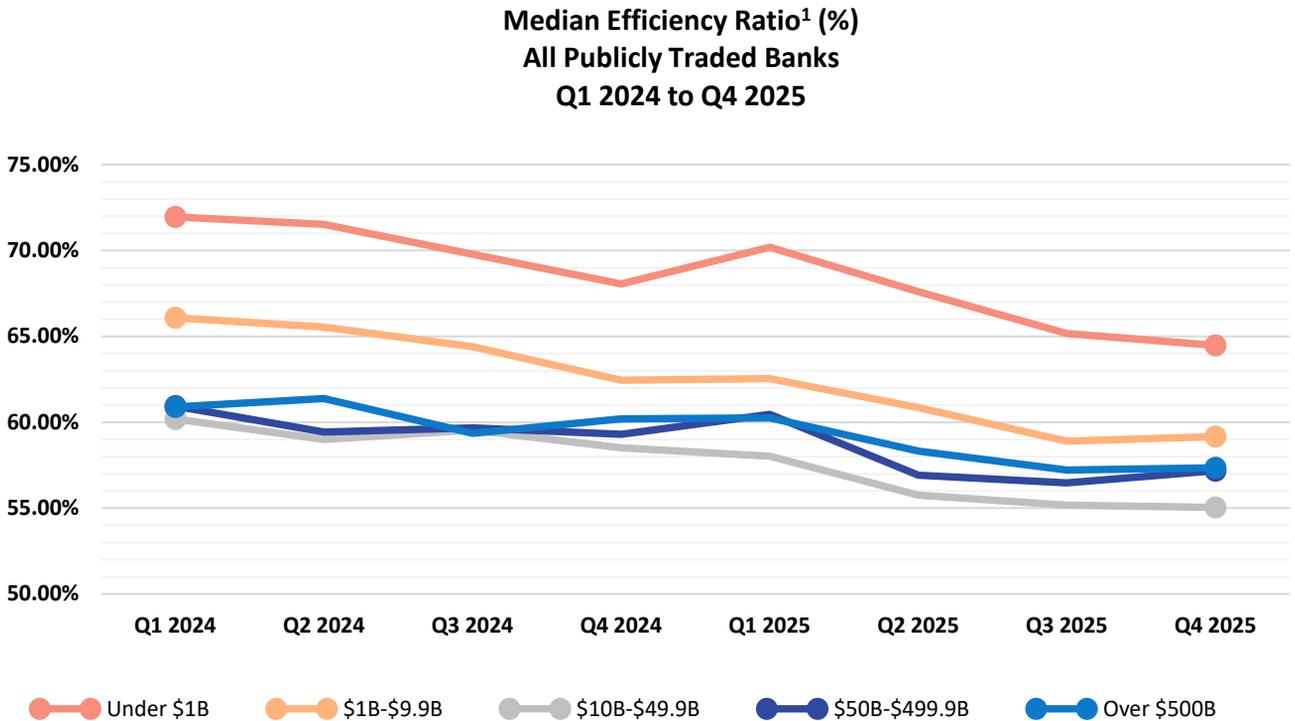


Median Efficiency Ratio¹ (%)
Publicly Traded Banks Under \$1B
Q1 2024 to Q4 2025



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Efficiency Trends by Asset Tier

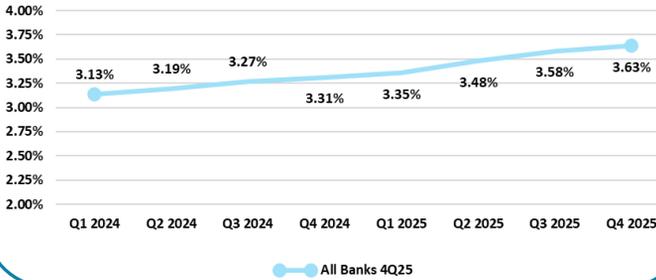


Efficiency ratios fell modestly for the smallest asset tier and for banks with \$ 10.0B-\$49.9B in assets. For all other asset tiers, a mix of normalizing revenue, rising noninterest expenses, and low or negative noninterest income in the quarter led to lower efficiency. Nevertheless, median efficiency ratios have improved over the past two years for all asset tiers.

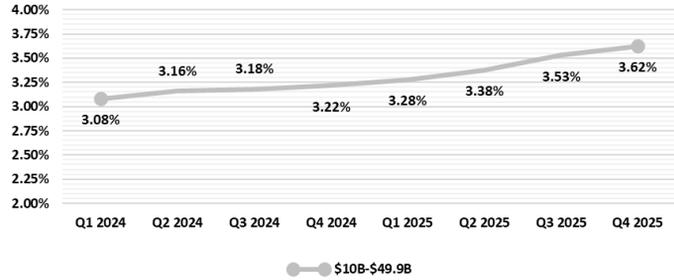
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Net Interest Margin Trends by Asset Tier

Median NIM¹ (%)
All Publicly Traded Banks
Q1 2024 to Q4 2025



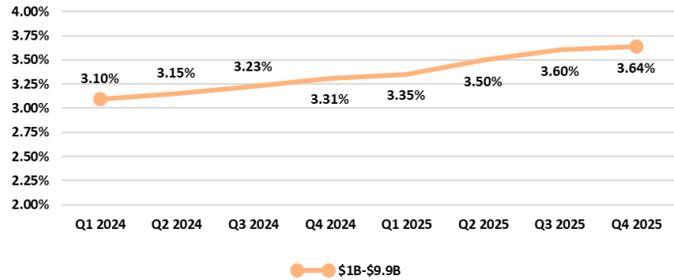
Median NIM¹ (%)
Publicly Traded Banks \$10B - \$49.9B
Q1 2024 to Q4 2025



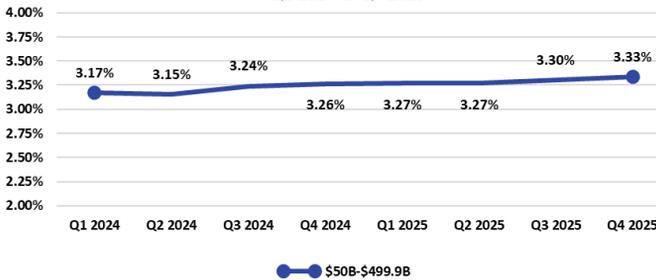
Median NIM¹ (%)
Publicly Traded Banks Over \$500B
Q1 2024 to Q4 2025



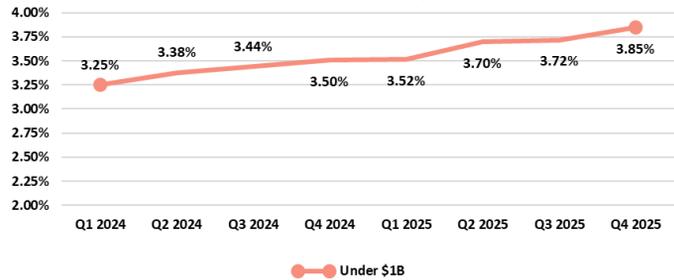
Median NIM¹ (%)
Publicly Traded Banks \$1B - \$9.9B
Q1 2024 to Q4 2025



Median NIM¹ (%)
Publicly Traded Banks \$50B- \$499.9B
Q1 2024 to Q4 2025

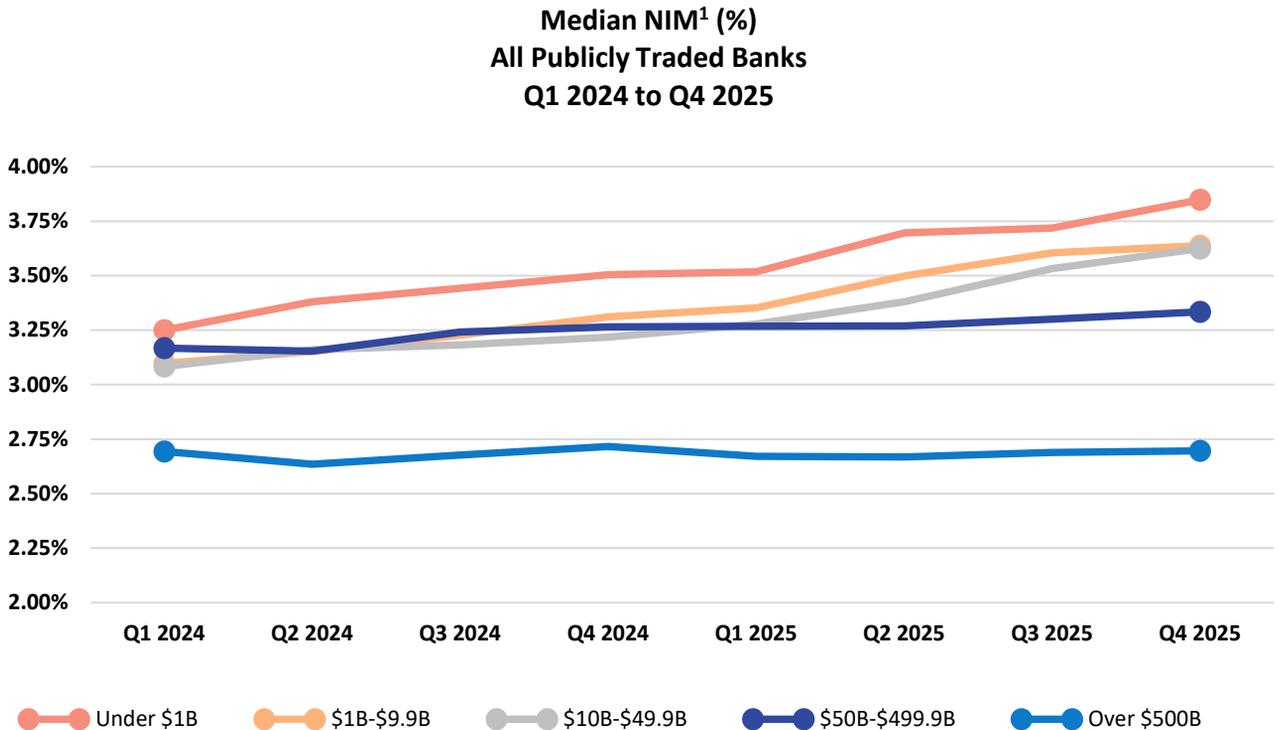


Median NIM¹ (%)
Publicly Traded Banks Under \$1B
Q1 2024 to Q4 2025



Source: CPG analysis of data provided by S&P Global Market Intelligence, 2026.
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Net Interest Margin Trends by Asset Tier



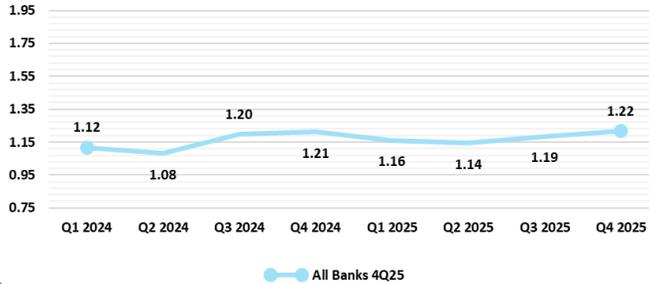
Median net interest margins continued to expand across all asset tiers, with the most significant gains occurring in the three smallest tiers.

Source: CPG analysis of data provided by S&P Global Market Intelligence, 2026.

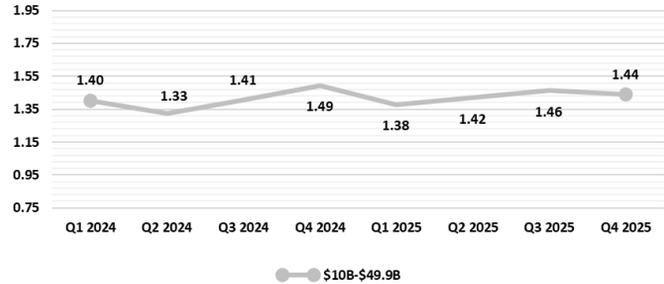
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Valuation Trends by Asset Tier

Median Price/Tangible Book Value¹ (x)
All Publicly Traded Banks
Q1 2024 to Q4 2025



Median Price/Tangible Book Value¹ (x)
Publicly Traded Banks \$10B - \$49.9B
Q1 2024 to Q4 2025



Median Price/Tangible Book Value¹ (x)
Publicly Traded Banks Over \$500B
Q1 2024 to Q4 2025



Median Price/Tangible Book Value¹ (x)
Publicly Traded Banks \$1B - \$9.9B
Q1 2024 to Q4 2025



Median Price/Tangible Book Value¹ (x)
Publicly Traded Banks \$50B - \$499.9B
Q1 2024 to Q4 2025



Median Price/Tangible Book Value¹ (x)
Publicly Traded Banks Under \$1B
Q1 2024 to Q4 2025

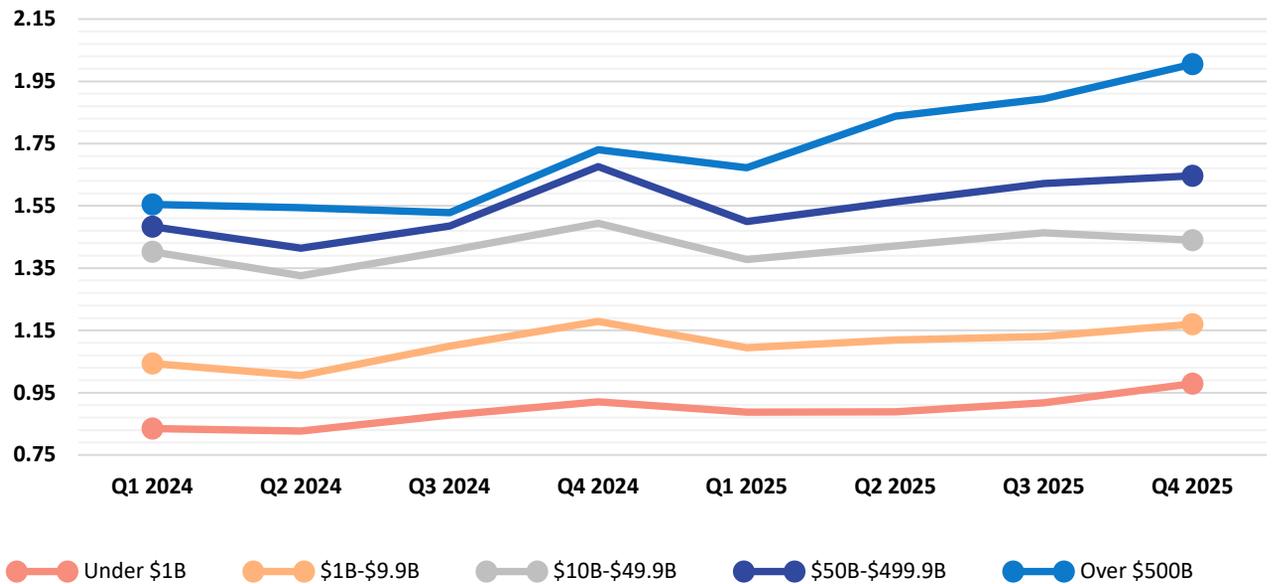


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Valuation Trends by Asset Tier

Median Price/Tangible Book Value¹ (x)
All Publicly Traded Banks
Q1 2024 to Q4 2025



Bank stock valuations increased in Q4 across all asset tiers except those in the \$10.0B-\$49.9B range, which remained relatively flat.

Source: CPG analysis of data provided by S&P Global Market Intelligence, 2026.

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Who We Are

CPG is a management consulting firm founded in 2001. We focus exclusively on the financial services industry. We provide value to our clients by delivering proven solutions to critical business issues, empowering decision-makers with relevant, concise, well-organized information, and engineering work practices to drive efficiencies and productivity.

For more than 20 years, Capital Performance Group has worked with the [ABA Banking Journal](#) and the [American Banker](#) to evaluate the nation's top performing banks.

Quarterly Banking Report Team



Mary Beth Sullivan
Managing Partner
msullivan@capitalperform.com



Claude A. Hanley, Jr.
Partner
chanley@capitalperform.com



Ally Akins
Principal
aakins@capitalperform.com



Matthew Prince
Business Analyst
mprince@capitalperform.com

[Follow us on LinkedIn](#)

www.capitalperform.com

1717 K Street, NW, Suite 900
Washington, DC 20006