S&P Global Ratings

Performance Should Hold Steady Amid Ongoing Changes

U.S. GSIBs Q4 2024 Update

The U.S. global systemically important banks (GSIBs) are Bank of America Corp., Bank of New York Mellon Corp., Citigroup Inc., The Goldman Sachs Group Inc., JPMorgan Chase & Co., Morgan Stanley, State Street Corp., and Wells Fargo & Co. (We also include Northern Trust Corp., a peer of the trust banks--Bank of New York Mellon Corp. and State Street Corp.)

March 6, 2025

This report does not constitute a rating action

Key Forecasts

We think GSIBs will post strong profitability in 2025 amid continued economic growth

Revenue and profitability

Net interest income has largely stabilized, but it may grow in 2025 depending on the pace of earning asset growth and the trajectory of interest rates.

Fee income should grow since lower rates should support advisory and underwriting, and elevated market levels should buttress wealth and asset management fees.

Profitability should remain in line with last year's levels.

Capital ratios

With the outcome of the Basel III endgame regulation still uncertain, we think some GSIBs will maintain current capital levels. But others with more significant excess capital may pick up the pace of buybacks. Consequently, we think capital distributions will vary across GSIBs.

The level of unrealized losses in GSIB securities portfolios and the outcome of the June stress test will also play a part in determining the extent of share buybacks.

Asset quality

We think delinquencies and charge-offs will rise, driven especially by commercial real estate (CRE), episodic charge-offs within commercial and industrial, and further consumer deterioration impacting credit cards.

However, if there's continued economic growth, that should prevent a substantial decline in asset quality.

Overall, we believe asset quality pressure will worsen modestly from last year, but it should remain manageable.

Funding and liquidity

Deposits grew again in the fourth quarter, and they seem to have stabilized. We now expect limited deposit growth in 2025, which could also support liquidity.

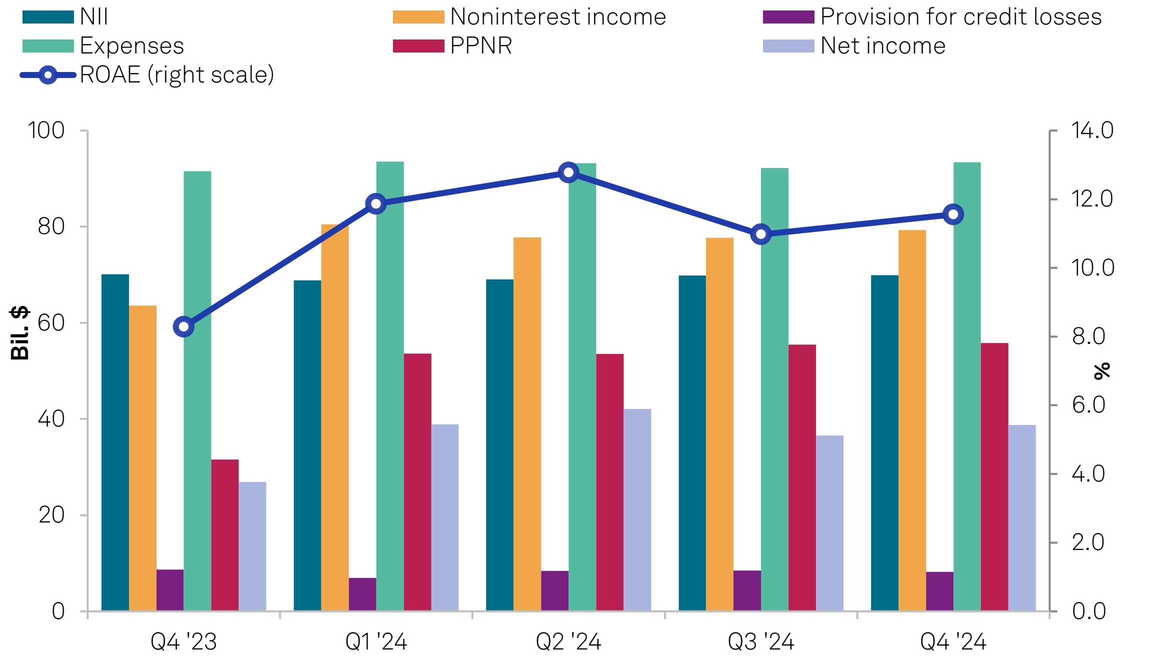
GSIBs are likely to maintain good contingent liquidity, and they have favorable deposit-to-loan ratios with an adequate amount of cash to assets.

Fourth-Quarter And Full-Year 2024 Results

Earnings were strong in 2024 on robust fee income, stable net interest income

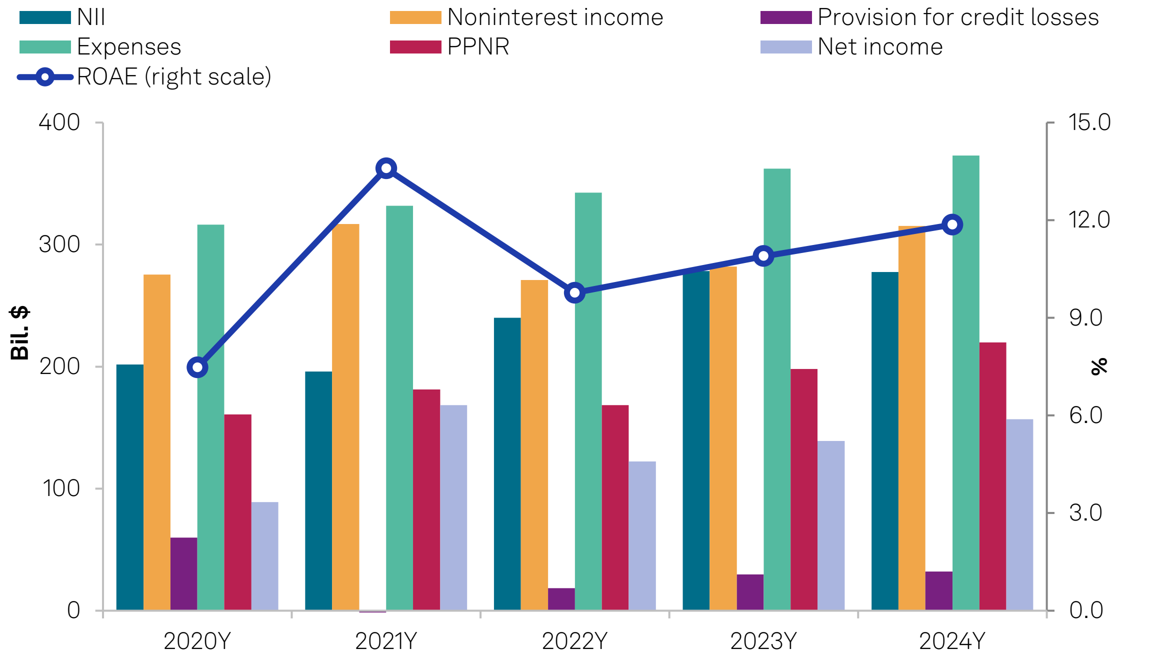
- Earnings were up modestly in fourth-quarter 2024 from both the prior quarter and the same quarter in 2023, aided by strong noninterest income and stabilizing net interest income (NII)--even as higher noninterest expense weighed on results.
- Adjusting for one-off items, GSIBs reported solid earnings in 2024, with a return on average equity of 11.9% (versus 10.9% in 2023).
- We expect similar earnings in 2025, with potential upside from an improved net interest margin (NIM), greater loan demand, and strong noninterest revenue.

U.S. GSIBs: Quarterly earnings performance



The data is aggregate of the U.S. GSIBs and is adjusted for FDIC special assessment charges in all the above quarters. NII--Net interest income. PPNR--Preprovision net revenue. ROAE--Return on average equity. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

U.S. GSIBs: Yearly earnings performance

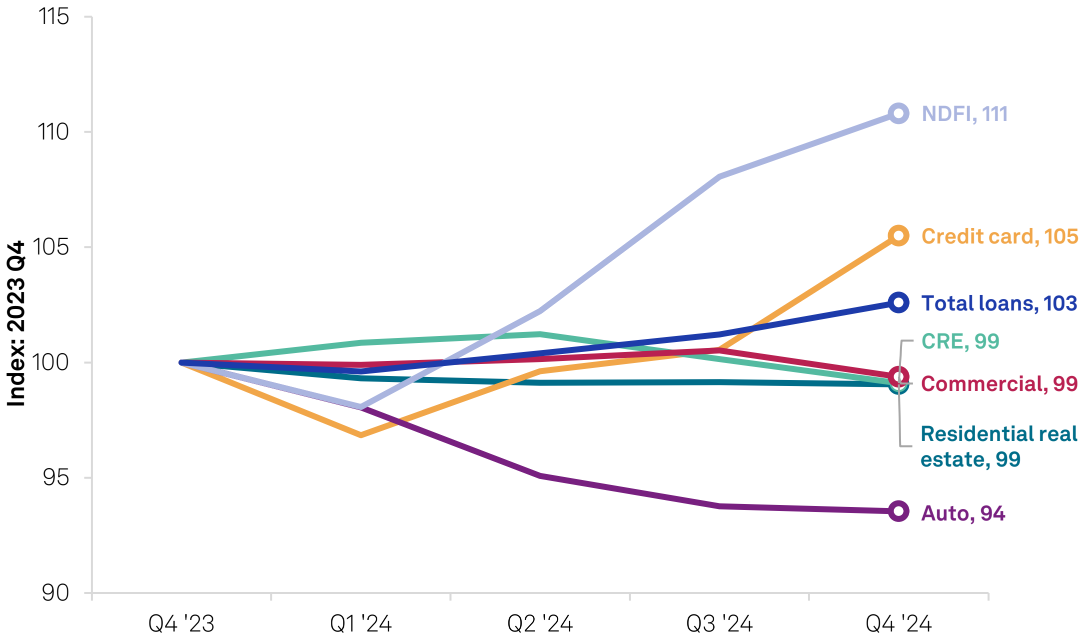


The data is aggregate of the U.S. GSIBs and is adjusted for FDIC special assessment charges in 2023 and 2024. NII--Net interest income. PPNR--Preprovision net revenue. ROAE--Return on average equity. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

Net interest income rose again in Q4 and may inch up even more in 2025

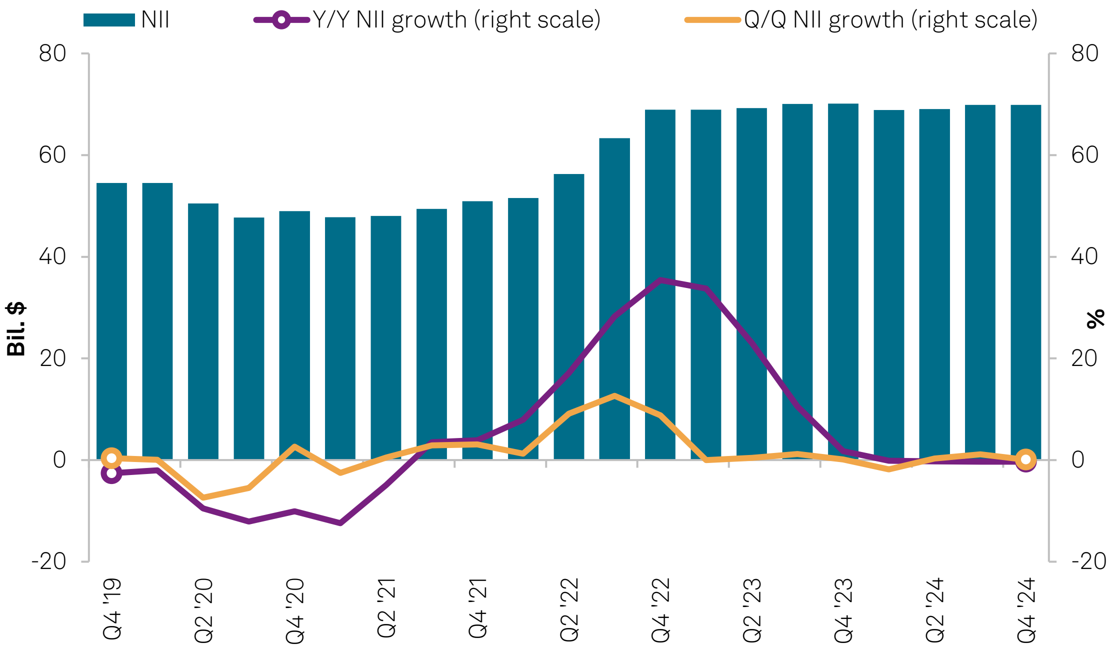
- Earning asset growth helped drive sequential NII growth. Still, NII was down modestly year over year as higher funding costs weighed on results.
- Loan growth was tepid in most categories. While credit card and commercial loans (particularly loans to nonbanks) continued to grow, retail loans (including mortgages) fell. We expect loans to grow in 2025, albeit only modestly, on uncertain borrower demand, but it may accelerate depending on economic trends.
- We think reduced asset sensitivity and expectations for fewer rate cuts have reduced the risk of NII pressures.

U.S. GSIBs: Index of loan growth



Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

U.S. GSIBs: Net interest income trends



The data is aggregate of the U.S. GSIBs. Y/Y--Year over year. Q/Q--Quarter over quarter. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

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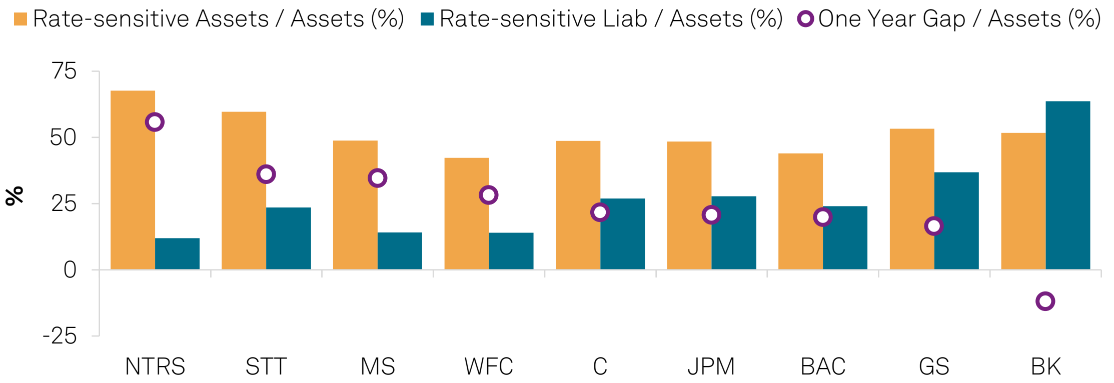
For most GSIBs, the net interest margin rose sequentially in Q4

U.S. GSIBs: Drivers of net interest income, Q4 2024

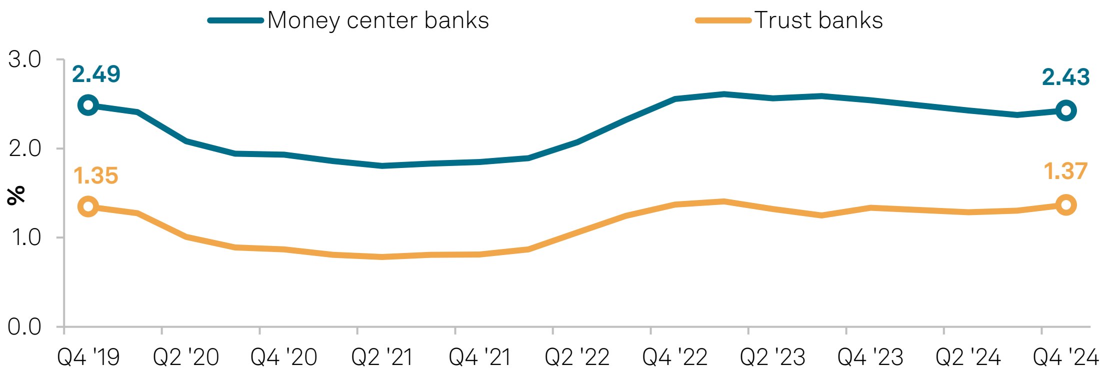
(bps)	Change in cost of interest-bearing deposits		Change in cost of interest-bearing liabilities		Change in yield on earning assets		Change in net interest margin	
	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q	Y/Y
BAC	(22)	8	(37)	(22)	(23)	(11)	4	0
C	(37)	(29)	(35)	(35)	(16)	(29)	8	(6)
JPM	(28)	(13)	(40)	(20)	(22)	(27)	2	(22)
WFC	(22)	20	(32)	4	(22)	(19)	3	(22)
MS	(48)	(54)	(18)	(17)	(39)	(0)	(26)	3
GS	(28)	4	(62)	(115)	(30)	(41)	6	23
BK	(56)	(55)	(44)	6	(25)	30	15	5
STT	(25)	(10)	(35)	(5)	(30)	(16)	0	(22)
NTRS	(42)	(41)	(84)	(53)	(74)	(22)	0	14
Median	**(28)**	**(13)**	**(37)**	**(20)**	**(25)**	**(19)**	**3**	**0**

- Most GSIBs reported a sequential increase in NIM amid declining funding costs.
- Funding costs fell more than asset yields in fourth-quarter 2024 on easing deposit costs.
- We think the trajectory of NIMs could diverge among GSIBs depending on how well they manage their asset sensitivity, as well as the extent of asset earning growth.

U.S. GSIBs: Interest rate sensitivity, Q4 2024



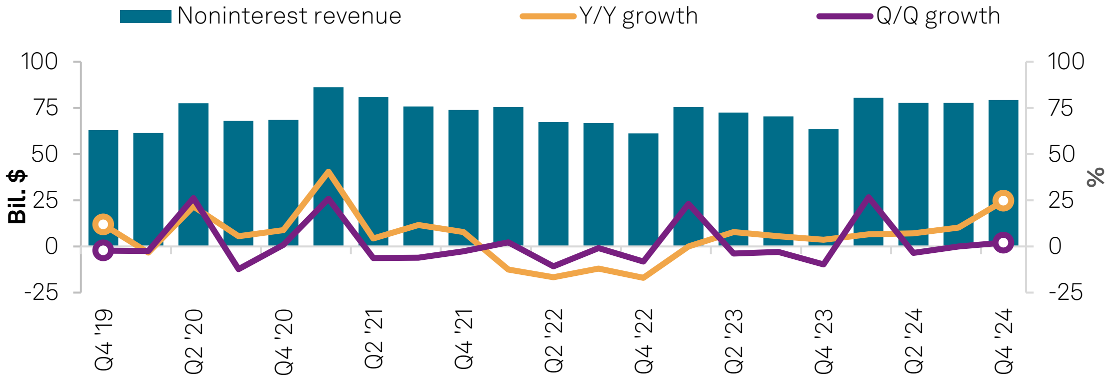
U.S. GSIBs: Average net interest margin trends



The one-year gap ratio is the percentage of net rate-sensitive assets/liabilities maturing or repricing within one year divided by total assets. bps--Basis points. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. WFC--Wells Fargo & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Q/Q--Quarter over quarter. Y/Y--Year over year. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

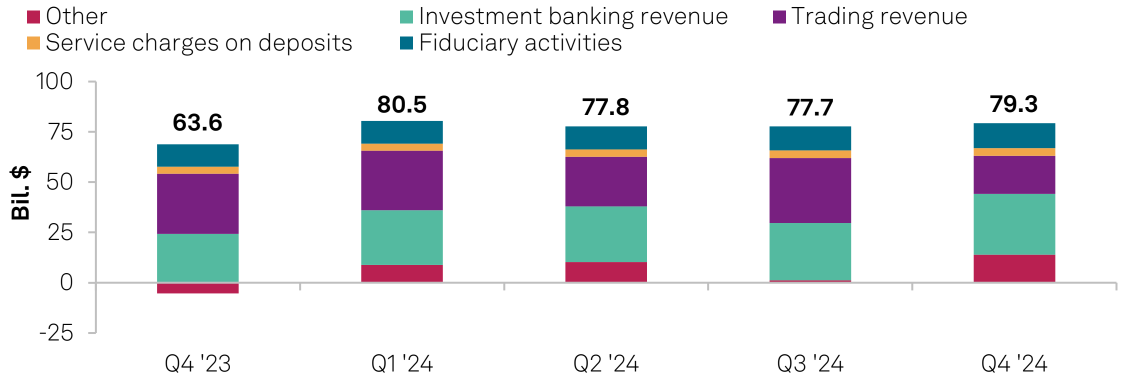
Noninterest revenue remained a strong contributor for GSIB earnings

U.S. GSIBs: Noninterest revenue growth trends

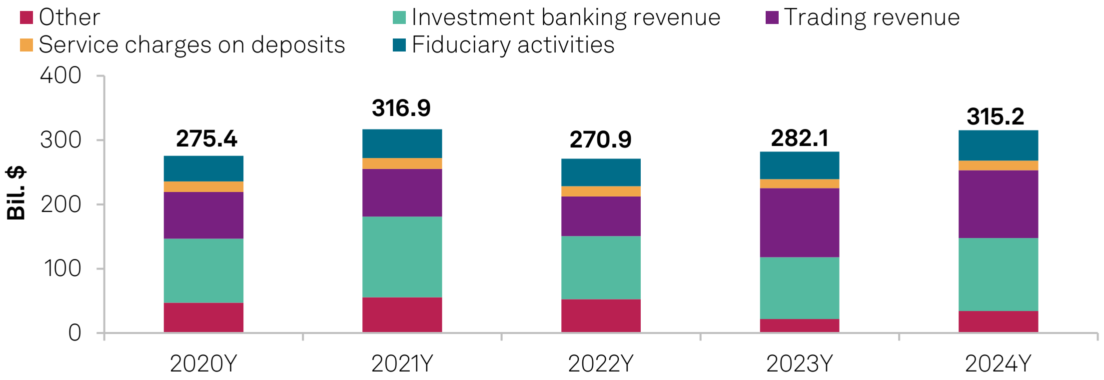


- Noninterest revenue remains a strong contributor to earnings, underscoring the benefits of GSIBs' diversified revenue streams.
- Investment banking benefited from favorable market conditions, while asset and wealth management revenue benefited from higher asset values amid elevated market levels. Service charges, treasury management fees, card fees, and mortgage banking revenue also buttressed earnings.
- The trajectory of noninterest revenue will depend on economic activity, the policies of the new administration, asset valuations, interest rates, and other factors going forward.

U.S. GSIBs: Quarterly noninterest revenue trends



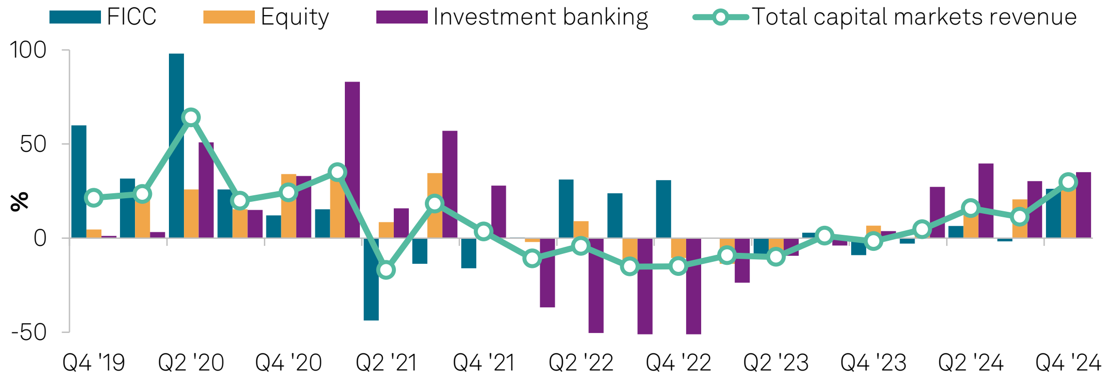
U.S. GSIBs: Yearly noninterest revenue trends



The data is aggregate of the U.S. GSIBs. Y/Y--Year over year. Q/Q--Quarter over quarter. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

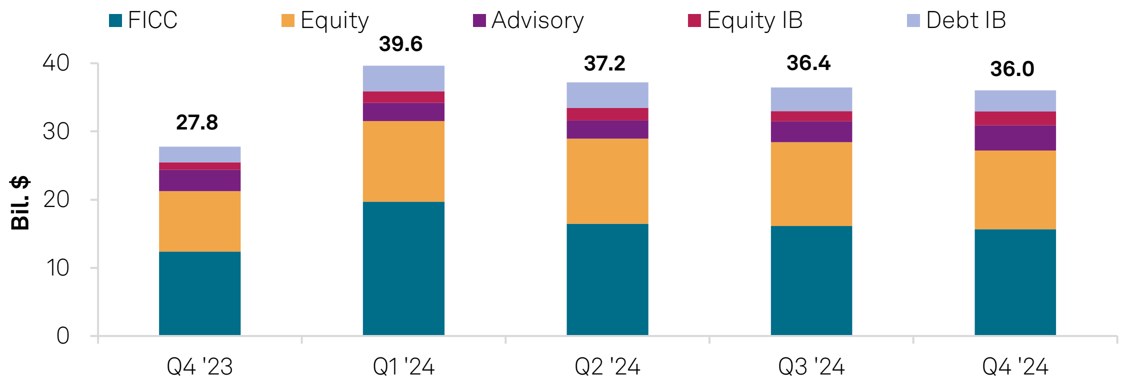
Capital markets were strong in 2024 and should remain elevated this year

Year-over-year change in capital markets revenue

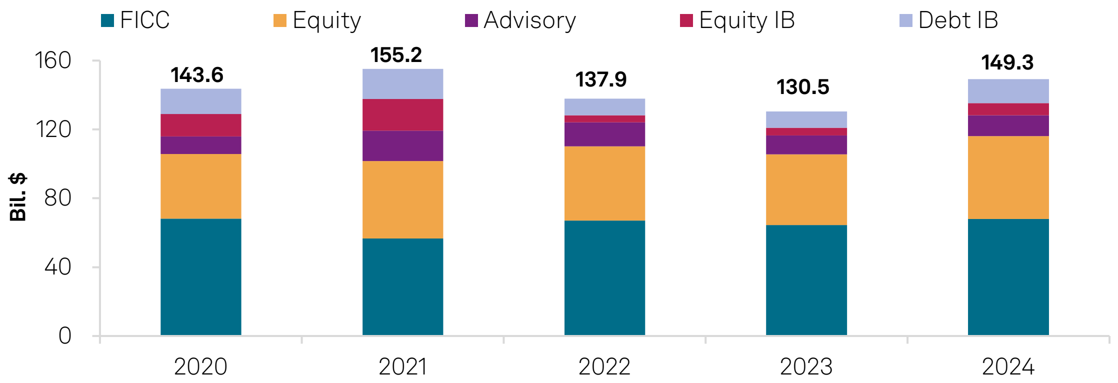


- GSIBs posted higher capital markets revenue, benefiting from economic resilience and tighter spreads, which boosted underwriting.
- In Q4, capital markets revenue declined only 1% off a strong Q3 and was up 30% year over year. After a modest decline in full-year 2023, capital markets revenue was up 14% in full-year 2024.
- We think economic resilience, more favorable interest rates, pent-up demand for mergers and acquisitions, and generally higher investor confidence--plus, perhaps, a more accommodative regulatory stance--will continue to support overall activity.

Capital markets quarterly revenue trends



Capital markets yearly revenue trends



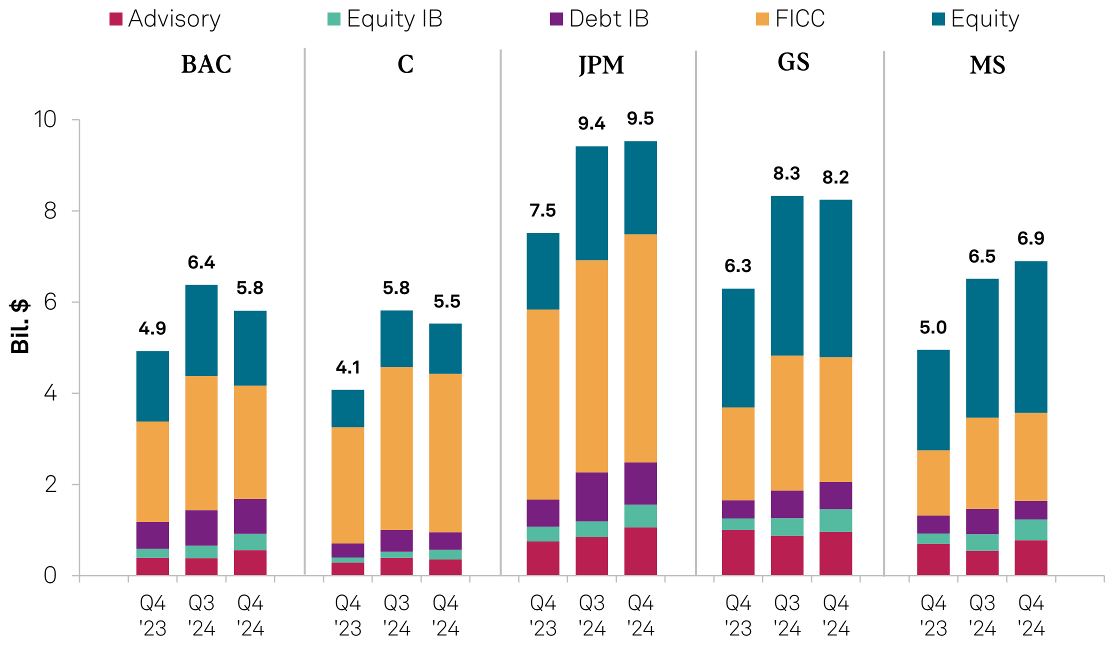
Capital markets revenue data is derived by aggregating the data from Bank of America Corp., Citigroup Inc., The Goldman Sachs Group Inc., JPMorgan Chase & Co., and Morgan Stanley. FICC--Fixed income, currencies, and commodities. IB--Investment banking. Sources: Company filings and S&P Global Ratings.

S&P Global Ratings

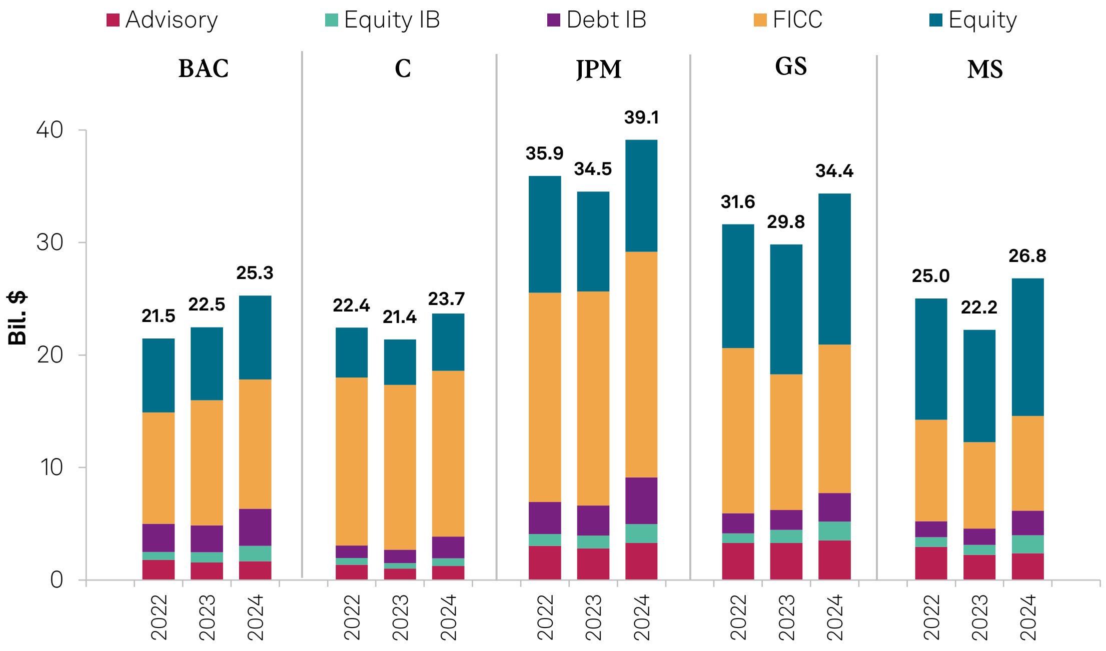
Underwriting activity rebounded in 2024 after a weak 2023

- Investment banking revenue (advisory and underwriting) rose 33% in 2024, aided by strong growth in debt underwriting (up 49%) and equity underwriting (up 53%). Improved market sentiment spurred greater issuance activity. Advisory also picked up well in 2024, with revenue up 11% year over year.
- Trading revenue rose 10% in 2024, as equities were up 18% and FICC was up 5%. Results benefited from strength across derivatives (strong client activity), prime (record balances), and cash (broad-based strength in equity markets across regions).

Quarterly capital markets revenue by company



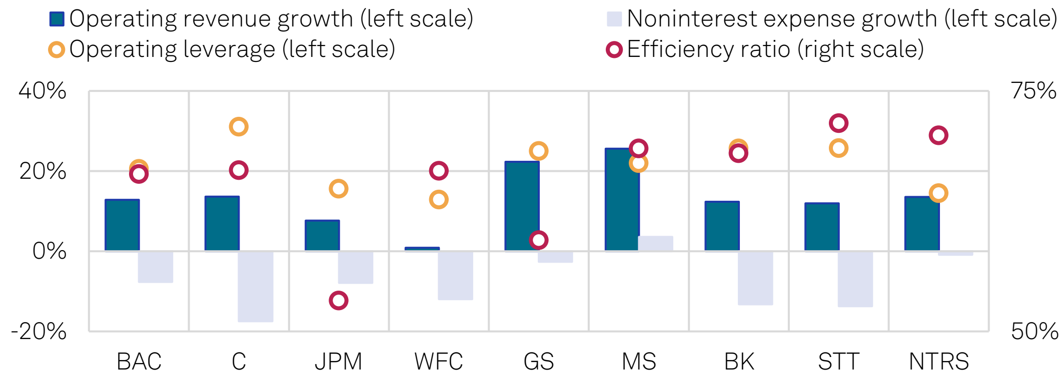
Yearly capital markets revenue by company



Note: We define capital markets revenue as the sum of equity underwriting, debt underwriting, advisory, equity trading, and FICC trading. FICC--Fixed income, currencies, and commodities. IB--Investment banking. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. Sources: Company filings and S&P Global Ratings.

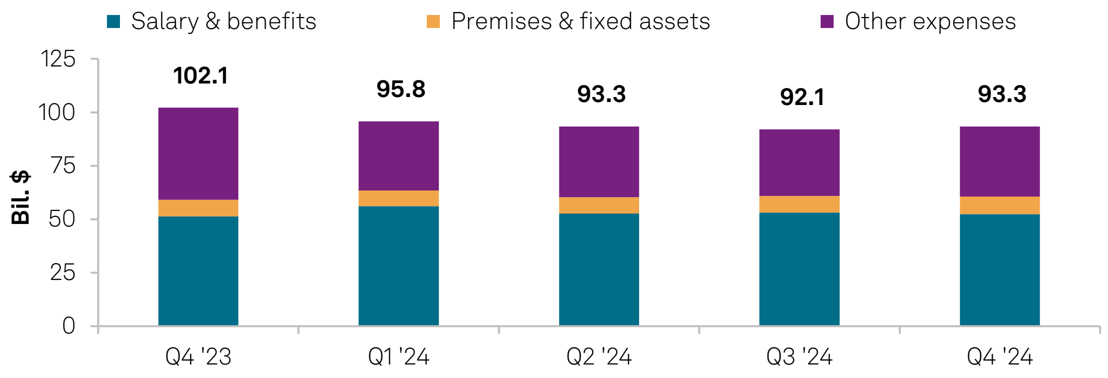
GSIBs posted positive operating leverage as expenses trended down

U.S. GSIBs: Operating leverage, Q4 2024

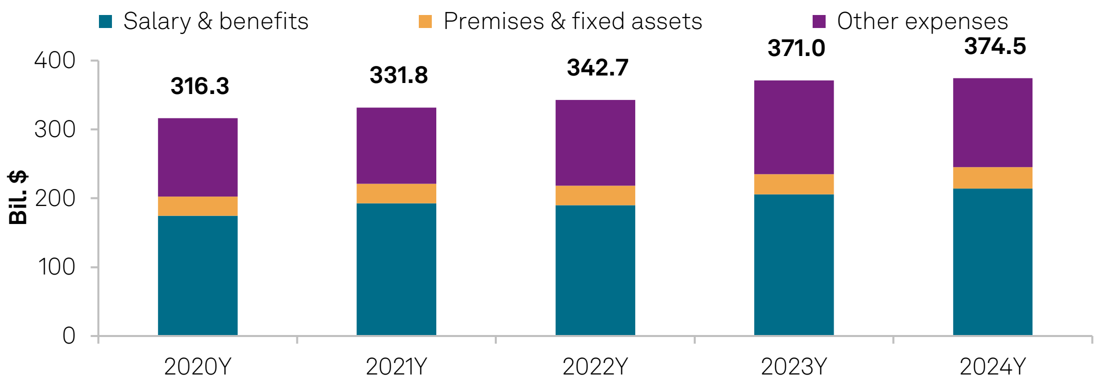


- Operating leverage was positive for GSIBs in the fourth quarter, as strong revenue growth outpaced noninterest expense growth.
- Still, adjusting for the FDIC special assessment, expenses rose year over year on higher investments in compliance and growth initiatives--including in fintech, cyber security, and deposit-gathering platforms.
- We think material improvement in efficiency ratios and core operating leverage may be challenging amid elevated spending needs.

U.S. GSIBs: Quarterly noninterest expense trends



U.S. GSIBs: Yearly noninterest expense trends



The data is aggregate of the U.S. GSIBs. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. WFC--Wells Fargo & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

Asset Quality

Allowances were little changed as provisions matched net charge-offs

- Sequentially, provisions were down modestly, and allowance levels were little changed. Allowances for credit losses remained higher than Day 1 CECL levels.
- We estimate that GSIBs would need to increase their allowance by nearly one-third, on average, if the downside scenario incorporated in their Current Expected Credit Losses (CECL) methodology was to materialize.
- Our expectation is that allowances relative to loans will remain relatively flat, barring unforeseen economic developments.

U.S. GSIBs: Reserve coverage trends and sensitivity

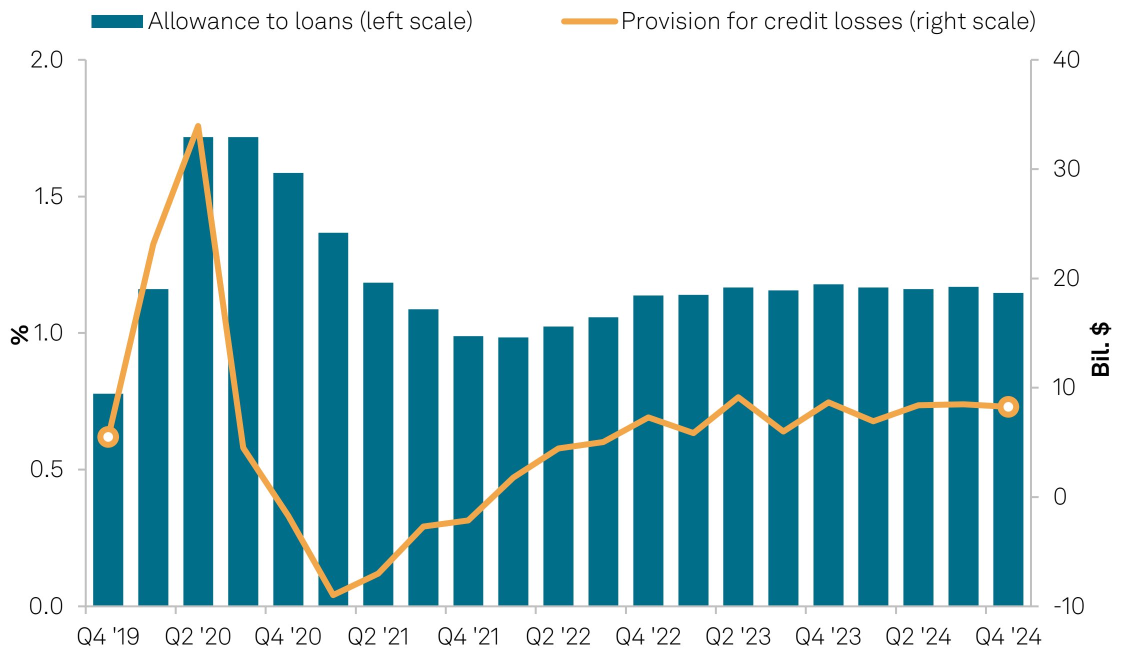
	Q4 2019				Q4 2024				ACL sensitivity	
	ACL (bil. $)	Reserve ratio (%)	ACL, including CECL Day 1 reserves (bil. $)	CECL Day 1 reserve ratio (%)	ACL (bil. $)	Reserve ratio (%)	2024 CCAR loan losses (bil. $)	ACL as a percentage of CCAR loan losses (%)	ACL in downside scenario (bil. $)	ACL change (%)
BAC	10.2	1.0	13.5	1.3	14.3	1.2	60.4	23.7	4.8	33.5
C	14.2	2.0	18.4	2.6	20.2	2.8	52.3	38.6	5.3	26.3
JPM	14.3	1.4	18.6	1.9	26.7	1.9	84.3	31.6	N.A.	N.A.
WFC	10.5	1.1	9.2	0.9	14.6	1.6	55.9	26.2	5.4	36.9
MS	0.6	0.3	0.6	0.4	1.8	0.6	10.2	17.4	N.A.	N.A.
GS	1.8	1.2	2.7	1.8	5.3	1.9	19.9	26.8	0.9	16.9
BK	0.2	0.4	0.2	0.3	0.4	0.5	1.6	22.9	0.1	35.5
STT	0.1	0.3	0.1	0.3	0.2	0.4	1.4	13.0	0.1	42.9
NTRS	0.1	0.4	0.1	0.4	0.2	0.5	3.3	6.0	0.1	63.7

Note: Bank of America reports ACL sensitivity in a downside case, but it does not explicitly indicate if that case is 100% weighted; the others do. N.A.--Not available. ACL--Allowance for credit losses. CECL--Current expected credit losses. CCAR--Comprehensive capital analysis and review. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. WFC--Wells Fargo & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, Federal Reserve, S&P Capital IQ Pro, and S&P Global Ratings.

Trends in asset quality metrics varied, but they were largely well controlled

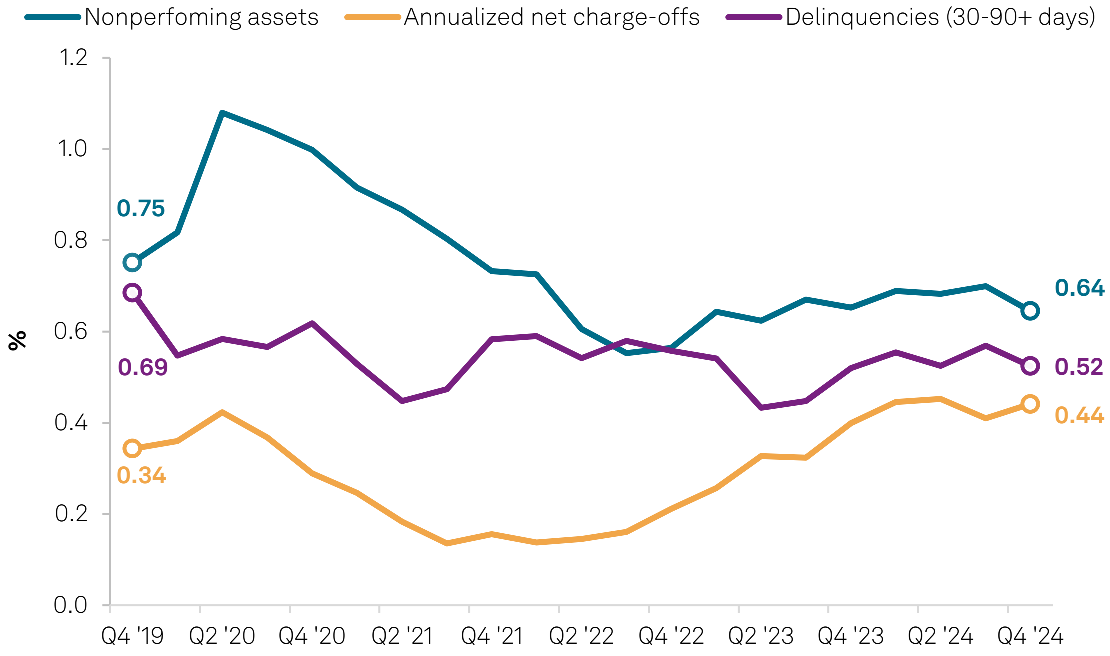
- While delinquent loans and nonperforming loans declined both sequentially and year over year in the fourth quarter, net charge-offs in the fourth quarter increased modestly when compared with both periods.
- With lending standards remaining tight for most loan categories, we think credit quality may deteriorate (albeit only slightly) before stabilizing, given the expected further rate cuts as well as continued economic growth.

U.S. GSIBs: Trends in allowances and in loans and provisions



Provision for credit losses is the aggregate of the U.S. GSIBs. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

U.S. GSIBs: Quarterly trends in key asset quality metrics

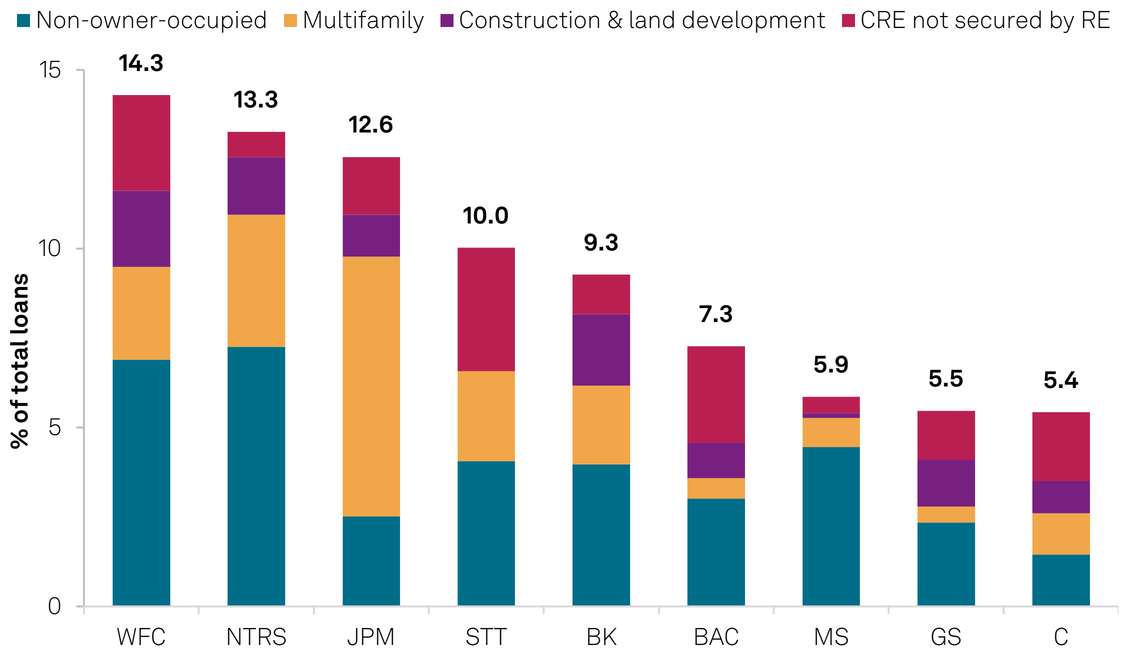


Data is the aggregate of the U.S. GSIBs. The nonperforming assets ratio is calculated using nonperforming assets excluding restructured loans and gross loans. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

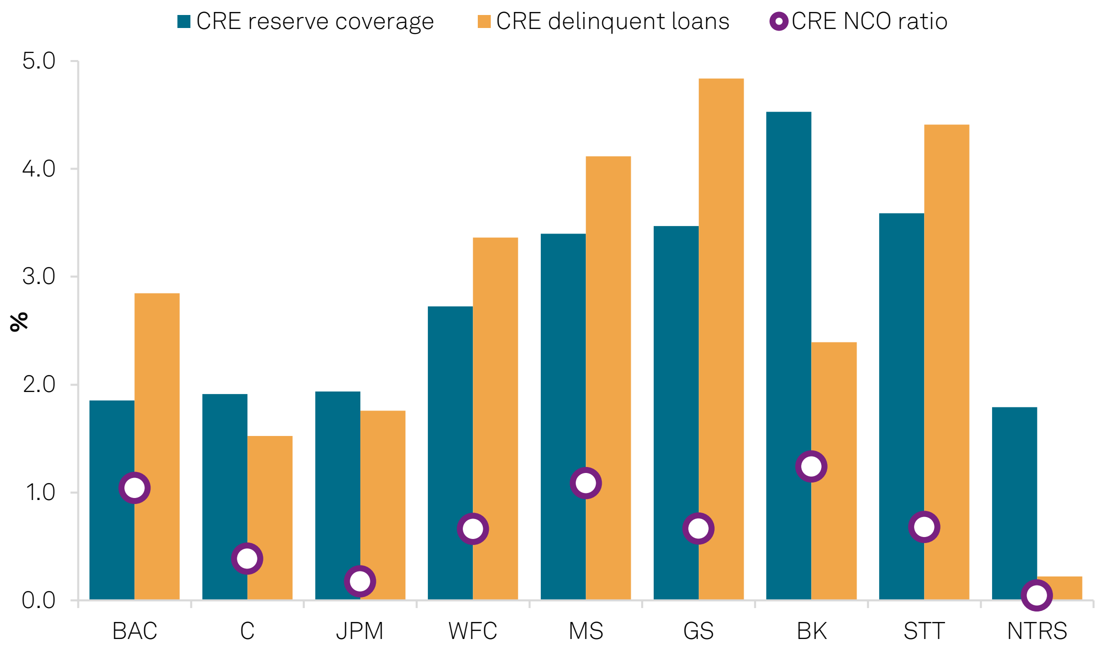
CRE remains a concern, but it's only a small portion of GSIB loans

- Together, GSIBs are the largest CRE lenders by dollar volume, but CRE loans account for a relatively small percentage of their overall portfolios.
- GSIBs' CRE portfolios have benefited from continued economic growth, the Fed's recent interest-rate cuts, and indications that CRE valuations have begun to stabilize.
- Large banks' broadly diversified loan portfolios and balance-sheet improvements in the last year have reduced risk.

U.S. GSIBs: Commercial real estate loan mix, Q4 2024



U.S. GSIBs: CRE asset quality metrics, Q4 2024

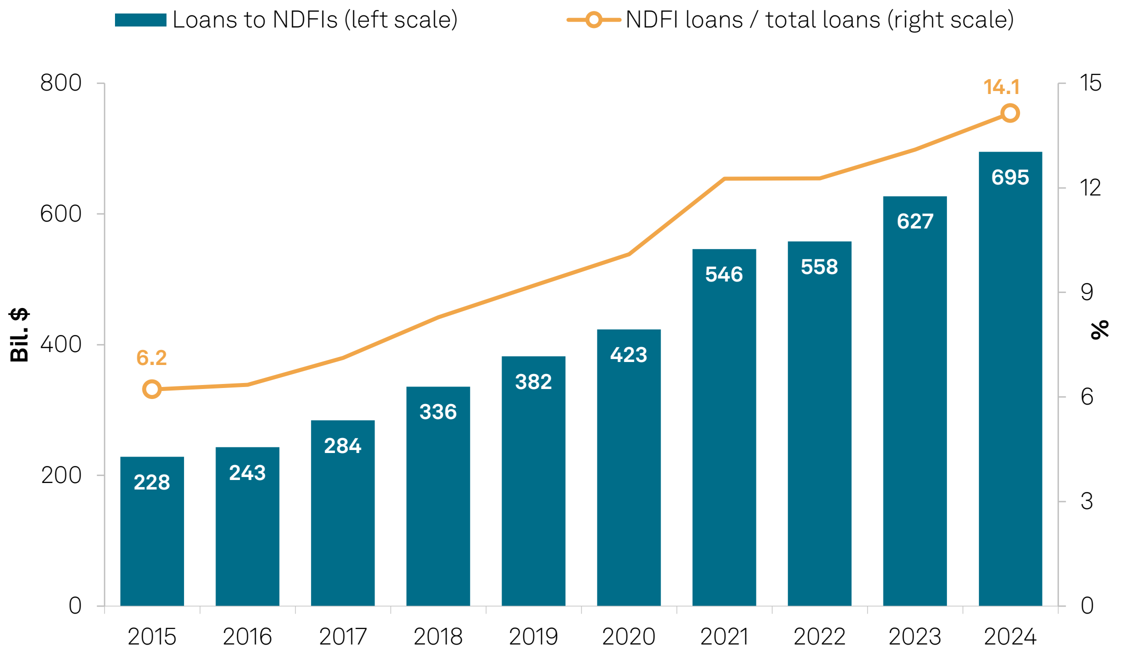


CRE loans exclude owner-occupied loans. CRE--Commercial real estate. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. WFC--Wells Fargo & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

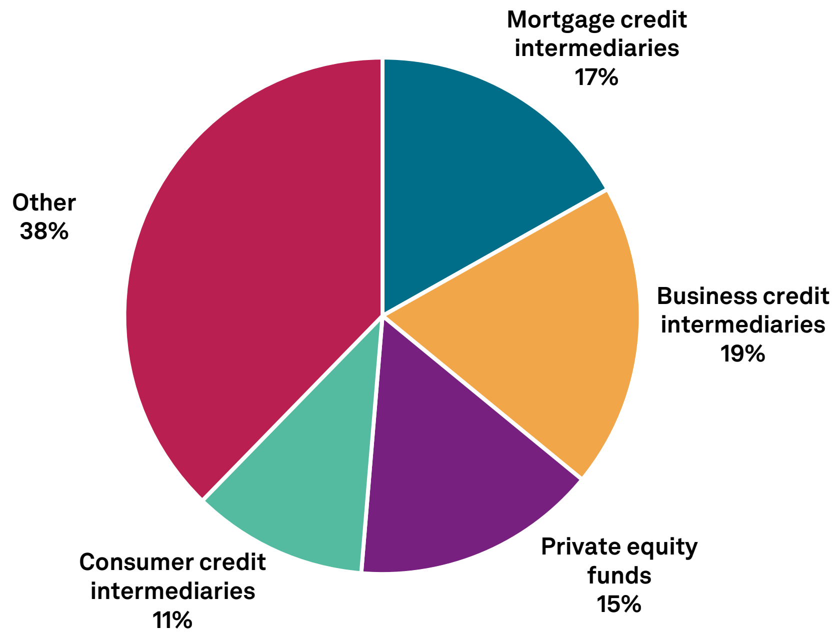
GSIBs grew their nonbank exposures rapidly, but with protections

- Loans to nonbank financial institutions have risen by more than 60% since year-end 2020, and they now make up about 14% of GSIB loans.
- This was concurrent with continued growth in shadow banking, private credit, and other nonbank credit intermediation.
- GSIBs have generally managed the risk well through conservative structuring, collateral requirements, and diversification.

U.S. GSIBs: Trends in loans to nondepository financial institutions



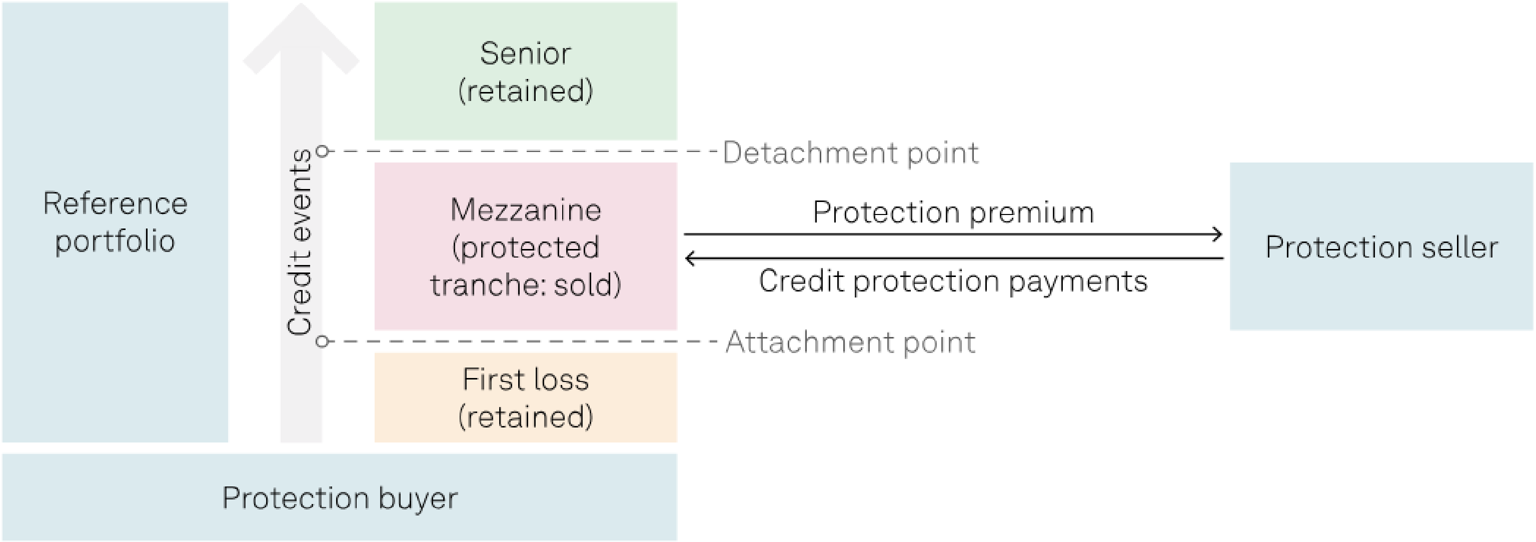
U.S. GSIBs: Nondepository financial institutions loans mix, Q4 2024



Data for the left chart comes from Y-9C filings; data for the right chart comes from call report filings. For some banks, the amount of NDFI loans reported on the call reports of subsidiary banks exceed the amount reported on the Y-9C filing; that's because the call reports expanded the definition of NDFI loans as of year-end 2024, while the Y-9C filings did not. NDFI--Nondepository financial institutions. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

Banks are using more SRTs for capital and risk management purposes

Credit protection agreement example



Source: S&P Global Ratings.

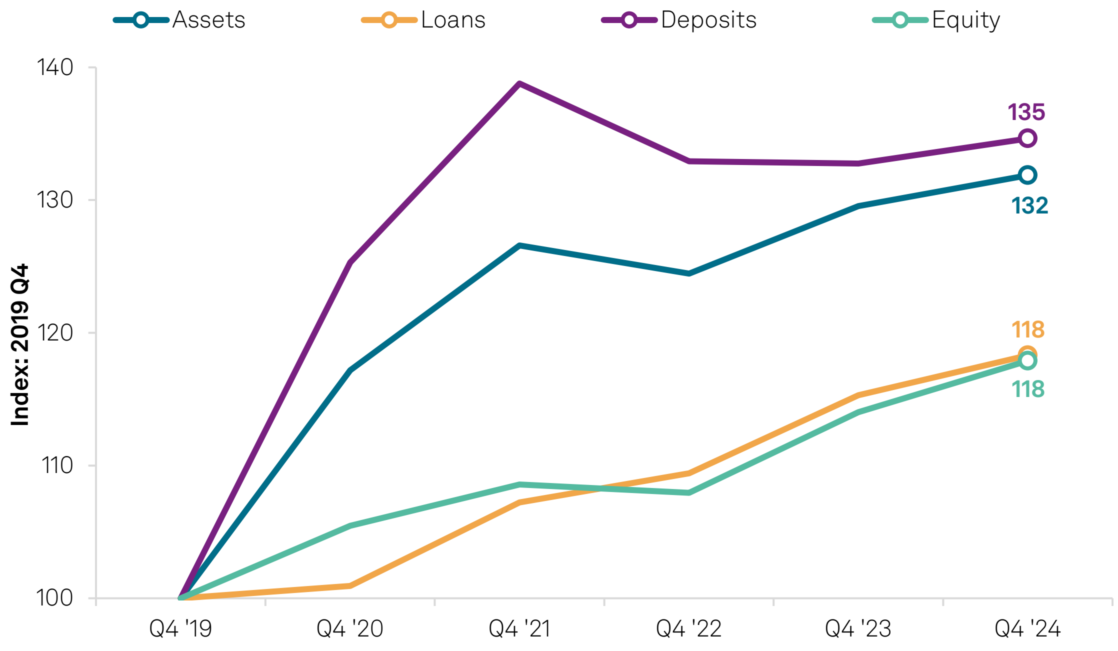
- U.S. banks are conducting more significant risk transfers (SRTs) via credit-linked notes (CLNs) and credit default swaps (CDS) to support their capital and manage their risks.
- Issuance in the U.S. still trails issuance in Europe, but it's likely to keep rising.
- Last year, the Fed provided clarity with respect to capital relief on directly issued CLNs, sparking a rise in these transactions.
- SRTs are also being conducted via special purpose entities.
- We will continue to monitor how the SRT market evolves and consider its impact on bank creditworthiness and systemic risks.

Balance Sheet Trends

GSIBs' balance sheets shrank modestly in Q4 despite deposit growth

- Balance sheets remain in good shape as GSIBs continue to manage their balance sheets cautiously.
- Equity rose on the back of capital accretion, even with continued shareholder payouts and still higher unrealized losses in securities portfolios.

U.S. GSIBs: Balance sheet trends



Data for fourth-quarter 2019 is indexed to 100. Data is aggregate of the U.S. GSIBs. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

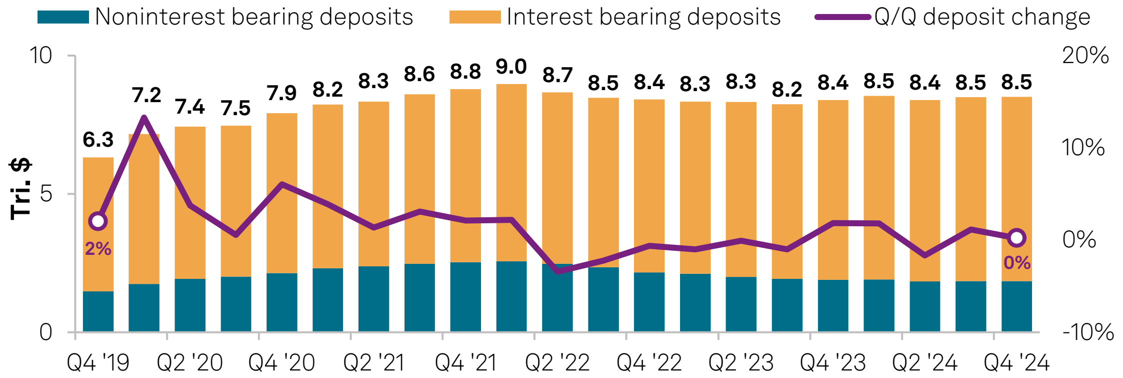
U.S. GSIBs: Balance sheet trends, Q4 2024

	Assets		Loans		Deposits		Equity	
(%)	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q	Y/Y
BAC	(1.9)	2.6	2.4	5.1	1.8	2.2	0.2	3.5
C	(3.0)	(2.3)	1.1	1.5	(1.9)	(1.9)	(1.0)	1.5
JPM	(4.9)	3.3	0.5	2.1	(1.0)	0.2	0.2	8.1
WFC	0.4	(0.1)	0.3	(2.6)	1.6	1.0	(2.5)	(3.5)
MS	(3.4)	1.8	3.0	10.5	3.4	6.9	0.9	5.0
GS	(3.3)	1.8	3.6	7.1	(2.8)	1.1	0.7	2.9
BK	(2.7)	1.5	3.2	7.4	(2.3)	2.1	(1.8)	1.5
STT	4.4	18.8	3.0	17.9	5.9	18.5	(2.2)	3.1
NTRS	(0.2)	3.1	3.4	(8.9)	1.1	5.4	0.3	8.1
Median	**(2.7)**	**1.8**	**3.0**	**5.1**	**1.1**	**2.1**	**0.2**	**3.1**

Q/Q--Quarter over quarter. Y/Y--Year over year. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. WFC--Wells Fargo & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

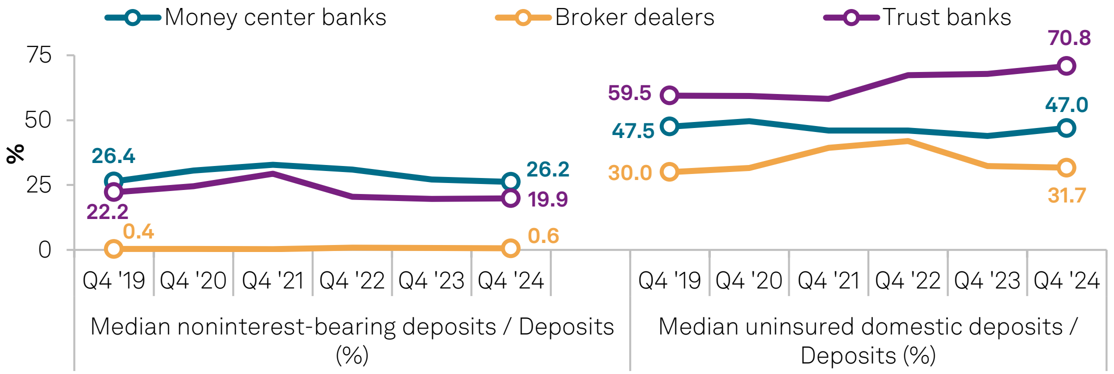
Deposit levels continue to trend modestly higher, even at lower rates

U.S. GSIBs: Deposit trends

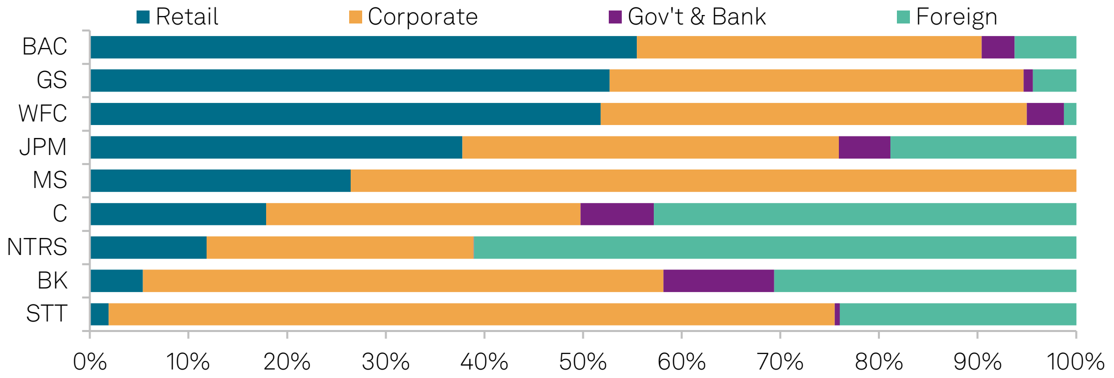


- Sequentially, there was a modest rise in noninterest deposits, but they should stabilize around current levels. Customer migration to higher-yielding alternatives stabilized, and the pace of deposit repricing slowed.
- The trust banks have concentrated deposit bases, with a high proportion of uninsured deposits. But most of those are operational deposits.

U.S. GSIBs: Trends in deposit metrics



U.S. GSIBs: Depositor mix as reported by domestic subs, Q4 2024

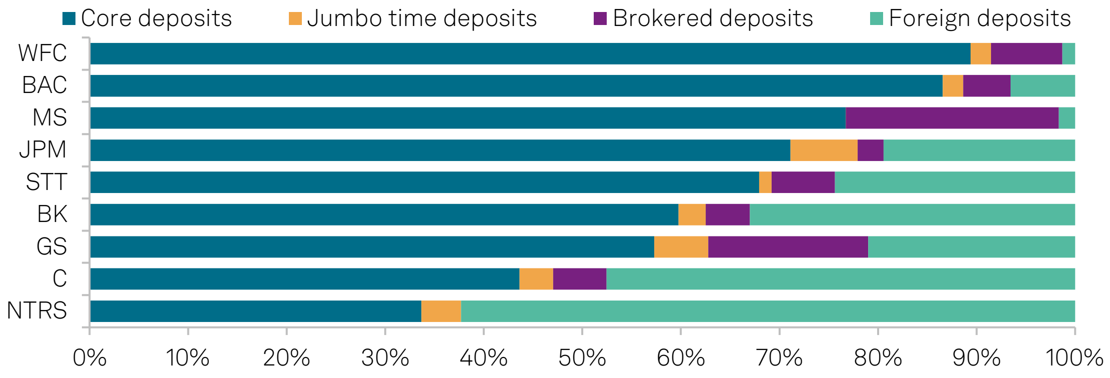


Q/Q--Quarter over quarter. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. WFC--Wells Fargo & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

S&P Global Ratings

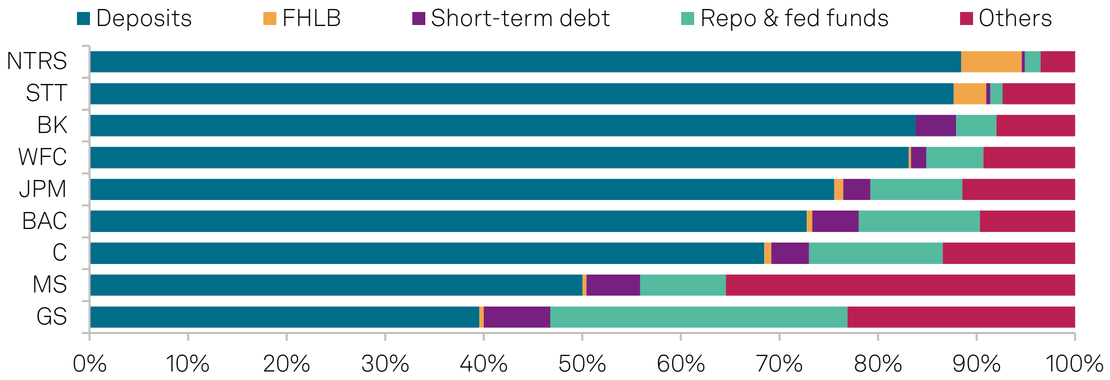
Funding metrics have benefited from some growth in deposits

U.S. GSIBs: Deposit mix, Q4 2024

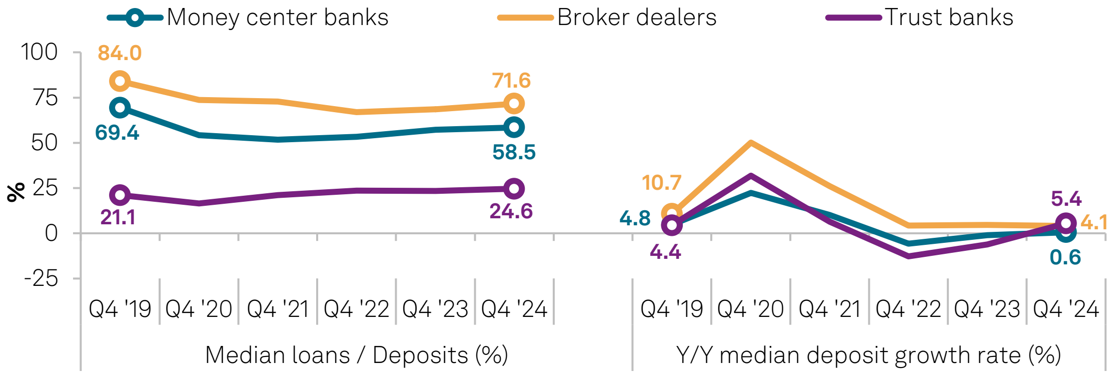


- Funding metrics have stabilized from historically strong levels.
- Core deposits (as a percentage of total GSIB funding) remain slightly higher than their pre-pandemic levels, while brokered deposits and other borrowings (as a percentage of funding) continue to rise for most GSIBs.
- We think that the loans-to-deposits ratio will climb further, although it remains below pre-pandemic levels at most GSIBs.

U.S. GSIBs: Funding mix, Q4 2024



U.S. GSIBs: Trends in funding metrics

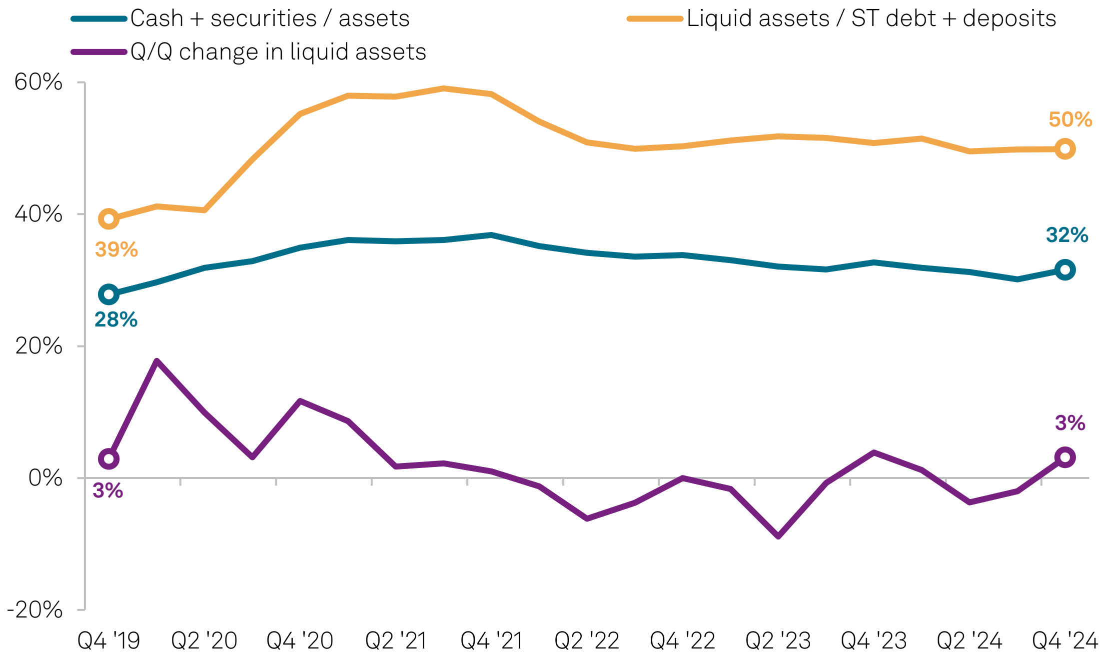


Core deposits are deposits minus brokered, jumbo, and foreign deposits. Short-term debt is the sum of commercial paper, fed funds purchased, repo, and other short-term borrowings. Y/Y--Year over year. FHLB--Federal Home Loan Banks. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. WFC--Wells Fargo & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

Balance sheet liquidity has stabilized in recent quarters

- Liquid assets account for a meaningful portion of balance sheets, with cash and securities representing nearly one-third of total assets.
- Liquidity is likely to remain near current levels.
- Banks continue to closely manage liquidity, in part by shoring up contingent sources of funding.

U.S. GSIBs: Trends in liquidity metrics



U.S. GSIBs: Liquidity metrics, Q4 2024

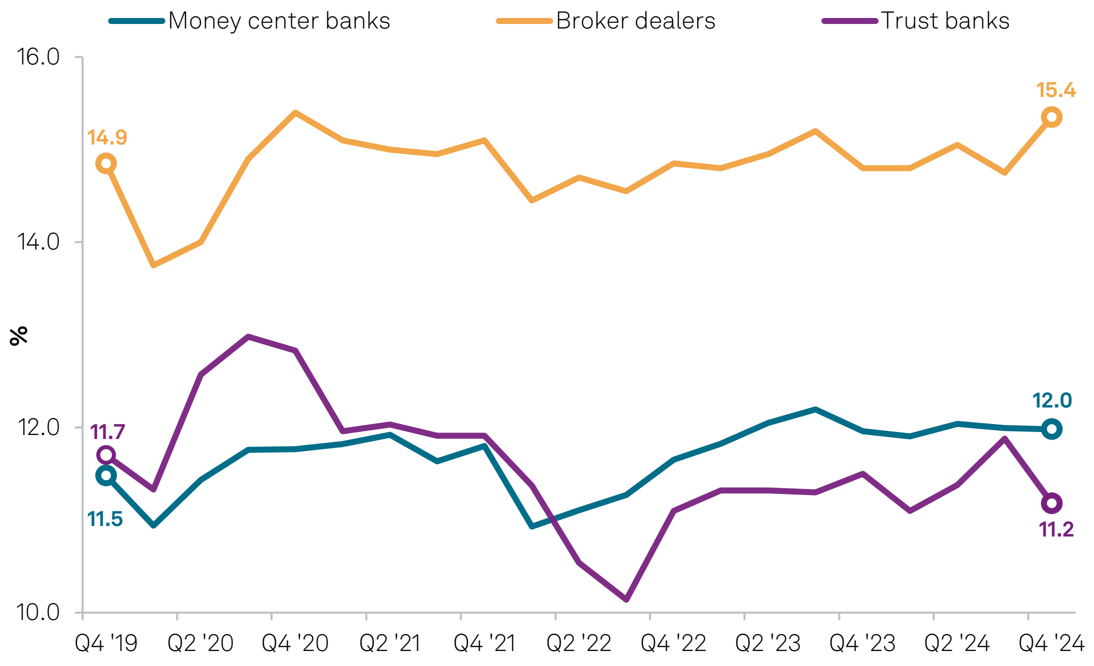
(%)	LCR	NSFR	Liquid assets/ST debt plus deposits	Cash plus securities/ assets	Cash/ assets	Pledged securities/ securities	Pledged loans/ loans
BAC	113	119	41.7	36.8	9.1	20.4	30.4
C	116	120	30.9	31.7	11.9	52.5	41.4
JPM	113	118	37.8	28.8	11.8	13.2	55.5
WFC	125	127	19.1	31.2	10.6	79.3	54.3
MS	130	122	49.6	20.2	7.1	3.0	21.5
GS	126	116	39.7	20.3	10.9	4.3	4.4
BK	115	132	38.5	57.6	24.7	85.7	21.5
STT	107	137	49.2	63.1	32.9	81.2	32.2
NTRS	108	118	51.6	62.2	29.4	57.5	21.9

Liquid assets are the sum of cash, unpledged securities (AFS and HTM), and fed funds sold. Short-term debt is the sum of commercial paper, fed funds purchased, repo, and other short-term borrowings. LCR--Liquidity coverage ratio. NSFR--Net stable funding ratio. Q/Q--Quarter over quarter. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. WFC--Wells Fargo & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

Trends in regulatory capital ratios were mixed across GSIBs

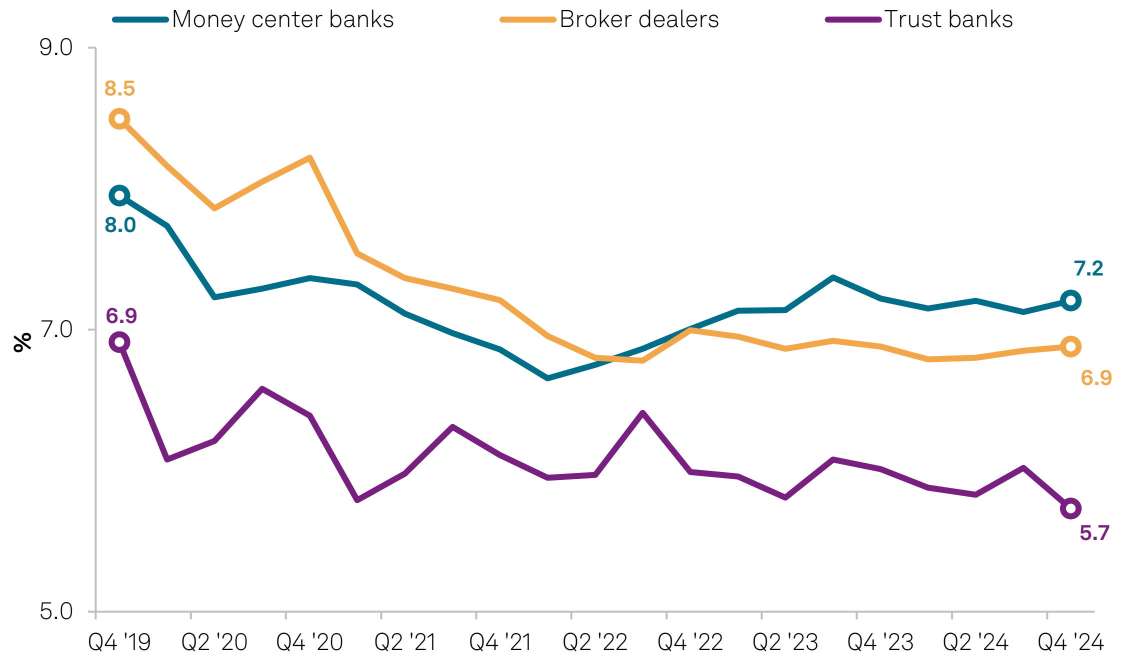
- Capital ratios for broker-dealers increased in the fourth quarter while capital ratios for money center banks held steady because of regulatory uncertainty, with decent earnings helping to offset higher unrealized losses.
- Trust banks' capital ratios declined because of the outsize nature of their securities portfolios and the impact of unrealized losses.

U.S. GSIBs: Trends in median CET1 ratios



CET1--Common equity Tier 1. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

U.S. GSIBs: Trends in median Tier 1 leverage ratios



Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

GSIBs' capital will hinge on the finalizing of the Basel III endgame rules

- All of the GSIBs have excess capital--to varying degrees--inclusive of their updated stress capital buffer.
- The Basel III endgame proposal to strengthen capital requirements for GSIBs could result in higher minimum capital requirements, though there's uncertainty about when and how it will be implemented.

U.S. GSIBs: Common equity Tier 1 ratios (Basel III fully phased in)

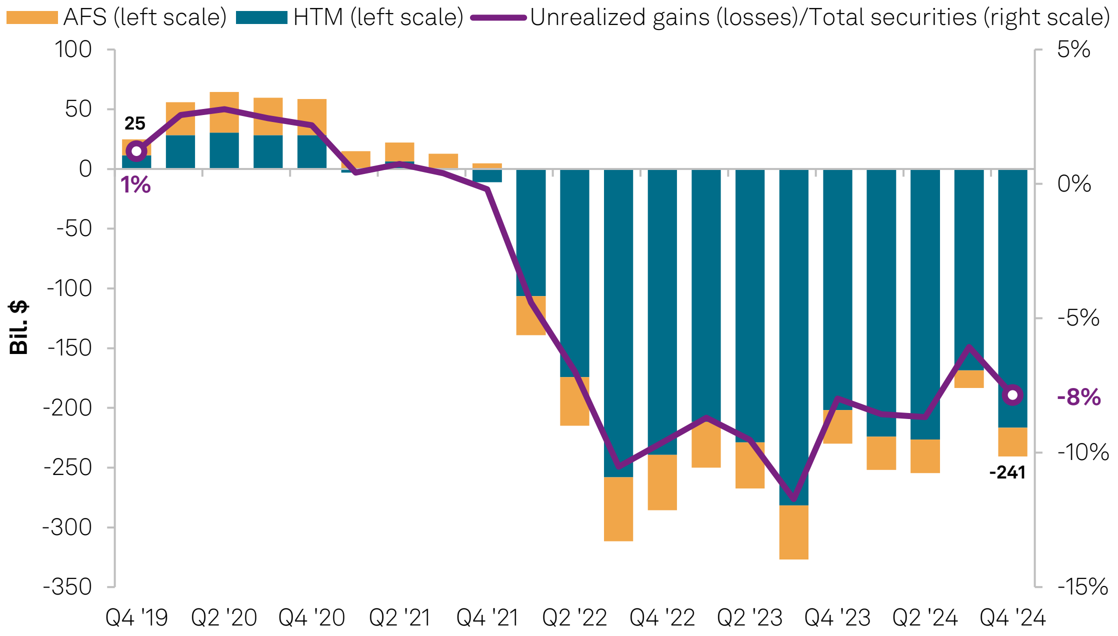
	Q4 2024		Q/Q change		Adv./std. (lower of the two), Q4 2024	Stress capital buffer*	Std. CET1 minimum requirement	Current CET1 surplus (deficit) over (under) minimum requirement
(%)	Std.	Adv.	Std. (bps)	Adv. (bps)				
BAC	11.9	13.5	10	0	S	3.2	10.7	1.2
C	13.6	12.1	-10	-10	A	4.1	12.1	1.5
JPM	15.7	15.8	40	30	S	3.3	12.3	3.4
WFC	11.1	12.4	-20	-30	S	3.8	9.8	1.3
MS	15.9	15.7	80	80	A	6.0	13.5	2.4
GS	15.0	15.3	30	-20	S	6.2	13.7	1.3
BK	11.2	11.7	-70	-30	S	2.5	8.5	2.7
STT	10.9	12.0	-70	-50	S	2.5	8.0	2.9
NTRS	12.4	14.5	-20	40	S	2.5	7.0	5.4

*Stress capital buffer from June 2024 DFAST results; new stress capital buffer effective Oct. 1, 2024. CET1--Common equity Tier 1 ratio. Q/Q--Quarter over quarter. BAC--Bank of America Corp. C--Citigroup Inc. JPM--JPMorgan Chase & Co. WFC--Wells Fargo & Co. MS--Morgan Stanley. GS--The Goldman Sachs Group Inc. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, Federal Reserve, S&P Capital IQ Pro, and S&P Global Ratings.

Unrealized losses rose significantly on higher long-term rates

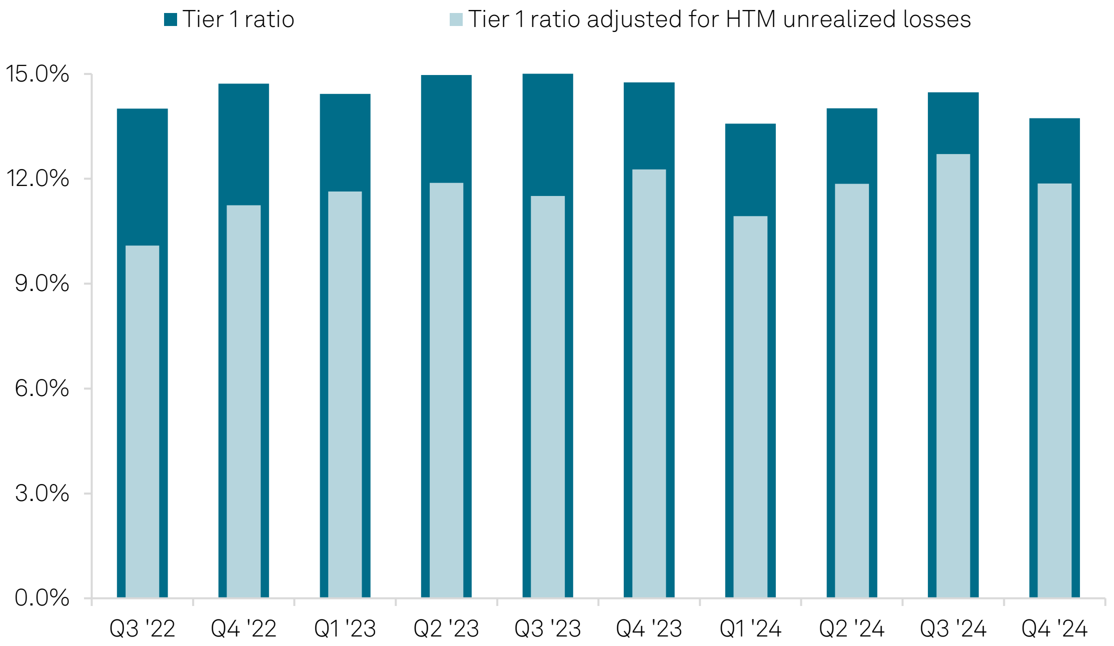
- After declining in the third quarter, unrealized losses rose significantly in the fourth quarter because of a rise in the long end of the yield curve.
- GSIBs still have significant unrealized losses on their held-to-maturity (HTM) securities. If we adjust capital for unrealized losses on HTM securities, capital ratios would be meaningfully lower.
- Going forward, unrealized losses could be volatile, and the trajectory will hinge on various factors like inflationary trends and government spending.

U.S. GSIBs: Unrealized gains (losses) on securities



The data is aggregate of the U.S. GSIBs. AFS--Available for sale. HTM--Held to maturity. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

U.S. GSIBs: Trend in the median Tier 1 ratio

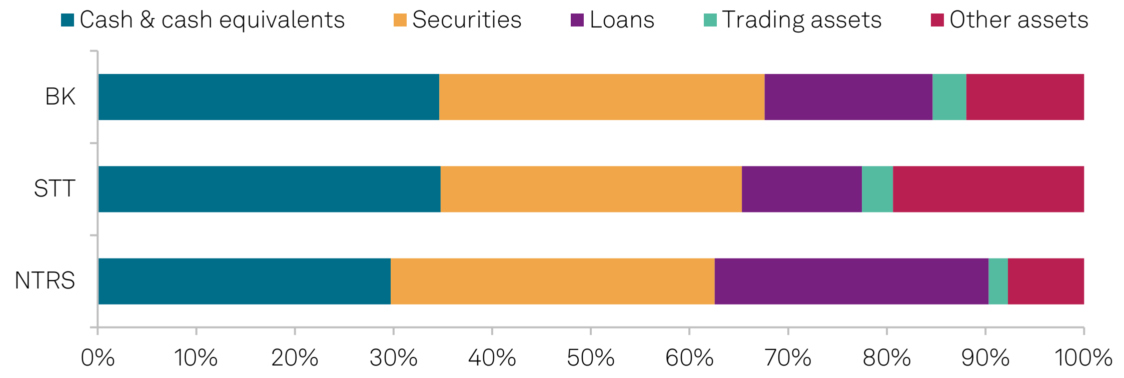


HTM--Held to maturity. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

Trust Banks

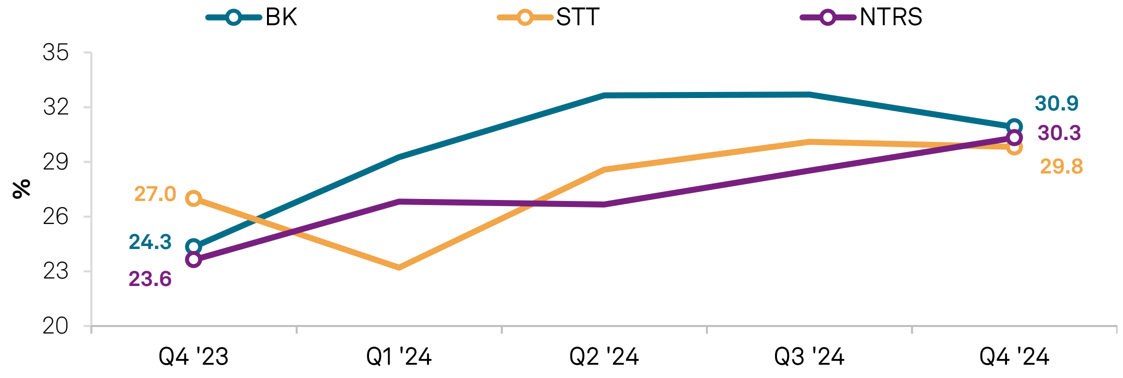
Trust banks' performance underpins fee-based business models' resilience

Trust banks: Balance sheet mix, Q4 2024

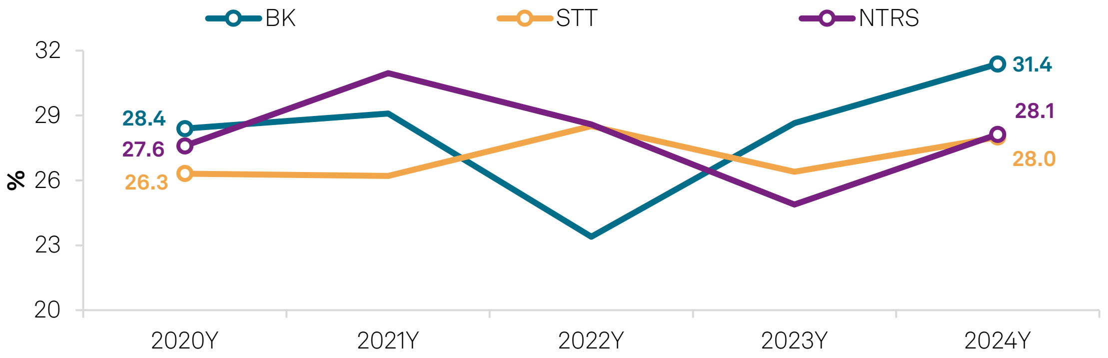


- We believe the trust banks face limited credit risks when compared with commercial banks, with lending being ancillary to the trust banks' core businesses.
- With continued economic growth and elevated financial markets, we think trust banks will benefit from robust fee income.
- As such, excluding one-off items, profitability should remain strong. We expect that the trust banks will continue to post pretax operating margins at least in the mid-20s.

Trust banks: Trends in quarterly pretax margins



Trust banks: Yearly pretax margin trends

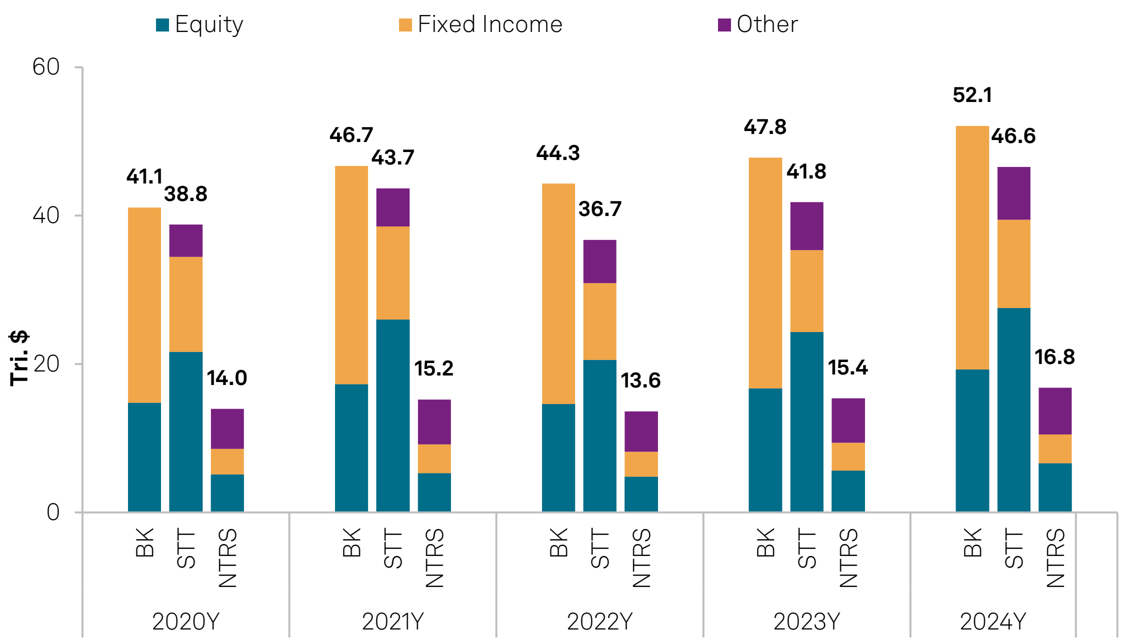


Notes: Pretax margins are recurring net income before taxes and securities transactions, as a percentage of operating revenue. Pretax margins are adjusted to exclude one-off items. BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

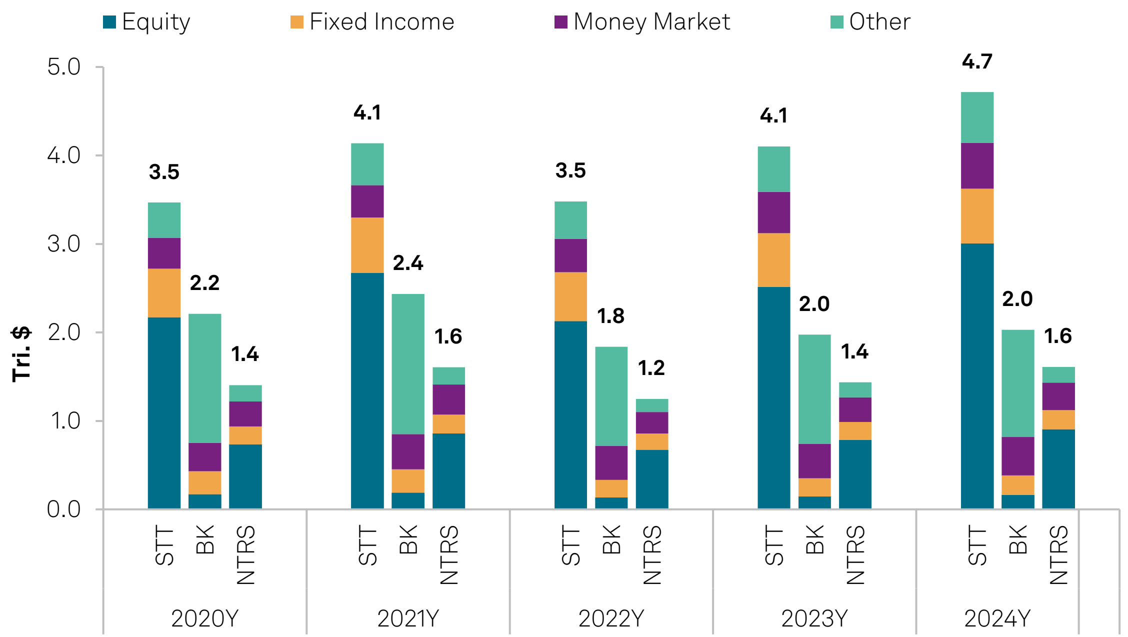
Favorable market conditions spurred strong fiduciary activity

- Assets under custody and/or administration (AUC/A) generally benefited from higher market values, client inflows, and net new business.
- Assets under management (AUM) benefited from higher market levels, net inflows, and new business. Partly offsetting those contributors was the unfavorable impact of a stronger U.S. dollar.
- The trust banks' predominant source of revenue--asset servicing and investment management fees--benefited from net higher AUC/A and AUM.

Trends in assets under custody and/or administration



Trends in assets under management

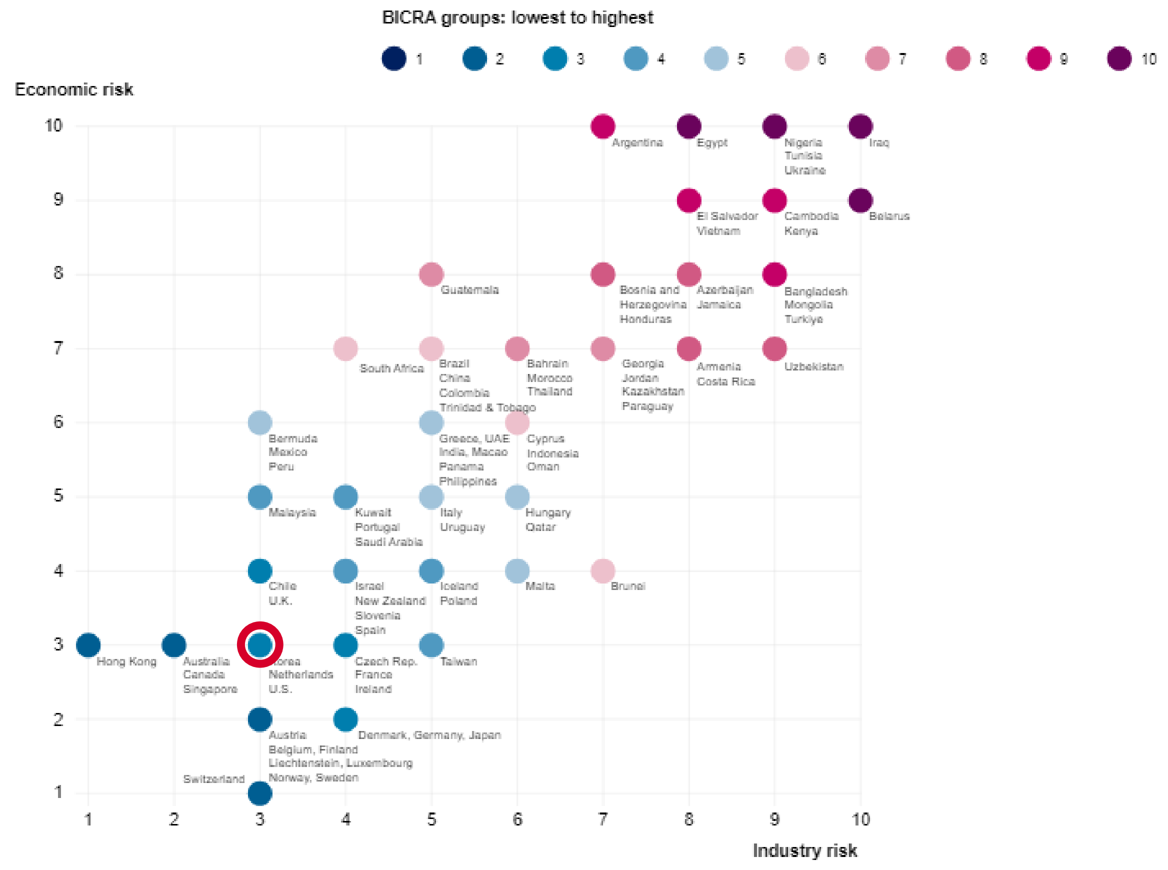


BK--Bank of New York Mellon Corp. STT--State Street Corp. NTRS--Northern Trust Corp. Sources: Company filings, S&P Capital IQ Pro, and S&P Global Ratings.

BICRA Trend And Ratings

U.S. BICRA is on a stable trend

Global BICRA Comparison



Source: S&P Global Ratings.

Data as of Feb. 28, 2025. Our BICRA (Banking Industry Country Risk Assessment) is scored on a scale from '1' to '10', ranging from the lowest-risk banking systems (group '1') to the highest-risk (group '10'). Source: S&P Global Ratings.

- We classify the U.S. banking sector in group '3' under our Banking Industry Country Risk Assessment (BICRA).
- Economic risk score and trend: **'3' and stable**
- Industry risk score and trend: **'3' and stable**
- S&P Global Ratings economists' base-case expectation is the U.S. economy will grow 2% in 2025. However, our forecasts are highly uncertain owing to the unpredictability around the path of U.S. policy and its objectives. We believe banks in the country generally have strong enough balance sheets and earnings to weather slow growth or at least a moderate downturn.
- Our view of industry risk in the U.S. reflects the regulatory enhancements made after the global financial crisis, the banking system's relatively good risk-adjusted profitability, and the country's deep capital markets. Balancing these strengths are a history of periodic financial crises and the complexity of the financial and regulatory systems. We view the industry risk trend as stable.

S&P Global Ratings

U.S. GSIBs | Ratings snapshot

- All of the GSIBs have stable rating outlooks, reflecting continued good performance and resilience.
- In November 2024, we raised the JPMorgan Chase & Co. long-term and short-term issuer credit ratings to 'A/A-1' on the strength of its franchise and the expected continuation of its solid performance. The outlook on the long-term rating is stable.

Company	Anchor	Business position	Capital and earnings	Risk position	Funding and liquidity	Comparable ratings adjustment	Stand-alone credit profile	Type of support	No. of notches	Operating company issuer credit rating	Holding company issuer credit rating
Bank of America Corp.	bbb+	Strong	Adequate	Strong	Adequate & adequate	0	a	ALAC	+1	A+/Stable/A-1	A-/Stable/A-2
Citigroup Inc.	bbb+	Strong	Adequate	Adequate	Adequate & adequate	0	a-	ALAC	+2	A+/Stable/A-1	BBB+/Stable/A-2
JPMorgan Chase & Co.	bbb+	Very strong	Strong	Adequate	Adequate & adequate	0	a+	ALAC	+1	AA-/Stable/A-1+	A/Stable/A-1
Wells Fargo & Co.	bbb+	Strong	Adequate	Adequate	Adequate & adequate	0	a-	ALAC	+2	A+/Stable/A-1	BBB+/Stable/A-2
Morgan Stanley	bbb+	Strong	Strong	Adequate	Adequate & adequate	0	a	ALAC	+1	A+/Stable/A-1	A-/Stable/A-2
The Goldman Sachs Group Inc.	bbb+	Strong	Adequate	Moderate	Adequate & adequate	+1	a-	ALAC	+2	A+/Stable/A-1	BBB+/Stable/A-2
Bank of New York Mellon Corp.	bbb+	Very strong	Adequate	Strong	Adequate & strong	0	a+	ALAC	+1	AA-/Stable/A-1+	A/Stable/A-1
State Street Corp.	bbb+	Very Strong	Adequate	Strong	Adequate & strong	0	a+	ALAC	+1	AA-/Stable/A-1+	A/Stable/A-1
Northern Trust Corp.	bbb+	Very Strong	Adequate	Very Strong	Adequate & strong	0	aa-	None	0	AA-/Stable/A-1+	A+/Stable/A-1

Ratings as of March 4, 2025.

Analytical contacts

Devi Aurora

Managing Director and Analytical Manager

+ 1 (212) 438 3055

devi.aurora@spglobal.com

Stuart Plesser

Managing Director

+ 1 (212) 438 6870

stuart.plesser@spglobal.com

Brendan Browne, CFA

Managing Director

+1 (212) 438 7399

brendan.browne@spglobal.com

Research contributor: Srivikram Hariharan, Chennai, India

Selected Key Publications

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- U.S. Regional Banks: 4Q 2024 Update: Earnings To Remain Resilient in 2025 Amid Changing Environment
- U.S. Banks Webinar Q1 2025 Slides: Cautious Optimism In A Changing Environment
- U.S. Banks Are Better Positioned To Manage Commercial Real Estate Risks
- Outlooks On Six U.S. Regional Banks Revised To Stable On Improved Ability To Handle CRE Challenges; Ratings Affirmed
- Systemic Risk: Global Banking Regulation At A Crossroads
- Systemic Risk: U.S. Banks' $1 Trillion In Loans To Nonbanks, Like Private Credit, Creates Risks And Rewards
- U.S. Bank Outlook 2025: Entering A New Phase Under A New Administration
- Rating Component Scores For U.S., Canadian, And Bermudian Banks (December 2024)
- After Trump's Win, What's Next For The U.S. Economy?
- How Are North American Banks Using Significant Risk Transfers?
- Banking Industry Country Risk Assessment: U.S.
- Comparative Statistics: U.S. Banks (October 2024)
- Your Three Minutes In U.S. Banking: What To Watch Regarding Regulation In The Upcoming Election

S&P Global
Ratings

Subgroups Of GSIBs

Money center banks

Bank of America Corp.

Citigroup Inc.

JPMorgan Chase & Co.

Wells Fargo & Co.

Broker-dealers

Morgan Stanley

The Goldman Sachs Group Inc.

Trust banks

Bank of New York Mellon Corp.

State Street Corp.

Northern Trust Corp.

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