

DATA DISPATCH

Credit card loans at US banks rise in Q4'21 despite slowed consumer spending

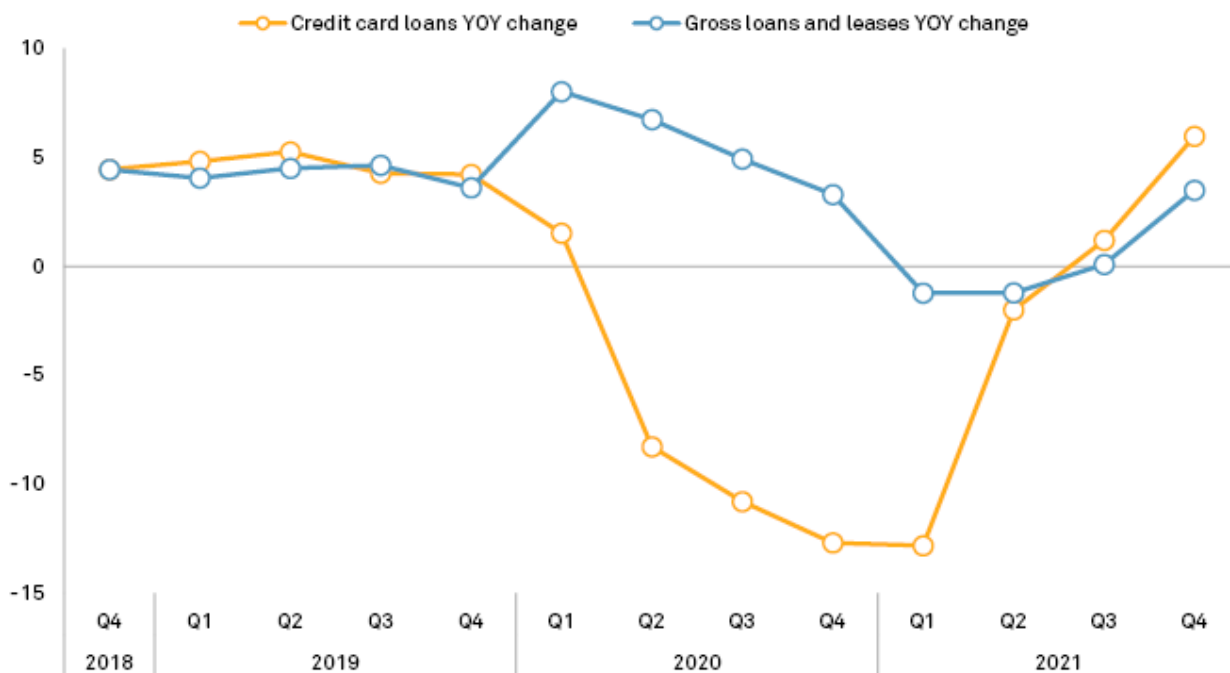
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By Rica Dela Cruz and Ronamil Portes
Market Intelligence

Credit card loans at U.S. banks ticked up year over year during the fourth quarter of 2021 even though the omicron variant of the coronavirus slowed consumer spending.

Such loans rose 6.0% year over year during the period, compared to a 1.2% increase in the previous quarter, according to data from S&P Global Market Intelligence. Loan growth in the U.S. banking sector picked up substantially in the quarter and is expected to improve notably in 2022.

Credit card loan trends at US banks (%)



Data compiled Feb. 18, 2022.

Analysis based on regulatory filings by U.S. commercial banks, savings banks, and savings and loan associations. Excludes nondepository trusts and companies with a foreign banking organization charter.

Source: S&P Global Market Intelligence

Top banks by credit card loans

As of Dec. 31, 2021, Citigroup Inc. had the highest balance of credit card loans at \$149.08 billion, followed by JPMorgan Chase & Co. at \$137.95 billion.

Goldman Sachs Group Inc. reported an 82.4% year-over-year increase in credit card loans to \$8.58 billion and logged consumer banking revenues of \$376 million, reflecting higher credit card loan and deposit balances year-over-year. Credit card loans jumped 17.3% at American Express Co. to \$70.50 billion, and "credit performance continued to be outstanding" while "card members are building loan balances at a modest pace," said Chairman and CEO Stephen

Squeri during the company's earnings call.

Wells Fargo & Co. and U.S. Bancorp saw credit card loans jump 4.9% to \$38.45 billion and 5.4% to \$23.55 billion, respectively. On the companies' respective earnings calls, Wells Fargo President and CEO Charles Scharf said consumer credit card spending was up 28% from the fourth quarter of 2020, while U.S. Bancorp CFO Terrance Dolan noted continuing strong consumer loan growth in the 2021 fourth quarter.

Top 20 US banks by credit card loans, Q4'21

Company (top-level ticker)	Total credit card loans			Delinquent and restructured credit card loans as proportion of total credit card loans ¹		
	Total assets (\$B)	Total credit card loans (\$B)	YOY change (%)	(%)	QOQ change (bps)	YOY change (bps)
Citigroup Inc. (C)	2,291.41	149.08	1.4	2.54	-15	-99
JPMorgan Chase & Co. (JPM)	3,743.57	137.95	6.4	1.63	-10	-89
Capital One Financial Corp. (COF)	432.38	110.26	9.0	3.05	21	-49
Bank of America Corp. (BAC)	3,169.50	81.52	3.6	1.90	-5	-99
Synchrony Financial (SYF)	95.75	80.99	3.2	3.76	5	-65
Discover Financial Services (DFS)	110.24	74.21	4.1	3.12	-4	-111
American Express Co. (AXP)	188.55	70.50	17.3	3.01	-41	-107
Wells Fargo & Co. (WFC)	1,948.07	38.45	4.9	1.50	9	-68
U.S. Bancorp (USB) ²	573.28	23.55	5.4	1.52	3	-40
Barclays US LLC (BARC)	160.48	21.91	6.7	2.60	-3	-119
United Services Automobile Association	210.60	14.47	-8.6	1.71	-3	-32
TD Group US Holdings LLC (TD)	524.43	13.55	0.6	2.89	6	-63
Comenity Capital Bank (ADS) ³	10.52	8.99	18.3	6.10	12	-113
Goldman Sachs Group Inc. (GS)	1,463.99	8.58	82.4	2.52	-5	-18
Comenity Bank (ADS) ³	9.79	7.99	-9.7	6.67	-56	-198
PNC Financial Services Group Inc. (PNC) ⁴	557.25	5.82	7.2	2.73	67	35
Truist Financial Corp. (TFC)	541.24	3.42	-4.1	1.78	17	-15
Merrick Bank Corp.	4.74	3.29	12.4	9.11	101	-50
Fifth Third Bancorp (FITB)	211.12	1.77	-12.0	3.20	2	-149
Citizens Financial Group Inc. (CFG) ⁵	188.71	1.59	-1.4	1.84	12	-30
Industry aggregate⁶		871.08	6.0	2.59	-3	-80

Data compiled Feb. 18, 2022.

Analysis includes top-tier U.S. banks and thrifts with the highest balance of credit card loans as of Dec. 31, 2021.

Data based on regulatory filings.

Excludes nondepository trusts and companies with a foreign banking organization charter.

Tickers based on top-level entities' home-country stock exchanges.

¹ Delinquent and restructured loans consist of loans 30 to 89 days past due, 90 or more days past due, nonaccrual and restructured.

² U.S. Bancorp announced the acquisition of MUFG Union Bank NA's core regional banking franchise on Sept. 21, 2021.

³ Comenity Bank and Comenity Capital Bank are both subsidiaries of Alliance Data Systems Corp. Ultimate parent does not file at the consolidated level.

⁴ PNC Financial Services Group Inc. completed the acquisition of BBVA USA Bancshares Inc. on June 1, 2021.

⁵ Citizens Financial Group Inc. announced the acquisition of Investors Bancorp Inc. on July 28, 2021.

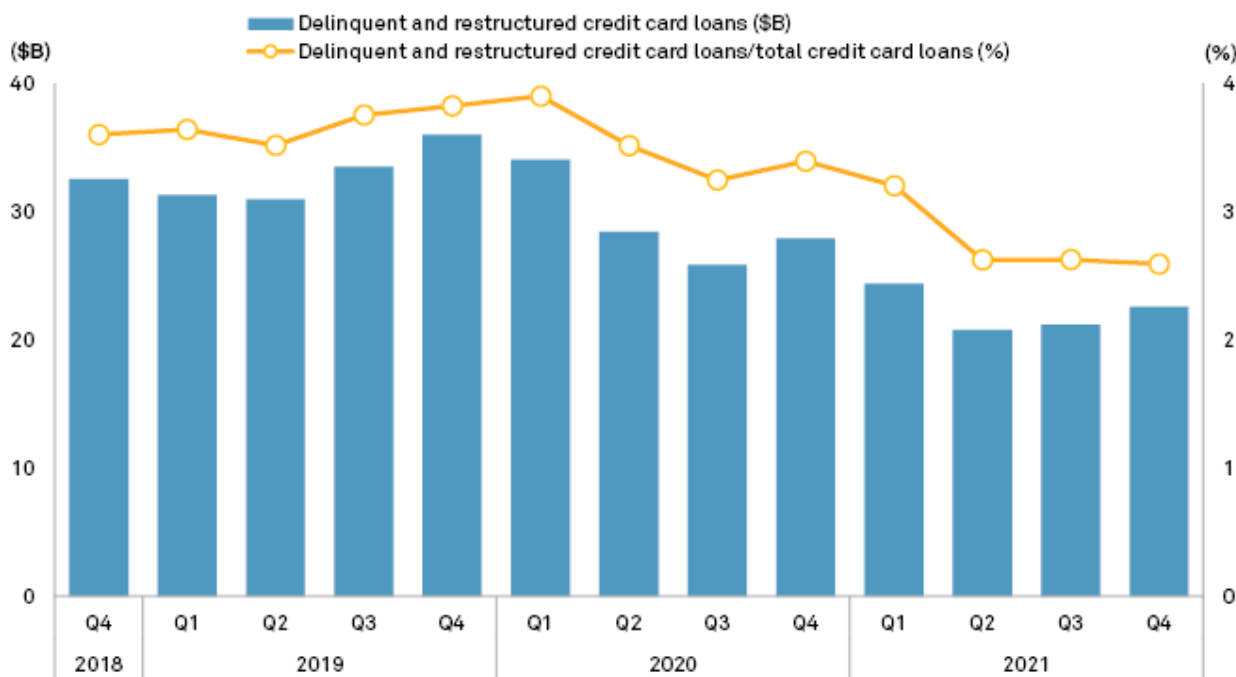
⁶ Represents aggregate data for U.S. commercial banks, savings banks, and savings and loan associations as of Dec. 31, 2021.

Source: S&P Global Market Intelligence

Rising delinquent loans

The credit card delinquency rate fell during the 2021 fourth quarter, both on a quarter-over-quarter and a year-over-year basis. Delinquent loans, however, rose from the linked quarter by \$1.41 billion to \$22.56 billion. In December 2021, the average card delinquency rate for 30-plus days among the major banks slid 38 basis points year on year to 0.81%.

Credit card delinquency trend at US banks



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Source: S&P Global Market Intelligence

Continued loan growth optimism

In 2022, many banks are expecting to continue booking growth in overall loans. Bank of America Corp., whose credit card loans rose 3.6% year over year to \$81.52 billion, anticipates continued momentum in lending to translate into a high-single-digit percentage increase in its loan portfolio this year. So far in the first quarter, loans across the bank's core businesses are increasing at a mid-single- to upper-single-digit annualized percentage rate, according to Chairman, CEO and President Brian Moynihan.

Truist Financial Corp., which saw a 4.1% drop in credit card loans to \$3.42 billion during the 2021 fourth quarter, is also expecting loans to grow roughly in the mid-single-digit percentage range in 2022.

Meanwhile, the lending acceleration Wells Fargo saw in the quarter has stalled so far in 2022, but CFO Michael Santomassimo remains confident that growth will pick up as the year progresses.

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