

Bank Earnings: Citi Wells Fargo JPMorgan [Reality Check on Lending Income](#)

Markets

## Bull Case Fizzles for Big Banks to Earn Ever-More on Lending

- JPMorgan net interest income snaps streak of sequential gains
- Shareholders had expected slow Fed cuts to boost bank profits

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Investors who plowed into shares of the largest US banks in recent months, hoping that slow Federal Reserve rate cuts would keep goosing profits, are getting a reality check.

[JPMorgan Chase & Co.](#) and [Wells Fargo & Co.](#) both reported net interest income – the earnings they generate from lending – that missed analysts' estimates Friday, as executives pointed to increasing funding costs. At JPMorgan, NII slipped from the prior



With stubborn US inflation making it more likely that the Fed will have to delay interest-rate cuts, shareholders were eager to hear how much more that might boost revenue from lending. Instead, banking executives took turns talking about how depositors are chasing higher returns on their savings. At Wells Fargo, deposits that don't pay interest slumped 18% from a year earlier, while those that do jumped.