

Big banks finished 2024 with exceptionally strong earnings: Here's why

Article



The news: [Major banks](#) recorded their second-most profitable year ever, surpassed only by 2021, per Bloomberg. And each reported strong Q4 2024 results.

Here are the major takeaways:

- **JPMorgan** reported a record annual profit of \$58.5 billion—becoming the first bank to top \$50 billion in annual profit, per CNN.
- **Citibank** recorded a \$2.9 billion profit in Q4 2024, a strong departure from its [\\$1.8 billion loss](#) in Q4 2023.
- **Goldman Sachs, Morgan Stanley, and Bank of America** reported Q4 2024 profits that more than doubled since Q4 2023, per Yahoo Finance.
- **Wells Fargo's** Q4 2024 profits were 1.5 times higher than those in Q3 2023, per Banking Dive.

How did we get here? A few overlapping factors paved the way for heightened profitability. These include:

- **Post-election optimism:** Donald Trump's victory boosted CEO confidence because of a [likely loosening regulatory agenda](#), encouraging deal-making.
- **Expense-cutting:** Wells Fargo reduced headcount by 8,500 and cut expenses by 12%, improving its profitability.
- **Cooling inflation:** A reduction in inflation boosted market confidence and supported a more favorable, investment-friendly financial environment. Plus, [the Federal Reserve's interest rate cuts encouraged more mergers and acquisitions](#) as financing prices improved.

What lies ahead: Although 2024 earnings were strong, the future is uncertain. It's unclear whether Trump will implement blanket tariffs on the US' biggest trading partners, which [two in three US consumers believe will drive up prices](#). Consumers have already adjusted their shopping behavior in preparation—and an actual hit to their spending and saving power could throttle banks' profitability.

We will closely monitor President-elect Trump's first decisions in office, as they'll set the stage for the US banking landscape over the next few years.

This article is part of EMARKETER's client-only subscription Briefings—daily newsletters authored by industry analysts who are experts in marketing, advertising, media, and tech trends. To help you start 2025 off on the right foot, articles like this one—delivering the latest news and insights—are completely free through January 31, 2025. If you want to learn how to get insights like these delivered to your inbox every day, and get access to our data-driven forecasts, reports, and industry benchmarks, [schedule a demo with our sales team](#).