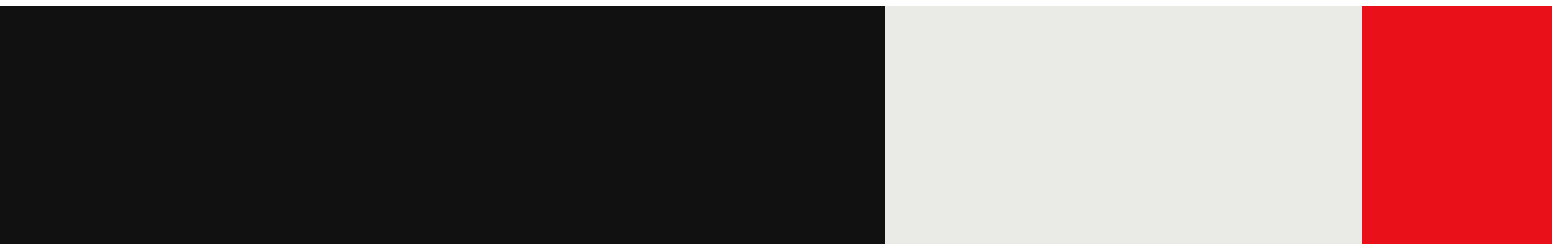


The state of banking in 5 charts

Article



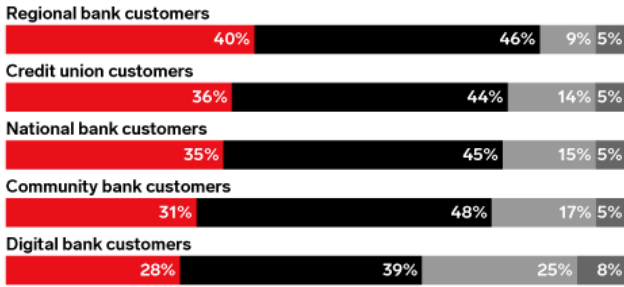
Between bank collapses and a prolonged crypto winter, 2023 has not been kind to the banking industry. But that doesn't mean things can't turn around. Here are five charts on what's good (consumer trust remains steady), what's bad (crypto's downfall continues), and some areas of opportunity (the rise of ChatGPT).

1. Despite recent turmoil, US consumers still trust their banks

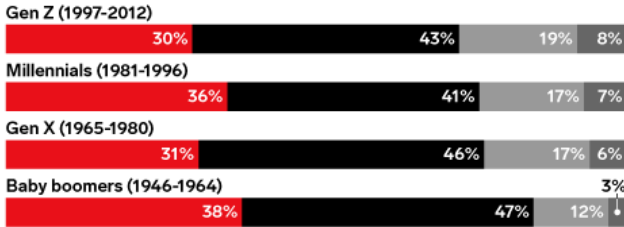
Level of Confidence in Their Primary Banks* According to US Adults, by Bank Type and Generation, March 2023

% of respondents in each group

Bank type



Generation



Total



■ Very confident ■ Not too confident
■ Somewhat confident ■ Not confident at all

Note: numbers may not add up to 100% due to rounding; *in their banks' ability to provide them with all of the money in their accounts if they requested it
Source: Morning Consult as cited in company blog, March 15, 2023

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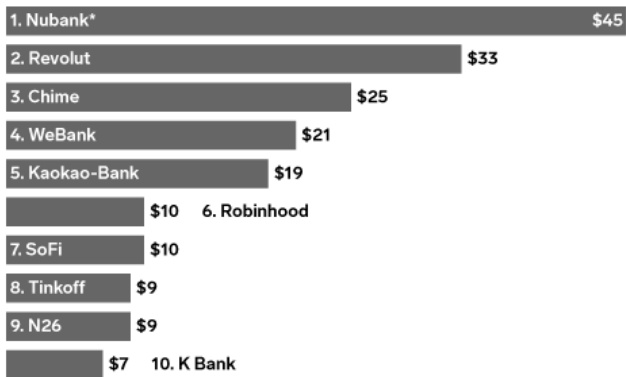
The banking industry was thrown into crisis mode earlier this month as bank runs led to the collapse of both **Silicon Valley Bank** and **Signature Bank** and left **many more unsteady** on their feet.

Still, the majority (79%) of US adults remain confident in their primary banks. Regional banks have the largest percentage of consumer trust, despite being some of the **hardest hit following the bank failures**.

2. Neobanks face their own set of challenges

Top 10 Neobanks Worldwide, by Market Capitalization, 2022

billions



Note: *valuation at time of initial public offering (December 9, 2021)

Source: Simon-Kucher & Partners, "The Future of Neobanking: How can Neobanks unlock profitable growth?" May 7, 2022

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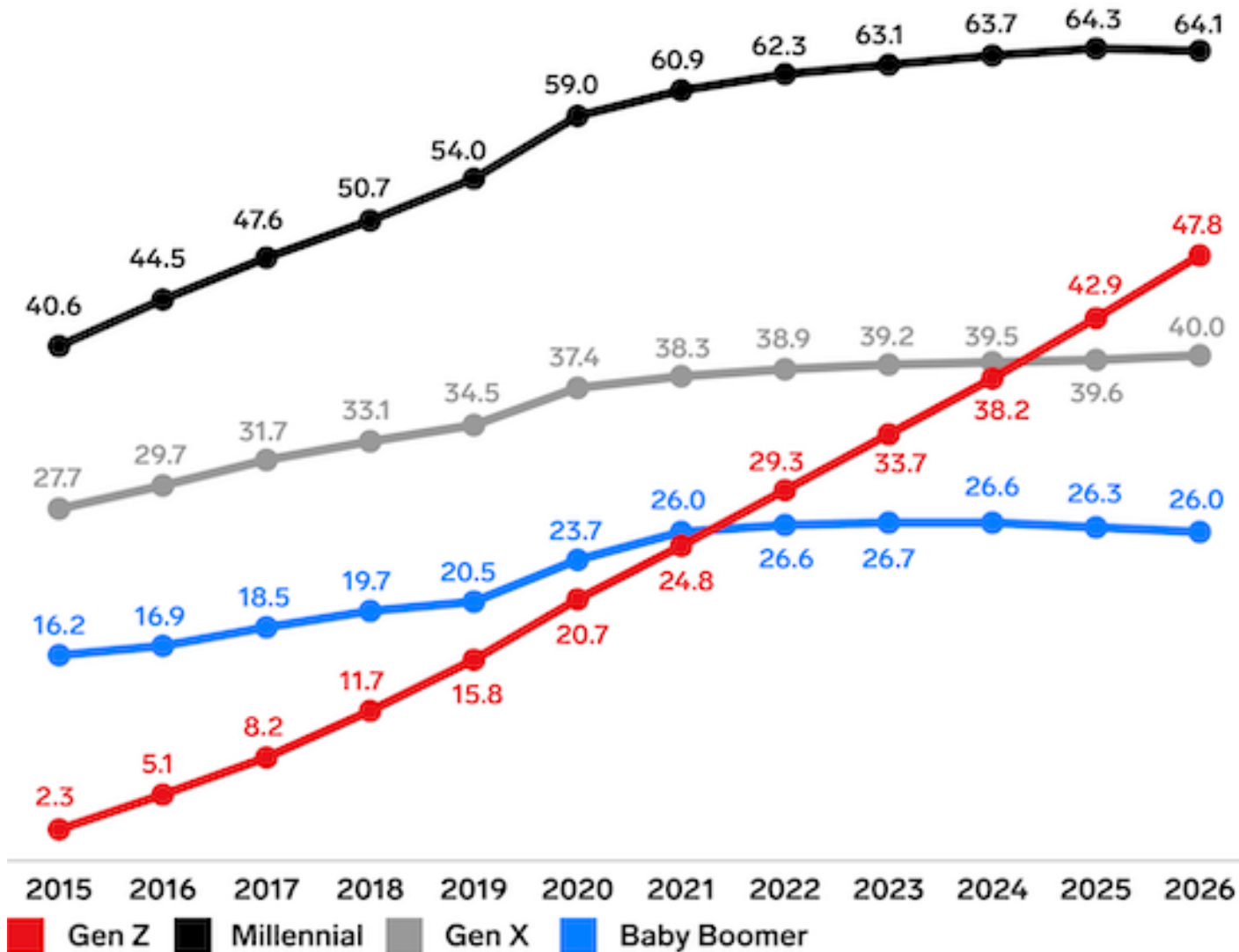
The number of US neobank account holders will continue to climb by 46.4% between 2022 and 2026, according to our “**Neobanks Confront Uncertainty**” report. But as VC dries up, neobanks will struggle to keep up with the incentives, low fees, and innovative products customers have come to expect.

To stay afloat, neobanks will need to cut down on perks and expenses in the short term and refocus on new revenue streams by launching new products and services. In the long term, neobanks may find success by capitalizing on consumer interest in super apps. They can do this by developing subscription-based offerings that bundle tax, investment, homeownership, and small business services.

3. Gen Z is changing banking

Mobile Banking Users, by Generation, 2015-2026

millions



Note: mobile phone users who access their bank, credit union, credit card or brokerage account via mobile browser, app or SMS using a mobile phone at least once per month; excludes virtual wallet services (e.g., PayPal, Google Wallet); Gen Z are individuals born between 1997 and 2012; millennials are individuals born between 1981 and 1996; Gen X are individuals born between 1965 and 1980; baby boomers are individuals born between 1946 and 1964

Source: Insider Intelligence, March 2022

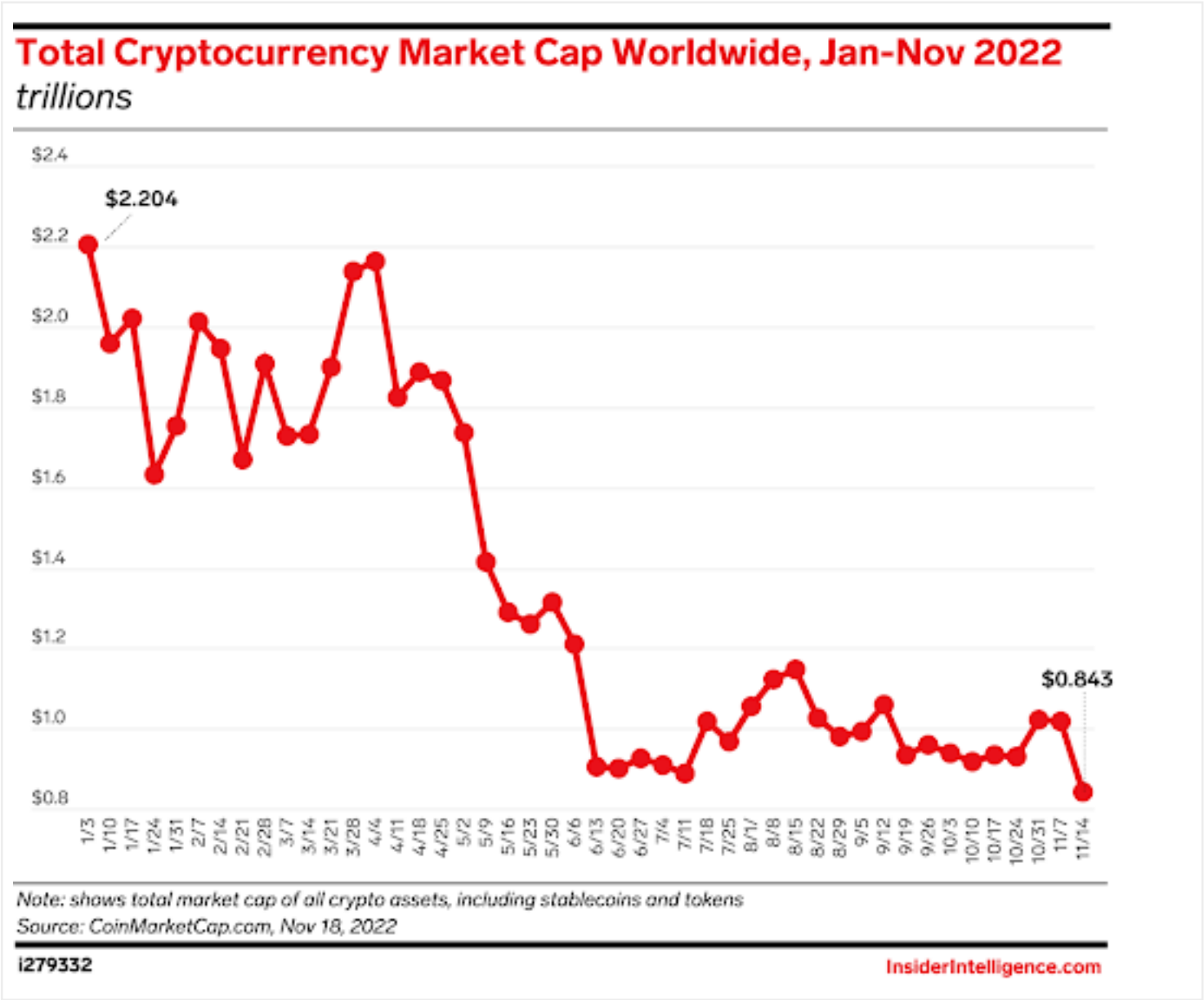
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At least 4 million Gen Zers will open banking accounts each year through 2026, according to our “**Gen Z and Banking**” report. To engage with these consumers, banks must meet them where they’re at: on social media and mobile phones.

But it's not just banks competing for Gen Z's attention. **Big Tech companies like Apple** are throwing their hats into the ring by launching payments products and services.

4. Crypto is struggling—and may never recover

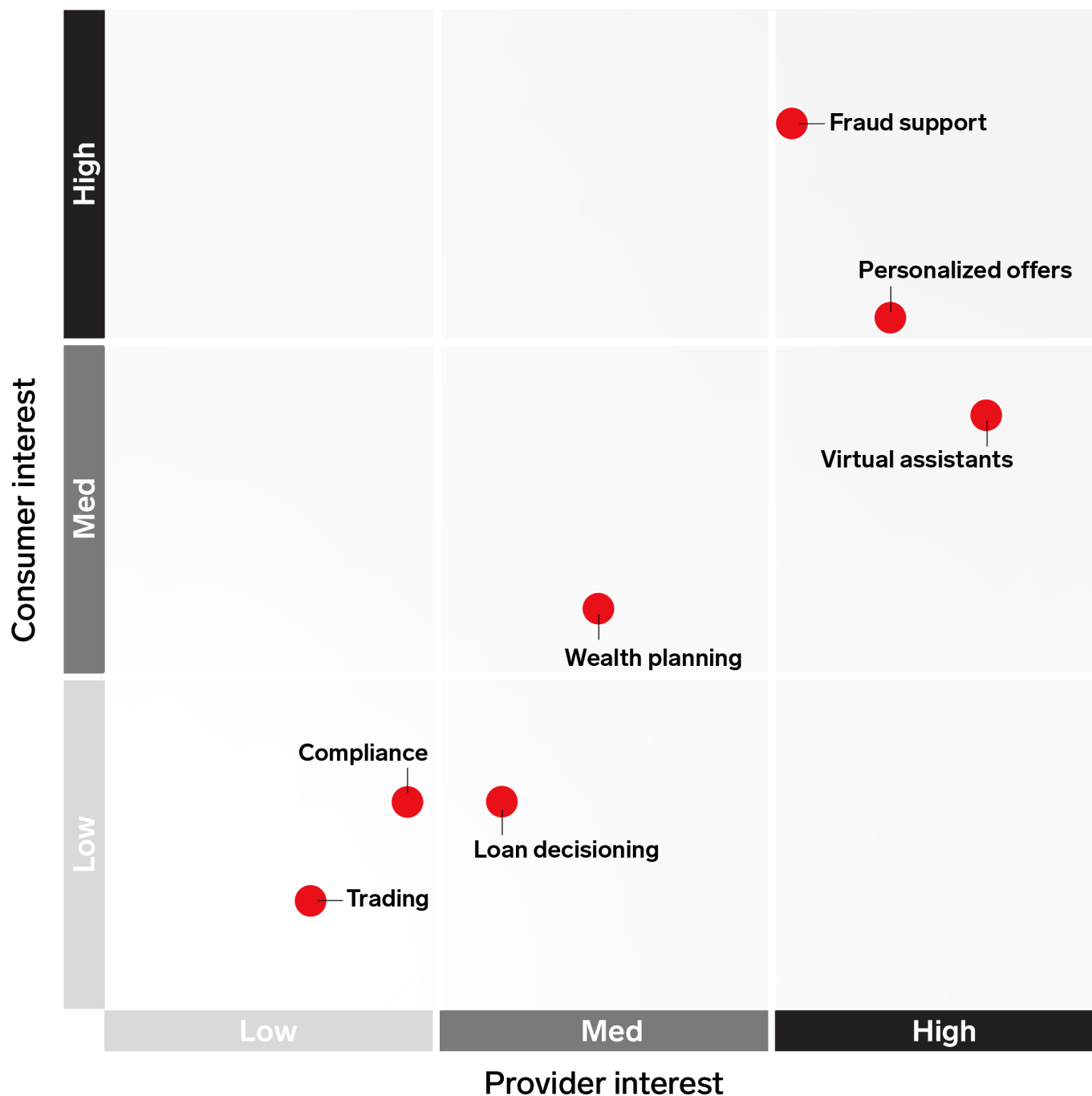


Crypto's downfall began with a string of failures last spring and continued through FTX's collapse in November 2022. Then, earlier this month, crypto was further destabilized by the collapse of three crypto-friendly banks: Silvergate Bank, SVB, and Signature Bank.

Crypto is facing **increased regulatory scrutiny**, which some believe will **stunt the US crypto market** and discourage nondomestic firms from doing business in the country.

5. ChatGPT could revolutionize banking

Analyst Estimates: Provider and Consumer Interest in Generative AI Applications in Banking



Source: Insider Intelligence, 2023

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The best uses for generative AI within the banking industry are fraud support, personalized offers, virtual assistants, and wealth planning, as noted in our “[ChatGPT and Generative AI in Banking](#)” report.

To prepare for the inevitable rise of generative AI in banking, companies should familiarize themselves with the technology’s capabilities and identify which use cases would be most useful to business objectives.

This was originally featured in the Banking & Payments Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).