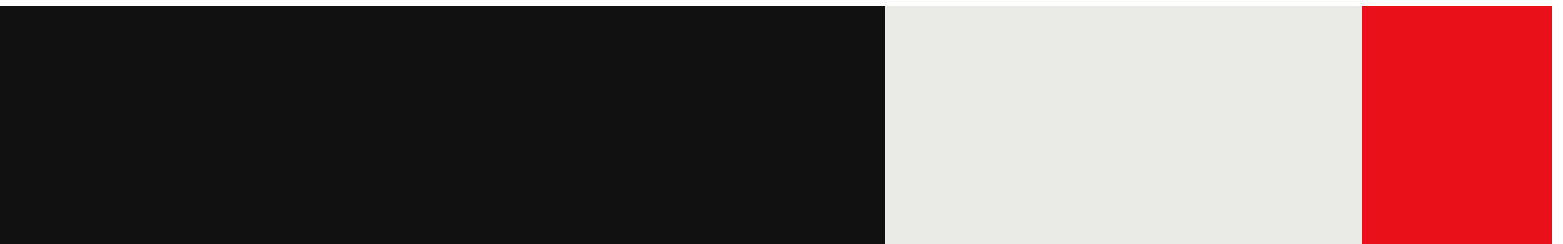


The biggest banking trends of 2024

Article



Where we are: This year has been both a challenging period for financial institutions (FIs) and an opportunity for them to show off their competitive advantages.

Here are some of the biggest trends we noted:

The genAI gap widened: As customers' digital expectations and operational costs rose, [FIs turned to genAI](#). Here's how industry leaders have embraced the technology:

- **JPMorgan** still leads in AI maturity, according to UK-based intelligence platform Evident Insights. It has prioritized hiring top AI talent—a costly endeavor. And it's testing how genAI can “copilot” its private banking advisors by helping them identify important opportunities for their clients.
- Nearly 100% of **Morgan Stanley's** advisor teams use AI tools like chatbots so they can focus on more personalized interactions with clients, according to Business Insider.
- **Goldman Sachs** is also leveraging chatbots to help non-tech workers use software more effectively and streamline internal processes.

Though some smaller FIs have still prioritized AI development, or have partnered with third-party providers to keep up with competitors' offerings, many are falling behind these larger banks.

Regulations changed... maybe temporarily: Federal regulators were busy cranking out new rules this year.

- They regulated banking as a service (BaaS) partnerships through enforcement and tried to warn FIs about BaaS compliance burdens.
- They proposed new capital requirements, then changed them following successful bank lobbying efforts.
- The Consumer Financial Protection Bureau (CFPB) proposed its final open banking rule, which had a surprisingly wide scope.

But Donald Trump's win puts a lot of these regulatory moves on pause. Banking regulators have put new initiatives on hold while they await changes in leadership—and likely drastic changes in agendas.

Branches as differentiators: While many FIs closed branches this year, some took the opportunity to expand or focus their physical presence as a key differentiator.

- **Bank of America's** “localization” strategy incorporates aspects of local cultures into its branches' look and feel. BofA is also expanding the services offered at each location.
- JPMorgan launched new “financial center” branch concepts in New York City and San Francisco aimed at attracting a mass-affluent customer base.

- Some of **Capital One's** branches [double as coffee shops](#) where people can work using free Wi-Fi, grab a coffee and snack, and get financial advice—even if they aren't customers.
- And **Fifth Third Bank**, **Capital One**, and **Wells Fargo** have all set up [airport terminal lounges that double as branches](#).

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