**Retail Banking Operation**

Retail banking is primarily concerned with offering financial goods and services to private individuals and small companies. These services usually consist of checking and savings accounts, credit cards, mortgages, personal loans, and investment goods.

**US Retail Banking Market Leaders**

PNC Financial Services

Bank of America

US Bank

JP Morgan Chase and Co.

Wells Fargo

|  |  |  |  |
| --- | --- | --- | --- |
| Bank | ATMs | Total Revenue (2023) | Net Income (2023) |
| PNC Financial Services | 9,000 | $21.4 billion | $6.1 billion |
| Bank of America | 16,000 | $97.3 billion | $28.1 billion |
| US Bank (U.S. Bancorp) | 4,700 | $25.6 billion | $7.6 billion |
| JP Morgan Chase & Co. | 16,000 | $131.4 billion | $48.3 billion |
| Wells Fargo | 13,000 | $80.3 billion | $21.8 billion |

**How Does Retail Banking Work?**

Many financial services companies aim to be the one-stop-shop retail banking destination to their individual consumers. Consumers expect a range of basic services from retail banks, such as checking accounts, savings accounts, personal loans, lines of credit, mortgages, debit cards, credit cards, and CDs.

One of the biggest trends in retail banking today is the shift to mobile and online banking. Specifically, banks are adding more tools and features, such as the ability to put temporary holds on cards, view recurring charges, or scan a fingerprint to log into an account, to retain their existing customers and attract new ones.

**Volcker Rule**

The Volcker Rule generally restricts banking entities from engaging in proprietary trading and from owning, sponsoring, or having certain relationships with a hedge fund or private equity fund.

A bank that does not have (and is not controlled by a company that has) more than $10 billion in total consolidated assets and does not have (and is not controlled by a company that has) total trading assets and liabilities of 5 percent or more of total consolidated assets is excluded from the Volcker Rule.

**Laws and Regulations**

Key laws and regulations that pertain to FDIC-supervised institutions; note that other laws and regulations also may apply.

Part 351 — Proprietary Trading and Certain Interests In and Relationships With Covered Funds implements Section 13 of the Bank Holding Company Act, also known as the Volcker Rule, which addresses prohibitions and restrictions on proprietary trading and investment in, or relationships with, covered funds

Relevant Federal Register Notices incorporated into Part 351 that describe the basis and purpose of the rule and its revisions

Revisions to Modify and Clarify the Covered Fund Provisions of the Volcker Rule

Revisions to Tailor and Simplify the Proprietary Trading and Compliance Provisions of the Volcker Rule

Revisions to Exclude Community Banks from the Volcker Rule

Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds

The Volcker Rule refers to Sec 619 of the Dodd-Frank Act, which prohibits banks from engaging in proprietary trading, or from using their depositors’ funds to invest in risky investment instruments. The rule also prohibits banks from owning or investing in hedge funds or private equity funds.

Before the 2008 financial crisis, banks engaged in speculative trading using their depositors’ accounts, which led to the collapse of several banks and loss of depositor funds. The rule was preceded by the Glass-Steagall Act of 1933, which was introduced during the Great Depression.

The Volcker Rule is part of the Dodd-Frank Act that was approved by Congress in July 2010. The Act was to be implemented in 2010 but its implementation was delayed until 2013. The final Dodd-Frank Act was approved in December 2014 by the Federal Reserve, Federal Deposit Insurance Corporation, Securities and Exchange Commission, Office of Comptroller of Currency and the Commodity Futures Trading Commission.