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Abstract

The future of retail banking won't be about who invests in innovation, but about who can turn innovation into real business results at scale. This 16th edition of the Innovation in Retail Banking report offers one of the most thorough, data-supported assessments of how banks are moving from testing ideas to putting them into practice—and where the industry still falls short.

Drawing on insights from over 170 banking executives, global case studies, and real-world implementations, the report highlights a sector at a crucial turning point. Although digital transformation has been a priority for more than a decade, only a small percentage of institutions have successfully scaled initiatives that produce the expected results.

Encouragingly, that figure is starting to increase, indicating that banks are finally beginning to turn investments into value. However, progress remains uneven across different business lines, with retail banking at the forefront while wealth and business banking continue to lag due to structural complexity and legacy limitations.

What becomes clear throughout the report is that the definition of innovation itself is evolving. Traditional digital-first strategies are no longer sufficient. The next era of banking will be driven by composable, AI-first platforms that reach beyond the bank's own channels into wider ecosystems. Success will depend on how effectively institutions incorporate their services into customer journeys, provide real-time and personalized experiences, and utilize partnerships to generate new sources of value.

The research highlights significant changes across all major product areas. Deposits are shifting from static accounts to dynamic, personalized financial tools. Lending is advancing toward fully automated, AI-driven decision-making delivered in seconds. Payments remain the center of disruption, with real-time and cross-border capabilities transforming global commerce. Meanwhile, wealth management is being reshaped by the merging of banking and investment services into integrated, digital-first ecosystems.

At the heart of all these changes is technology and how effectively it is used. The report highlights the increasing importance of cloud-native architectures, API-first design, and integrated data and AI platforms. While many banks have made significant progress, most are still in mid-stage transformations, with fragmented systems and partial implementations limiting their ability to deliver smooth, end-to-end experiences. The gap between ambition and execution remains one of the industry's biggest challenges.

Artificial intelligence is both the greatest opportunity and a major challenge. While nearly all banks are testing AI, few have successfully implemented it across the entire organization. Issues like data quality, talent shortages, and governance continue to slow progress. However, the potential is clear, with expectations that AI will manage most customer interactions and internal processes within the next decade.

Ultimately, this report is more than just a snapshot of the industry's current state. It serves as a roadmap for what must happen next. The banks that will lead in 2030 will not simply adopt new technologies; they will reinvent their business models, modernize their core infrastructure, and deliver innovation that is intelligent, embedded, and measurable. For leaders aiming to close the execution gap and compete in an increasingly platform-driven world, this research offers both a benchmark and a call to action.

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