Retail Banking Market to Hit USD 5.2 Trillion by 2031 as Instant Payment Adoption Grows: Says Mordor Intelligence

Global Retail Banking Market to grow at a 6.52% CAGR during 2026-2031, with the Middle East and Africa as the fastest-growing market.

HYDERABAD, TELANGANA, INDIA, July 8, 2026 /EINPresswire.com/ -- According to Mordor Intelligence, the retail banking market size is projected to grow from USD 3.56 trillion in 2025 to USD 3.79 trillion in 2026 and reach USD 5.20 trillion by 2031, registering a CAGR of 6.52% during the forecast period (2026–2031). Market growth is being driven by the continued shift toward digital banking, increasing adoption of instant payment solutions, rising consumer preference for online and mobile banking services, and expanding digital product origination. Banks are accelerating investments in automation, AI-powered customer engagement, and cloud-based platforms to improve operational efficiency and customer experience. The growing presence of digital-first banks, increasing focus on financial inclusion, and the expansion of value-added financial services are further supporting market growth, while institutions continue modernizing legacy infrastructure to remain competitive in an increasingly digital banking landscape.

Retail Banking Market Growth Drivers

Rising Consumer Preference for Mobile Banking Accelerating Digital Customer Acquisition

The growing preference for mobile banking is transforming how financial institutions acquire and serve customers. Consumers increasingly rely on digital channels for everyday banking, encouraging banks to prioritize mobile-first experiences over traditional branch-based interactions. This shift is helping institutions improve operational efficiency, strengthen customer engagement, and expand digital product adoption. As banks continue investing in user-friendly mobile platforms and digital onboarding capabilities, mobile banking is expected to remain a key driver of growth in the retail banking market.

Growing Open Banking Adoption Expanding Digital Financial Ecosystems

Open banking is reshaping the retail banking landscape by enabling secure data sharing and broader collaboration between banks and fintech providers. Through API-driven platforms, financial institutions can deliver more personalized products, improve customer experiences, and expand digital distribution channels. As open banking frameworks continue to evolve, banks are increasingly focusing on ecosystem partnerships and innovative service offerings to strengthen customer relationships and remain competitive in a rapidly changing financial environment.

AI-Driven Personalization Enhancing Customer Engagement and Revenue Growth

Artificial intelligence is becoming a key differentiator in retail banking by enabling highly personalized products, recommendations, and customer interactions. Banks are using AI to better understand customer behavior, improve marketing effectiveness, and deliver more relevant financial solutions across digital channels. As personalization capabilities continue to advance, financial institutions are strengthening customer loyalty, increasing cross-selling opportunities, and generating higher revenue from value-added services beyond traditional lending.

Retail Banking Market Recent Industry Developments

February 2026: Santander announced the acquisition of Webster Financial to strengthen its retail banking presence in the United States and expand its consumer banking franchise.

June 2026: Kotak Mahindra Bank signed a definitive agreement to acquire Deutsche Bank's retail banking, private banking, and wealth management business in India, expanding its retail banking footprint and customer base.

Retail Banking Market Segmentation Insights

By Product - Transactional Accounts, Savings Accounts, Debit Cards, Credit Cards, Loans, Other Products

By Channel - Online Banking, Offline Banking

By Customer Age Group - 18-28 Years, 29-44 Years, 45-59 Years, 60 Years and Above

By Bank Type - National Banks, Regional Banks, Neobanks and Others

Jayveer V, Senior Research Manager, Mordor Intelligence says, "Retail banking is evolving as digital engagement, changing customer expectations, and new service models reshape competitive priorities. Mordor Intelligence delivers cross-verified market analysis and a consistent research framework, helping decision-makers evaluate opportunities with confidence and a balanced market perspective."

Retail Banking Market Regional Insights

The Middle East and Africa are expected to be the fastest-growing retail banking market, supported by digital banking adoption, financial inclusion, and favorable regulatory initiatives. Asia-Pacific continues to see strong growth, driven by expanding digital payments, retail lending, and investments in AI-enabled banking services. Banks across both regions are accelerating digital transformation to enhance customer experience and expand access to financial services.

North America remains the largest retail banking market, supported by a mature banking ecosystem, strong consumer banking adoption, and advanced digital infrastructure. Banks across the region continue investing in AI, automation, and branch modernization to improve efficiency, while increasing competition from digital-first banks is accelerating innovation and enhancing customer-focused financial services.

Europe is witnessing rapid growth in instant payments, open banking adoption, and digital transformation across financial institutions. Banks are expanding digital services, strengthening fintech partnerships, and enhancing customer experiences, while increasing competition continues to reshape the regional banking landscape.

The Retail Banking Market report is also available in the following languages:

Japanese: https://www.mordorintelligence.com/ja/industry-reports/retail-banking-market?utm_source=einpr

French: https://www.mordorintelligence.com/fr/industry-reports/retail-banking-market?utm_source=einpr

German: https://www.mordorintelligence.com/de/industry-reports/retail-banking-market?utm_source=einpr

Spanish: https://www.mordorintelligence.com/es/industry-reports/retail-banking-market?utm_source=einpr

Portuguese: https://www.mordorintelligence.com/pt/industry-reports/retail-banking-market?utm_source=einpr

Retail Banking Market Competitive Landscape

The report describes the competitive landscape of the retail banking industry as semi-consolidated, with large banks maintaining strong positions while regional banks and digital-first institutions compete through innovation and customer-focused services. Financial institutions are increasingly investing in digital transformation, AI, and automation to strengthen customer engagement, improve operational efficiency, and enhance their competitive positioning.

Retail Banking Market Key Companies

JPMorgan Chase and Co.

Industrial and Commercial Bank of China Ltd.

Bank of America Corporation

China Construction Bank Corporation

HSBC Holdings plc

Citigroup Inc.

Wells Fargo and Company

BNP Paribas

Barclays PLC

Banco Santander, S.A.

Discover the latest trends, growth opportunities, and competitive developments in the Retail Banking Market: https://www.mordorintelligence.com/industry-reports/retail-banking-market?utm_source=einpr

Explore More Industry Research by Mordor Intelligence

US Retail Banking Market Size: The US Retail Banking Market size is projected to expand from USD 0.87 trillion in 2025 and USD 0.91 trillion in 2026 to USD 1.11 trillion by 2031, registering a CAGR of 4.17% between 2026 and 2031. Growth is being driven by increasing adoption of digital banking, expanding use of instant payment solutions, strong consumer spending, and rising demand for mobile-first banking services. Banks are also investing in AI, automation, and digital platforms to improve customer experience and operational efficiency.

Saudi Arabia Retail Banking Market: The Saudi Arabia Retail Banking Market Report is segmented by Product (Transactional Accounts, Savings Accounts, Debit Cards, Credit Cards, Loans, and Other Products), Channel (Online Banking and Offline Banking), Customer Age Group (18–28 Years, 29–44 Years, 45–59 Years, and 60 Years and Above), and Bank Type (National Banks, Regional Banks, Neobanks, and Others). The report provides market forecasts and estimates in terms of value (USD).
https://www.mordorintelligence.com/industry-reports/saudi-arabia-retail-banking-market?utm_source=einpr

United Kingdom Retail Banking Market: The United Kingdom Retail Banking Market is moderately concentrated, with established banks maintaining strong market positions alongside growing competition from challenger banks and fintech firms. The report highlights that financial institutions are investing in digital transformation, AI, cloud technologies, and customer-centric banking services to enhance operational efficiency and strengthen their competitive positioning.

About Mordor Intelligence:

Mordor Intelligence is a trusted partner for businesses seeking comprehensive and actionable market intelligence. Our global reach, expert team, and tailored solutions empower organizations and individuals to make informed decisions, navigate complex markets, and achieve their strategic goals.

With a team of over 550 domain experts and on-ground specialists spanning 150+ countries, Mordor Intelligence possesses a unique understanding of the global business landscape. This expertise translates into comprehensive syndicated and custom research reports covering a wide spectrum of industries, including aerospace & defense, agriculture, animal nutrition and wellness, automation, automotive, chemicals & materials, consumer goods & services, electronics, energy & power, financial services, food & beverages, healthcare, hospitality & tourism, information & communications technology, investment opportunities, and logistics.

Jignesh Thakkar
Mordor Intelligence Private Limited
+ +1 617-765-2493
email us here
Visit us on social media:
LinkedIn
Instagram
Facebook
X
Other
