



2025 Banking Survey Technology

Insights on technology, innovation, and security in
the banking industry

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Contents



Foreword

The KPMG Banking Technology Survey is an annual pulse-check on the priorities of leadership across the industry. This year, the focus is technology, the engine of bank progress and an agent for future growth, even amid economic and regulatory uncertainty.

We asked 200 US executives across departments ranging from strategy to information technology, from some of the world's largest financial institutions to regional and community banks, to assess their technology maturity, identify key investments, and evaluate their readiness for new technology paradigms that have the potential to create substantial operational and customer value.

The results reveal an industry balancing urgent priorities in security, fraud prevention, risk management, and customer experience against large-scale, "behind-the-curtain" initiatives like core platform modernization that, while essential for future-proofing enterprise tech, deliver little front-end differentiation now in a fast-moving and highly competitive market.

Encouragingly, banks are confident that their technical foundations in some traditional business functions are robust. Most said their core banking, commercial lending, and payments technologies are "Mature" or "Very Mature." When it comes to high-touch customer platforms, such as consumer lending and wealth management, they acknowledge that there is still work to be done.

Banks' top five investment priorities in the coming 12 months:



Data-driven insights and personalization



Security and fraud prevention



Complaints and disputes



Operational efficiency and automation



Regulatory compliance and risk management

Source: KPMG 2025 Banking Survey: Technology.
Multiple responses allowed. Percentages do not sum to 100%.

More than **80 percent** of banks have active pilots, proofs of concept, or are live with “white hat” cybersecurity use cases for GenAI.

70 percent also say that “black hat” GenAI is a reason for investing more in cybersecurity.

More than **90 percent** are at similar stages with fraud use cases.

More banks are taking data management seriously, with **68 percent** saying they have a target-state vision for data in place...

and... **65 percent** saying they have a roadmap and funding model for ensuring its successful implementation and management.

Source: KPMG 2025 Banking Survey: Technology.
Multiple responses allowed. Percentages do not sum to 100%.

That’s true, too, of the digital customer experience. Banks almost unanimously said they would be investing in 2025 in online banking (96 percent), mobile banking (95 percent), and email and SMS banking (95 percent). Half agreed that investing in modernizing their digital channels was important to providing a better and personalized customer experience, with 52 percent citing the emergence of fintech competitors as a motivation for evolving their offerings.

Artificial intelligence (AI) is front and center in this and a lot of other industry conversations. Banks are walking a tightrope of rapidly advancing their AI agendas while working to better define the value of their investments. Among 2025’s top investment priorities, generative AI (GenAI) is proving a promising tool in aiding fraud detection and prevention and cybersecurity efforts, yet there is still reticence in the industry to release customer-facing GenAI solutions into production.

GenAI has turned the spotlight again to banks’ enterprise data management practices, but realizing broader value from data has been on the agenda for some time. The key challenges to modernizing data for the heavily regulated banking industry are, overwhelmingly, concerns about data privacy and risk (93 percent), data quality (89 percent), and legacy systems or integration complexity (81 percent).

When it comes to maintaining data privacy and protecting customer assets, 73 percent say they’re adequately prepared for a cyberattack. Still, 89 percent are increasing their budget for addressing cyber risk, with most (82 percent) saying they are implementing robust security measures, conducting regular audits (77 percent), and training employees on data security (73 percent) in this era of GenAI. Less than half feel they are prepared, though, to navigate regulatory uncertainty related to data and cybersecurity.

Meanwhile, ISO 20022 compliance is driving banks to modernize their payment systems but banks see the upgrades as an opportunity to add new value and strategic differentiation for customers.

Risk and uncertainty are the new normal. Rather than retrench from technology spending, banks have recognized the strategic necessity of technology-led evolution in the face of growing competition and operational threats. While addressing near-term defensive priorities and customer experience upgrades will shield banking franchises for now, long-term modernization in data, infrastructure, payments, and AI will bring the structural change and true differentiation banks need to operate in a radically different marketplace.



Peter Torrente
US Sector Leader
Banking & Capital Markets
KPMG LLP



**Digital transformation/
core modernization**

Digital transformation/ core modernization

Online banking is the front door to services for many retail customers. Institutions this year are prioritizing spending on chatbots, the mobile experience, and messaging-based channels to enhance digital delivery, with an eye toward investing in next-generation capabilities such as wearables and voice assistant banking next year. Upgrading and investing in digital delivery channels, half of the respondents say, is essential to remaining competitive and bringing innovative new products to market.

What bank executives are saying about investing in digital channels:

52% Strategically managing investments in emerging channels is crucial for your bank's success in today's competitive landscape

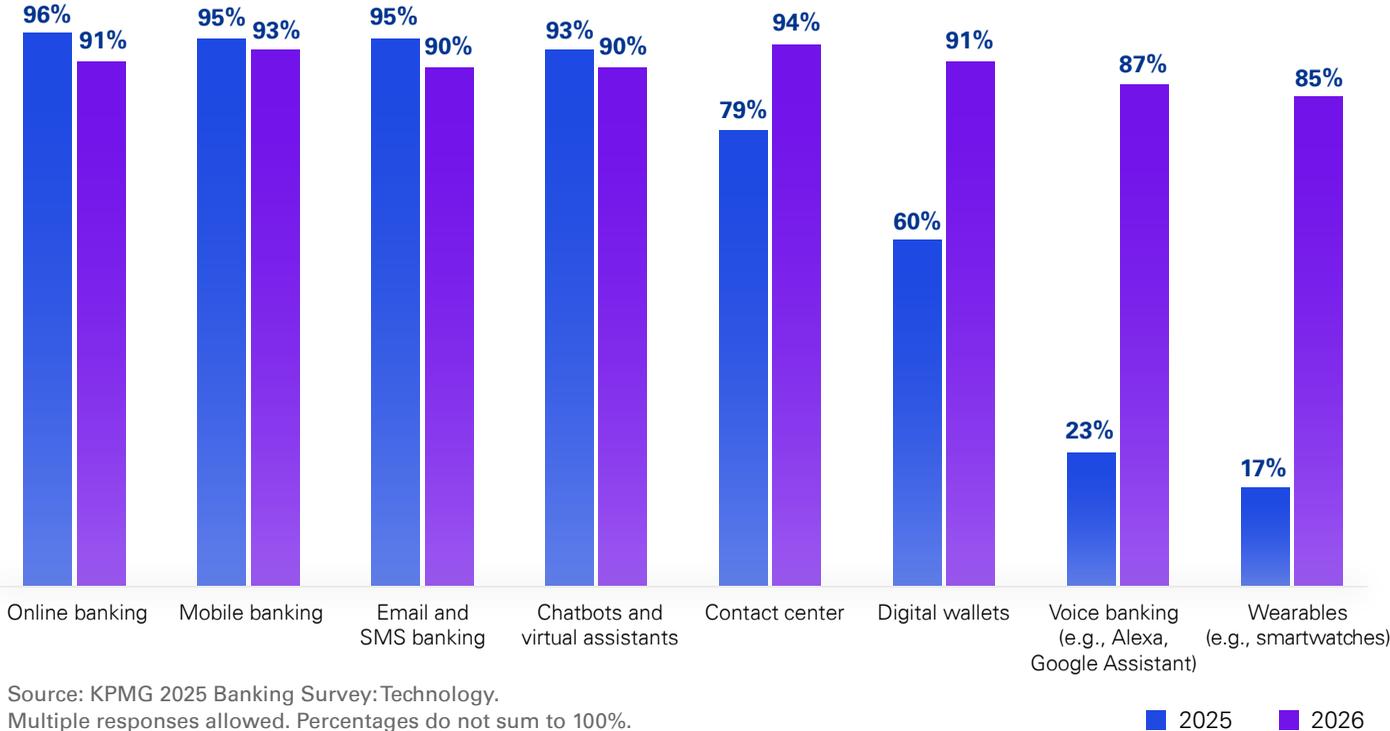
52% Your bank needs to evolve to compete with fintechs to provide enhanced services and experiences to your customers

50% Your bank needs to invest in modernizing channels to provide better and personalized customer experience

Source: KPMG 2025 Banking Survey: Technology. Results reflect the percentage of respondents who selected strongly agree or agree.



Top investment priorities for digital channels in 2025 and 2026:



Necessity drove the push to digital banking during the COVID-19 pandemic. Customers now expect superior online and mobile experiences from their banks. We'll continue to see institutions invest to satisfy these near-term customer demands, but they'll also seek differentiation and growth through investments in areas like GenAI, predictive analytics, and personalization.

Anand Shah
US Banking and Operations Leader
KPMG LLP

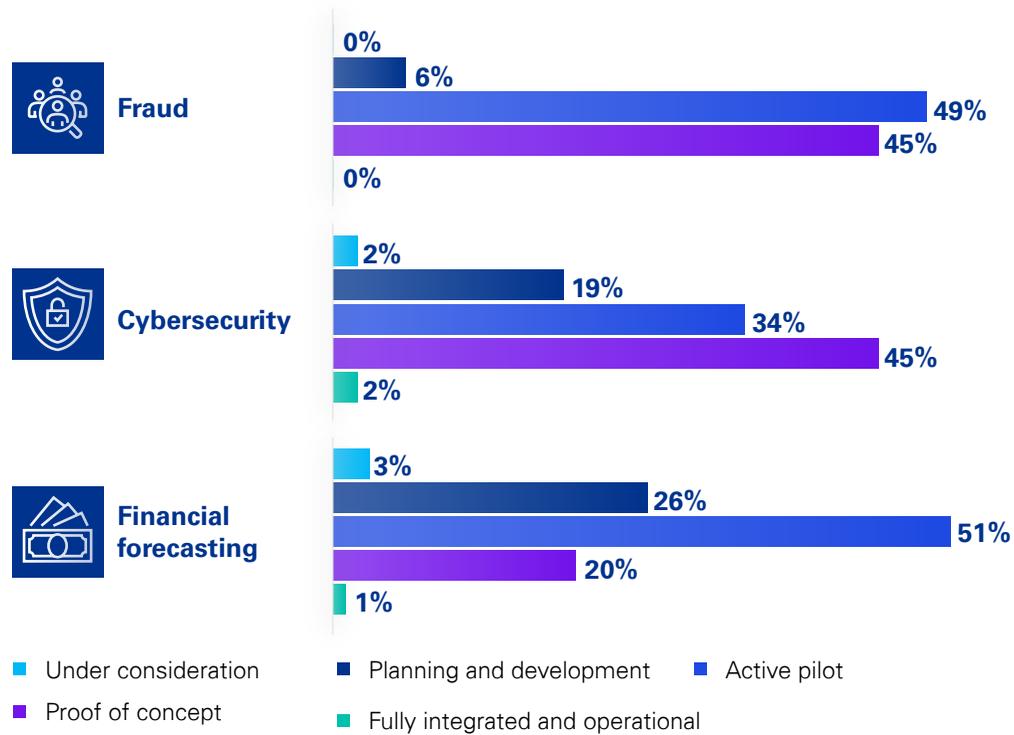


GenAI

GenAI

While bank leadership is asking hard questions this year about the return on investment of GenAI projects, they are committed to enterprise adoption of the technology and view it as integral to their long-term vision for innovation and to business relevance. They also see it as a potential threat when in the wrong hands. And challenges remain—security, compliance, legal, and regulatory concerns are at the top for the heavily regulated banking industry.

GenAI use cases at most advanced stages of development:



Source: KPMG 2025 Banking Survey: Technology.
Percentages may not sum to 100% due to rounding.



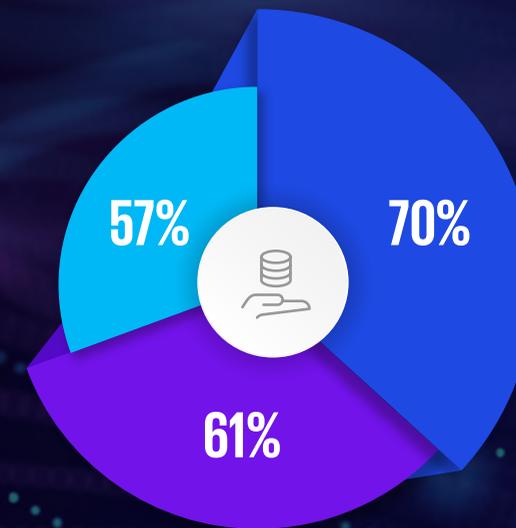
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As banks deploy GenAI into its most productive uses, we'll see the promise of this technology realized more and more in everyday operations. Most already understand its utility in areas like fraud prevention and cybersecurity. It's only a matter of time before customers see its value flow into their products and services.

Binoy Palakkal
Financial Services GenAI Leader
KPMG LLP

What bank executives are saying about the opportunities and threats of GenAI:



Your bank is increasing cybersecurity efforts due to emerging technology such as GenAI

Despite ongoing economic uncertainty, GenAI is a top investment priority for your bank this year

GenAI is an integral part of your long-term vision for driving innovation and ensuring your business remains relevant five years from now

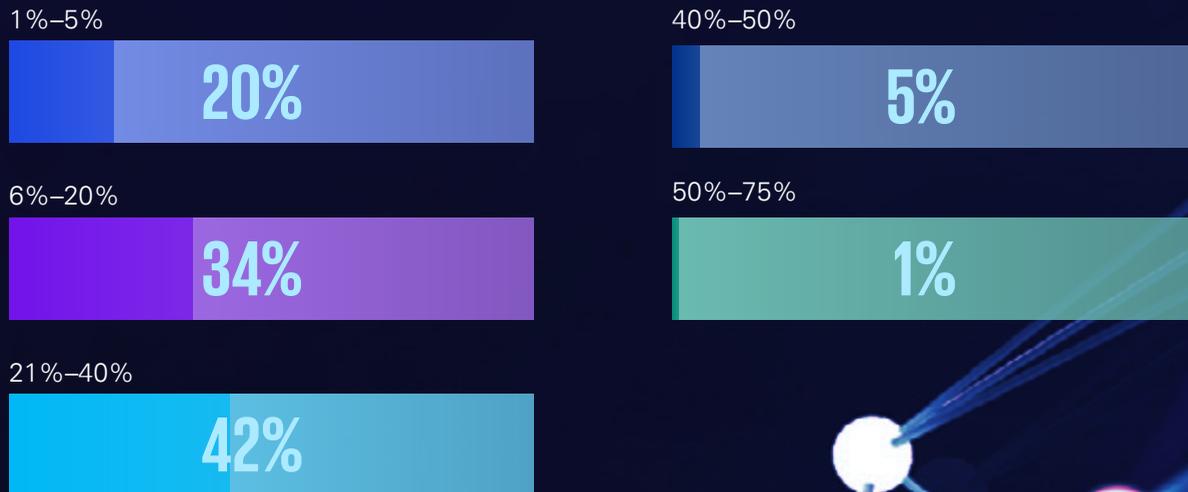
Source: KPMG 2025 Banking Survey: Technology.
Results reflect the percentage of respondents who selected strongly agree or agree.

GenAI initiatives at banks are being led by:



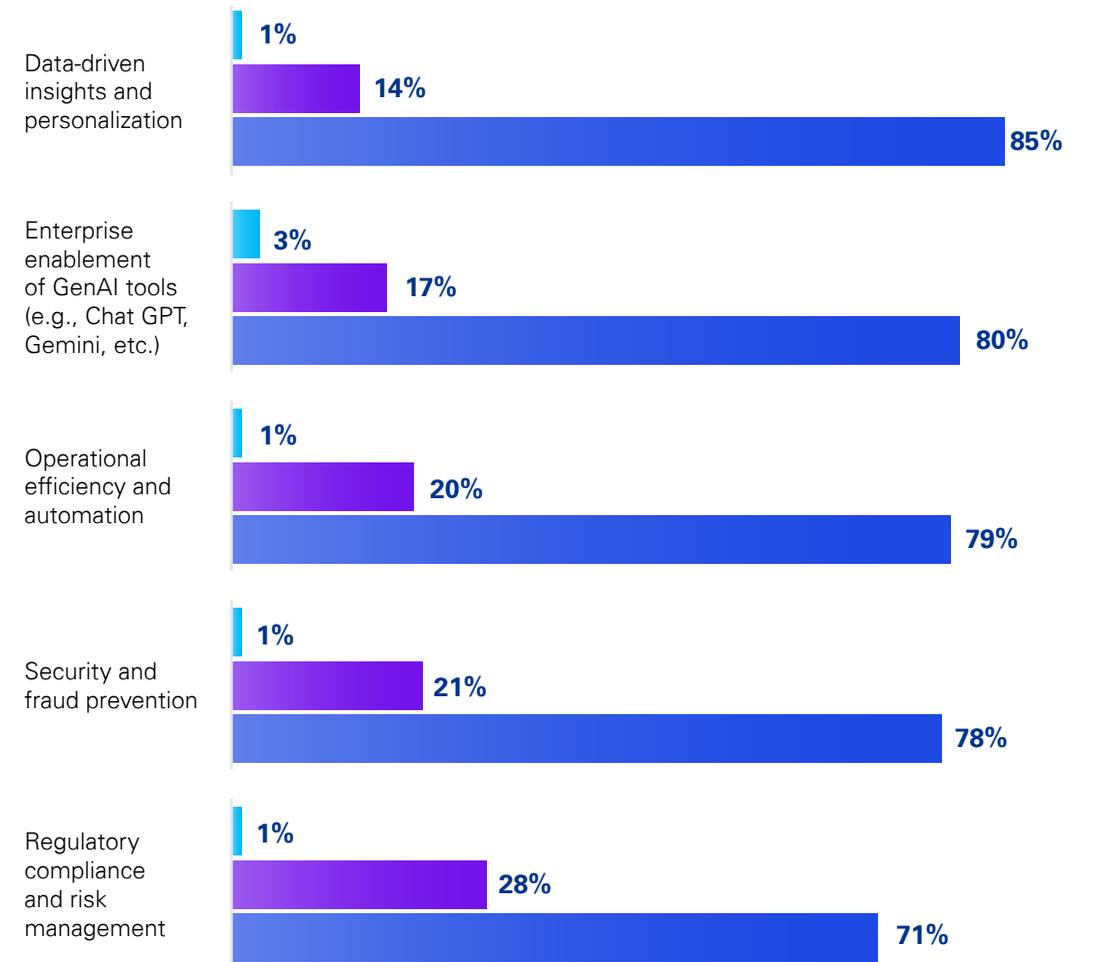
Source: KPMG 2025 Banking Survey: Technology. Percentages do not sum to 100%. Only the top three response choices are displayed.

By the end of 2025, what percentage of your team's daily tasks will GenAI be able to execute to free up employees' time for added-value work?



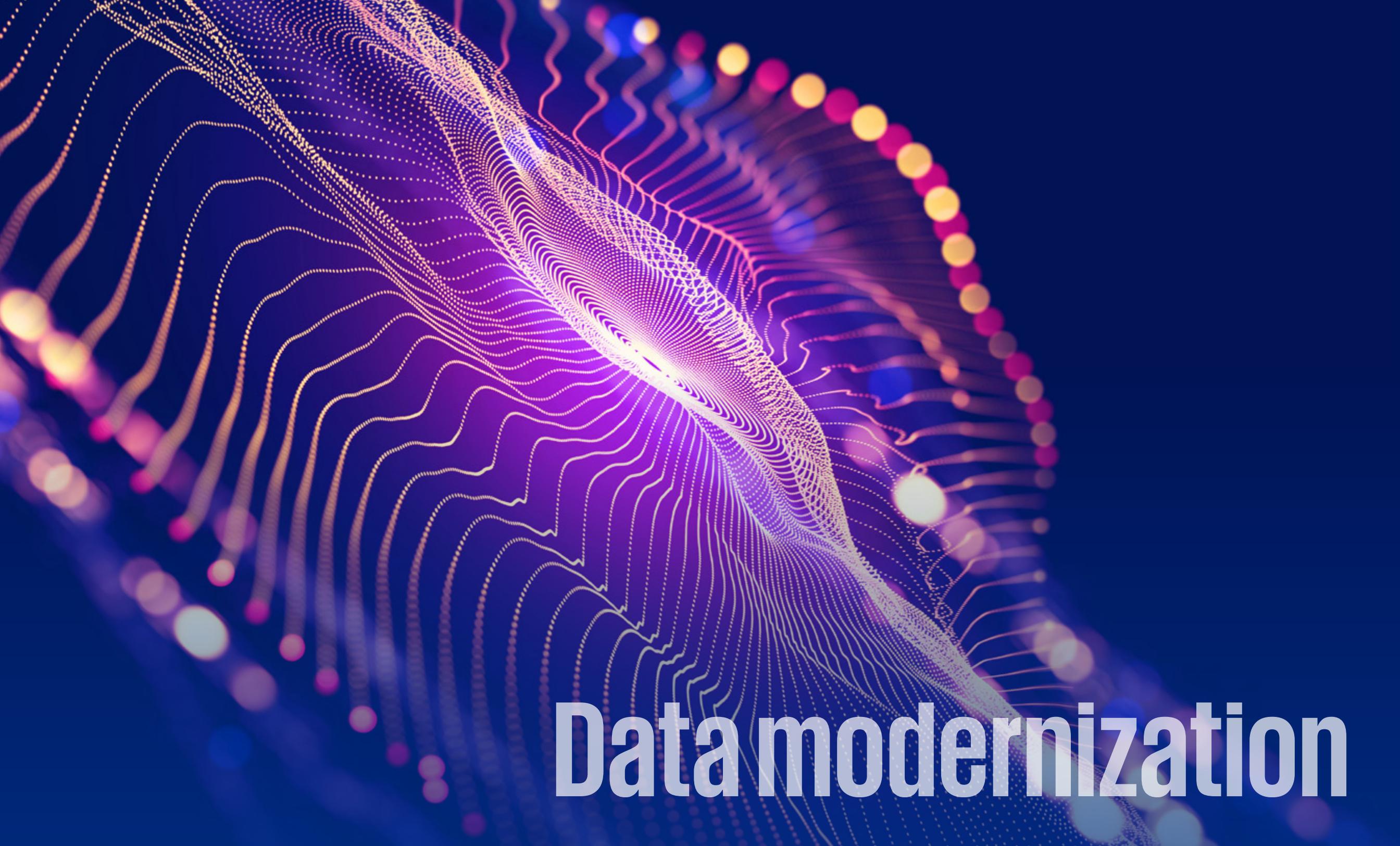
Source: KPMG 2025 Banking Survey: Technology. Percentages do not sum to 100% due to rounding. Two response choices, 0% and 75%-100%, were not selected.

Of the investments being prioritized in 2025, banks are using GenAI or AI to facilitate implementation of:



■ Not considering GenAI or AI ■ Considering GenAI or AI
■ Active GenAI or AI pilots or production

Source: KPMG 2025 Banking Survey: Technology. Percentages may not sum to 100% due to rounding.

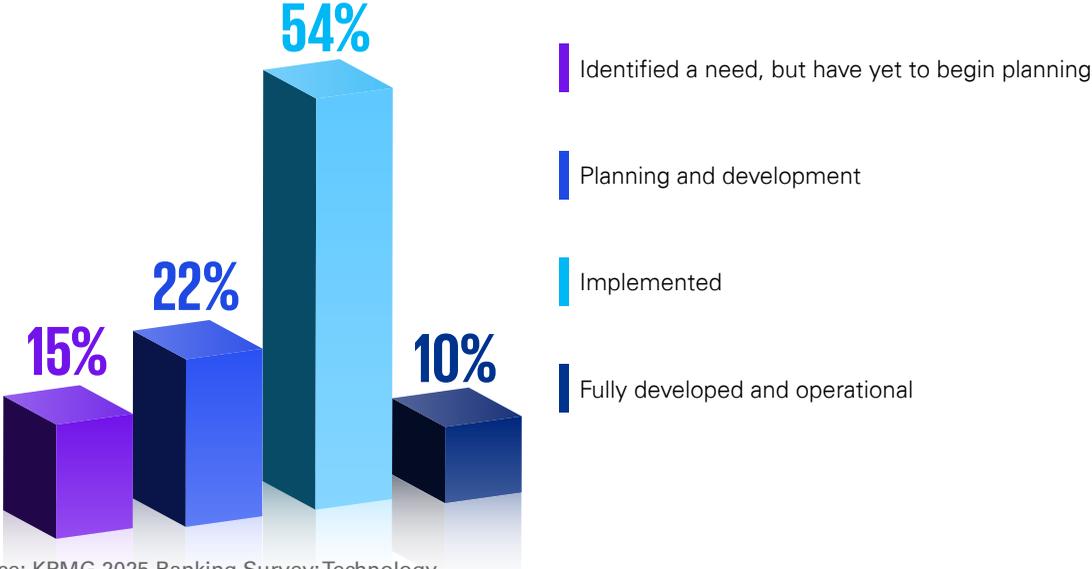


Data modernization

Data modernization

As banks further digitize, move to the cloud, implement GenAI, and address growing customer experience demands, they are leaning more heavily into data to create new opportunities for insight and product enhancements. By modernizing data platforms, they can expand their value-added capabilities, while ensuring that the appropriate data quality, control, security, and lifecycle management measures are in place to protect highly sensitive customer and bank information.

Banks' foundational data capabilities are largely in place:



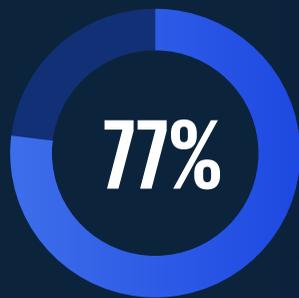
Source: KPMG 2025 Banking Survey: Technology. Percentages do not sum to 100% due to rounding.

The focus has turned to removing blockers to data modernization that include:



Source: KPMG 2025 Banking Survey: Technology. Multiple responses allowed. Percentages do not sum to 100%. Only the top three response choices are displayed.

What bank executives are saying about modernizing data:



Your bank has a standard of care to determine which controls are placed on which data



Your bank has a target state vision for data management, governance, capabilities, and architecture



Your bank has a roadmap and funding model to ensure the target-state vision can be successfully implemented and sustained across the enterprise

Source: KPMG 2025 Banking Survey: Technology. Percentages reflect those who selected "Yes."



With regulatory requirements for data in flux, banks have an opportunity to play offense by prioritizing data modernization initiatives and focusing on innovative new projects that create value for the enterprise and customers—without losing focus on regulator standards and the compliance agenda.

Ben Roberts

Principal, FS Data Offering Leader
KPMG LLP



Cybersecurity

Cybersecurity

Cyberattacks are multiplying and more banks are aggressively increasing their security budgets to address them. While they mostly believe they will be spending enough, some say they're not adequately prepared to protect customer data, privacy, and assets in the event of an attack. Preparing for regulations and compliance related to data and cybersecurity is challenging, as fewer than half say they are well prepared for navigating uncertainty and adhering to rules and supervisory guidance.

Steps banks are taking to ensure data security, privacy, and compliance in the era of GenAI:



Source: KPMG 2025 Banking Survey: Technology.
Multiple responses allowed. Percentages do not sum to 100%



What bank executives are saying about cybersecurity:



91%

Your bank is investing sufficiently in cybersecurity protection



89%

Your bank is increasing the budget to address cyber risk



75%

In the last year, you have seen an increase in the number of cyberattacks on your bank



73%

Your bank is adequately equipped to protect customer data, privacy, and assets in the event of a cyberattack

Source: KPMG 2025 Banking Survey: Technology.
Percentages reflect those who selected "Yes."



With the accelerated adoption of cloud architecture, stateless computing, and microservices, technology estates have become more complex and heterogenous than ever before. And cyberattackers are more prolific and sophisticated. As banks lean heavily into a digital-first future, protecting technology from disruption is tantamount to maintaining the resiliency and profitability of the business.

Matthew Miller

Banking Cybersecurity Leader
KPMG LLP

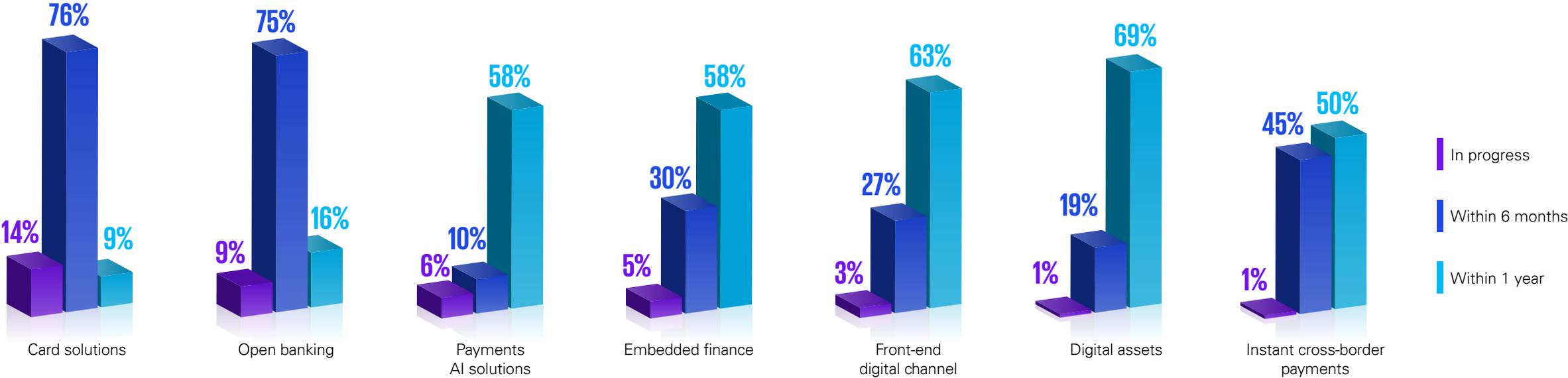


Payments

Payments

Most banks have projects in flight to modernize their payments platforms. While ISO 20022 is the priority, they plan to launch other programs in the near-term, addressing everything from instant payments to automatic clearinghouse and other payments modernization initiatives. Regulatory requirements, operational efficiency and cost savings, replacing legacy systems, and changing customer expectations are the main motivations for these modernization efforts.

Banks priorities in the payment space in the next year are:



Source: KPMG 2025 Banking Survey: Technology. Percentages do not sum to 100%. Some response choices with longer time frames are not displayed.

What bank executives are saying about the ISO 2022 Compliance Mandate:



Source: KPMG 2025 Banking Survey: Technology.
Percentages do not sum to 100% due to rounding.



ISO 2022 and the move to instant payments are the key drivers of payments modernization. To meet this year's ISO 2022 industry mandate, banks are modernizing their high-value wire payments platforms and their broader payments ecosystems. While the focus is on the ISO 2022 conversion, banks are looking to begin leveraging the incremental data that ISO 2022 provides to create value-added services for customers and revenue for the bank.

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