



# 2026 Banking Survey Technology

Setting information technology, data,  
and transformation priorities to respond  
to today's challenges and opportunities



# ➤ Contents



# Foreword

The KPMG Banking Technology Survey draws insights from banking leaders on the priorities driving digital investments at institutions large and small. The findings support spending and priority benchmarking and inform decision-making with in-depth data on familiar industry initiatives such as enterprise transformation and emerging opportunities, including digital assets.

An engine of growth and a heavy cost to run, technology increasingly is the focal point of bank investment, enabling strategy while consuming substantial budget. Balancing goals of modernizing systems, maintaining legacy tech, and pursuing innovation remains the central challenge for bank leadership as more of the industry’s everyday operations depend on technology’s capabilities.

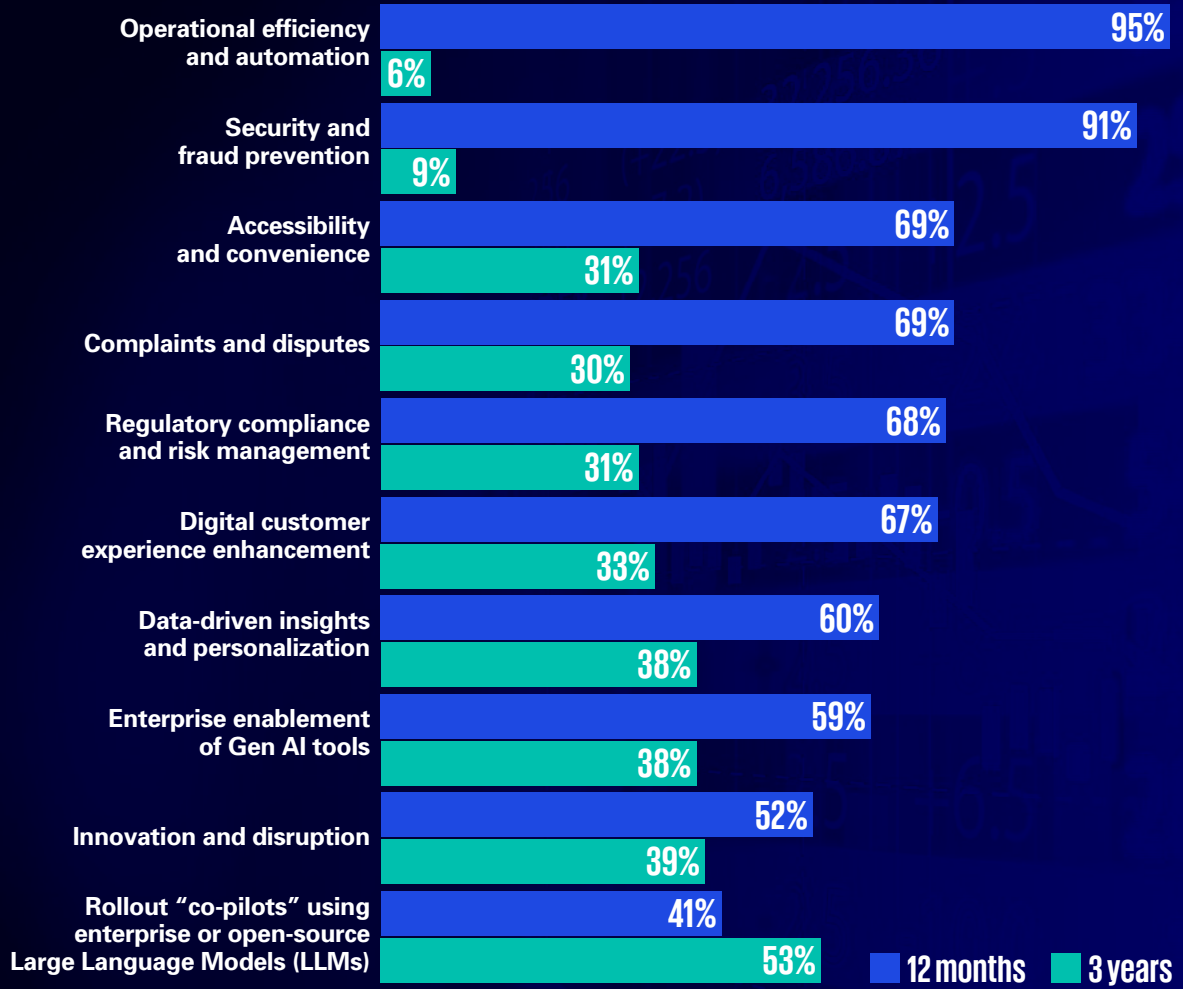
The pro-growth agenda for financial services this year may clear a path for adding these vital capabilities through mergers and acquisitions (M&A). A third of respondents (33 percent) in this year’s survey said technology was driving their acquisition strategy and almost half (44 percent) said it was one of several key influences in their deal decisions. Acquiring data, analytics, or AI proficiency (67 percent) and strengthening cybersecurity and risk capabilities (65 percent) are top goals for banking leaders.

Cybersecurity is also a top spending priority this year, with survey respondents nearly unanimously (89 percent) naming security and fraud prevention as a leading investment over the next 12 months. While the application of generative and agentic artificial intelligence is transforming bank operations, it’s fueling a run-up in cyber-crime. With the increased scale and frequency of sophisticated cyberattacks, banks are relying more on AI technology to detect and protect against system breaches and fraud.

The survey also explores concentration risk, with many (69 percent) respondents citing cloud providers as their biggest concern.

Digital assets emerged on banks’ technology agenda this year following passage of the GENIUS Act authorizing the industry to offer stablecoin services. In payments, in particular, digital asset services will influence traditional rails as transactions move on chain to instant execution. Though more than half of banks (56 percent) say they

Which investments are being prioritized at your bank over the next 12 months versus in the next three years?



Not all response choices included in the chart (Not at this time). Percentages may not sum to 100%.

**33%** of respondents in this year’s survey said technology was driving their acquisition strategy.

**44%** said technology was one of several key influences in their deal decisions.

don't plan to prioritize integration of digital assets in the next three years, 71 percent of banks with \$100 billion in assets or more said they are designing interoperable systems for tokenized deposits and stablecoins.

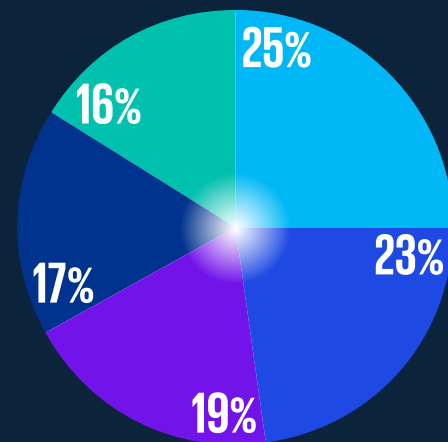
Meanwhile, modernization efforts continue in data management as banks target opportunities to better serve customers through personalization and deliver tailored engagements. As they lean more heavily on AI to assist, cleaning up data is essential to the technology's performance. Combine this with priorities for enhancing their online and mobile services, and banks are very much focused on the digital customer experience in the here and now.

Technology is a dynamic space for banking. While reaffirming spending priorities in areas such as cybersecurity and customer experience, banks are rapidly adjusting to address emerging opportunities, plug gaps in capabilities, and sunset outdated platforms. Acknowledging in the survey the need to modernize, they are upgrading in areas like data and payments to compete, while exploring partnerships and acquisitions to add capabilities and accelerate technology transformation.



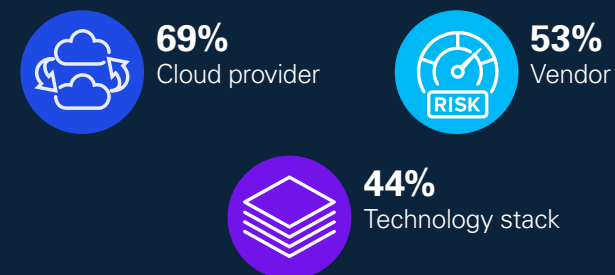
**Peter Torrente**  
US Sector Leader,  
Banking & Capital  
Markets, KPMG LLP

### Technology budget allocation for the 2026 fiscal year



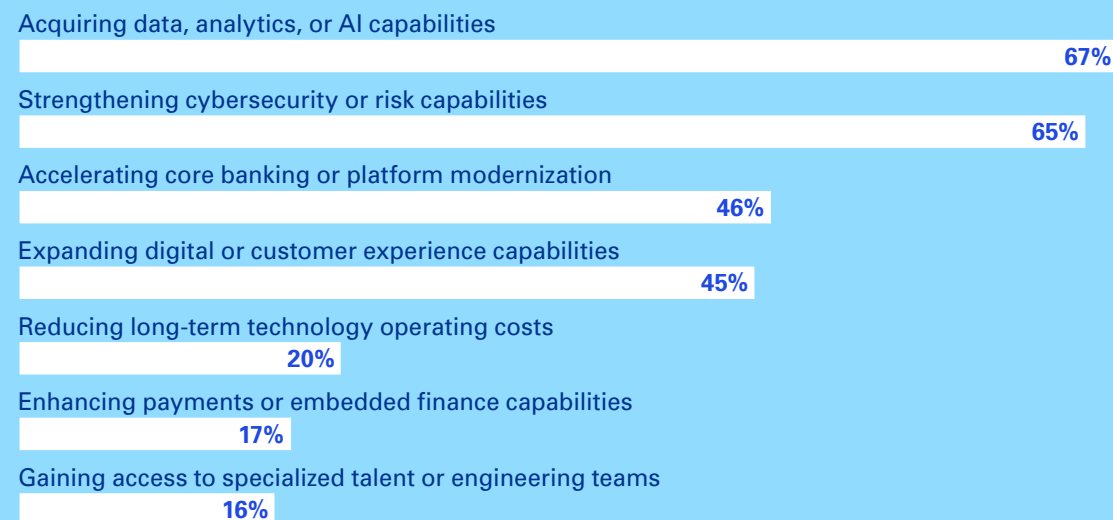
- Maintenance
- Risk & regulatory requirements
- Growth
- Transformation
- Modernization

### Top three concentration risks for large banks regarding information technology (IT), security, and resiliency



**76%** are already using or piloting GenAI to deliver data-driven insights and personalization.

### Which technology-related objectives are most important when evaluating M&A opportunities? (Select top 3)



Multiple responses allowed. Percentages do not sum to 100%.



# Enterprise Transformation

# Enterprise Transformation

For an industry heavy on legacy technology, enterprise digital transformation is a constant. Most understand that modernizing platforms and channels is essential to customer satisfaction but also view strategic investments in emerging technologies as crucial to their ongoing success. Most agree that partnerships are a path to scale and product diversity. While most banks acknowledge industry competition with non-bank providers, fewer said they were investing in business models of the future. Presenting the best possible digital face remains a top priority, reflected in investments this year in online and mobile banking, while tech such as wearables and AR/VR have dropped off most banks' priority lists.

**“Data is the essential, yet largely unresolved, foundation that fuels innovation, growth, meaningful insights, and operational efficiency. To truly chart a successful course into the future and excel in a competitive marketplace, organizations must intentionally place data, AI enablement, and customer experience at the heart of all transformative efforts. This requires a strategic, enterprise-wide approach—one that not only tackles current challenges but also anticipates what lies ahead. Banks risk falling into an endless cycle of constant change with no clear destination. More importantly, efficiency initiatives will rapidly overshadow opportunities for growth, ultimately resulting in sub-optimal outcomes.”**

— Celeste Diana, Principal, Financial Services Digital Transformation, KPMG LLP

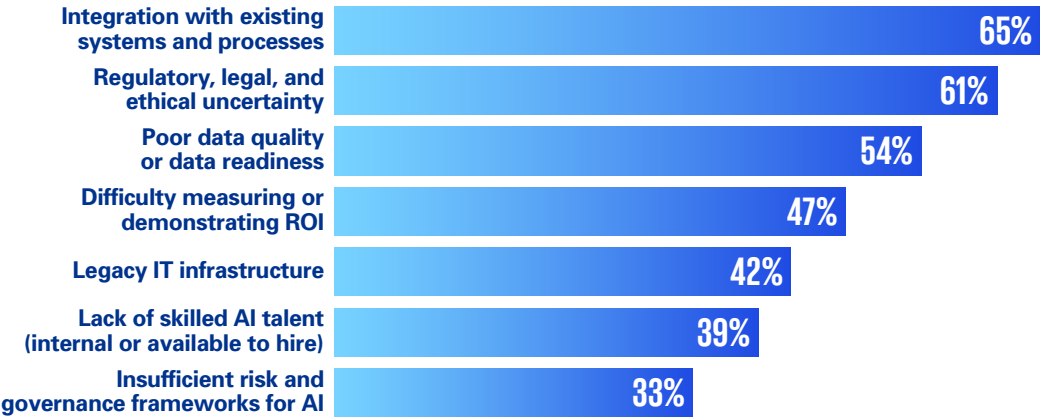


# Artificial Intelligence

# Artificial Intelligence


AI has turned more skeptics into believers. Though executives with demands for returns on investment still want proof of the payoff, most now view AI as a strategic necessity as their institutions pursue operational excellence, efficiency, and customer experience upgrades as top priorities. This first wave of AI use cases is less about growing revenue than about meaningfully transforming processes and work practices. Barriers to adoption remain, including persistent data-quality issues. But as banks move from aspirational proofs of concept to real-world applications, they're leaning into the technology's ability to enhance, rather than replace, the work of staff.

### What are the top challenges when deploying AI across the enterprise?



Multiple responses allowed. Percentages do not sum to 100%.

## A 2026 vs. 2025 comparison

 **73 percent** of 2026 survey respondents said GenAI was a top investment priority for their institutions in the year ahead. In 2025, **61 percent** agreed.



**69 percent** said in 2026 that GenAI was integral to their long-term vision for innovation. In 2025, **57 percent** agreed with the statement.

“ AI has moved beyond operational efficiency to become the defining competitive lever of this era — one that financial institutions of every size now recognize as essential to staying relevant, deepening customer relationships, and shaping what banking looks like tomorrow. ”

— Binoy Palakkal, Financial Services GenAI Leader, KPMG LLP



# Data

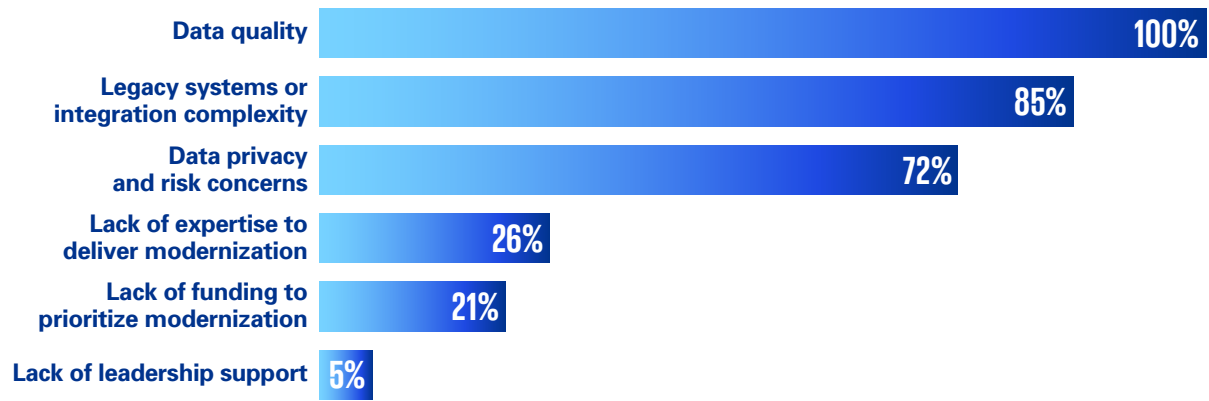
# Data

Achieving and maintaining a high level of data quality is difficult, but essential. Banks are swimming in “oceans of data,” with data modernization and productization initiatives actively cleaning up specific pools. As AI accelerates human decisions, high quality data will be “table stakes” for useful and deterministic AI.

This year, even more institutions are actively building trusted data products. Programs are shifting from pilots or proofs of concept to fully developed, operationalized platforms, with on-boarding continuing or expanding. Most, if not all, institutions have a vision for data management and a supporting model for funding and governance. Data control standards and shared reporting/operations analytical services are largely in place. Banks are making the pivot from regulatory-focused to value and growth-focused priorities.

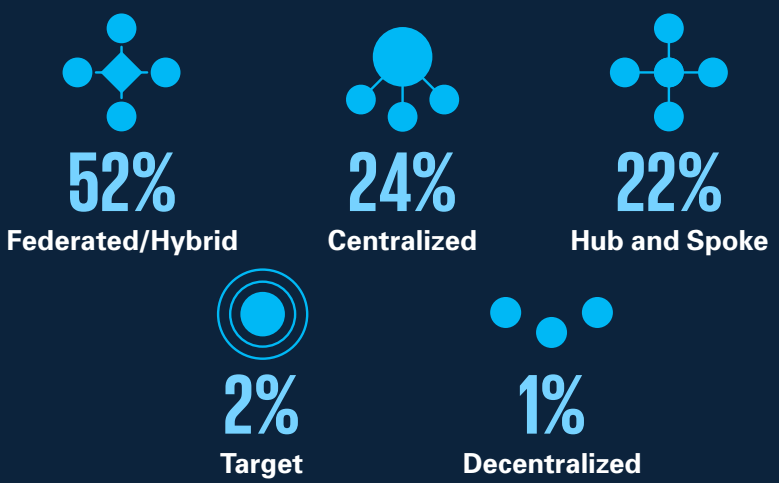
Despite the platform progress, many of the same challenges remain, largely with hands-on ownership of the data products. Banks that have achieved a high-level of quality must maintain that standard of excellence as new sources and AI-enabled decisions come online. As AI is starting to be used to assist with data remediation and preparation of data for eventually enabling agentic AI, there is a risk of creating a negative feedback loop that must be actively managed by the data product owners.

## What are the main challenges your organization faces in terms of data modernization efforts?



Multiple responses allowed. Percentages do not sum to 100%.

## What type of operating model does your bank use for data management?



Percentages do not sum to 100% due to rounding.

“To capture and maintain a competitive advantage in the “Age of AI”, banks must leverage the capabilities and progress from their regulatory-focused changes as a foundation. Many of the same principles (e.g., data strategies, funding models, controls, and shared services) apply as the focus shifts to enabling growth and better client experiences, in addition to driving operational efficiencies. Agentic AI’s reliance on data quality as a source of truth is a critical driver for data product owners to get their portion of the data ocean in order.”

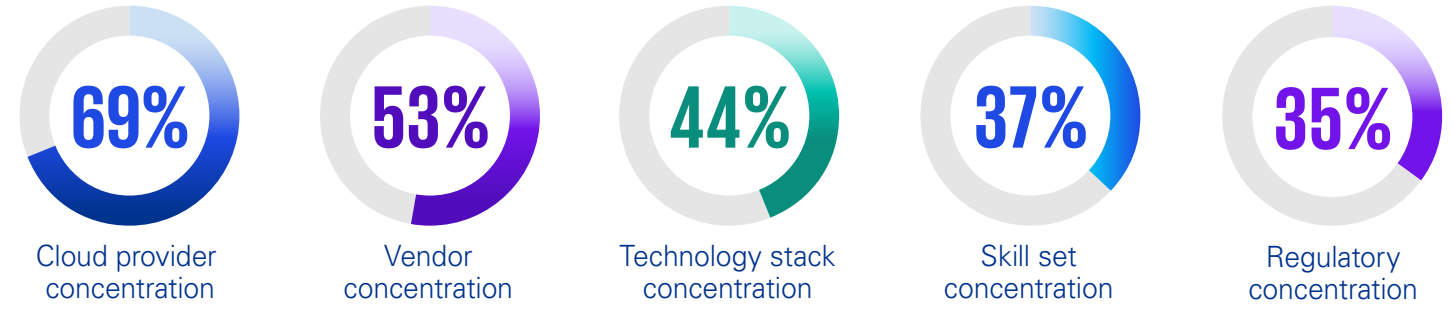
— Benjmain Roberts, Financial Services Data Leader, KPMG LLP

# Cyber and Tech Risk

# Cyber and Tech Risk

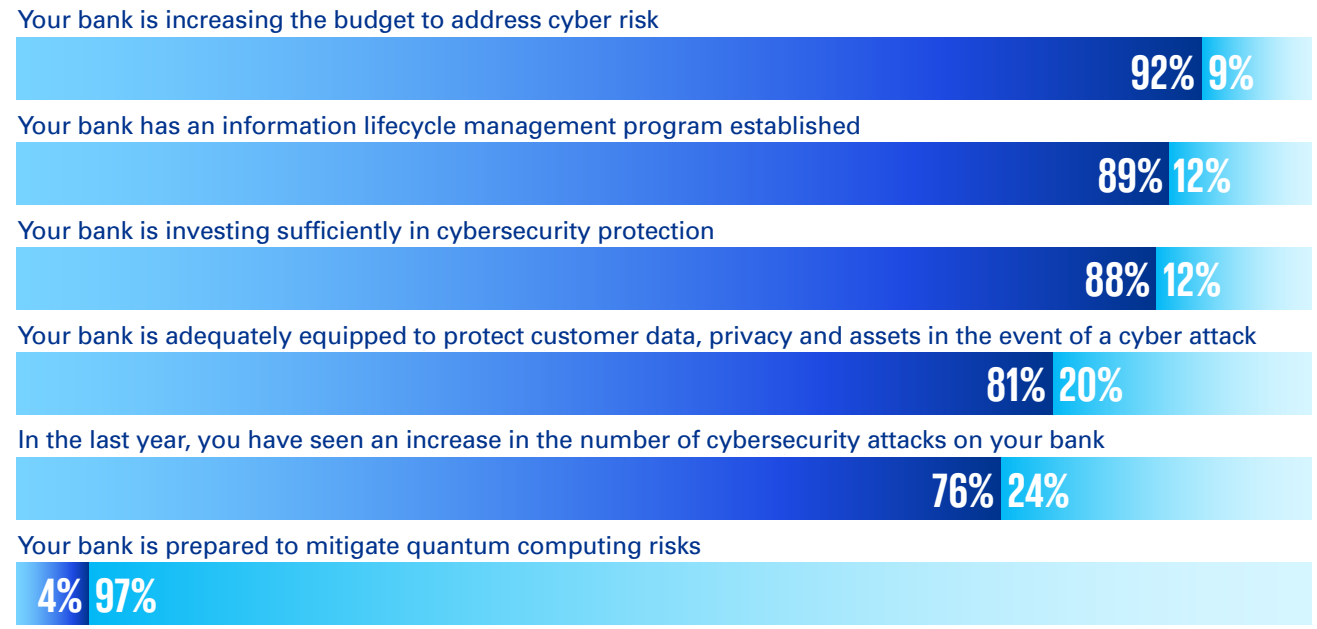
Banks are responding to escalating cybercrime with more resources, citing security and fraud prevention as a top investment priority for the next 12 months. While certain they can protect customer data, they continue to spend to deter increasingly frequent cyberattacks. AI is scaling the threat but also assisting with defense—90 percent are already piloting or using GenAI in security and fraud detection. Managing concentration risks remains important for larger banks.

### Top five concentration risks posed to large banks regarding IT, security, and resiliency:



Multiple responses allowed. Percentages do not sum to 100%.

### Banking leaders who agreed with the following statements:



■ Yes ■ No Percentages may not sum to 100% due to rounding.

“  
**AI is changing the threat landscape in real-time, and the industry is responding in kind. Vigilance and adaptation are essential to securing complex systems and managing the many risks technology presents.**  
 ”  
 — **Matt Miller**, Banking Cybersecurity Leader, KPMG LLP



# Payments

# Payments

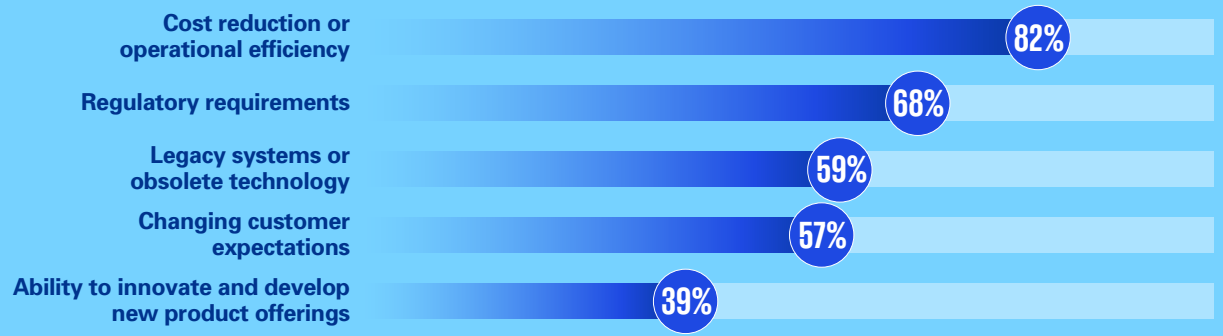
Payments remain a key service battleground in banking as fintechs and non-financial providers are challenging traditional Institutions for customers and share of wallet. In addition to modernizing their traditional Wire and ACH Payments Platforms, banks are increasingly looking to implement Instant Payments and turning their attention to product innovation, including opportunities to leverage the incremental data available from the new ISO20022 standard. Embedded Finance and open banking transformation efforts are also in progress and on the horizon as is, for the larger institutions, designing interoperable systems for tokenized deposits and stablecoins.

**Banking leaders report they are looking to modernize the following payments platforms or systems over the next year:**

- 20% Wires
- 26% ACH
- 70% Instant Payments (RTP)
- 72% Instant Payments (FedNow)
- 56% Multiple Payment Types

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## Key drivers contributing to the modernization of payments platforms or systems.



Multiple responses allowed. Percentages do not sum to 100%.

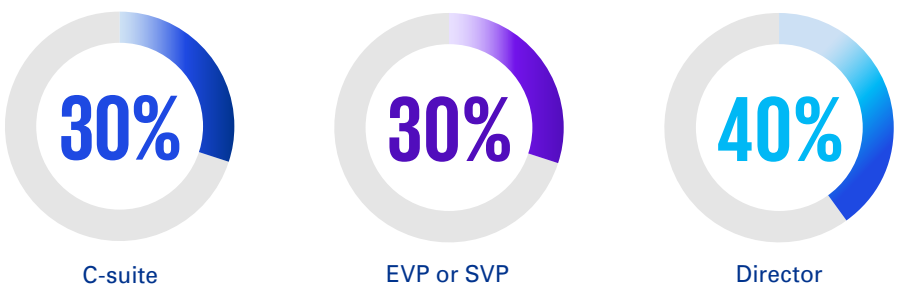
“The pace of change in payments has never been greater. The move to Instant Payments and ISO 20022 is driving the need to modernize traditional payments platforms, while banks are simultaneously beginning to adopt digital assets as a mechanism to enable instant cross border payments and programmable money. AI is unlocking transformational capabilities across the Payments Value Chain with the potential to re-imagine payments operations. The convergence of these transformation areas and evolution of payments is essential as banks look to payments as a platform for growth and innovation with an eye on reinforcing their primacy with customers.”

— Courtney Trimble, Global Payments Leader, KPMG LLP

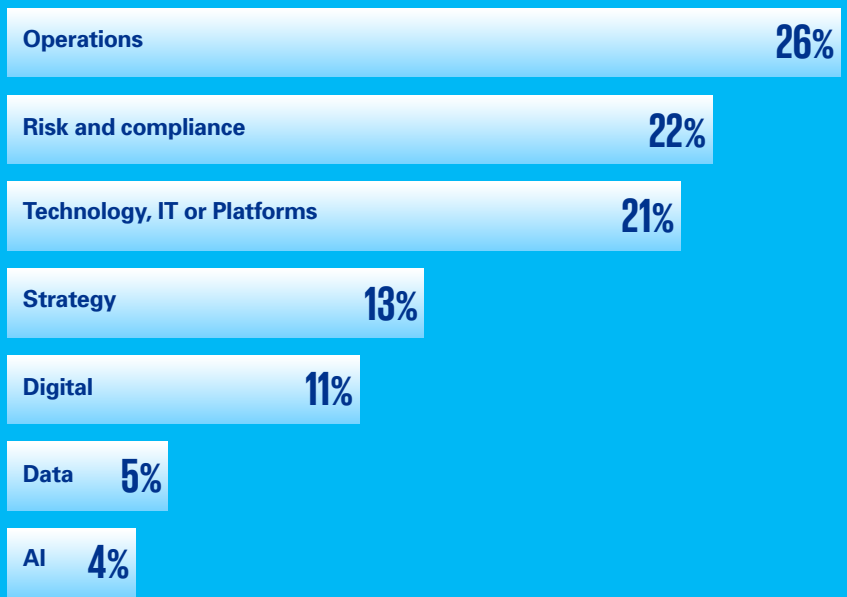
# Demographics

KPMG surveyed 200 banking executives, in collaboration with Forbes insights, during May 2026.

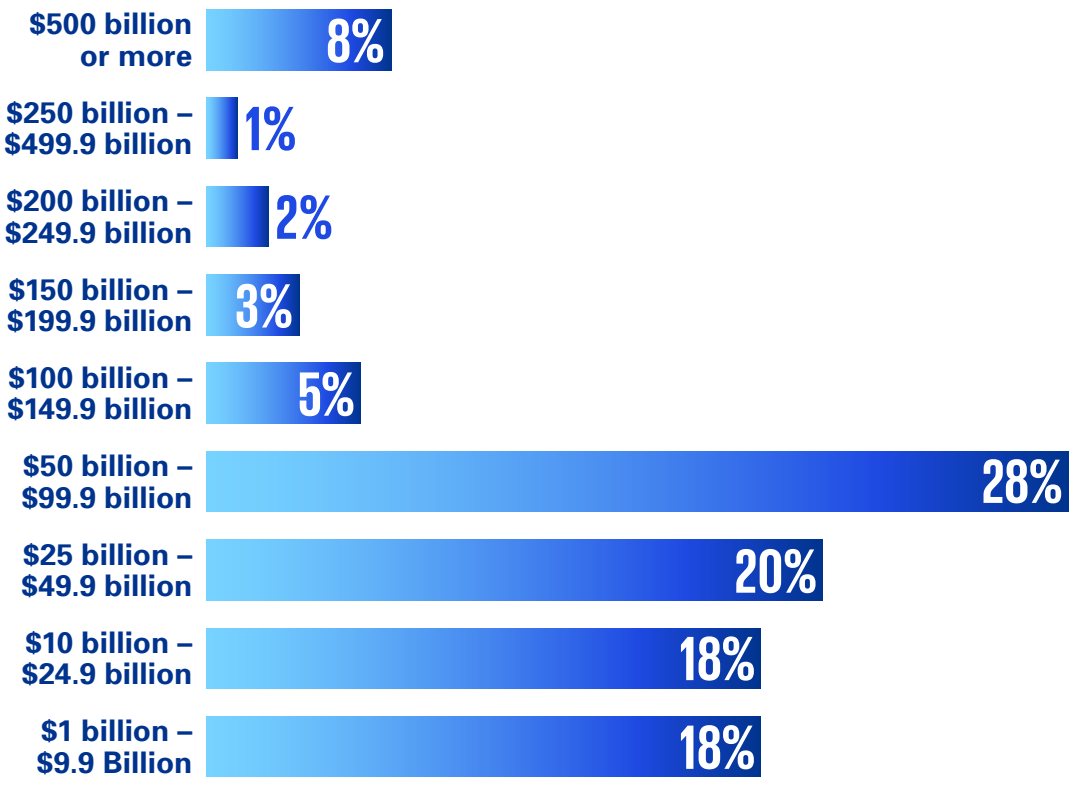
## Respondents Title



## Line of Business Responsibility



## Assets



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