



BANKERS AS BUYERS™ RESEARCH HIGHLIGHT & EXPERT PANEL

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What do the top AI use cases in banking reveal about the industry's next move?



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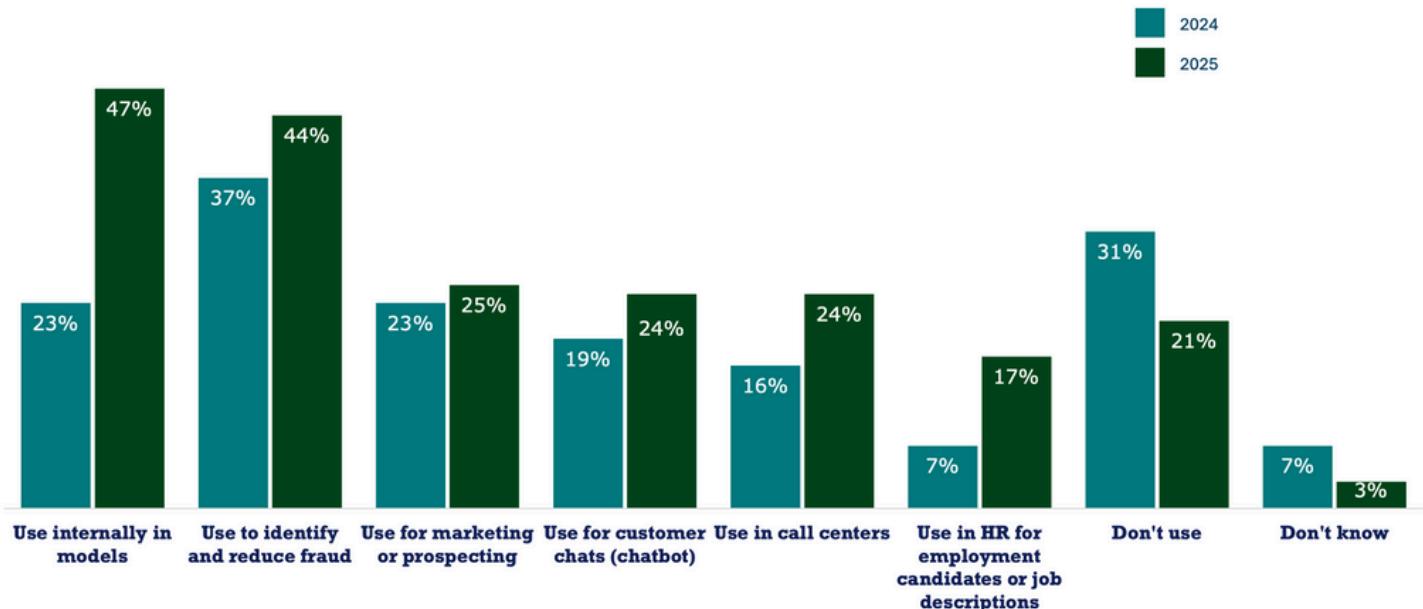
Source: ProSight Banking
Outlook: 2026 Trends

About the Report

Bankers As Buyers™ Research Highlight & Expert Panel is a series that looks at select research findings from trusted sources and adds opinions and insights of thought leaders.

In this issue, we examine a specific chart from the [ProSight Banking Outlook: 2026 Trends report](#). From the webpage summary, “The ProSight Banking Outlook (formerly the BAI Banking Outlook) is an annual research study developed by industry experts. Each year, they survey U.S. consumers across generations and senior banking executives to understand their priorities, expectations, sentiments in the context of today’s economic landscape.”

Current use cases for Artificial Intelligence (AI)



Industry Experts Weigh In

Isio Nelson, Managing Director, ProSight

Higher adoption in modeling and fraud detection reflects the maturity of traditional machine learning, which has existed far longer than generative AI. These use cases are internal, human-supervised, and auditable, making them easier and cheaper to scale. AI usage strongly correlates with organization size. For example, 74% of financial institutions with more than \$250B in assets use AI for fraud detection, compared with 39% of institutions under \$1B. Banks also outpace credit unions (47% vs. 32%). External-facing use cases—such as chatbots and call centers—are growing modestly (approaching 25%) as pilots mature into production and models improve, though human oversight remains significant.

Banks are steadily increasing AI adoption, though more cautiously than other industries due to regulatory and risk considerations. Non-adopters have dropped to roughly 20%, concentrated among smaller institutions that face ROI hurdles and historically slower tech adoption. Today, 58% of institutions under \$1B use AI, compared with full adoption among those over \$250B.

Banks are becoming more comfortable with AI and are identifying more practical, high-value applications. The long-term impact on workforce composition, efficiency gains, and overall ROI remains uncertain.



Tim Keith, CEO, OptimaFI (formerly Infusion Marketing Group)



Leaders of every business of any size are being asked by key stakeholders “how are you using AI to improve profitability?” Banks are no different in this regard. This is the #1 reason the research shows utilization of AI increasing across a range of functions – pressure to adopt and not fall behind competitors.

The data shows that categories that are less likely to involve the use of PII (personally identifiable information) show the highest utilization of AI. This will continue to be the case as the potential risk of dumping customer data into AI applications exceeds the potential value created.

Like any other computer programming, AI is only as good as the data that is driving its use. The old axiom is still true “past behavior is the best predictor of future behavior.” In theory, banks have access to incredibly rich behavioral data through their core systems.

We know from experience that the gap between theory and reality in this area is often wide. Banks that can access and leverage behavioral data sets, ideally not just sourced from their own customer files, but including peer group benchmarks, will get the most impact out of AI. This brings us back to a challenge that predates AI by decades – how to access and harness the power of bank datasets in ways that drive predictable yet material results? That challenge has only become more relevant with the advent of AI.

Todd Michaud, CEO, HuLoop

What jumped out to me in the data is not hesitation around AI, but how narrowly AI adoption is often categorized.

Banks are no longer afraid of AI. AI now permeates virtually all modern banking software. Institutions have been using machine learning for years across diagnostic, predictive, and prescriptive analytics—fraud detection, risk modeling, portfolio monitoring, and operational forecasting. That foundation is well established.

What this data underrepresents is the rapid expansion of AI into day-to-day operations. Banks are increasingly applying AI to customer and account management, including new account onboarding, address changes, and active account monitoring. The same is true across the lending lifecycle, from application aggregation and document understanding to validation and publishing across cores, LOS, and CRM systems. Back-office operations and HR are also seeing meaningful adoption.

What's behind the numbers is sequencing, not fear. Banks are layering generative AI on top of proven machine learning capabilities, with governance and controls. The next adoption wave will be agentic, human-in-the-loop AI that embeds intelligence directly into work, safely and at scale.



Stacy Bishop, Founder, Selling Fintech



The ProSight research validates something I've believed for a long time: bankers are far more innovative than they're often given credit for.

This data reinforces that just because banks aren't buying fintech solutions pitched primarily on AI value drivers doesn't mean they're "too conservative" or not ready for AI use cases. It simply means that bankers are being intentional and choosing to focus time and resources on AI applications they care about, not necessarily the ones the industry (myself included) is most excited to sell them.

The biggest shift on the chart supports that. Internal use of AI models nearly doubled to 47% in 2025 (an increase of 23% in one year). That's what my statistics professor would call a significant change. Fraud detection remained near the top as well, climbing 7% to 44%.

That makes complete sense because most RegTech providers embed AI into existing tools and workflows to support the universal rallying cry to identify and reduce fraud sooner. Both internal scenarios are high-leverage and safely compartmentalized to avoid negatively affecting customers or members. That's smart.

Customer-facing use cases are an area I'm watching closely. I won't discount the importance of chatbots to institutions. I'm a fan. But I'm eager to move into meatier use cases that touch the end user. Yes, accuracy matters. Data privacy matters. And tying new tools into legacy systems is rarely as simple as a demo makes it look. That said, as more everyday customers and members begin using AI in their financial lives, I fully expect this data point to look very different three years from now.

One stat I found especially telling was the drop in banks saying they "don't use AI" at all (from 31% to 21%). Sometimes that starts with something as simple as turning on Copilot. That may be the first step, but it's rarely the last once an institution begins to experiment with AI.

Sam Kilmer, Managing Director, Cornerstone Advisors

My top takeaway: It's HOW and not IF a bank uses AI. Only 1 in 5 banks are not using AI and a marginal few (3%) don't know. AI is overwhelmingly mainstreamed, reminiscent of cloud tech's journey. What was one option permeated to be the only option.

Second, the bump up in fraud reduction use is consistent with findings of Cornerstone Advisors just released What's Going on in Banking 2026 research that 57% of banks and 62% of credit unions are planning to use Gen AI for fraud management. It's the leading GenAI bank use case as the fraudsters vs. anti-fraudsters arms race escalates to all new heights.

The leading use case we found for credit unions is Contact Center at 74% (only 45% for banks). Comparatively, the ProSight research found 24% for both the Call Center and Customer Chats/Chatbots. When you combine ProSight's Call Center and Customer Chats/Chatbots use cases, it's consistent with our findings on Contact Center.

The main use case where Cornerstone Advisors' research differs is in Marketing (52% for banks, 56% for credit unions) vs. 25% in ProSight's research. One explanation is that Cornerstone's research split out GenAI vs. AgenticAI uses, the latter of which has Marketing much lower. Another interesting aspect is the growing use of AI in internal models (the leading use case from ProSight's report). From our research and experiences, these internal models are likely most applied to lending/credit and the typically centralized functions of Risk, IT, Operations, and Finance.



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