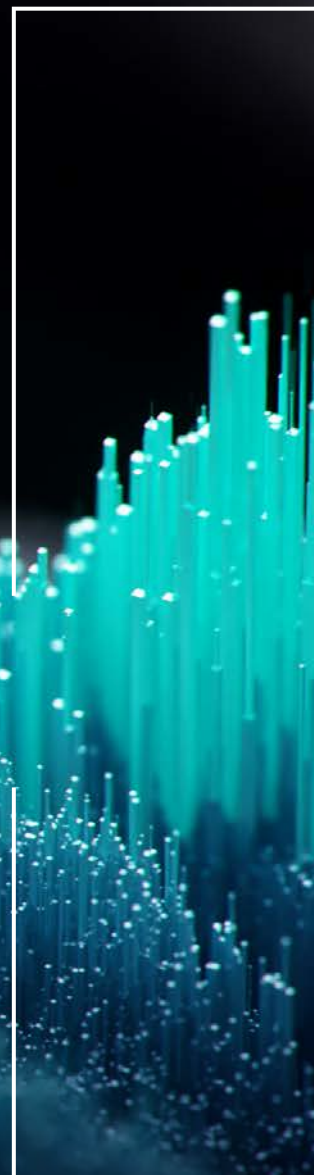


INFOSYS BANK TECH INDEX

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Volume 6 – September 2026



Infosys | Knowledge Institute

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Executive overview



Sachin Kamat

VP, regional head, capital markets

Capital markets are entering a defining moment shaped by speed, scale, and the [modernization of market infrastructure](#). The institutions that will lead are those allocating capital toward this progress with clarity, discipline, and long-term intent.

AI adoption reflects both ambition and pragmatism. Four of five institutions have already piloted AI, with more than half deploying it across trading, operations, and compliance. The focus is practical. Institutions are applying AI to improve operational efficiency, strengthen controls,

and enhance client interactions through research support and advisory preparation. Progress, however, is constrained by legacy. Fragmented and poor-quality data further limits integration across the value chain. These restrict institutions' ability to respond decisively to market change.

Across the industry, the message is clear. Speed to market has become a strategic advantage. Nearly one in five capital markets institutions now ranks faster product launches across new asset classes and geographies as its top technology priority. This reflects a market where opportunity windows are shorter, client expectations are higher, and competitive advantage depends on execution. In practice, speed increasingly depends on simplification at scale. Institutions are consolidating platforms, retiring legacy systems, and reusing core technology platforms across businesses to reduce complexity, improve control, and lower structural cost. This matters because legacy platforms and integration remain the biggest operational constraints.

Cloud modernization remains a central enabler of this shift. Institutions continue to re-platform toward cloud-native architectures to improve scalability, resilience, and cost efficiency while upgrading trading and post-trade capabilities in a controlled and secure manner.

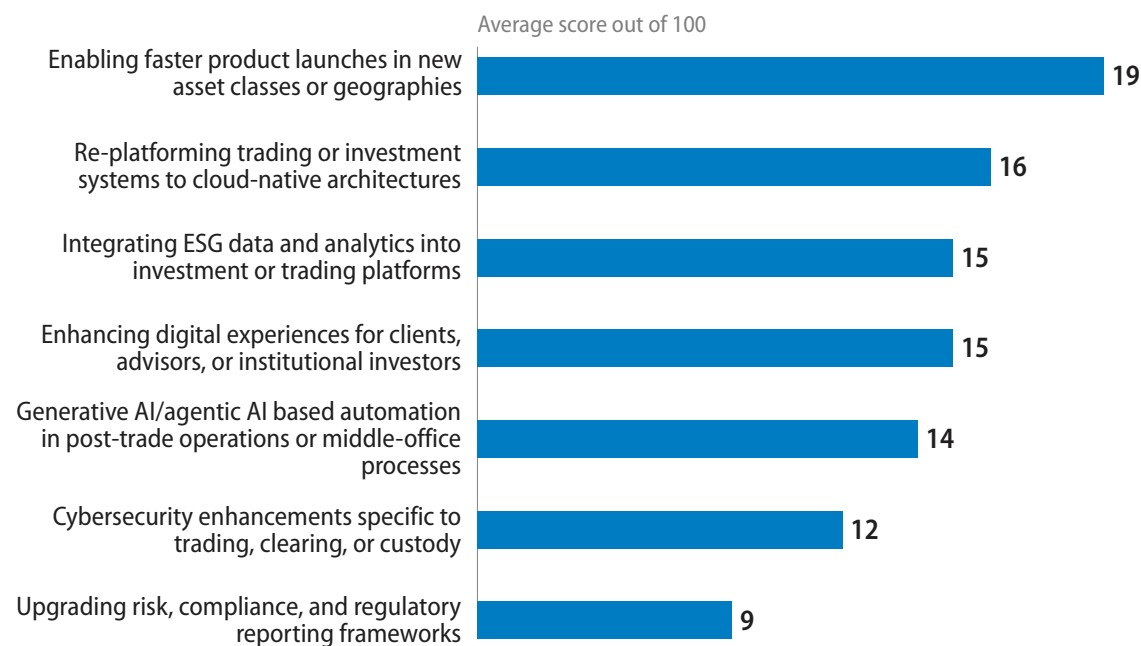
Alternative investments point to the next phase of growth, but also its complexity. Blockchain and tokenization offer a path forward. Nearly 30% of institutions view blockchain as a competitive advantage, while stablecoins are gaining momentum. The real value is efficiency and access, with select bonds, funds, and private assets tokenized to reduce friction, improve transparency, and broaden participation within controlled, permissioned environments that integrate with existing rails.

The future of capital markets will belong to institutions that modernize with purpose, move with speed, and invest with a clear view of long-term value creation.

Key capital markets findings

Capital markets institutions feel a need for speed

Technological priorities for 2026



$N = 102$, where N is the number of banks that responded to capital markets questions in Volume 6 (Dec 2025).

Capital markets desire faster product launches:

Nearly 20% indicated that enabling faster product launches in new asset classes or geographies was their top priority. This enables them to capture short-term market opportunities and meet client demand.

Cloud migration a close second:

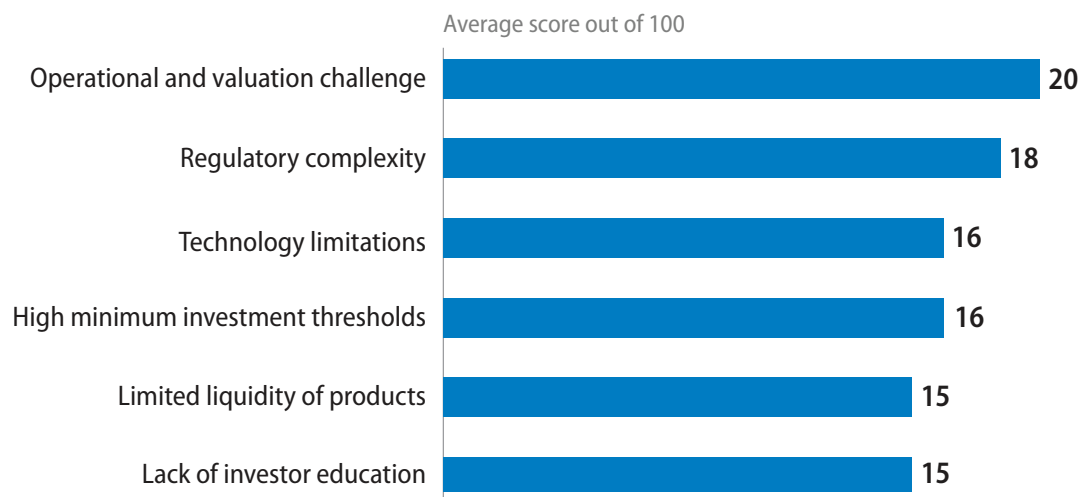
Modern cloud-native platforms improve scalability, reduce infrastructure costs, increase resilience, and allow institutions to upgrade trading capabilities faster and more safely.

AI use in operations and middle office stays limited:

Capital markets institutions have begun deploying AI for research and for client-facing functions such as advisory, but it is not a top priority yet.

Alternatives face challenges from valuation to liquidity

Barriers to offering alternative investments



$N = 102$, where N is the number of banks that responded to capital markets questions in Volume 6 (Dec 2025).

Operations and valuation block

alternative investments: Nearly 20% indicated that operational and valuation was their top challenge. [Private assets](#) often lack standardized valuation metrics, complicating investor decisions due to unclear pricing structures, especially in private equity markets.

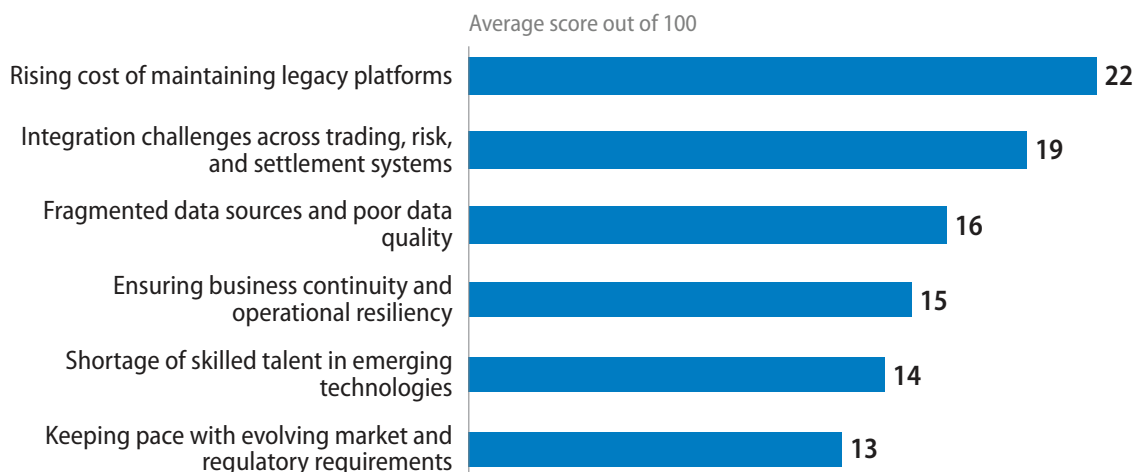
Regulatory complexity: Regulatory approaches vary significantly globally, creating uncertainty and caution.

Several challenges ahead for

alternatives: There is not much difference between the other challenges, indicating that alternative investments are early stage. Institutions have not yet had much practical experience in offering alternative investments to retail clients.

Rising legacy costs hinder capital markets

Operational or technological challenges

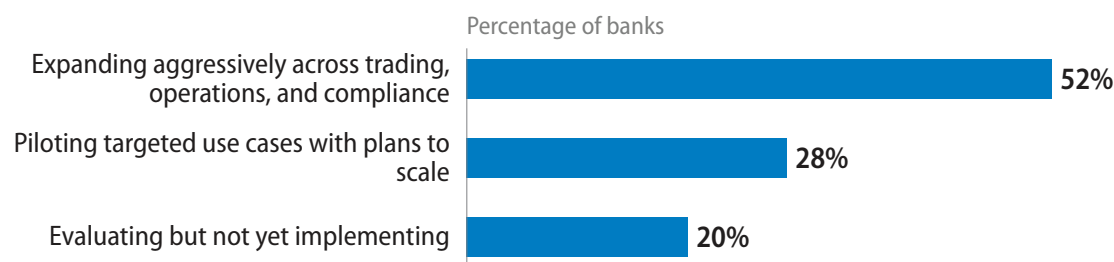


$N = 102$, where N is the number of banks that responded to capital markets questions in Volume 6 (Dec 2025).

Legacy systems and integration are the primary challenges: More than a fifth indicated that cost of legacy platforms is rising. Nearly 20% cited that legacy architectures hinder integration across platforms, the next barrier. Fragmented and poor-quality data rounds out the top three challenges.

Most capital markets institutions adopt AI aggressively

Expected AI adoption level



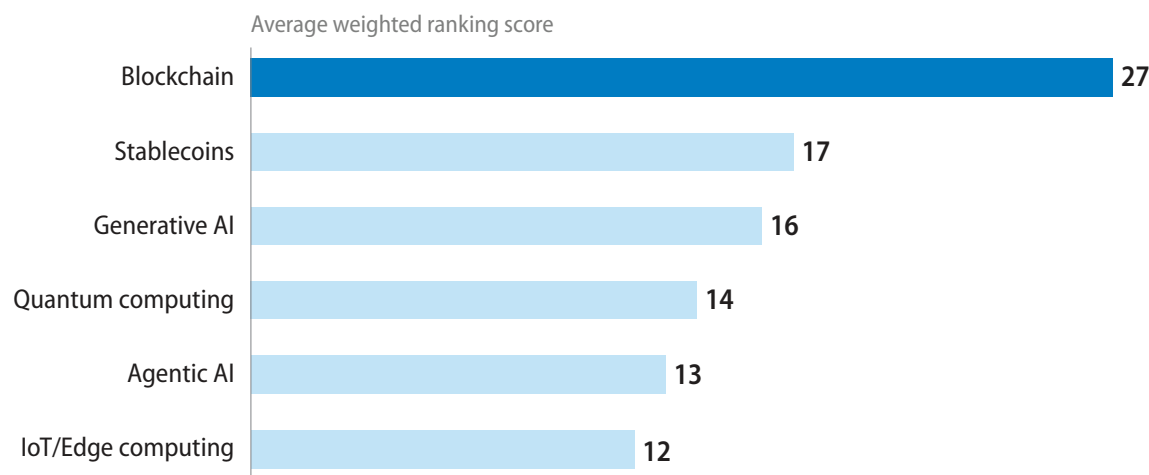
$N = 102$, where N is the number of banks that responded to capital markets questions in Volume 6 (Dec 2025).

Nearly 80% of capital markets

institutions use AI: Apart from 20% of institutions that are evaluating the use of AI, nearly all the others are piloting or using AI for trade surveillance or anti money-laundering (AML), [pricing or valuation intelligence](#), and for activities such as client onboarding and investment research.

Blockchain expected to drive competitive edge

Top emerging technologies considered for competitive advantage



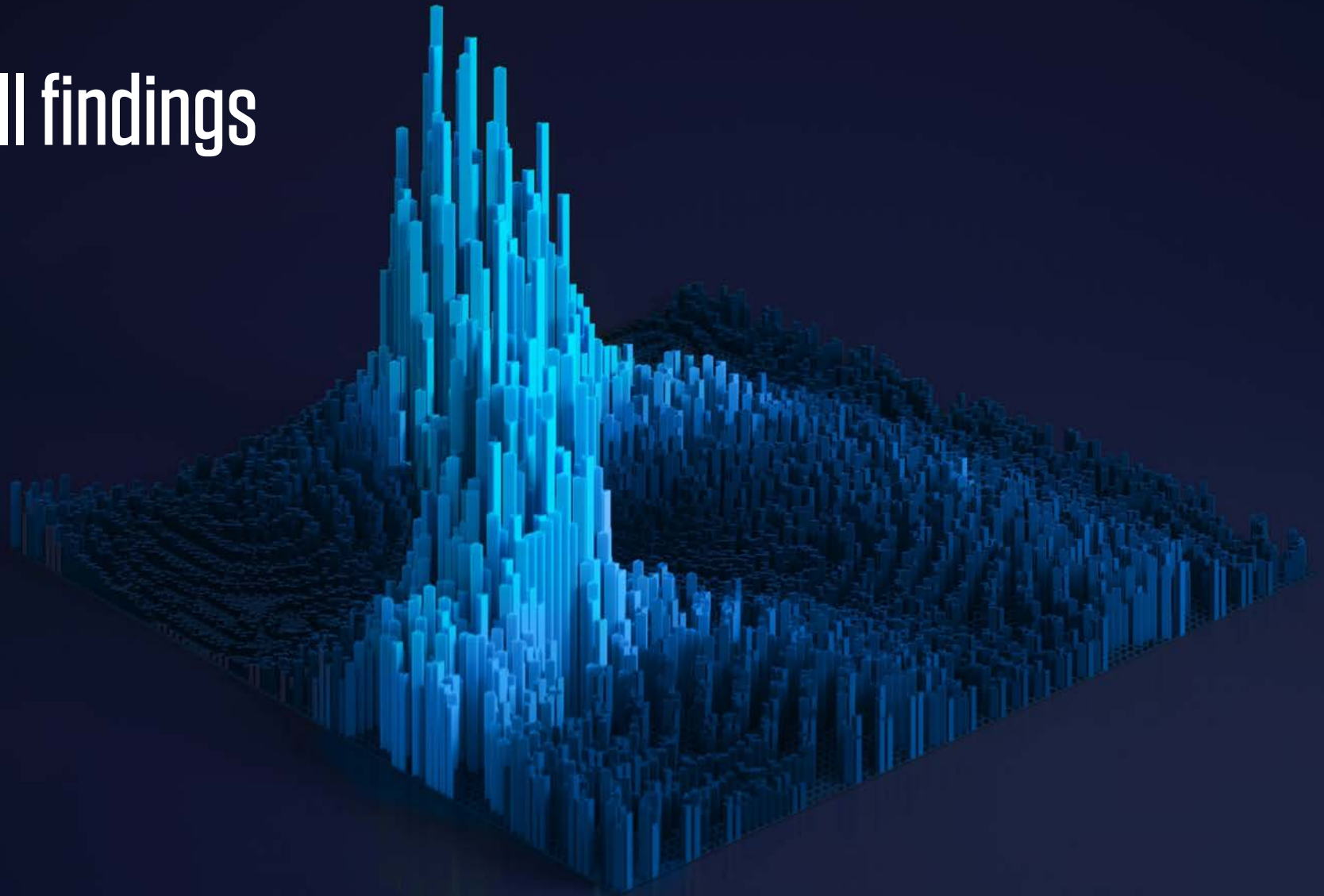
$N = 102$, where N is the number of banks that responded to capital markets questions in Volume 6 (Dec 2025).

Banks view blockchain as a competitive advantage: 27% of banks indicated blockchain will enable competitive advantage.

Capital markets institutions are excited about stablecoins: Stablecoins follow blockchain, with 17% of institutions considering the technology for competitive advantage.

Generative AI competitive edge expected: Within capital markets, the use of AI is seen in operational efficiency and in compliance. Use cases include advisory prep support, meeting summarization and post-meeting notes, and research.

Overall findings

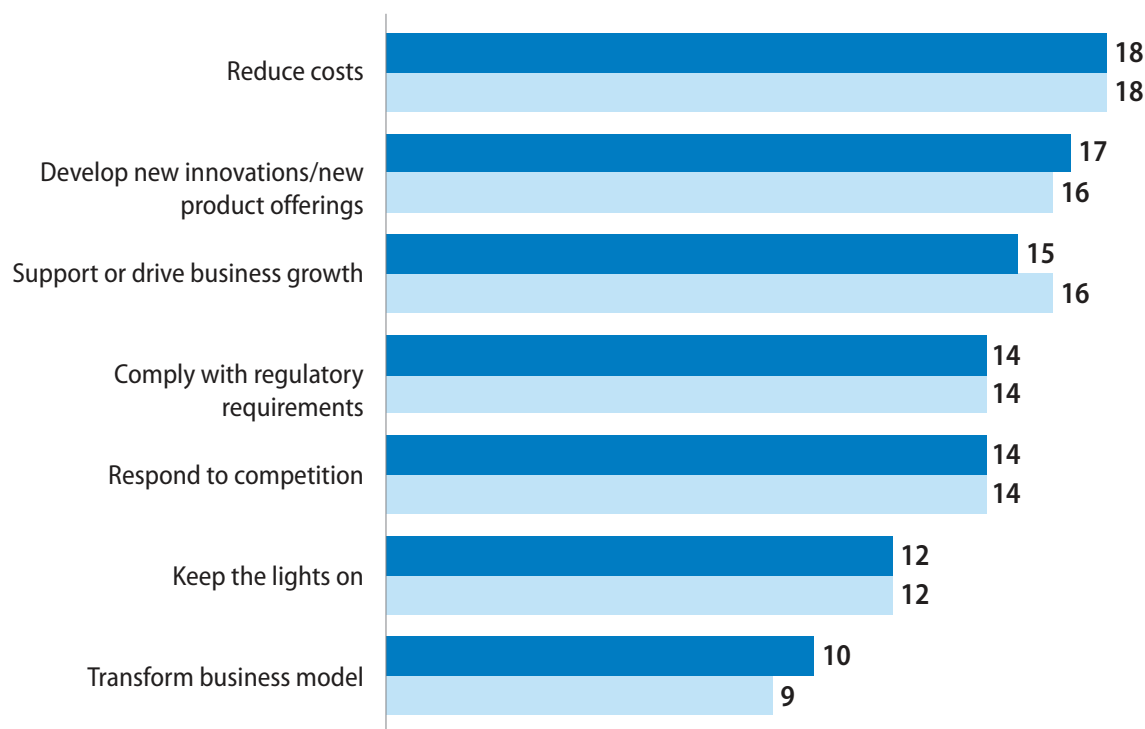


Cost reduction is the top priority

Comparison of strategic priorities

■ Overall ■ Capital markets institutions

Average score out of 100



$N = 400$, where N is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions.

Cost reduction is the top focus: While capital markets institutions view reducing costs as a top priority, most of the strategic priorities are in line with the overall sample.

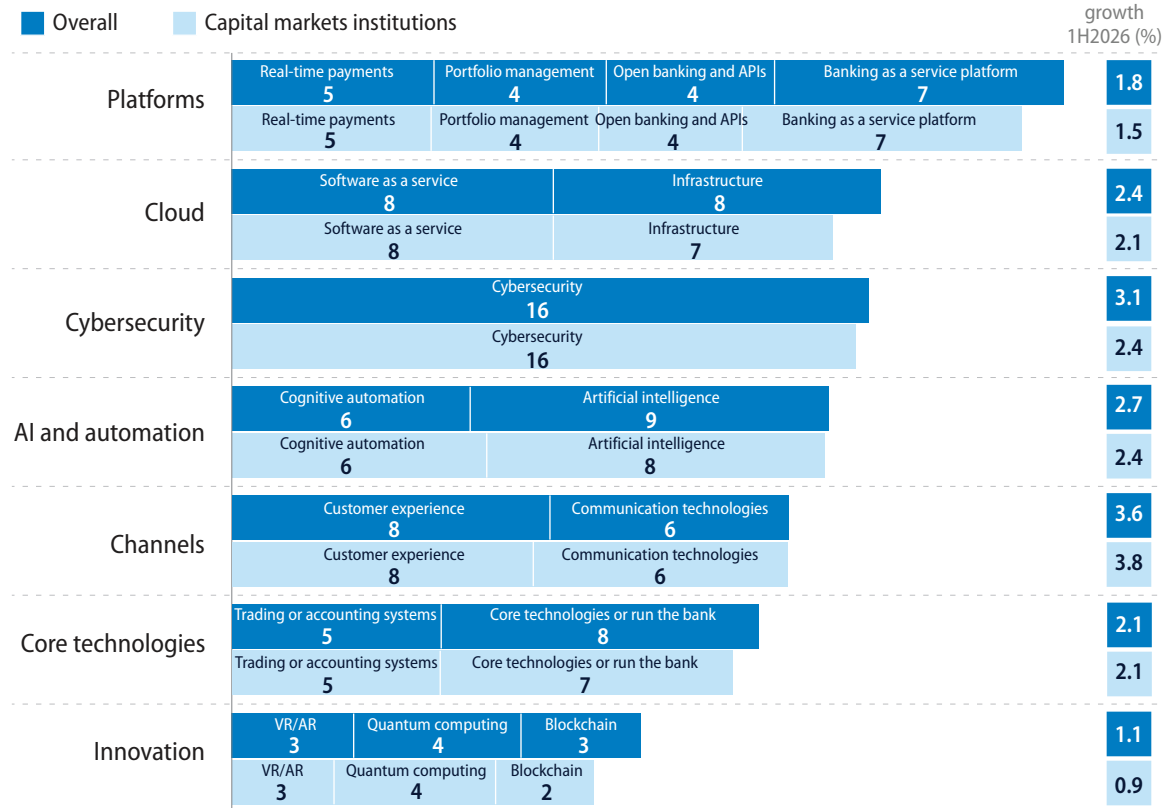
Innovation and business growth remain key priority: For capital markets institutions AI innovation helps speed up trade execution and research, automate post-trade operations such as reconciliation and settlement, and strengthen surveillance, fraud detection, and regulatory compliance.

Technology budget analysis

Core technologies is a top tech spending area

Spending on core technologies expected to rise the fastest

Spending as a percentage of technology budget



N = 400, where N is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions.

Capital markets institutions trail overall sample on tech spend:

Core technology spend is expected to increase by 3.8% between January 2026 and June 2026 from December 2025. The increase is likely to support platform modernization, AI and real-time data, post-trade automation, and stronger regulatory controls.

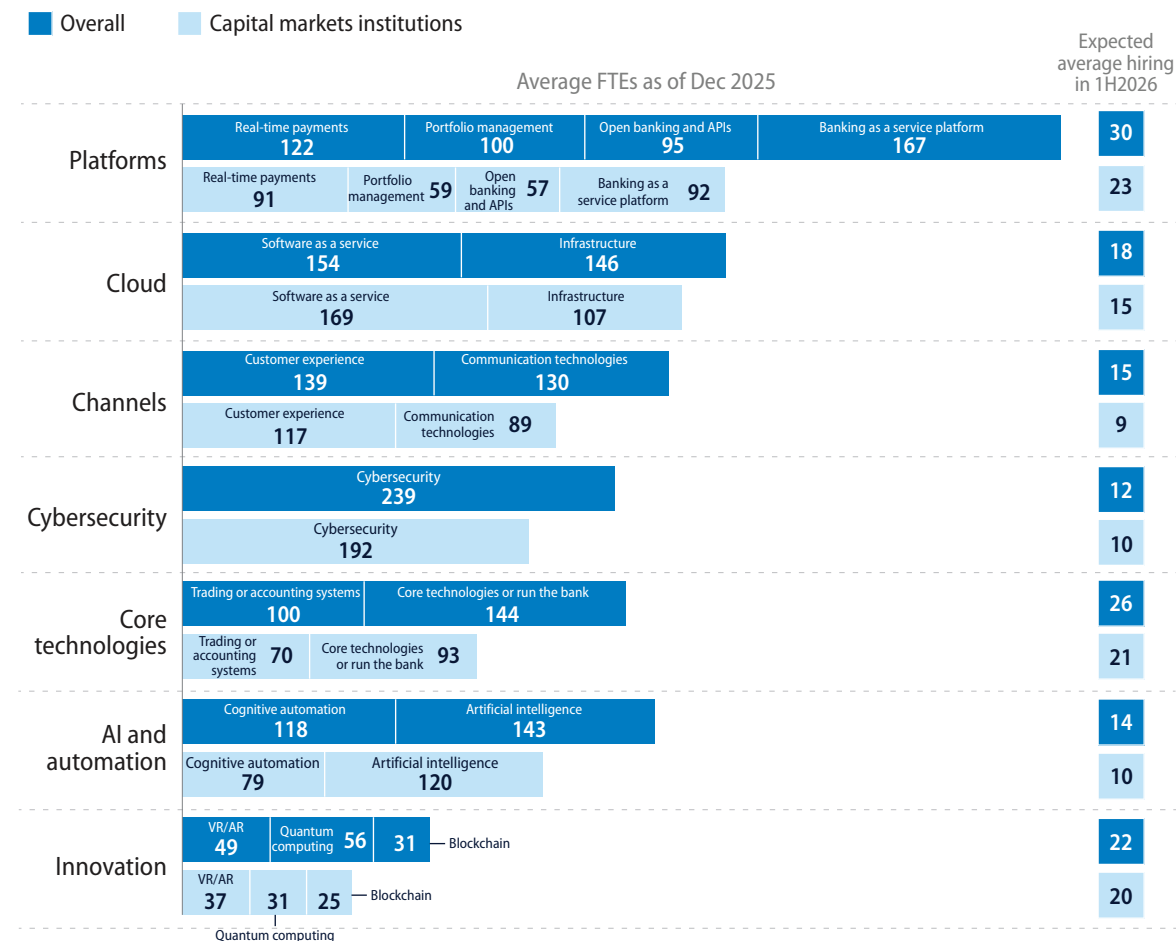
Spend on cybersecurity and AI and automation expected to rise:

The spend will increase by 2.4% each to protect critical market infrastructure, while investing in AI and automation to improve decision-making, strengthen surveillance, and automate trading and post-trade operations.

Spending growth on the top three areas is expected to outpace inflation:

IMF forecasts global inflation to moderate at 4.4% for 2026 and inflation in the US at 3.2% for the year.

Hiring to lag the overall sample



$N = 400$, where N is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions.

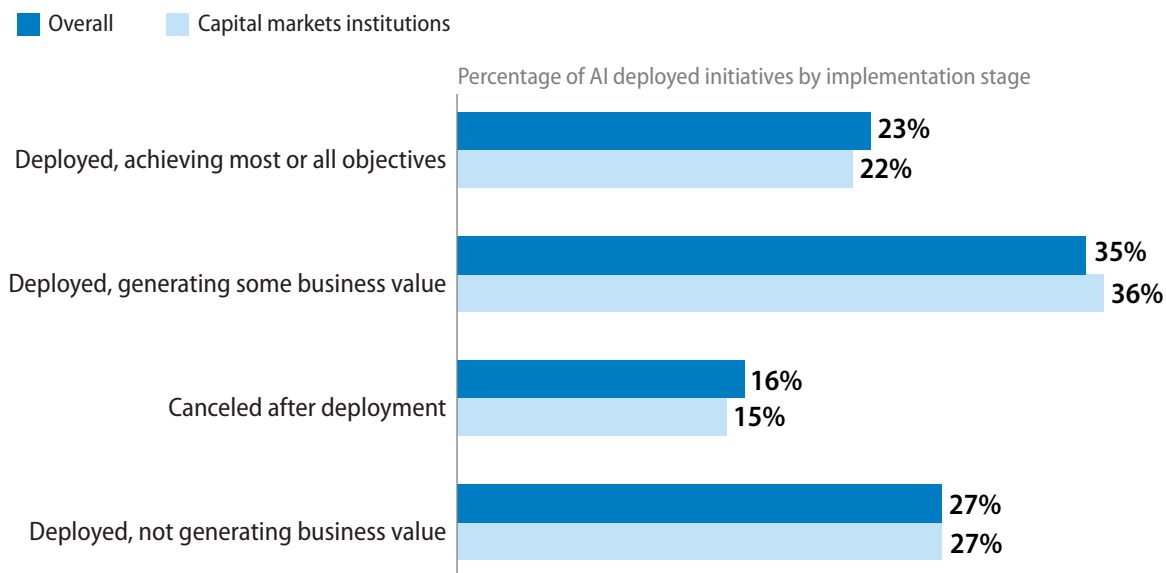
Gap widest among platforms and channels versus overall group: Lower relative hiring is concentrated across technologies, but most visible across platforms and channels.

AI and automation hiring is slightly below the overall sample, signaling a measured, use-case-led approach rather than aggressive expansion.

AI insights

Outcomes prompt scrutiny

Outcomes from AI initiatives on par with overall sample



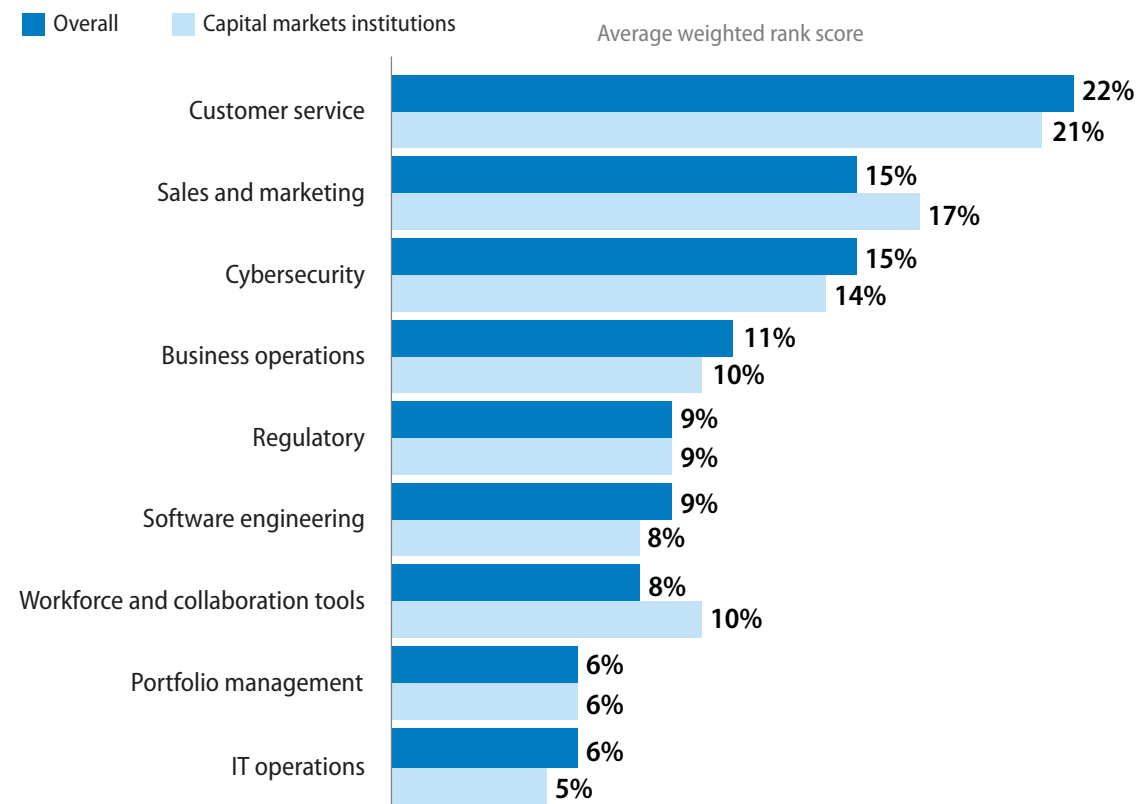
Capital markets institutions are realizing the same business value from deployed AI initiatives: Nearly 58% of AI deployed initiatives in capital markets institutions generate measurable business value, in line with the overall banking sample.

Similar AI value leakage: Capital markets institutions report almost the same share of AI initiatives that fail to deliver business value, at 27%, compared with the overall banking sample.

$N = 400$, where N is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions.

Customer service is the most valuable AI use case

Business functions ranked by where banks see AI generating most business value



N = 400, where *N* is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions.

Customer service generates the most business value: AI helps give institutional clients faster access to trade

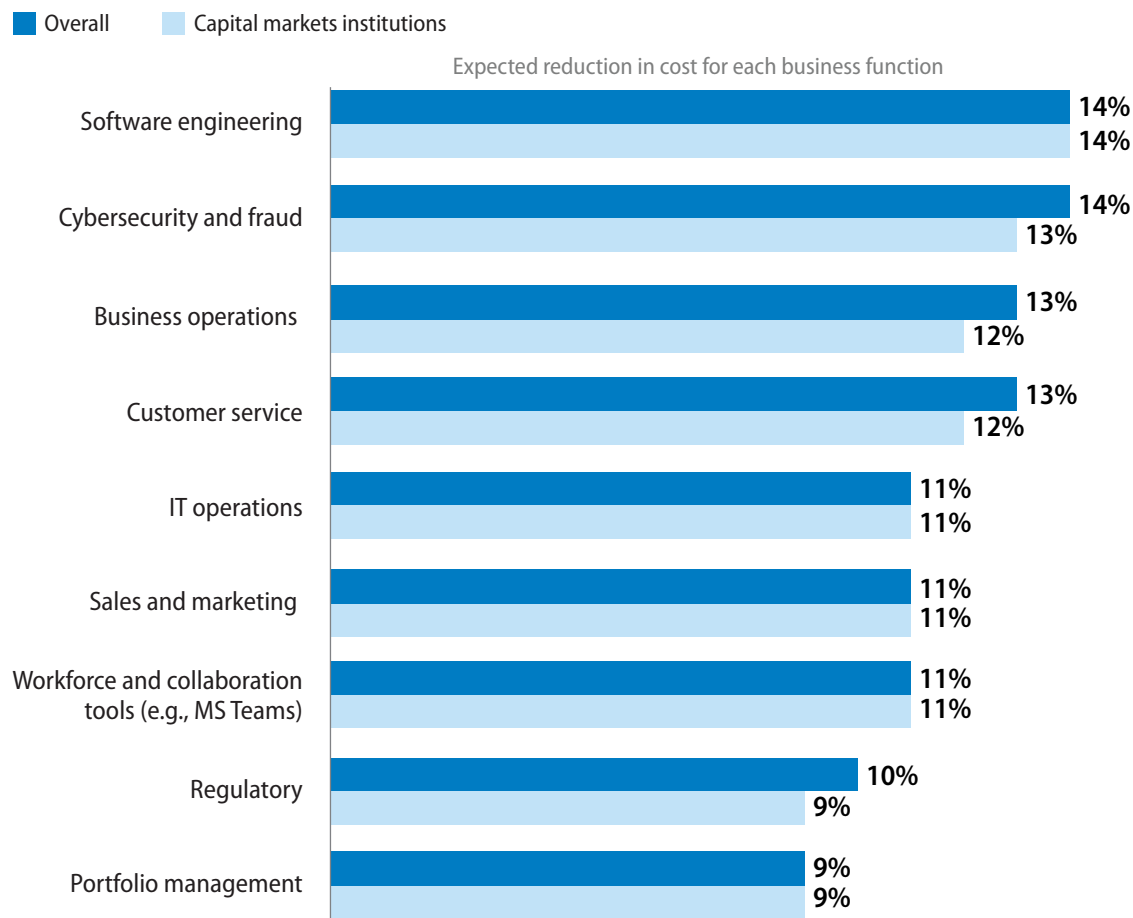
status, portfolio data, research, market insights, corporate actions, and settlement information. It also helps relationship

managers and service teams resolve complex queries more quickly and provide more personalized support.

AI sharpens client insight and product matching: In sales and marketing, the technology helps analyze client trading activity, portfolio exposures, research consumption, and product needs. This allows institutions to identify opportunities, personalize investment and risk-management ideas, and connect clients with relevant trading, financing, and capital-raising solutions.

AI strengthens market infrastructure security: AI helps protect trading platforms, order management systems, market data, and clearing and settlement infrastructure by detecting unusual user, network, and transaction activity. This is especially valuable because cyber incidents can interrupt market access, compromise sensitive trading information, and create wider operational and market risks.

Software engineering is the key focus for AI-driven cost reduction



$N = 400$, where N is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions.

Capital markets institutions largely align with the overall sample:

There is a clear tilt toward AI-driven savings in software engineering, cybersecurity, business operations, and customer services where AI helps save costs. These functions are high-volume, process-heavy, and directly tied to operational efficiency, resilience, and service quality.

Data privacy and security inhibit wider AI adoption

Weighted average ranking of AI challenges

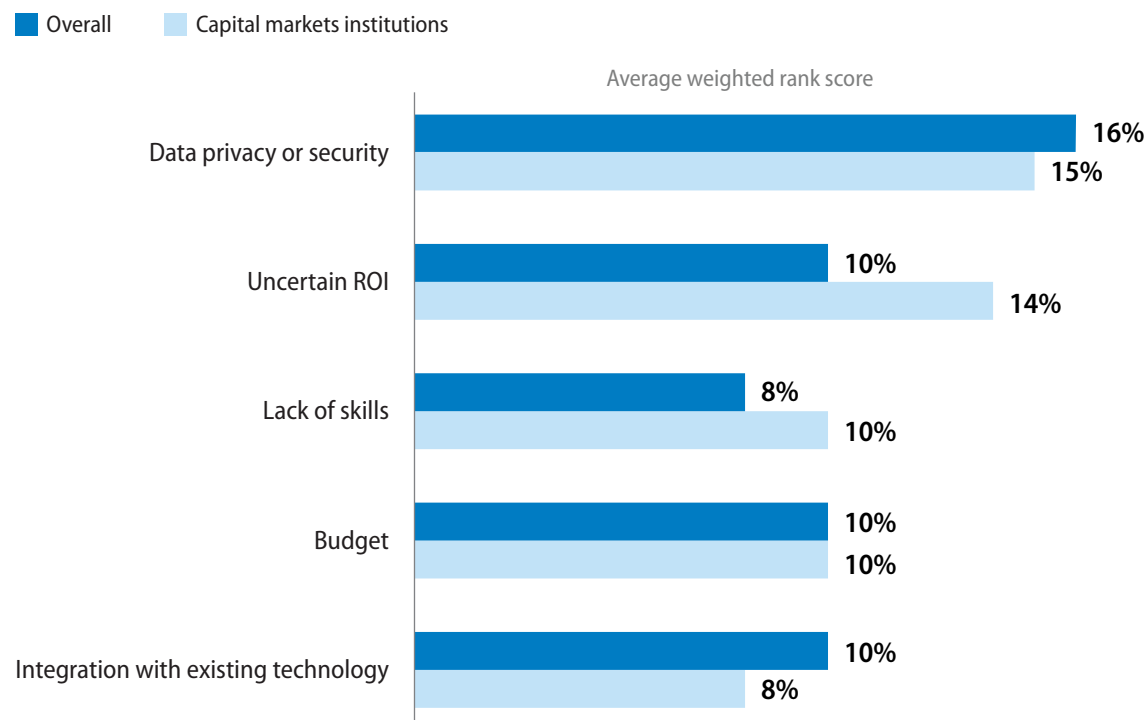


Chart shows only top five of 12 challenges. The values show the average weighted score of each challenge ranked top three. $N = 400$, where N is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions.

Data privacy or security is the top challenge:

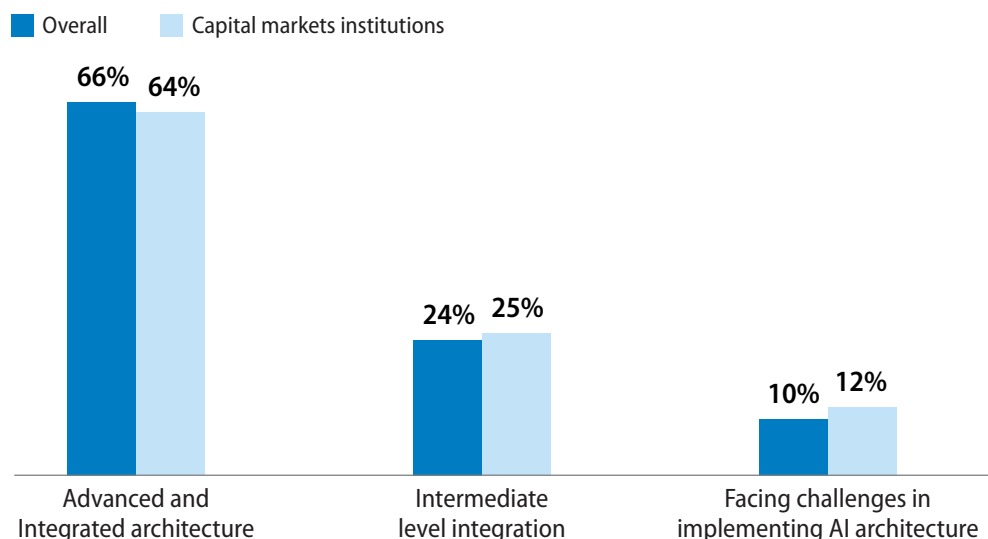
Data issues, including privacy and security, outweigh regulatory and financial concerns. This points to the need for stronger data protection, governance, and trustworthy data handling to enable responsible AI adoption at scale.

Capital markets institutions are more concerned on ROI:

Uncertainty is higher here because AI benefits are often indirect or tied to market conditions. Complex integration, data requirements, model controls, and ongoing maintenance add to the cost and time needed to show measurable value.

Confidence high on data and infrastructure readiness

Percentage of banks that say their data architecture is AI-ready



$N = 400$, where N is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions.

Advanced and integrated architecture means having a unified data platform with a high-quality and robust data governance framework, real-time data access, and advanced centralized data platform (CDP) optimized for AI or generative AI-based banking use cases (e.g., fraud detection).

Intermediate level integration means having a centralized data storage (e.g., data warehouses for analytics), with limited data governance, enabling support for a limited range of AI or generative AI-based banking use cases (e.g., AI chatbots).

Facing challenges in implementing AI architecture means having fragmented data sources with minimal integration, making it challenging to support any AI or generative AI-based banking use cases effectively.

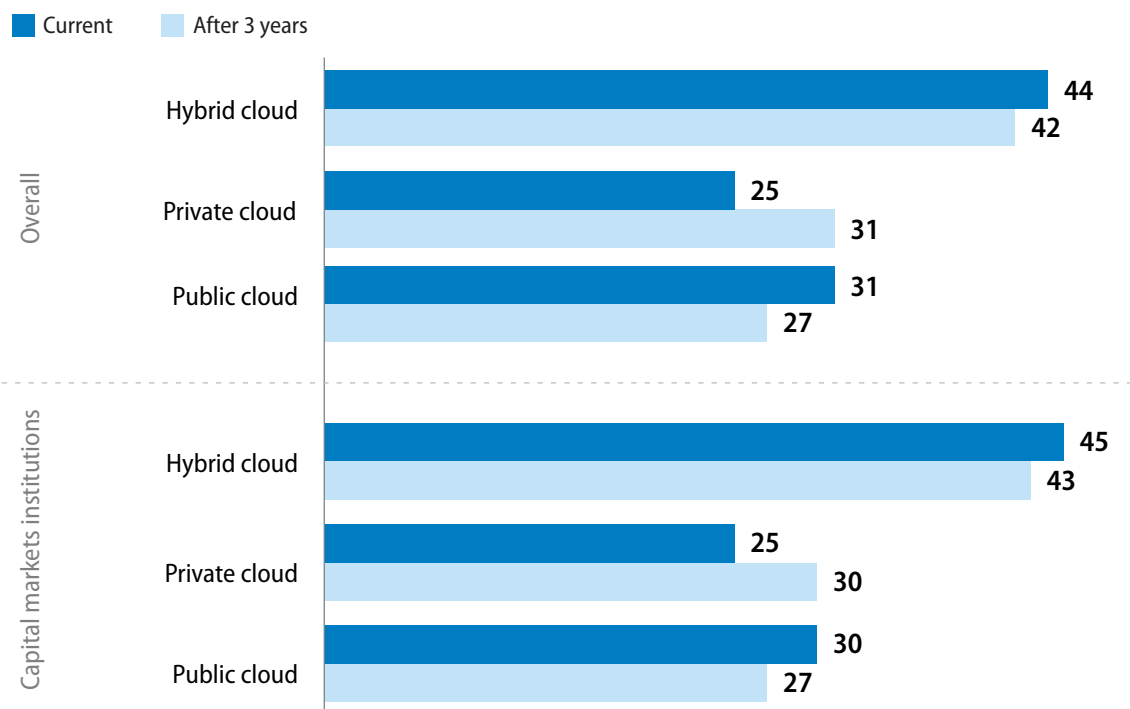
Two-thirds of institutions believe their data architecture is already equipped to scale AI: This sentiment aligns with the broader trend that data maturity and integration are no longer seen as the primary barriers to AI adoption. However, questions remain around the ability to scale AI simultaneously across multiple business lines.

Cloud insights

Cost, data sovereignty, and security
push preference for private cloud

Cost, control, and AI drive private cloud adoption

Current and expected cloud service distribution



$N = 400$, where N is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions.

The balance swings towards private cloud: Usage of private cloud is expected to grow from 25% today to 30% over the next three years, reflecting the need

to balance scalability and flexibility with control, resilience and regulatory compliance.

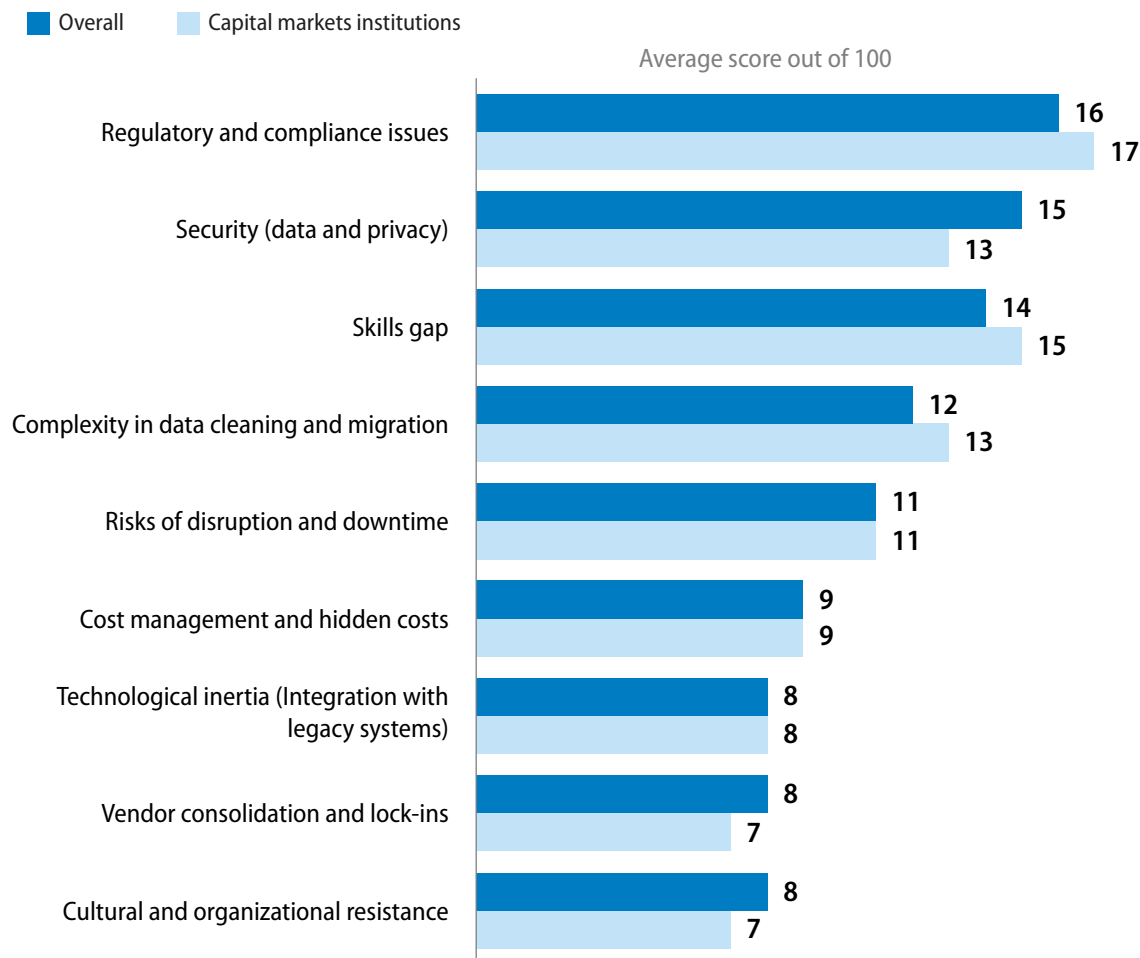
Public cloud cost is rising: Led by AI and ML compute demand, data-transfer fees, vendor pricing complexity, unoptimized modernization, while waste from idle or overprovisioned resources amplifies cost escalation in pay-as-you-go models in North America and Europe.

Heightened data sovereignty concerns: Institutions across Europe and APAC must keep data within required jurisdictions, avoid foreign access risks, and manage complex multicountry regulations.

AI use in private cloud and SLMs: Institutions train on small language models (SLMs) in private environments, where data remains controlled and security risks are reduced.

Regulation and skill gap continue to slow cloud migration

Cloud migration challenges



$N = 400$, where N is the number of banks surveyed in Volume 6 (Dec 2025), of which 102 banks responded to capital markets institutions questions. Security challenges refer to data protection and privacy risks. Technological inertia refers to difficulties in integrating AI with existing legacy systems.

Regulation hinders cloud migration:

This is true for all institutions, irrespective of size and region, with skills gap and security challenges as the next inhibitors.

Skills gap emerges as a new top challenge for overall group:

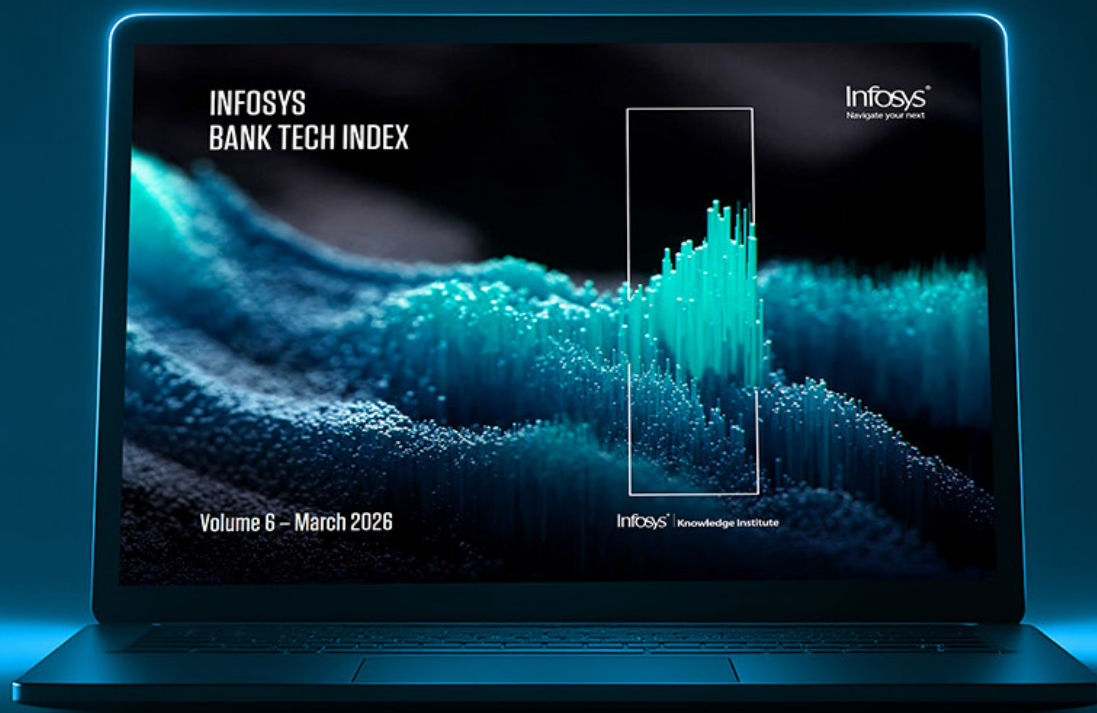
The skills gap challenge increased by four percentage points from December 2024. This trend is expected to increase in line with private cloud adoption.

Security challenges persist:

Although reduced since December 2024, strict compliance standards for sensitive customer data make security one of the top priorities. This underscores the critical need for robust governance frameworks and encryption protocols during migration efforts.



Explore all findings from the Infosys Bank Tech Index now



Appendix

Appendix A: Methodology

The Infosys Bank Tech Index is a semiannual, survey-based research report that indexes technology investment and talent trends across the banking industry.

The sixth edition gathers quantitative data from 400 of the largest banks by total assets in Asia Pacific, Europe, Latin America, the Middle East and Africa, and North America. Our survey, exclusive to banks with assets surpassing \$10 billion, represents 96%* of this asset pool. This semiannual research gathers insights on technology spending, staffing, and performance from a panel of leading banks.

Our executive panelists are key decision-makers for their respective banks' technology investments and talent strategies. Panel respondents will remain confidential to maintain data privacy and ethical considerations.

The research delves into the following areas:

1. **Capital markets insights:** Current priorities, challenges and technology spend.
2. **Technology strategic priorities:** Current priorities of banks related to growth, operational efficiency and transformation.
3. **Technology talent:** Current technology workforce and expected recruitment for technology roles.
4. **Technology budget analysis:** Current technology budget distribution and expected technology budget distribution.
5. **AI insights:** Percentage of initiatives in each stage of deployment, functions where AI generates the most value, functions where AI reduces costs the most, and improves productivity the most, areas where AI has the most positive impact, business lines where

AI is used the most, and challenges to AI adoption.

6. **Cloud insights:** Current cloud strategy and expected cloud strategy, plans to migrate to cloud or use a cloud service platform, and challenges to cloud migration.

As data is gathered in subsequent quarters, this research will provide a dynamic view of the trends, track evolving patterns and help decision-makers at banks make informed decisions about technology and talent.

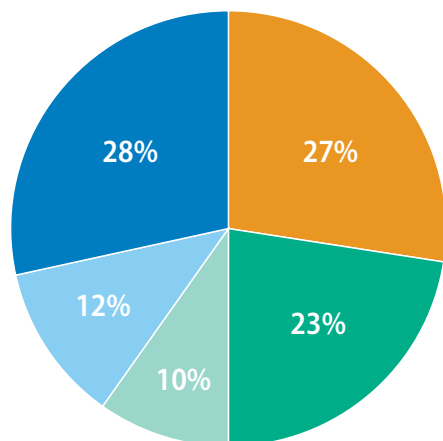
In Volume 6, we asked our panel to provide the expected total spending (including capital expenditure and operational expenditure), expected technology spending change, and expected technology recruitment for the first six months of this year, i.e., January 2026 through the end of June 2026.

* Based on 750 banks and assets, as of December 2024

Appendix B: Panel distribution

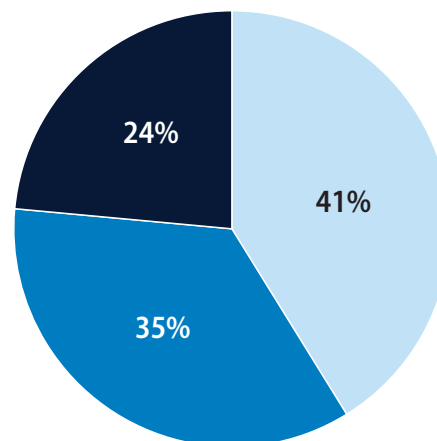
Capital markets institutions
by region (102 banks)

APAC Europe Latin America
Middle East and Africa North America



Capital markets institutions
by total assets (102 banks)

\$10bn-\$50bn \$50bn-\$250bn
More than \$250bn



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