

## Finacle-Ovum Research Findings Show Outdated Core Banking Systems Slowing Down Growth for European Banks

*Research Reveals Poor Core Banking Systems Prevent European Banks from Bringing New Products to Market Quickly*

**London: May, 10, 2012:** A new survey from Ovum, commissioned by Infosys, reveals that 75 percent of the European banks are still using outdated core banking systems, which is affecting their ability to accelerate growth. The research covered 65 C-level executives across European financial institutions and highlights that the lack of modern core banking systems is impacting the bank's ability to meet changing customer demands quickly, and adapt to regulatory compliance mandates efficiently.

### **Key research findings include:**

#### **Outdated systems a barrier to innovation and compliance**

- 80 percent of the banks said that outdated core banking systems were causing them to struggle to bring new products to market quickly
- Three-quarters of the banks face difficulties getting access to timely data, and close to two-thirds feel that existing systems do not support regulatory change

#### **Increasing wallet share within the existing customer base a priority**

- 55 percent of banks are focusing on increasing wallet share within the existing client base, with only 20 percent trying to achieve growth through new customer acquisition
- However, providing a unified customer experience across channels is an issue for about half of European banks, impacting their ability to effectively cross-sell

#### **Business and Information Technology (IT) still walk different paths**

- About three-quarters of banks struggle to enact process change led by the business, with IT systems proving a stumbling block rather than an enabler
- 79 percent of European banks said that the complexity of IT, combined with insufficient expertise within the business, was a major barrier to core system replacement

#### **Haragopal Mangipudi, Global Head - Finacle™, Infosys, says:**

“Compliance, innovation and speed to market are crucial for banks to succeed in the current market. Banks across Europe need to take action now if they are to address the issues highlighted in the report and remain competitive. Core banking systems are at the heart of any bank's activity and adoption of modern systems should be reflected in the bank's strategy to stay competitive.”

**Daniel Mayo, practice leader, financial services technology, Ovum, says:**

“There is a clear disconnect between market needs and market capabilities when it comes to core banking systems. Many banks are trying to restore revenue and drive growth through better servicing and cross-selling to their existing customer base. While European banks with modern packaged systems have faith that they are equipped to tackle the challenges in the coming years, those using older core banking systems do not.”

A full report of the findings can be downloaded at:

<http://www.infosys.com/finacle/resources/industry-reports/Pages/index.aspx>

**About Finacle™ Universal Banking Solution:**

Finacle from Infosys partners with banks to power-up their innovation agenda, enabling them to differentiate their products and service, enhance customer experience and achieve greater operational efficiency. This proven and effective framework for multi-disciplinary change, enables banks to shift their strategic and operational priorities. Finacle solutions address the core banking, e-banking, Islamic banking, treasury, wealth management and CRM requirements of retail, corporate and universal banks worldwide. Several powerful and differentiating features make Finacle one of the most comprehensive, flexible and scalable universal banking solutions in its class. These solutions, when associated with Finacle services, empower banks to maximize their opportunities for growth, while minimizing the risks that come with large-scale business transformation. For more information, visit [www.infosys.com/finacle](http://www.infosys.com/finacle)

**About Infosys**

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Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2011 and on Form 6-K for the quarter ended June 30, 2011 September 30, 2011 and December 31, 2011. These filings are available at [www.sec.gov](http://www.sec.gov). Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the

Securities and Exchange Commission and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company

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