

## More Than 70% Of Banks Increasing Innovation Spend Despite Tough Economy: New Study By Infosys & Efma

*“Innovation in Retail Banking” report finds mobile and online channels are keys to global success*

**London, Bangalore – November 12, 2012:** Despite conflicting priorities and the economic downturn, banks around the world are still increasing their investments in innovation. These key findings are part of [“Innovation in Retail Banking 2012,”](#) the fourth annual study commissioned by Infosys, a global leader in consulting and technology, and Efma.

The study of 300 bankers in 66 countries across Europe, the Middle East, Africa, the Asia-Pacific region, and the Americas also found that online and mobile channels are growing rapidly, with banks focused on areas of innovation that will attract new customers and grow revenues.

### Key findings of the study include:

- 79% of banks see innovation as strategically important to the future success of their business.
- 76% said that investment in innovation in 2012 has already increased over the previous year, mostly in the areas of channels and customer experience.
- Bank branches receive the highest proportion of discretionary IT budget at 27%, compared to 26% for online and 20% for mobile – yet there was a consistent view across the regions that online and mobile are the most important channels for innovation.
- 93% of banks expect to offer mobile payment services and 89% plan to offer bespoke tablet banking applications to customers within the next three years; the area of fastest growth comes from innovations in value-added services such as personalized location-based offers, a space where within three years more than 76% of banks will shift focus to, up from just 8% today.
- 87% of banks are focused on integration with social media, and 86% on interactive services, such as Web chat, video conferencing, and click-to-call; this highlights that banks are focused on improving the customer experience through greater interactivity.

**Patrick Desmarès, Secretary General, Efma, said:** “This study – the fourth consecutive year we’ve carried it out – provides interesting insights as to how banks around the world approach innovation and where they invest their efforts. The growing focus on mobile devices and online innovation reinforces the rapid adoption of these channels. By offering increased interactivity and personalization, they clearly have the potential to drive growth.”

**Haragopal Mangipudi, Global Head – Finacle, Infosys said** “In spite of the challenging economic environment in many parts of the world and the competitive pressures on retail banks, it is very encouraging to see the recognition that innovation is essential to long-term growth. All too often there is the tendency to allow other priorities to slow down the pace of innovation. But banks are acknowledging that they need to innovate to succeed.”

### Supporting Resources

- [Innovation in Retail Banking – Growth of Channel Innovation: 4th edition](#)

- [Innovation in Retail Banking – Customer focused Innovation: 2nd edition](#)
- [Innovation in Retail Banking: 1st edition](#)

**About Infosys**

Infosys partners with global enterprises to drive their innovation-led growth. That's why Forbes ranked Infosys 19th among the top 100 most innovative companies. As a leading provider of next-generation consulting technology and outsourcing solutions, Infosys helps clients in more than 30 countries realize their goals. Visit [www.infosys.com](http://www.infosys.com) and see how Infosys (NASDAQ: INFY), with its 150,000+ people, is Building Tomorrow's Enterprise® today.

**About Efma**

As a global not-for-profit organisation, Efma brings together more than 3,300 retail financial services companies from over 130 countries. With a membership base consisting of almost a third of all large retail banks worldwide, Efma has proven to be a valuable resource for the global industry, offering members exclusive access to a multitude of resources, databases, studies, articles, news feeds and publications. Efma also provides numerous networking opportunities through working groups, online communities and international meetings. ([www.efma.com](http://www.efma.com))

**Safe Harbor**

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, 2012 and on Form 6-K for the quarters ended December 31, 2011, June 30, 2012 and September 30, 2012. 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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