



PRESS RELEASE

Banks in Emerging Markets Investing Ambitiously to Gain Innovation Leadership: Infosys, Efma Study

Bangalore and Paris – October 29, 2014: Infosys, a global leader in consulting, technology and outsourcing, today announced the launch of its Innovation in Retail Banking 2014 report. The sixth annual study, commissioned by Infosys and conducted by Efma, surveyed over 100 retail banks around the world. The latest report has revealed that more banks in fast growing and rapidly developing markets display greater ambition for becoming innovation leaders in delivering superior customer value. They do this by investing more in research and development, compared to their peers in mature markets.

The study also revealed that banks across the globe, especially from more mature economies, are increasing their innovation investments in 2014 compared to 2013 to keep pace with increasing customer expectations and respond to new market entrants. While new competitors include established technology companies and telcos, there is increasing collaboration with start-up companies to help drive innovation in banks.

Highlights

- Banks in emerging middle income and relatively high growth countries (such as Brazil, India, Malaysia, Russia, South Africa and Turkey) are more likely on average to have an innovation strategy, to be aiming to become innovation leaders, and to be investing in R&D
- Banks are most concerned by the threat from technology companies entering the market (for example Google, Apple and Facebook). The threat from this type of competitor was rated high by 45 percent of banks and has increased in the last 12 months. After technology companies, the most significant threat is perceived to come from telcos and from start-ups
- As part of their innovation strategies, 26 percent of banks surveyed are investing in start-ups
- Globally, 84 percent of banks are increasing investment in innovation as compared to 2009, when only 13 percent of banks increased investment
- 61 percent of banks indicated they have an innovation strategy, a significant increase from 37 percent in 2009
- 49 percent of banks are aiming to be innovation leaders in their markets, whereas 38 percent of banks are content to be fast followers
- Channels continues to be the area attracting most investments with 89 percent of banks increasing their investments in this area





- Many banks organize their innovation activities around specific themes. "Mobility" is currently the most important theme with 88 percent of banks rating the importance as "high". Closely following that are the themes of "Big Data" (67 percent) and "Social Channels" (63 percent)
- Over 70 percent of banks perceive mobile payments and services on multiple devices to be of high importance for delivering customer value in the mobile channel
- For the online channel, automated account origination and personalization of marketing offers are considered to be of high importance by 70 percent and 59 percent of banks respectively

Quotes

Michael Reh, Senior Vice President and Global Head of Finacle at Infosys:

"In times of continued pressure on profitability, there is no letup in the demand from customers for innovative products and services. One interesting finding of this year's report is that many banks in rapidly growing emerging markets, who are used to generating profits from customers with smaller transaction values, are at the forefront of innovation in retail banking. Lessons on innovation from these banks could be extremely valuable to financial institutions around the world as they compete with new players in the market."

Patrick Desmarès, Secretary General at Efma:

"This year's global retail banking study indicates more banks are adopting formal innovation practices and developing their approach to open innovation. However, there are still a large number of banks which do not seem to have good basic practices, so there is plenty of room for improvement. Working closely with start-ups is becoming more common and we believe this is a positive trend. Interestingly, it is the banks in fast growing and rapidly developing markets that are still leading the way and showing more ambition."

Additional Resources:

- The full report can be downloaded from the [report microsite](#)
- View related infographic, video and other collaterals at the [report microsite](#)
- Last year's report: [Innovation in Retail Banking 2013](#)

About Efma

As a global not-for-profit organization, 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)

About Infosys

Infosys is a global leader in consulting, technology and outsourcing solutions. We enable clients, in more than 50 countries, to stay a step ahead of emerging business trends and outperform the competition. We





help them transform and thrive in a changing world by co-creating breakthrough solutions that combine strategic insights and execution excellence.

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Safe Harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, 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, 2014 and on Form 6-K for the quarter ended September 30, 2014. These filings are available at 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. In addition, please note that the date of this press release is mentioned at the beginning of the release, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. 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 unless it is required by law.

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