

INFOSYS BANK TECH INDEX: VOLUME 4

BALANCING INNOVATION AND COST OPTIMIZATION WHILE BUILDING TRUST

A survey of **379** global banks with assets over **\$10 billion** each, representing **94%** of this asset pool.

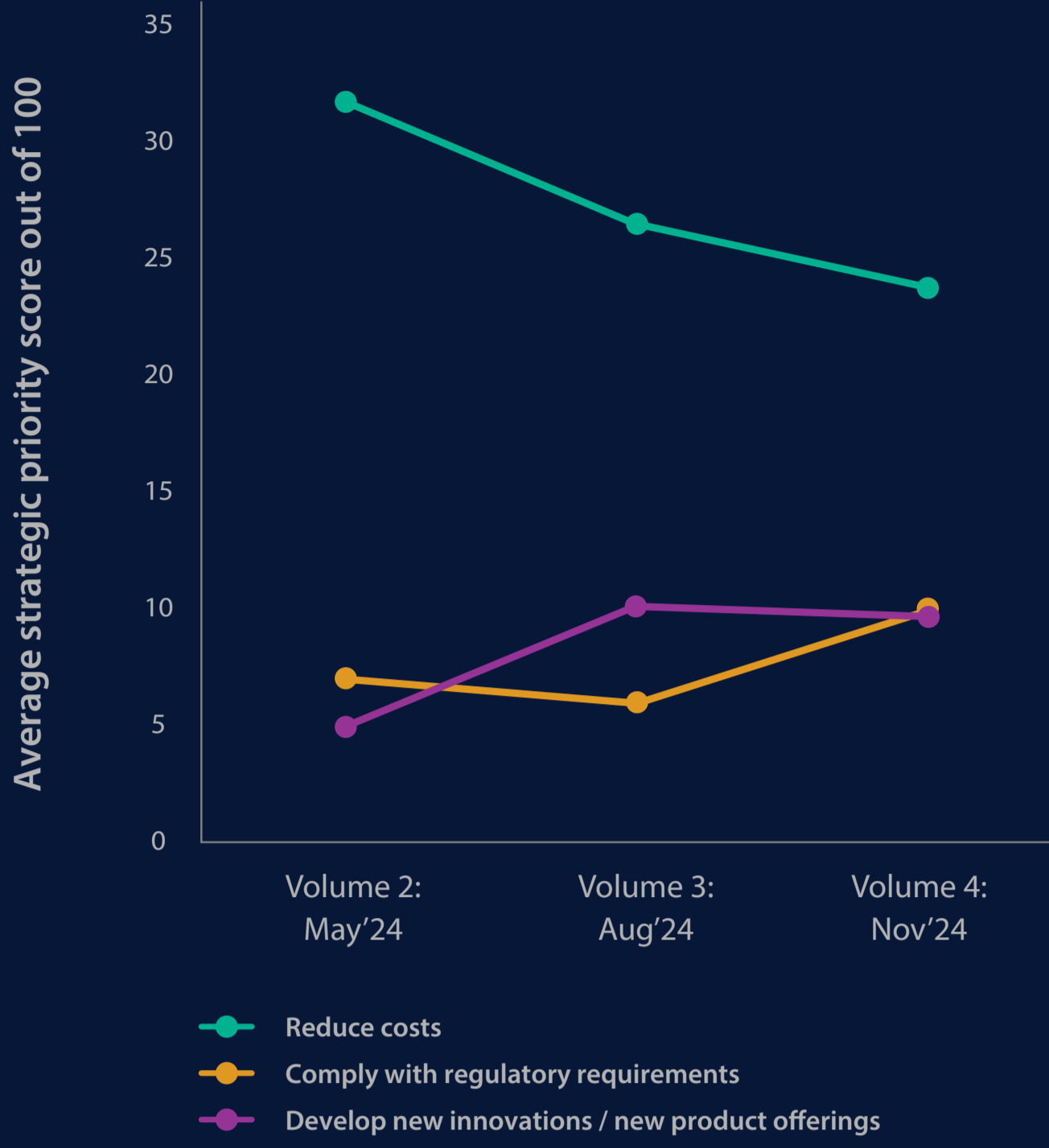
FOCUS SHIFTS FROM COMPLIANCE TO COSTS

+4 POINTS

increase in compliance priority since Volume 3.

-8 POINTS

decrease in cost reduction priority since Volume 2.



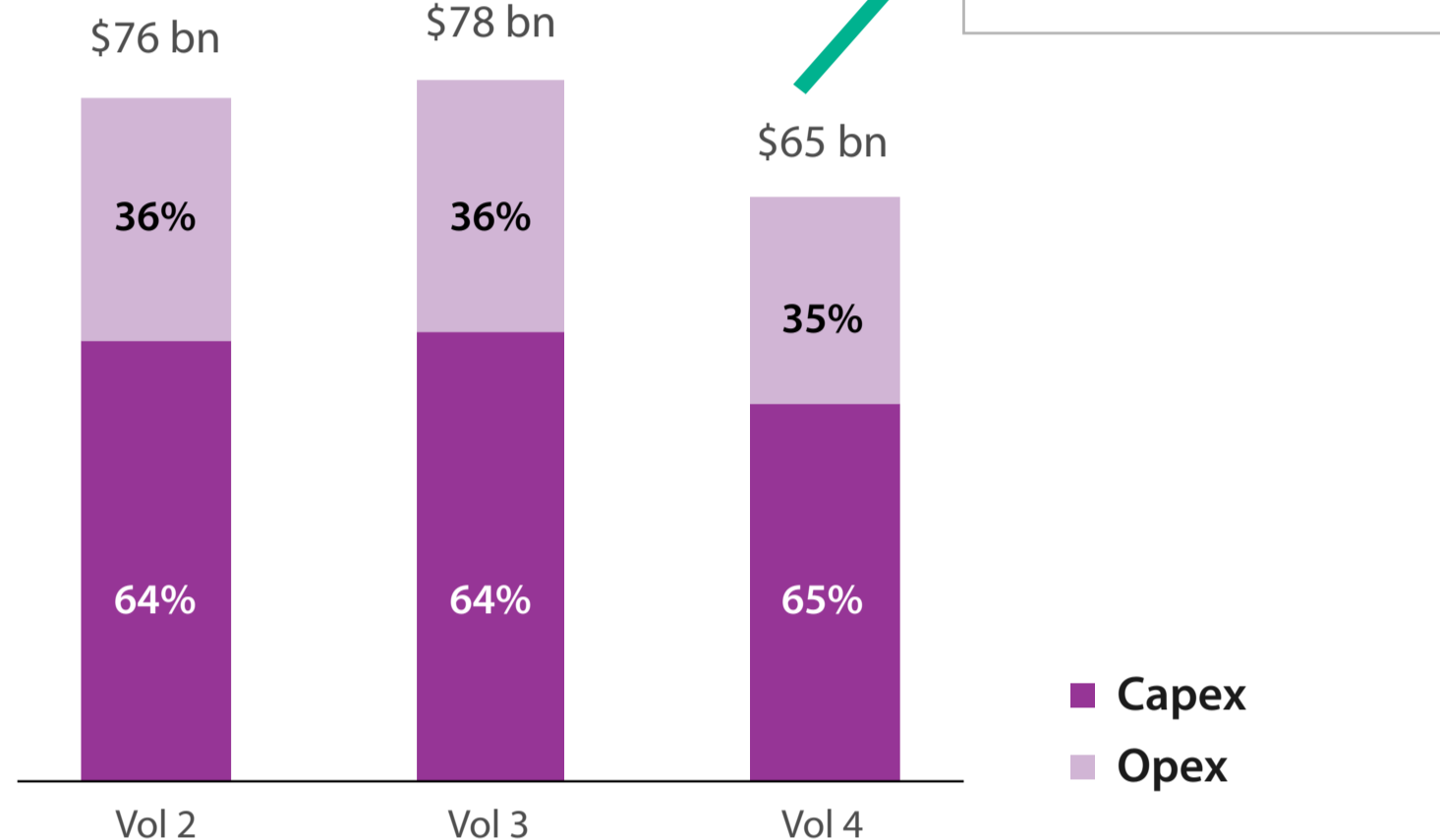
Reducing costs is still the top priority, while regulatory compliance picks up pace.

3% INCREASE IN TECH SPEND EXPECTED BY YEAR-END

\$65 billion total tech spending in Q2 2024 (down from \$78 billion in Q1).

Tech spending is projected to rise by **3%** between July and December 2024.

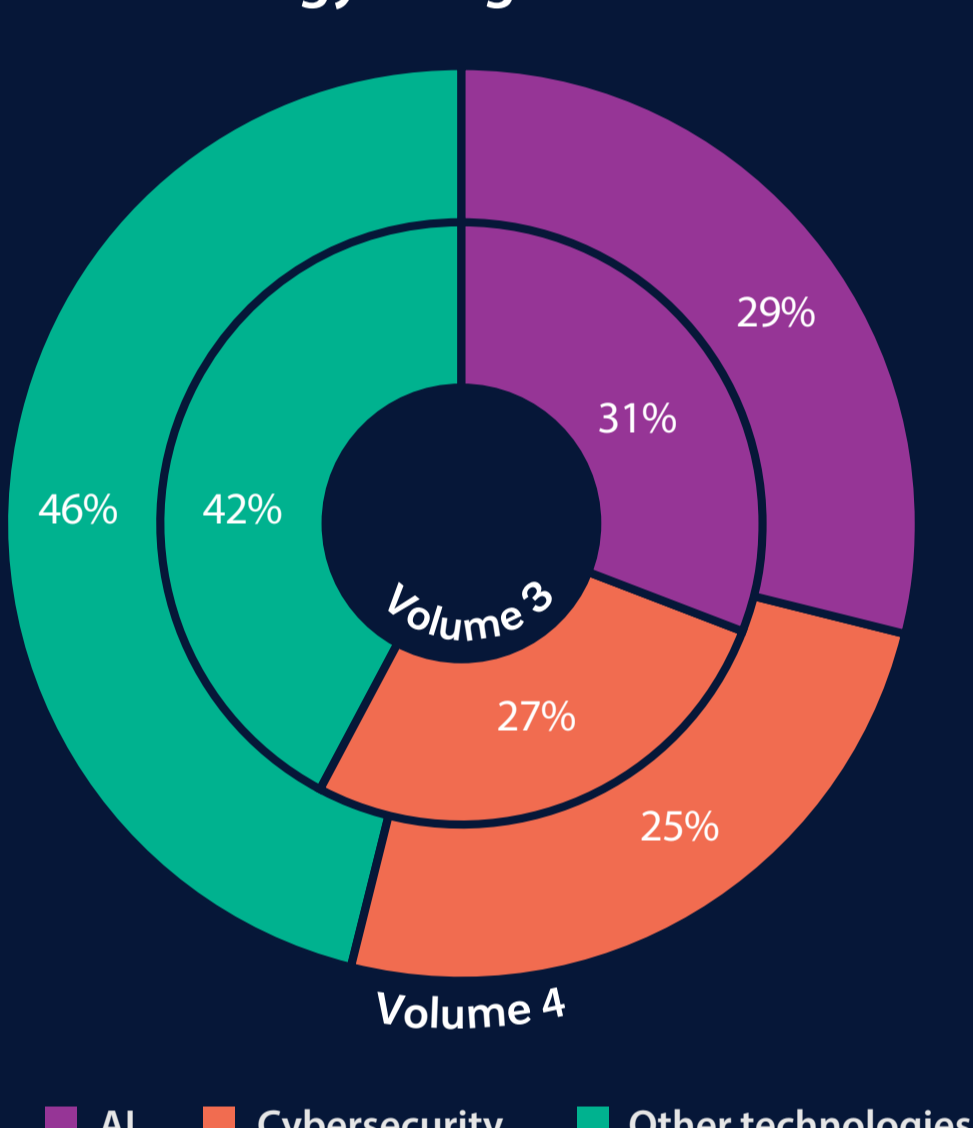
CapEx accounts for **65%** of tech spending, while **OpEx** makes up **35%**.



Tech spending is expected to rise by 3% by year-end

Despite recent fluctuations, banks are projecting moderate growth in tech spending by year-end.

Technology budget distribution



AI AND CYBERSECURITY ACCOUNT FOR THE LARGEST SHARE OF BUDGET ALLOCATION

Combined, **AI and cybersecurity** make up **54%** of the total tech budget.

Banks have decreased their allocation on large language models and machine learning.

Spend on AI is expected to rise by **7.7%** in the second half of 2024, led by **4%** growth in machine learning.

Budget allocation to AI is cooling, but is expected to rise again.

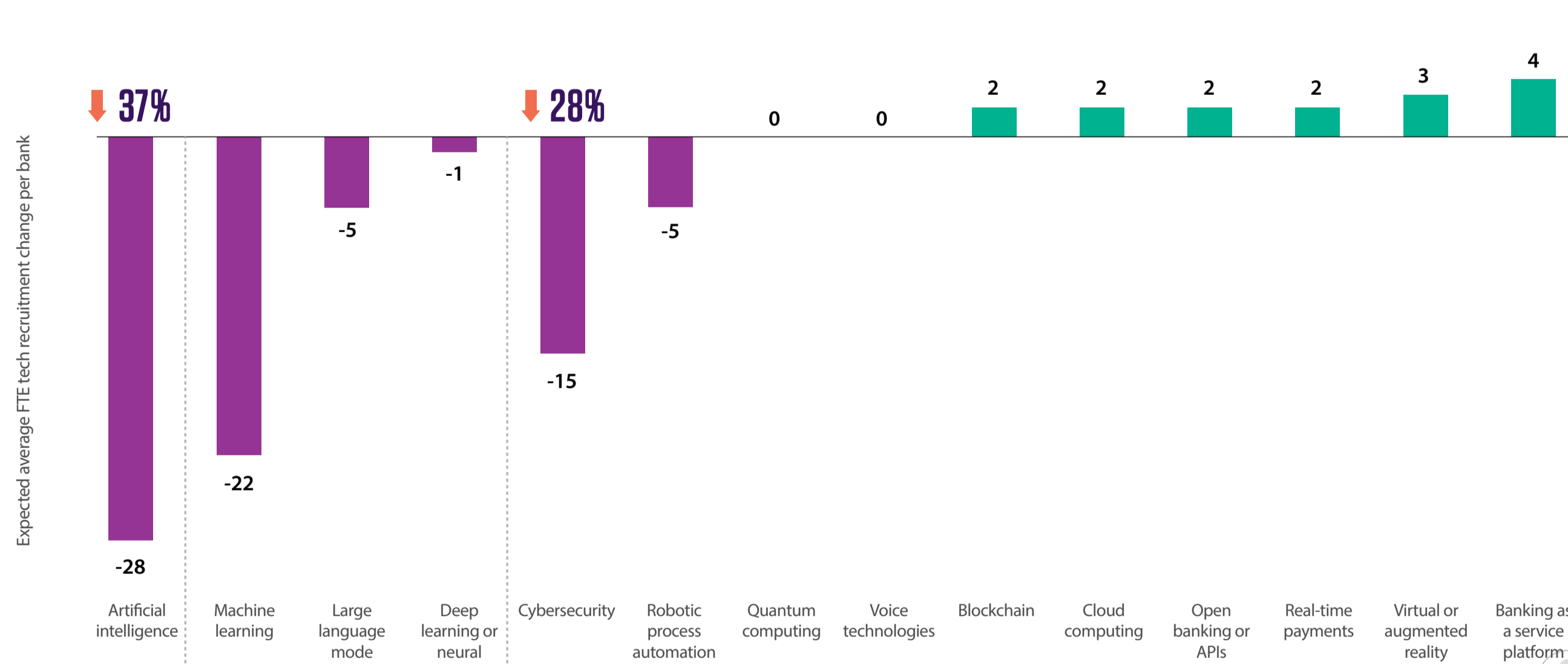
AI AND CYBERSECURITY HIRING SLOWS; HIRING RISES FOR CLOUD AND BAAS

Recruitment for **AI and Cybersecurity** roles are expected to **drop by 37%** and **28%** respectively

But **these technologies** are expected to account for **30%** and **24%** of **total recruitment**

Recruitment for **cloud** and **Banking-as-a-Service (BaaS)** roles expected to rise

Average expected technology recruitment per bank



Hiring for traditional AI and cybersecurity roles is cooling to emerging tech areas like cloud, deep learning, and BaaS.

REGIONAL VARIATIONS IN TECH SPEND AND HIRING PRIORITIES

Each region displays **one key data point** for a concise overview:

North America: North American banks allocate the most to cybersecurity at 27% of tech budgets.

Latin America: Latin American banks are increasing BaaS investment and open banking initiatives.

Europe: 18% of tech hiring at European banks is expected to be for machine learning roles

APAC: APAC banks lead with 31% of tech budgets allocated to AI.

Middle East & Africa: Middle Eastern and African banks show the largest rise in deep learning budgets.

KEY STATS RECAP

Total tech spending: \$65 billion in Q2, with a projected 3% growth by year-end.

Strategic priorities: Compliance priority up by 4 points; cost reduction down by 8 points since Vol. 2.

Tech budgets: 54% of tech budgets allocated to AI and cybersecurity.

Tech recruitment: AI and cybersecurity hiring slows, but still account for the majority of hiring.

INSIGHT:

Spend on AI expected to grow as banks continue to see value in this technology

For more in-depth insights, read the full Infosys Bank Tech Index: Volume 4 report.