

# BFSI to cross \$3.5bn in IT investment by 2010

## Banking Bureau

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Banks and Financial institutions (BFSIs) in the country would be looking to invest over \$2 billion by December in the IT, ITeS sector, says Skoch consultancy.

"We expect that by 2010 the investments by BFSIs in the areas of IT and its applications and services could be crossing \$3.5 billion market size," said Sameer Kochhar, chief executive officer of Skoch Consultancy.

An estimated \$2,078 million is expected to be spent by December this year, showing a growth of 18% over \$1,764 million in 2006. Out of the \$1.7 billion in 2006.

About \$863 million was spent on hardware, \$263 million on packaged software and \$820 million in services.

This year's investment on hardware is

estimated to be \$ 797 million and \$305 on packaged software and \$976 million on services.

Expenditure on core banking software packages grew at less than 10% while still accounting for more than 50% of packaged software spending of \$263 million in 2006.

"Unconventional areas like customer relationship management (CRM), human resources management (HRM),

business intelligence and data mining kind of applications and services show higher growth rate than the traditional core banking software," he added.

He emphasised that micro-credit institutions and

non-banking financial companies (NBFCs) are expected to see a high degree of IT spending not just for automation but also on cutting down transaction costs for reaching financial services to the hinterland.

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