



# **Banking BPO Annual Report 2015 – Heavy on Technology, Low on People – Future of Banking BPO**

Banking, Financial Services, and Insurance (BFSI) Outsourcing  
Annual Report: June 2015 – Preview Deck

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<sup>1</sup> Banking, financial services, and insurance

# Background and scope of the research

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## Background of the research

- The market for third-party BPO in banking crossed the US\$3.5 billion mark in 2014, growing at a CAGR of 8-10% over a period of four years. Recovery in growth rates was driven by reduced mortgage rates and higher outsourcing in the commercial banking segment. As the role of digital banking increases, service providers are looking to automate transactional processes and shift focus to more judgment-intensive offerings. Further, regulatory pressures and risk management concerns continue to be a driver for growth of BPO services

## In this study, we investigate the state of the banking BPO market. We focus on:

- Market size and buyer adoption
- Banking BPO solution characteristics across size and scope, Line of Business (LoB) adoption, analytics and risk regulatory services trends, technology model, global sourcing, and pricing structures
- Banking BPO service provider landscape, which covers service providers' market share and presence across various geographies

## Scope of study and sources of information

- Third-party banking BPO contracts; it does not include shared services or Global In-house Centers (GICs)
- 400+ banking BPO contracts signed as of 2014
- Coverage across 16 banking BPO service providers including Avaloq, Cognizant, EXL, Genpact, HCL, IGATE, Infosys, Mphasis, Serco, Sutherland Global Services, Syntel, TCS, Tech Mahindra, Wipro, WNS, and Xerox

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# Overview and abbreviated summary of key messages

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This report provides comprehensive coverage of the banking BPO market and analyzes it across various dimensions such as market overview, value proposition and key challenges, buyer adoption trends, solution characteristics, and service provider landscape

**Some of the findings in this report, among others, are:**

## Market overview, value proposition, and key challenges

- Third-party Business Process Services (BPS) in the banking industry is a US\$3.5 billion market, which is growing at 8-10% CAGR
- Overall, new banking BPO contract signings are the primary growth driver. Renewals continue to be strong

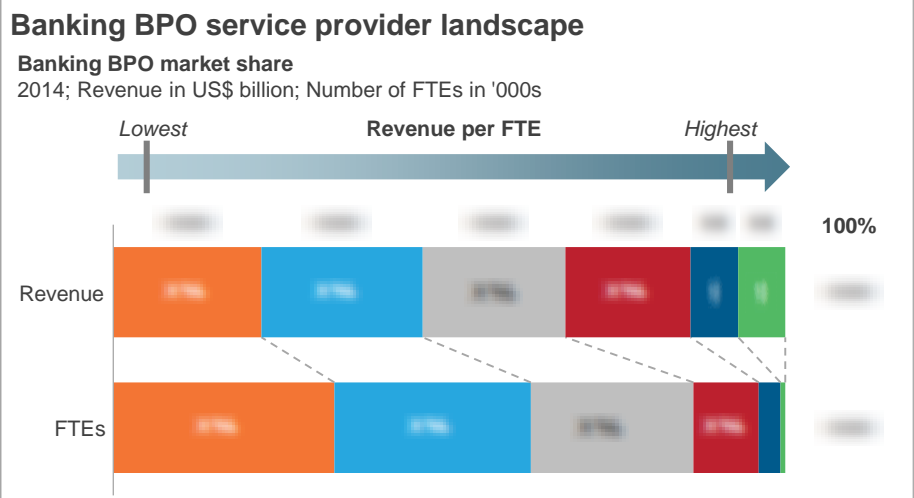
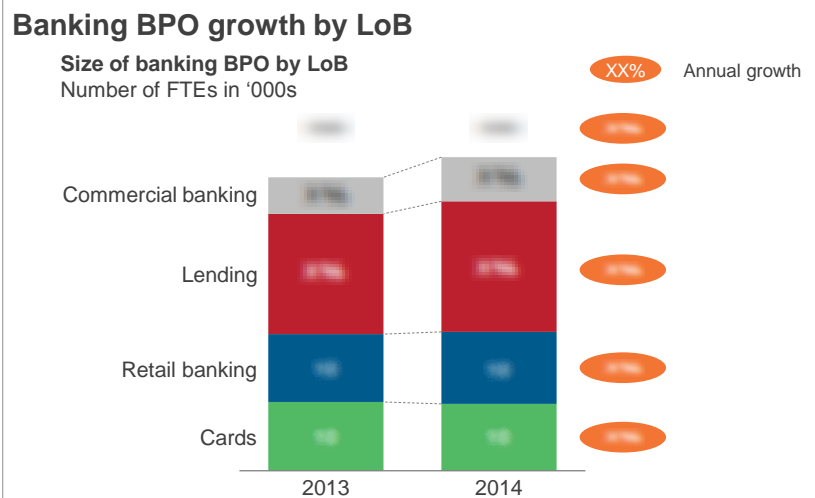
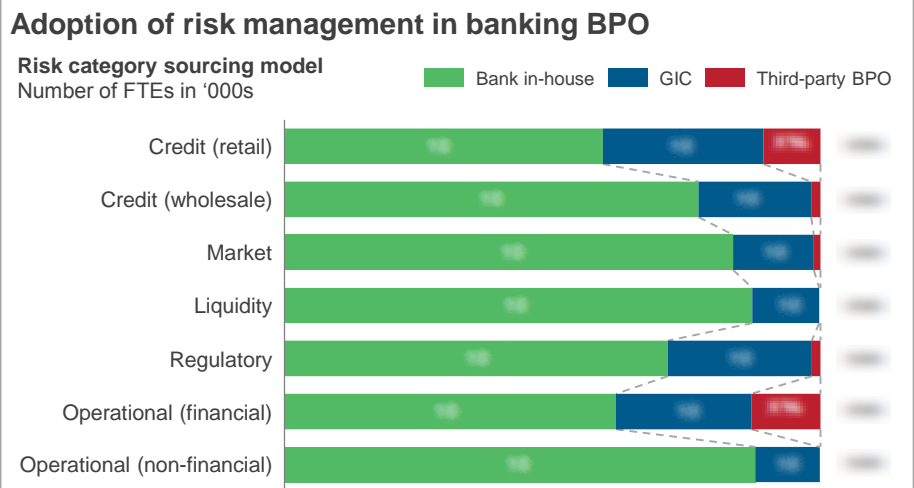
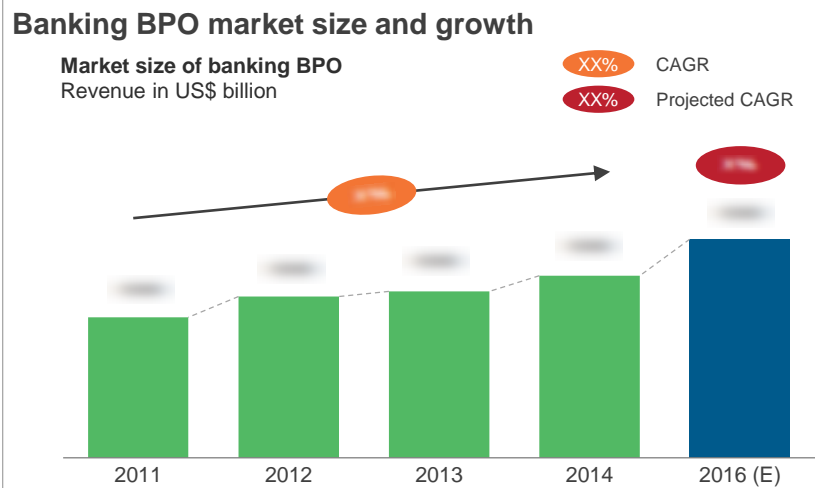
## Banking BPO solution characteristics

- Macroeconomic factors led to an uptick in the mortgage market, thus driving growth in the commercial banking segment
- Shoring mix has largely stabilized, with some instances of higher onshore support emerging due to movement towards judgment-intensive services

## Banking BPO service provider landscape

- TCS, Genpact, and Xerox maintain their dominance in the banking BPO space
- Emerging geographies, such as Asia Pacific, are less fragmented, compared to more mature ones

# This study offers four distinct chapters providing a deep dive into BFS BPO market; below are four charts to illustrate the depth of the report



Source: Everest Group (2015)

# BFSI BPO research calendar

Topic	Release date
Reinventing Business Process Services (BPS) – Leveraging Technology to Deliver on New Expectations .....	March 2015
Service Delivery Automation (SDA) - The Business Case for Robotic Process Automation in Insurance Services .....	March 2015
Mortgage BPO State of Market Report 2015 – Curve of Time to Meet Mortgage Again? .....	May 2015
Commercial Insurance BPO – Rise of Specialty Lines .....	May 2015
Home Equity Loans – The Next Frontier in Mortgage BPO? .....	May 2015
Mortgage BPO – Service Provider Landscape with PEAK™ Matrix Assessment 2015 .....	May 2015
Banking Business Process Outsourcing in Europe - Poised for Primetime .....	May 2015
Banking BPO Annual Report 2015 – Heavy on Technology, Low on People – Future of Banking BPO .....	June 2015
Capital Markets BPO – Service Provider Landscape with PEAK Matrix Assessment 2015 .....	Q3 2015
Insurance BPO – Annual Report 2015 .....	Q3 2015
Service Provider Technology Landscape – The Pecking Order .....	Q3 2015
Capital Markets BPO – Annual Report 2015 .....	Q3 2015
Banking BPO – Service Provider Landscape with PEAK Matrix Assessment 2015 .....	Q3 2015
L&P Insurance BPO – Service Provider Landscape with PEAK Matrix Assessment 2015 .....	Q3 2015
P&C Insurance BPO – Service Provider Landscape with PEAK Matrix Assessment 2015 .....	Q3 2015
Banking BPO – Service Provider Profile Compendium 2015 .....	Q4 2015
Capital Markets BPO – Service Provider Profile Compendium 2015 .....	Q4 2015
L&P Insurance BPO – Service Provider Profile Compendium 2015 .....	Q4 2015
P&C Insurance BPO – Service Provider Profile Compendium 2015 .....	Q4 2015

# Additional BFSI BPO research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Mortgage BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015** ([EGR-2015-11-R-1449](#)); 2015. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers on various dimensions of their capabilities. It also provides concise and fact-based snapshots of 13 major mortgage BPO service providers
2. **Mortgage BPO State of Market Report 2015 – Curve of Time to Meet Mortgage Again?** ([EGR-2015-11-R-1442](#)); 2015. This report assists key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the Mortgage BPO market and helps them identify the trends and outlook for future. In this backdrop, this report provides comprehensive coverage of the Mortgage BPO market including detailed analysis of market size & growth, drivers & challenges, mortgage BPO solution characteristics, and service provider landscape
3. **Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2014** ([EGR-2014-11-R-1272](#)); 2014. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers on various dimensions of their capabilities. It also discusses key emerging trends in the fast-growing banking BPO market
4. **Banking BPO Service Provider Profile Compendium** ([EGR-2013-11-R-1005](#)); 2013. This report provides accurate, comprehensive, and fact-based snapshots of 17 major banking BPO service providers. Each profile includes the scale & scope, technology solutions, delivery locations, and Everest Group's assessment of the provider

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