



Capital Markets BPO Annual Report 2015 – Technology and analytics helping banks manage risk and compliance

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

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Background and scope of the research

Background of the research

- Capital markets BPO continues to grow at close to 20% by revenue. North America and United Kingdom are the major growth drivers with their substantially sized markets and above average growth rates. Regulatory landscape, risk management solutions, analytics offerings, and legacy systems are some of the key factors impacting how buyers and services providers shape the outsourcing relationships. Going forward, it would be interesting to observe what new regulations come into effect especially in Europe as the same is likely to have an all-round impact on how financial institutions look at their outsourcing landscape

In this study, we investigate the state of capital markets BPO. We focus on:

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

Scope of study and sources of information

- Third-party capital markets BPO contracts; it does not include shared services or Global In-house Centers (GICs)
- 300+ capital markets BPO contracts signed as of 2014
- Coverage across 18 capital markets BPO service providers including Avaloq, Broadridge, Cognizant, eClerx, EXL, Genpact, HCL, Hexaware, IGATE, Infosys, Mphasis, NIIT Technologies, Syntel, TCS, Viteos, Wipro, WNS, and Xchanging

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Overview and abbreviated summary of key messages

This report provides comprehensive coverage of capital markets BPO 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 capital markets industry is a US\$1.7 billion market, which is growing at 18-20% CAGR
- While new contract signings continue to remain a key area of growth for most service providers, scope expansions also provide a good avenue

Solution characteristics

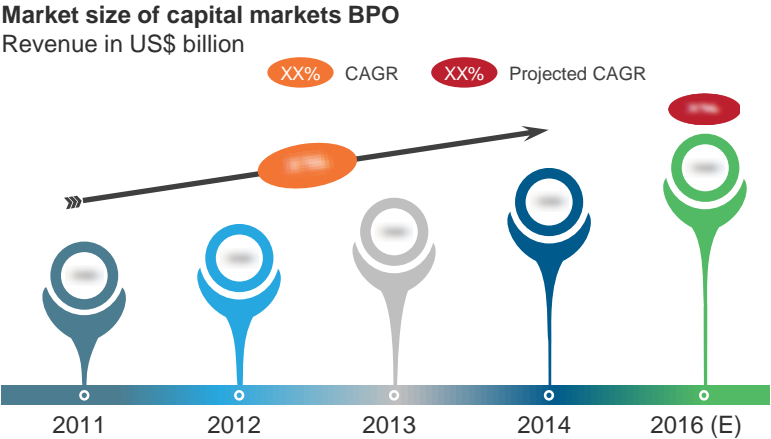
- Investment banking continues to be the largest segment within capital markets BPO and is also growing the fastest
- Leverage of technology solutions, including platforms, has started seeing an uptick especially from small-sized buyers

Service provider landscape

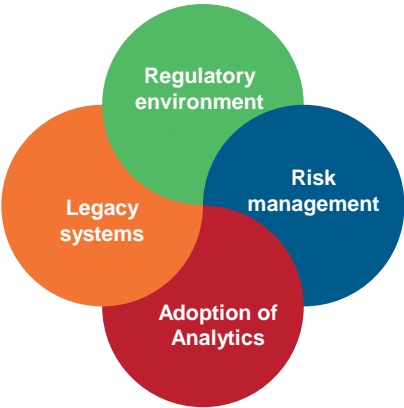
- Only a handful of service providers have a well-diversified scope indicating a higher demand for specialists in this industry
- In terms of market share by revenue, Avaloq, Cognizant, Syntel, TCS, and Xchanging come very close to each other but each have separate areas of focus and strengths

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

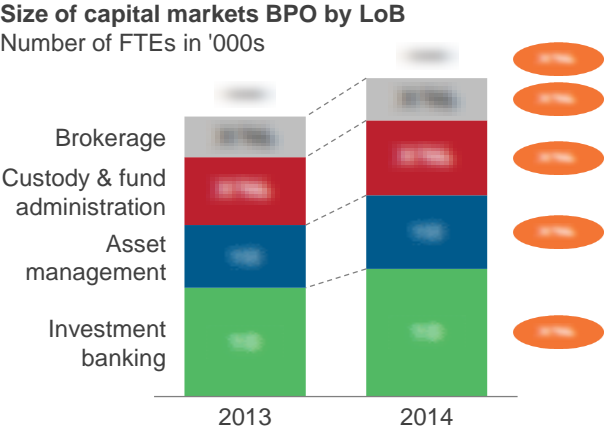
Capital markets BPO market size and growth



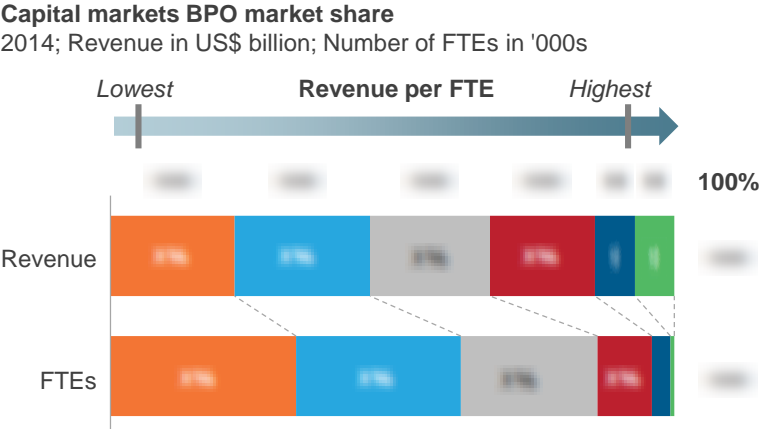
Key factors affecting capital markets BPO



Capital markets BPO growth by LoB



Capital markets BPO service provider landscape



Source: Everest Group (2015)

BFSI BPO research calendar

Topic	Release date
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
Technology in BPS – Service Provider Profile Compendium 2015	June 2015
Capital Markets BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015	July 2015
Technology in Business Process Services (BPS) – The Pecking Order	August 2015
Capital Markets BPO Annual Report 2015 – Technology and analytics helping banks manage risk and compliance	August 2015
Capital Markets BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015	Q3 2015
Insurance BPO – Annual Report 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
Service Provider Technology Landscape – The Pecking Order	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. **Capital Markets BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015 – July 2015** ([EGR-2015-11-R-1498](#)); 2015. 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 capital markets BPO market
2. **Banking BPO Annual Report 2015 – Heavy on Technology, Low on People – Future of Banking BPO** ([EGR-2015-11-R-1466](#)); 2015. This report assists key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the banking BPO market and help them identify the trends and outlook for future. In this backdrop, this report provides comprehensive coverage of the global banking BPO market including detailed analysis of market size & growth, buyer adoption trends, solution characteristics, and service provider landscape
3. **Capital Markets BPO – Service Provider Profile Compendium – January 2015** ([EGR-2015-11-R-1349](#)); 2015. The objective of this compendium is to provide key stakeholders a snapshot of the offerings and capabilities of 17 major capital markets BPO service providers. Specifically, the report allows service providers to compare their areas of strength and those of development with other service providers in the marketplace. It also helps existing and potential buyers of capital markets BPO services to assess the service providers on the capabilities that they desire

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