



Banking BPO Annual Report 2016: Riding on the Digital Wave and Advancing in Automation

Banking, Financial Services, and Insurance (BFSI) Outsourcing
Annual Report: September 2016 – Preview Deck

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- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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¹ Banking, financial services, and insurance

Background and scope of the research

Background of the research

- Dampening macroeconomic environment is hurting the top-line of most large banks. As multiple forces impact banks, they are looking towards outsourcing of core processes as a possible solution, hence driving the BPO market size to US\$3.8 billion. Banking BPO is poised to grow at a steady pace of 7-10% CAGR for the next few years, driven by increasing adoption of technology and automation. Banks now have started setting up systems and processes to ensure compliance. However, they require BPO aid in order to conduct the same in a cost-efficient manner

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

- State of the banking industry
- Market size and buyer adoption
- Banking services solution characteristics across LoB adoption, technology model, automation leverage, analytics, and global sourcing
- Banking BPO service provider landscape, covering service providers' market share and presence in various geographies

Scope of study and sources of information

- Over 500 banking BPO contracts signed as of 2015
- Coverage across 17 banking BPO service providers including Avaloq, Capgemini, Cognizant, Concentrix, CSC, EXL, Genpact, HCL, Infosys, Intelenet, Sutherland Global Services, Syntel, TCS, Tech Mahindra, Wipro, WNS, and Xerox

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Overview and abbreviated summary of key messages

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\$3.8 billion market, which is growing at 8-10% CAGR
- Traditional banking faces pressures from FinTechs, telcos and retailers etc., demanding the much needed innovation

Banking BPO solution characteristics

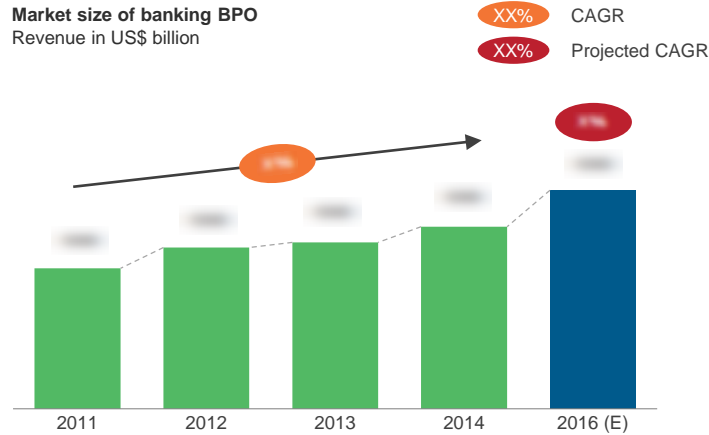
- Macroeconomic environment, regulatory concerns, changing consumer preferences, and growth in adoption of automation, analytics, and risk management services are some of the key factors influencing the market
- Banking BPO is poised to grow at a steady pace, driven by increasing adoption of technology and automation

Banking BPO service provider landscape

- Among the service providers covered by Everest Group, TCS, Genpact, and Xerox continue to dominate the banking BPO market
- 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 Banking BPO market; below are four charts to illustrate the depth of the report

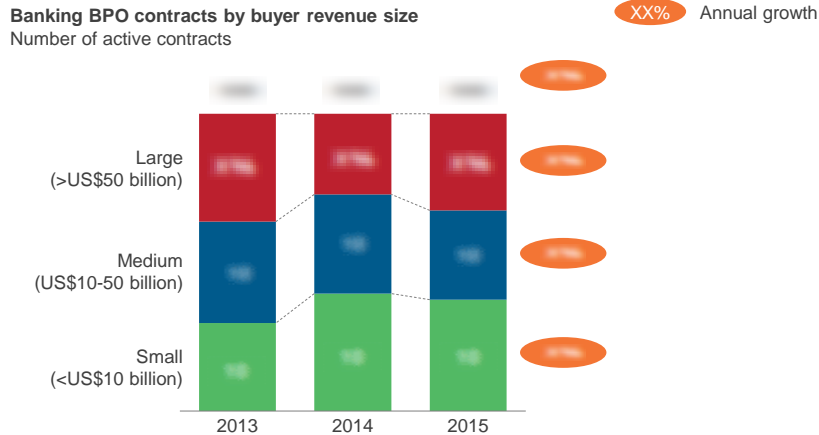
Banking BPO market size and growth



Banking BPO by LoB | Cards and payments

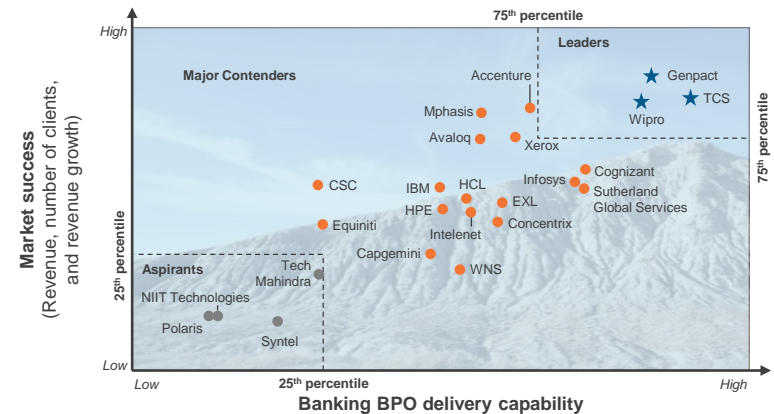


Banking BPO adoption | Buyer size



Banking BPO service provider landscape

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for Banking BPO



Source: Everest Group (2016)

BFSI BPO research library for 2015

Published

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
Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015	August 2015
P&C Insurance BPO – Service Provider Landscape with PEAK Matrix Assessment 2015	September 2015
L&P Insurance BPO – Service Provider Landscape with PEAK Matrix Assessment 2015	October 2015
Insurance BPO – Annual Report 2015	October 2015
Banking BPO – Service Provider Profile Compendium 2015	November 2015
Capital Markets BPO – Service Provider Profile Compendium 2015	December 2015
P&C Insurance BPO – Service Provider Profile Compendium 2015	January 2016
Life and Pensions BPO Service Provider Profile Compendium 2015	February 2016

BFSI BPO research calendar

■ Published ■ Current

Topic	Release date
Risk Management – Looking Beyond the Transactions, Credit Leading the Way	March 2016
Banking BPO Service Provider Landscape with PEAK™ Matrix Assessment	June 2016
P&C Insurance BPO Service Provider Landscape with PEAK™ Matrix Assessment	June 2016
Capital Markets BPO Service Provider Landscape with PEAK™ Matrix Assessment 2016	July 2016
Life and Pensions Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016	August 2016
P&C Insurance BPO Annual Report	September 2016
Banking BPO Annual Report 2016: Riding on the Digital wave and Advancing in Automation.....	September 2016
Capital Markets BPO Annual Report	Q4 2016
L&P Insurance BPO Annual Report	Q4 2016
Wealth Management BPO	Q4 2016
Retail Banking BPO Service Provider Landscape with PEAK™ Matrix Assessment	Q4 2016
Banking BPO Service Provider Profile Compendium	Q4 2016
Capital Markets BPO Service Provider Profile Compendium	Q4 2016
L&P Insurance BPO Service Provider Profile Compendium	Q4 2016
P&C Insurance BPO Service Provider Profile Compendium	Q4 2016

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. **Risk Management - Looking Beyond the Transactions, Credit Leading the Way** ([EGR-2016-11-R-1632](#)); 2016. This study helps analyze the structure of various risk categories for major banks and financial institutions around the world. Against this backdrop, this study also provides an overview of the sourcing landscape for risk management functions with a key focus on third-party BPO service providers and their maturity levels across various risk categories
2. **Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016** ([EGR-2016-11-R-1807](#)); 2016. 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
3. **Banking BPO Service Provider Profile Compendium 2015** ([EGR-2015-11-R-1617](#)); 2015. The banking BPO service provider profile compendium provides accurate, comprehensive, and fact-based snapshots of 16 service providers. Each service provider profile shows a comprehensive picture of the provider's service suite, scale of operations, technology solutions & innovation, delivery footprint, and buyer satisfaction along with Everest Group's assessment of the provider. The report also provides insights into the global banking BPO service provider landscape
4. **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

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