



Capital Market BPO – Service Provider Profile Compendium 2016

Banking, Financial Services, and Insurance (BFSI) Business Process Outsourcing
Market Report – January 2017 – Preview Deck

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Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- The full report is included in the following subscription(s)
 - **BFSI¹ Business Process**
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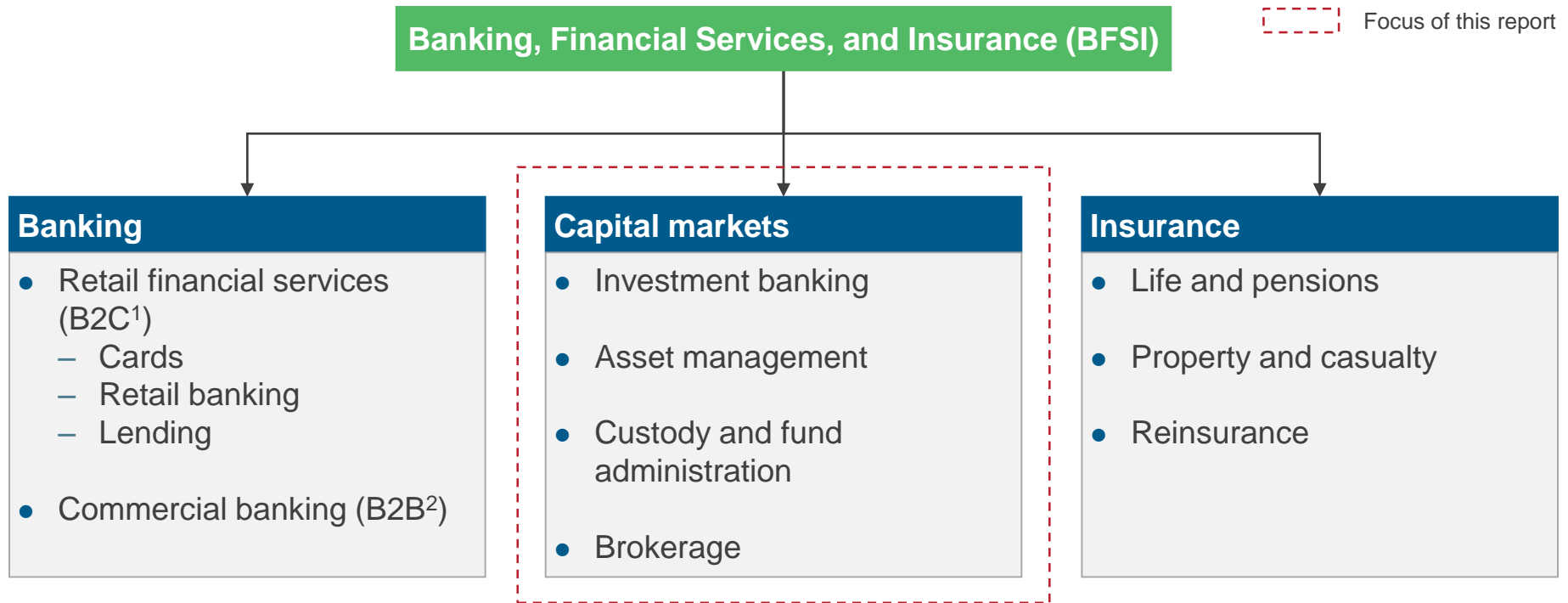
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¹ Banking, financial services, and insurance

Everest Group's definition of BFSI includes the following three segments



Note: This report covers vertical-specific BPO within the capital markets space. It does not include coverage of horizontal business processes such as F&A, HR, procurement, and contact centers

1 Business-to-Consumer relationships

2 Business-to-Business relationships

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Capital markets BPO – overview

Company overview

XXX is an IT, consulting, and business process services solutions provider. XXX's offerings span consumer banking and corporate businesses that include retail banking, cards, loans, trade services, cash management, and capital markets (including wealth & asset management and investment banking). It offers BaNCS platform solution for all lines of business and also deploys its FORE simplification methodology, analytics, and automation to deliver services.

Key leaders

- XXX – Vice President and Global Head, BPS
- XXX – Global Head, BFSI & BPS
- XXX – Vice President, Capital Markets & BPS

Headquarter: ██████████

Website: ██████████

Suite of services

- Client and securities reference data management services
- Trade confirmation and settlement
- Wealth management services and brokerage
- Financial reporting, cash management, and financing
- Stock lending and transfer agency
- Asset management and servicing
- Custody & fund administration
- Reconciliations and derivatives processing
- Risk management operations and controls

	2013	2014	2015
Revenue (US\$ million)	XXX	XXX	XXX
Number of FTEs	XXX	XXX	XXX
Number of clients	XXX	XXX	XXX

Recent acquisitions and partnerships

- **2015:** Partnered with a capital markets technology solution provider for a utility for derivatives clearing
- **2014:** Partnered with a Big 4 consulting firm to roll out a platform-based offering for client onboarding compliance

Recent developments

- **2015:** Invested in creating a BPaaS offering on asset servicing
- **2015:** Deployed resources in customizing an in-house reconciliation platform for investment banking reconciliation
- **2013:** Developed Center of Excellence (CoE) for market risk management

Source: Everest Group (2017)

Capital markets BPO – key delivery locations



Source: Everest Group (2017)

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Capital markets BPO – capabilities and key clients

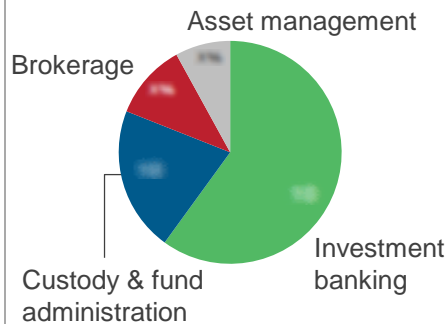
Key capital markets BPO engagements

Client name	LoB	Region	Client since
XXXX	Investment banking	XXXX	2015
XXXX	Asset management and custody & fund administration	XXXX	2015
XXXX	Investment banking and brokerage	XXXX	2010
XXXX	Investment banking	XXXX	2010
XXXX	Asset management, custody, and brokerage	XXXX	2008

Capital markets BPO FTE mix by segment

FTEs in numbers

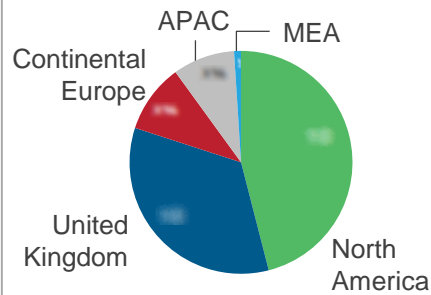
100% = XX



Capital markets BPO revenue mix by geography

Revenue in US\$ million

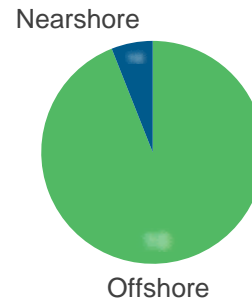
100% = XX



Capital markets BPO FTE split by delivery location

FTEs in numbers

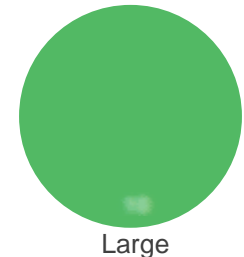
100% = XX



Capital markets BPO number of contracts by buyer size¹

Number of active clients

100% = XX



¹ Buyer size is defined as large (>US\$10 billion in revenue), medium (US\$5-10 billion in revenue), and small (<US\$5 billion in revenue)

Note: Based on contractual and operational information as on December 2015

Source: Everest Group (2017)

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Capital markets BPO – technology solutions/tools

Application	LoB	Year launched	Description	No. of BPO clients
XXXXXX	Custody & fund administration	2015	A fund accounting customized version of XXXXXX software platform to address framework developed for fund accounting operations	<3
XXXXXX - Price capture & valuation tool	Custody & fund administration	2015	A tool for managing the pricing of securities for valuation in the fund accounting process	<3
XXXX	Asset management and custody & fund administration	2014	An automated solution developed to address all possible business process scenarios	<3
XXXXXX XXXXXX	All	2011	A solution that encompasses portfolio solutions and methodologies for valuation, delivery, transparency, and other critical to clients	<5
U.S. XXXXX capital markets solutions	Custody & fund administration and investment banking	2006	A suite of solutions that enables both buy and sell side firms to implement processes for securities trading, trade processing, clearing & settlement, custody, portfolio accounting and corporate actions administration	<3

Source: Everest Group (2017)

Capital markets BPO – risk management & regulatory reporting

Risk management support	Details	No. of BPO clients
Credit risk	<p>XXX is engaged in multiple activities to support the following:</p> <ul style="list-style-type: none"> • Pre-operations & post-operations document handling • Credit operations including but not limited to: credit data maintenance, facility setup, and customer hierarchy maintenance 	<5
Operations risk	<p>Independent Call center for maintaining Risk and Control Self Assessment (RCSA) and supporting Business Control Office (BCO) for the corporate & investment banking business covering the lifecycle of process activities risk and controls</p> <ul style="list-style-type: none"> • Drafting of process and action plans 	<5
Market risk	<p>Finance and market risk calculation & reporting solutions including market data collection, aggregation of risk positions, sensitivities & risk submissions, value at Risk (VaR) & economic capital modeling, data quality, and controls</p>	<5
Liquidity risk	<p>Reporting on liquidity position across bank, equity, FX, derivatives, loans, and deposits across classes. Computing maximum cash outflow for business at short-term and performing stress testing on the same</p>	<3
Regulatory risk	<p>Managing regulatory risk by offering solutions across US (FCID, FATCA, AML, Dodd, and DPA)</p>	7

Regulatory reporting support	List of regulations	Description	No. of BPO clients
U.S. regulations	FCID, Dodd, FATCA, Fint and SOX	<ul style="list-style-type: none"> • SOX reporting-related functions across multiple products • Implemented regulatory reporting tool for a large European bank for their US/AM reporting 	<3
UK regulations	Fint requirements	Implemented regulatory reporting tool for a large American bank for their Fint reporting	<3
EU regulations	EMIR, MiFID, FIDR, and Solv	Supporting a large European bank in EMIR compliance	<5
Local regulations	SOX	Offering tools based support for a European bank in their local regulatory reporting	<3

Source: Everest Group (2017)

Capital markets BPO – Everest Group assessment¹

Measure of capability: Best-in-class Very high High Medium high Medium Medium low Low Not mature

Leaders Major Contenders Aspirants

Delivery capability						Market success
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	

Strengths

- After having witnessed high service line growth owing to the acquisition of new client logos, scope expansion, and a ramp-up in existing contracts, XXX emerged as a Leader and a Star Performer on the Everest Group capital markets BPO PEAK Matrix
- It has at its disposal a number of focused offerings in high-growth areas such as analytics, risk management, regulatory compliance, and automation
- It has a good presence across all major geographies and has witnessed increased traction from Continental Europe and Asia Pacific
- It enjoys high overall buyer satisfaction levels with proactiveness, relationship management, and flexibility highlighted as key strength areas

Areas of improvement

- Focus area continues to be investment banking with limited traction in other LoBs, especially the upcoming buy-side market
- It lacks traction in small- and mid-sized buyer segments and its portfolio of clients is dominated by larger banks and financial institutions
- Providing more technology-based and innovative offerings can really help ramp up the client satisfaction level further

¹ Based on contractual and operational information as of December 2015
Source: Everest Group (2017)

BFSI BPO research calendar for 2017

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	July 2016
L&P Insurance BPO Service Provider Landscape with PEAK™ Matrix Assessment	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
L&P Insurance BPO Service Provider Profile Compendium	November 2016
Capital Markets BPO Annual Report	November 2016
L&P Insurance BPO Annual Report	November 2016
Retail Banking BPO – State of the Market with PEAK Matrix™ Assessment 2016: Analytics and Innovation at the Forefront in Challenging Times	December 2016
P&C Insurance BPO Service Provider Profile Compendium	December 2016
Capital Market BPO – Service Provider Profile Compendium 2016	January 2017
Banking BPO Service Provider Profile Compendium	Q1 2017

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 Annual Report 2016 – Managing Risk and Unlocking Efficiency through Technology** ([EGR-2016-11-R-1979](#)); 2016. This report assists key stakeholders (buyers, service providers, and technology providers) in understanding the changing dynamics of the capital markets BPO space and helps them identify the recent trends and future outlook. In this backdrop, the report provides comprehensive coverage of the global capital markets BPO space including detailed analysis of state of the market, market trends and solution characteristics, service provider landscape, and future outlook
2. **Capital Markets BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016** ([EGR-2016-11-R-1829](#)); 2016. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers on various dimensions of their capabilities. Also discusses emerging trends in the capital markets BPO space
3. **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
4. **Capital Markets BPO – Service Provider Profile Compendium** ([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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About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at research.everestgrp.com.

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