



Banking BPO Annual Report 2017: Disruption Does Not Discriminate – Banks Embracing Digital to Stay Relevant

Banking and Financial Services (BFS) - Business Process Outsourcing (BPO) Annual Report – September 2017: Complimentary Abstract / Table of Contents

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Background and methodology of the research

Background of the research

The global banking BPO market is expected to grow at a steady pace of 5-9% over 2016-2020. The banking industry continues to face existing challenges – rising cost pressure, depleting top line, decreasing customer satisfaction, and uncertainty in the geopolitical environment. However, the disruption in technology and its significant adoption by non-banks has led to a more pronounced effect on the existing challenges for banks.

In this research study, we analyze the global banking BPO market and its impact on banks and service providers. We focus on:

- Current trends driving the market
- Banking BPO market size and adoption by LoB
- Adoption of technology in the market
- Future outlook for banks

The scope and methodology of this report includes:

- Coverage across 25+ banking BPO service providers including Accenture, Avaloq, Capgemini, CGI, Cognizant, Concentrix, Conduent, DXC, Equiniti, EXL, Firstsource, Genpact, HCL, HP, IBM, Infosys, Intelenet, Mphasis, NIIT Technologies, Polaris, Sutherland, Syntel, TCS, Tech Mahindra, Wipro, and WNS
- Proprietary contractual database of 400+ banking BPO contracts (updated annually)

Overview and abbreviated summary of key messages (page 1 of 2)

This report will assist key stakeholders (banks, service providers, and technology providers) understand the dynamics of the banking BPO market and help them identify the trends and future outlook. In this backdrop, this report provides comprehensive coverage of the global banking BPO market including detailed analysis of market size & growth, challenges faced by LoBs, technology adoption trends, and future outlook for banks.

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

Banking BPO market

- The global banking BPO market is expected to grow at a steady pace of 5-9% over 2016-2020
- While North America continues to be the most significant market for banking BPO, Continental Europe and Asia Pacific have witnessed significant growth

Challenges in the market

- All the four banking LoBs – cards and payments, retail banking, lending, and commercial banking – are facing similar challenges to remain profitable
- Increasing pressure of regulations for compliance, competition from non-banks, and rising expectations of customers have an impact on the top and bottom line of banks

Overview and abbreviated summary of key messages (page 2 of 2)

Shift in technology

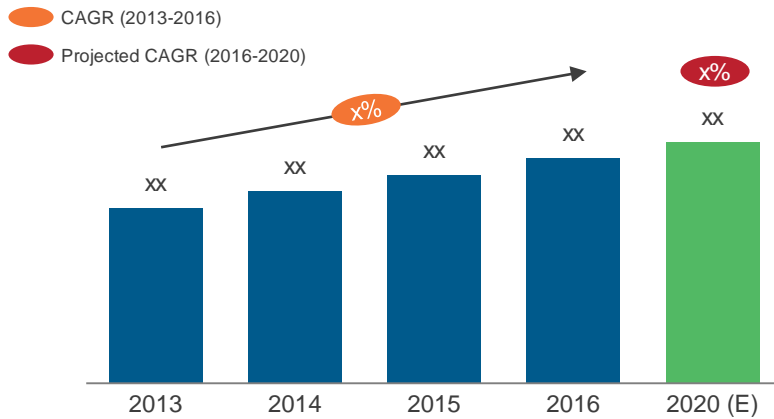
- The traditional banking model with legacy technologies has reached the end of the growth curve; most banks are now focusing on new technologies such as analytics, Robotic Process Automation, and blockchain to survive
- The overall BPS industry has witnessed significant RPA adoption; however, its adoption in the banking BPO industry remains low

Future outlook for banks

- In the era of digital revolution in the industry and growing competition from non-bank players, banks need to up their game with a customer-first approach
- To survive in the ecosystem and offset challenges, banks can combine core banking strengths with the technology expertise of FinTechs, creating a win-win situation for both parties

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

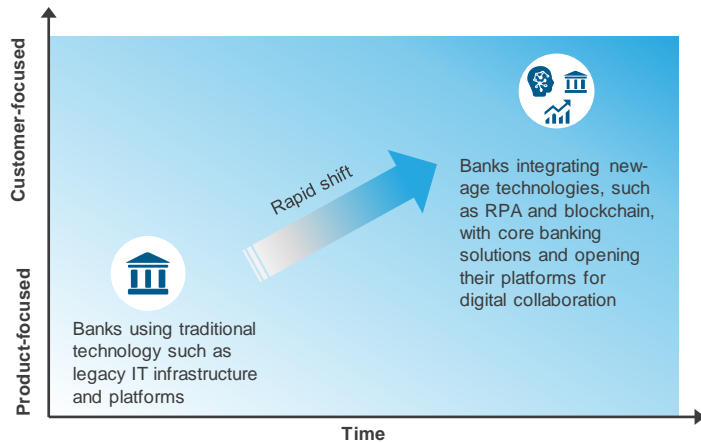
Banking BPO market size, revenue in US\$ billion



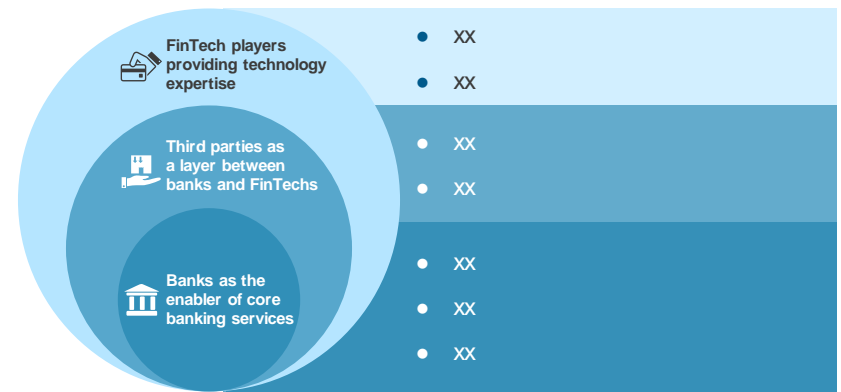
Key challenges for banks



Shift in technology



Future outlook for banks



Source: Everest Group (2017)

Research calendar – Banking and Financial Services (BFS) - Business Process Outsourcing (BPO)

Published
 Planned
 Current release

Flagship BFS BPO reports

Release date

Banking BPO Service Provider Landscape with PEAK™ Matrix Assessment	June 2017
Banking BPO Annual Report 2017: Disruption Does Not Discriminate – Banks Embracing Digital to Stay Relevant	September 2017
Capital Markets BPO Service Provider Landscape with PEAK™ Matrix Assessment	September 2017
Mortgage BPO Service Provider Landscape with PEAK™ Matrix Assessment	Q4 2017
Banking BPO Service Provider Profile Compendium	Q4 2017
Capital Markets BPO Service Provider Profile Compendium	Q4 2017

Thematic BFS BPO reports

Release date

Mortgage BPO State of Market Report 2015 – Curve of Time to Meet Mortgage Again?	May 2015
Banking Business Process Outsourcing in Europe - Poised for Primetime	May 2015
Risk Management – Looking Beyond the Transactions, Credit Leading the Way	April 2016
Retail Banking BPO – State of the Market with PEAK Matrix™ Assessment 2016	December 2016
Risk management – \$300 Billion – Enough to Buy Facebook, or Pay for Your Regulatory Mistakes	March 2017
Cards & payments – Changing Market Dynamics for Cards Issuers	March 2017
Trade finance of the future – A Blockchain story	July 2017
Automation in banking viewpoint	Q3 2017

Note: For a list of all Banking and Financial Services (BFS) - Business Process Outsourcing (BPO) reports published by us, please refer to our [website page](#)

Additional BFS 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 or complementary content that may be of interest

1. **\$300 Billion – Enough to Buy Facebook, or Pay for Your Regulatory Mistakes** ([EGR-2017-11-V-2123](#)); 2017. While risk management has been around for a long time, it is only in recent times, particularly in the aftermath of the 2008 financial crisis, that it has emerged as a central topic of interest for banks, regulatory bodies, and the wider public. In this report, we focus on three categories of risk management – market, liquidity, and regulatory risk management, as well as the global sourcing landscape for them. Among the topics covered are the nuances of the global sourcing landscape for liquidity and market risk, and how banks should respond to a new regulation
2. **Banking BPO Service Provider Profile Compendium 2016** ([EGR-2017-11-R-2068](#)); 2017. The banking BPO service provider profile compendium provides accurate, comprehensive, and fact-based snapshots of 17 service providers in the market. Each service provider profile captures a comprehensive picture of that provider's service suite, scale of operations, technology solutions, risk management & regulatory reporting support, and delivery locations; along with Everest Group's assessment of the provider. The compendium also sheds light on the global banking BPO service provider landscape
3. **Retail Banking BPO – State of the Market with PEAK Matrix™ Assessment 2016: Analytics and Innovation at the Forefront in Challenging Times** ([EGR-2016-11-R-2027](#)); 2016. This report assists key stakeholders (buyers, service providers, and technology providers) in understanding the changing dynamics of the retail BPO space and helps them identify the recent trends and future outlook. In this backdrop, the report provides comprehensive coverage of the global retail banking BPO space including detailed analysis of the state of the market, market trends and solution characteristics, service provider landscape, and future outlook. It also includes a service provider profile compendium
4. **Banking BPO SPL PEAK Matrix Assessment** ([EGR-2017-11-R-2208](#)); 2017. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers on various dimensions of their capabilities. It also includes market share analysis of service providers and Everest Group's remarks on service providers highlighting their key strengths and development areas

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