



Simpler, Smarter, and Seamless Capital Markets – The Digital Revolution: Capital Markets ITO Annual Report 2017

Banking, Financial Services & Insurance (BFSI) - Information Technology Outsourcing (ITO) Annual Report – September 2017: Complimentary Abstract / Table of Contents

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▶ Market Vista™

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

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▶ Engineering Services

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▶ Human Resources

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▶ ITS | Healthcare & Life Sciences

▶ IT Services Forecaster™

▶ Locations Insider™

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▶ Procurement

▶ Recruitment & Talent Acquisition

▶ Service Optimization Technologies

▶ Transaction Intelligence

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

- This full report is included in the following subscription(s)
 - **Banking, Financial Services & Insurance (BFSI) - Information Technology Outsourcing (ITO)**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
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* Banking, financial services, and insurance



Corporate Headquarters

Office: +1-214-451-3000

info@everestgrp.com



European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com



Delhi Office

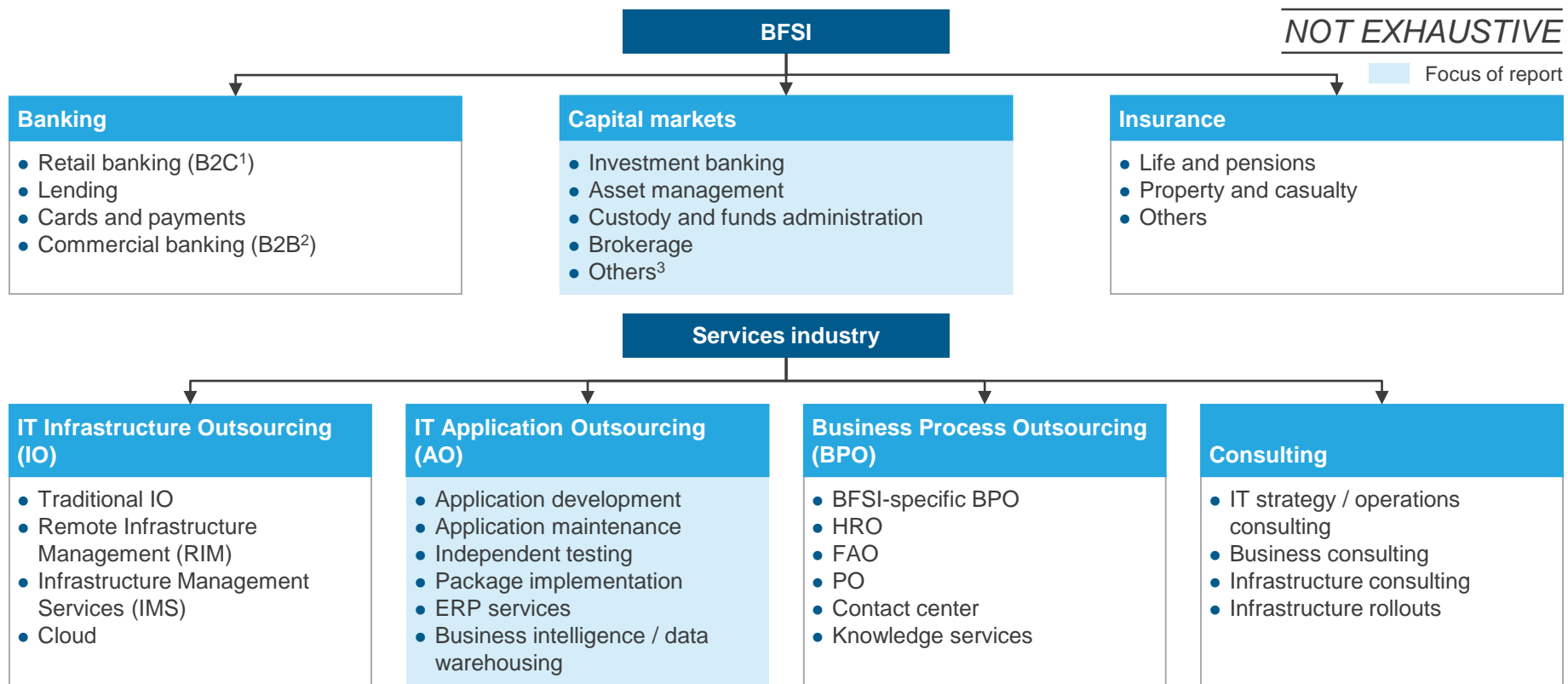
Office: +91-124-284-1000

india@everestgrp.com

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This report examines the service provider landscape for large (TCV > US\$25 million), annuity-based, multi-year (>3 years) application services relationships in the global capital markets sector



Digital services

Services in next-generation technologies leveraged by enterprises to enable transformation including social, mobility, analytics, cloud, and others (Artificial Intelligence (AI), Robotics Process Automation (RPA), Internet of Things (IoT), machine-to-machine, etc.)

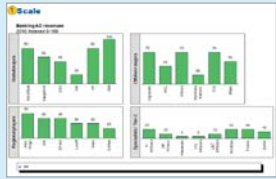
1 Business-to-consumer relationships

2 Business-to-business relationships

3 Includes other capital markets functions such as structured finance, treasury, FX, and horizontal functions including risk management

This report is a part of Everest Group's series of reports focused on ITO in BFSI in 2017

IT Outsourcing in BFSI – Annual Report



Each report provides:

- An overview of the application services market for the BFSI vertical, capturing key trends in market size, growth, drivers & inhibitors, adoption trends, regional/functional break-outs of the market, emerging themes, key areas of investment, and implications
- Key movements in volumes/values of AO transactions, evolving trends, market dynamics, and emerging priorities of buyers in the last 12 months

- Global Banking
- Global Capital Markets
- Global Insurance

IT Outsourcing in BFSI – Service Provider Landscape and Profiles Compendium



Each report provides:

- Assessment of the service provider landscape in AO services and mapping of providers on Everest Group's PEAK Matrix™ – as Leaders, Major Contenders, and Aspirants
- Benchmarking scale, scope, domain investments, and delivery footprint of each provider's BFSI-AO practice, along with comparative evaluation of their BFSI-AO capabilities
- The 2016 BFSI-AO PEAK analyses focus on identifying the "Star Performers", i.e., providers with the strongest forward movement over time – both in terms of market success and capability advancements
- Capability profiles of service providers capturing their AO services experience in specific subverticals including details such as AO services capabilities, key investments, proprietary solutions, and technological expertise

- Global Banking
- Global Capital Markets
- Global Insurance
- Risk & Regulatory Compliance in BFS
- Digital Services in Consumer Banking
- Digital Services in Wealth Management
- Digital Services in P&C Insurance

Enterprise Digital Effectiveness with APEX Matrix



Two reports as part of an "open source" evaluation of the digital effectiveness of the largest retail banks in Europe and the United States and mapping them on Everest Group's APEX Matrix – as Leaders, Optimizers, Innovators, and Aspirants

- APEX Matrix for Digital in North American retail banks
- APEX Matrix for Digital in European retail banks

Everest Group's capital markets research is based on two key sources of proprietary information

1

- Everest Group's proprietary database of 400+ large, active, multi-year AO contracts within capital markets (updated annually). The database tracks the following elements of each large AO relationship:
 - Buyer details including industry, size, and signing region
 - Contract details including TCV, ACV, term, start date, service provider FTEs, and pricing structure
 - Activity broken down separately for banking, capital markets, insurance, and by line of business (for example, investment banking, asset management, custody, fund administration, and brokerage)
 - Scope includes coverage of buyer's geography as well as functional activities
 - Global sourcing including delivery locations and level of offshoring

2

- Everest Group's proprietary database of **operational capability of 25+ capital markets AO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
 - Major capital markets AO clients and recent wins
 - Overall revenue
 - Recent capital markets-related developments
 - Capital markets AO delivery locations
 - Capital markets AO service suite
 - Domain capabilities, proprietary solutions, and intellectual property investments

Service providers covered in the analysis



1 Assessment for Accenture, Synechron, and Quinnox excludes service provider inputs, and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with capital markets buyers

2 Analysis for DXC includes combined capabilities of CSC and HPE Services

3 Analysis for NTT DATA includes capabilities post integration with Dell Services

Note: We continuously monitor market developments and track additional service providers beyond those included in the analysis

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information, that is contract-specific, will be presented back to the industry only in an aggregated fashion

Background and scope of the research

Background of the research

- Uncertainty in the macroeconomic environment, changing regulatory landscape, sluggish growth, and threat from next-generation financial technology firms (FinTechs) are the key challenges being faced by capital markets enterprises. These challenges have forced them to revisit their business model, redefine the way they leverage technology, and interact with their customers
- Capital markets enterprises worldwide are exploring/experimenting with the latest technologies, such as blockchain, artificial intelligence, cloud, and robo-advisory to offset some of the above-mentioned challenges and simultaneously achieve desired business outcomes (compliance, cost containment, transparency, modernization, flexibility, and agility)
- In a bid to drive innovation and define regulatory standards for emerging technologies, capital markets ecosystem players (capital markets enterprises, service providers, technology product vendors, FinTechs, RegTechs, regulators & governing bodies, and consortiums) are actively forming partnerships and alliances

In this report, we look at the global trends in the capital markets industry and their implication for application services outsourcing. We focus on:

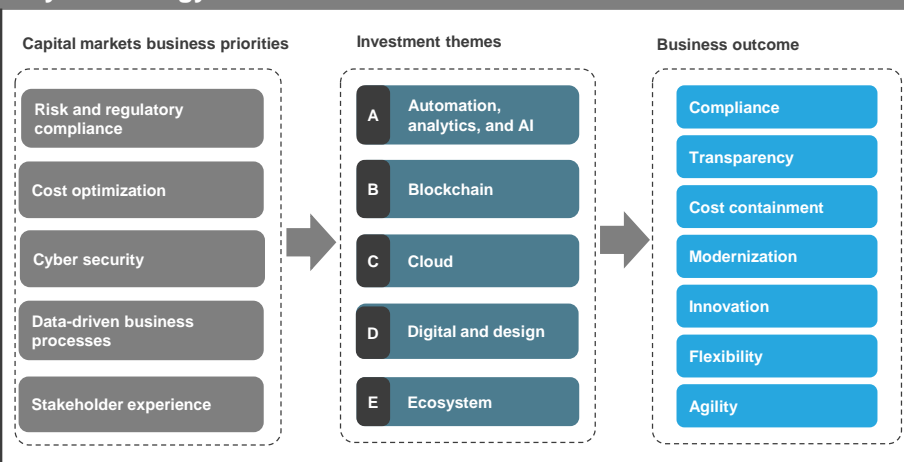
- Business priorities of capital markets firms and key investment themes
- Market trends and activity for large AO relationships in capital markets
- Implications for enterprises and service providers

Scope of this report

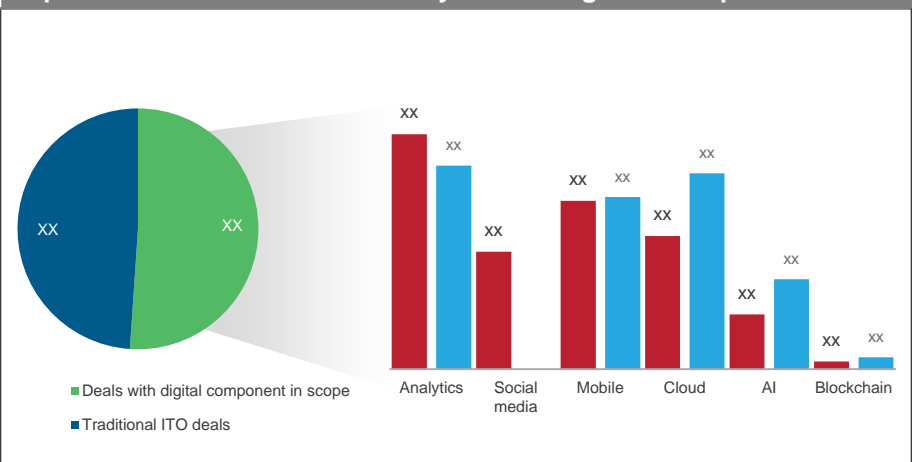
- **Industry:** Capital markets
- **Services:** Large (TCV > US\$25 million), multi-year (>three years), and annuity-based application outsourcing
- **Geography:** Global
- **Sourcing model:** Third-party AO transactions; excludes shared services or Global In-house Centers (GICs)

This study also offers deep dive analysis into capital markets business priorities, technology investment themes, and key aspects of AO deal trends

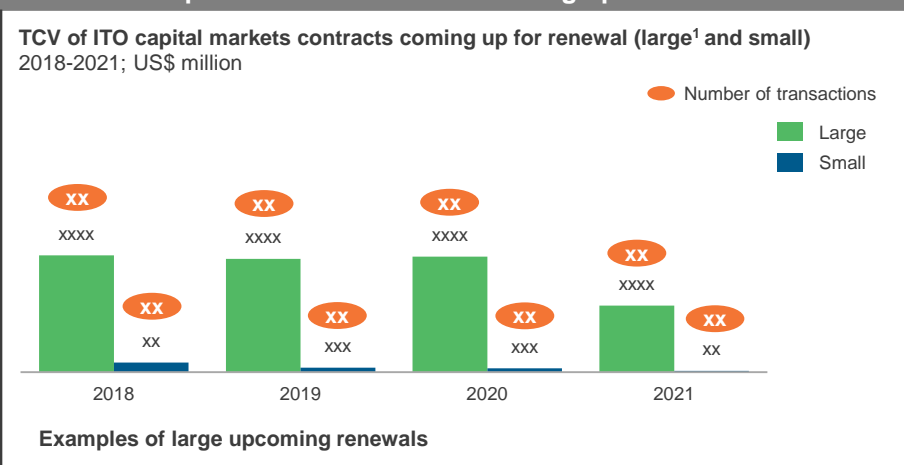
Key technology investment themes and desired business outcomes



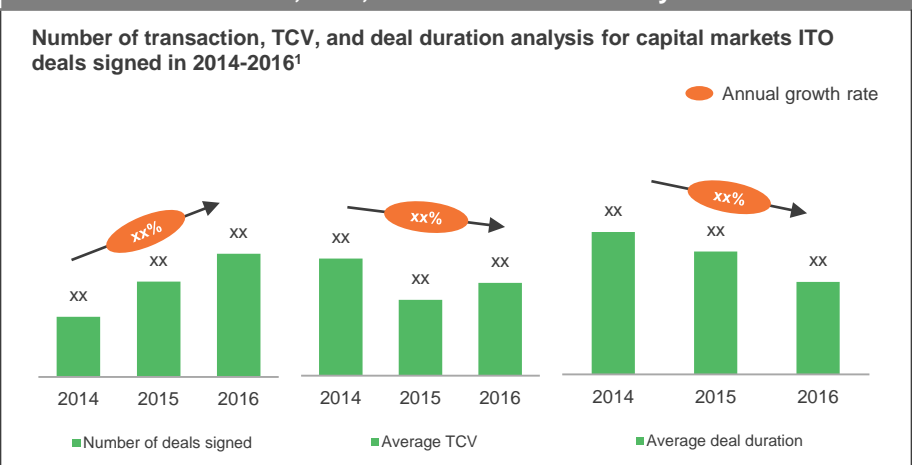
Capital markets ITO new deal analysis with digital in scope



TCV of ITO capital markets contracts coming up for renewal



Number of transaction, TCV, and deal duration analysis



Source: Everest Group (2017)

Research calendar – Banking, Financial Services & Insurance (BFSI) - Information Technology Outsourcing (ITO)

Published
 Planned
 Current release

Flagship BFSI ITO reports

Release date

Analytics Services in Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2016	January 2017
Mobility Services in Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2016	January 2017
Banking ITO Service Provider Landscape with PEAK™ Matrix Assessment and Profiles Compendium	June 2017
Capital Markets ITO Service Provider Landscape with PEAK™ Matrix Assessment and Profiles Compendium.....	June 2017
Future of banking – “Experience First” : Banking ITO Annual Report	September 2017

Simpler, Smarter, and Seamless Capital Markets – The Digital Revolution: Capital Markets ITO Annual Report September 2017

Insurance, L&P, and P&C Service Provider Landscape with PEAK Matrix™ Assessment 2017 and Profiles Compendium	Q3 2017
Insurance ITO – Annual Report: Insurer of the future	Q3 2017
One Investments To Rule All Compliance Efforts – Data: PEAK Matrix™ Assessment for IT Services in Risk and Regulatory Compliance in BFS	Q3 2017
Digital Services in Consumer Banking – Service Provider Landscape with PEAK Matrix™ Assessment 2017	Q4 2017
Digital Services in Wealth Management – Service Provider Landscape with PEAK Matrix™ Assessment 2017	Q4 2017
Digital Services in P&C Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2017	Q4 2017

Thematic BFSI ITO reports

Release date

FinTechs in Payments – Top 40 Trailblazers	May 2017
InsurTechs Envisioning the Future of Insurance – Top 40 Trailblazers	May 2017
Digital Force Multiplier – A Cloud Adoption Story in Banking and Financial Services: Public Cloud First	August 2017

Note:For a list of all Banking, Financial Services & Insurance (BFSI) - Information Technology Outsourcing (ITO) reports published by us, please refer to our [website page](#)

Additional 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. **Digital Force Multiplier – A Cloud Adoption Story in Banking and Financial Services: Public Cloud First** ([EGR-2017-11-R-2315](#)); 2017 In this report, we analyze top 15 BFS enterprises across four geographies (Australia, Europe, the United Kingdom, and the United States) to understand the role of cloud technology in enhancing the digital experience. These BFS enterprises have been analyzed using Everest Group’s proprietary assessment framework, which is a composite index of a range of distinct metrics related to an enterprise investments in cloud technology and digital experience. The research also includes a detailed study and profiles on leading cloud service providers (Amazon Web Services, IBM, Google Cloud, Microsoft Azure, and Oracle Cloud) and their offerings catering to the needs of BFS enterprises.
2. **Future of Banking – “Experience First” : Banking ITO Annual Report:** ([EGR-2017-11-R-2319](#)); 2017. This report provides a point of view on future state of the banking industry and technology implications. It also captures key trends in market size, technology adoption, regional/functional break-outs of the market, emerging themes & key areas of technology investment by analyzing movements in volumes/values of banking AO transactions
3. **IT Outsourcing in Global Capital Market – Service Provider Landscape with PEAK Matrix™ Assessment 2017 and Profiles Compendium:** ([EGR-2017-11-R-2233](#)); 2017. This report provides an overview of the Application Outsourcing (AO) market for the capital markets industry through an in-depth analysis of large-sized AO contracts (i.e., contracts over US\$25 million in TCv and over three years in duration). The report analyzes key trends in market size & growth, demand drivers, adoption & scope trends, emerging priorities of buyers, key investment themes, and future outlook for 2016 with regards to such large capital markets AO deals

For more information on this and other research published by Everest Group, please contact us:

Jimit Arora, Partner:

jimit.arora@everestgrp.com

Ronak Doshi, Practice Director:

ronak.doshi@everestgrp.com

Aaditya Jain, Senior Analyst:

aaditya.jain@everestgrp.com

Archit Mishra, Senior Analyst:

archit.mishra@everestgrp.com

Tarun Kumar, Senior Analyst:

Tarun.kumar@everestgrp.com

Priyakansha Paul, Analyst:

Priyakansha.Paul@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



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 empower 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 www.everestgrp.com.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-804-276-4533

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
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