

Emerging Geographies' Specialized Banking, Mortgage, and Risk and Compliance Needs

February 2023: Complimentary Abstract / Table of Contents



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Contents

1. Introduction and overview	4
• Research methodology	5
• Background of the research	6
• Geographies covered	7
2. Emerging geographies: BFS market trends	8
• Market size and composition	9
• BFS and BFS BPS market trends	10
• Key parameters for outsourcing	12
3. Region overview	15
• Asia	16
• Australia and New Zealand (ANZ)	19
• Latin America (LATAM)	22
• The Middle East	25
• The Nordics	28
• The UK	31
• Western Europe	34
6. Appendix	37
• Glossary	38
• Research calendar	39

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Introduction

Enterprises are moving beyond concentrated geographies such as North America and building scale in developing markets. Markets like the UK and Europe along with nascent geographies such as Latin America, Asia Pacific, the Nordics and the Middle East are witnessing increasing traction in demand by enterprises. These geographies, like the 'Rest of the World', were challenged by the pandemic, beyond the existing domestic challenges, thus reshaping the business models and the environment in these regions. As enterprises shape the BFS market in these geographies, it is imperative, for providers to adapt and cater to the demands of the enterprise

It is important for enterprises as well as service providers¹ to accurately assess and adopt in their strategies and actions the unique opportunities and challenges that may lie in the BFS landscape of these geographies. Thus, this report provides an insightful assessment of these geographies, the outsourcing-related opportunities, challenges, demand drivers, and implications while expanding in these geographies. For the purpose of research, service providers, banks, non-banks and lawyers across these geographies were consulted to understand the market trends, regulatory incentives and barriers and other aspects of the overall geography. The aim of the research was to study the respective geographies, and provide our learnings, The same would help enable both enterprises and providers to make more informed decisions. We seek to answer the following questions:

- An outlook of the BFS BPS market
- Key demand drivers for outsourcing in the geographies covered
- Key outsourcing challenges in the geographies covered

Scope of this report



Geography²

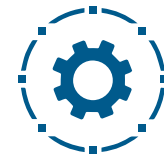
Asia, ANZ, LATAM, Middle East, Nordics, UK, and Western Europe



Service providers



Enterprises



Services BFS operations

¹ BFS firms such as banks, nonbanks, and FinTechs would be addressed as enterprises throughout the report and service providers would be addressed as providers

² In Asia, we have covered the Indian subcontinent, the Philippines, and Singapore

Overview and abbreviated summary of key messages

This report tracks the changing requirements of service providers and enterprises BFS BPO space across key emerging geographies translating to a call for action for buyers and providers. It provides the trends driving the need for outsourcing in these geographies and the key needs of enterprises in emerging geographies. Also, it identifies the parameters have been identified as the ones driving or acting as a challenge to outsourcing.

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

Trends driving the need for outsourcing in these geographies

- Almost all the geographies are observing the emergence of neo banks alike. Traditional banks are setting up their own digital banking arms to cater to the pandemic-induced demand spike.
- BNPL is gaining traction in regions such as the US, APAC, LATAM, the Nordics, Europe, and the UK

Key needs of enterprises in emerging geographies

- With competition from FinTechs and neo banks, banks are increasingly investing and prioritizing their digital transformation activities to keep up with peers
- As the consumer base shifts to the younger and tech savvy demographic coupled with competition from FinTechs, the need for smooth customer experience and user interface has significantly increased
- Banking may be affected in the future due to an expected reduction in lending operations and may also affect other LoBs such as payments. With high sensitivity to interest rates, the mortgage industry has seen a dip in volumes of new originations

Factors driving and impacting outsourcing across regions

- Enterprises in South and Southeast Asia are faced with the challenge of finding the right talent, especially for more complex processes. Banks are finding it hard to retain talent, as more and more industry experts are being recruited by FinTechs, Neo banks, and crypto providers.
- With the increasing volume and complexity of regulations, banks in ANZ are seeking technological support from providers to manage risk and compliance. RegTech solutions can help across areas such as artificial intelligence, cloud, cybersecurity, and financial crime.

The focus of this research is to enable both enterprises and service providers to make better decisions regarding outsourcing in these emerging geographies

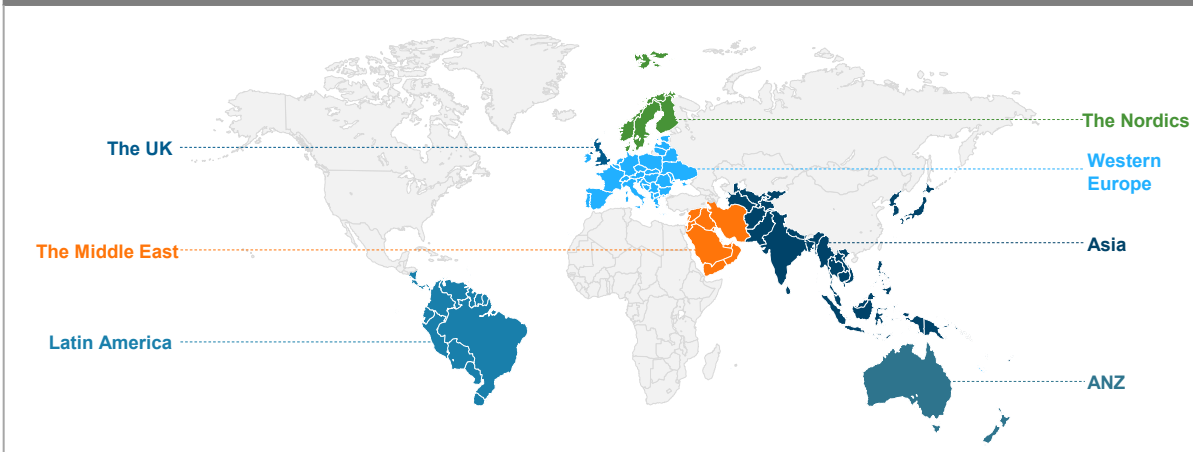
Upcoming trends in the BFS domain

Neo banks	Buy Now Pay Later (BNPL)	Embedded finance and super apps	Environmental, Social, and Governance (ESG)
<ul style="list-style-type: none"> Almost all the geographies are observing the emergence of neo banks alike From nearly US\$47 billion in 2021, the global neo banks market is poised to be valued at US\$2.05 trillion in 2030, growing at a CAGR of 53.4%¹ 	<ul style="list-style-type: none"> BNPL is gaining traction in regions such as the US, APAC, LATAM, the Nordics, Europe, and the UK. Sweden has the largest share of the pie when it comes to using BNPL. MEA is yet to experience significant BNPL activity 	<ul style="list-style-type: none"> Providers in Asia are more mature compared to their global peers when it comes to super apps. Along with China and India, Southeast Asian countries such as Indonesia have embraced super apps. maximize outreach 	<ul style="list-style-type: none"> Emerging geographies may require third-party support in rapidly scaling resources for complying with the ever-evolving ESG regulations

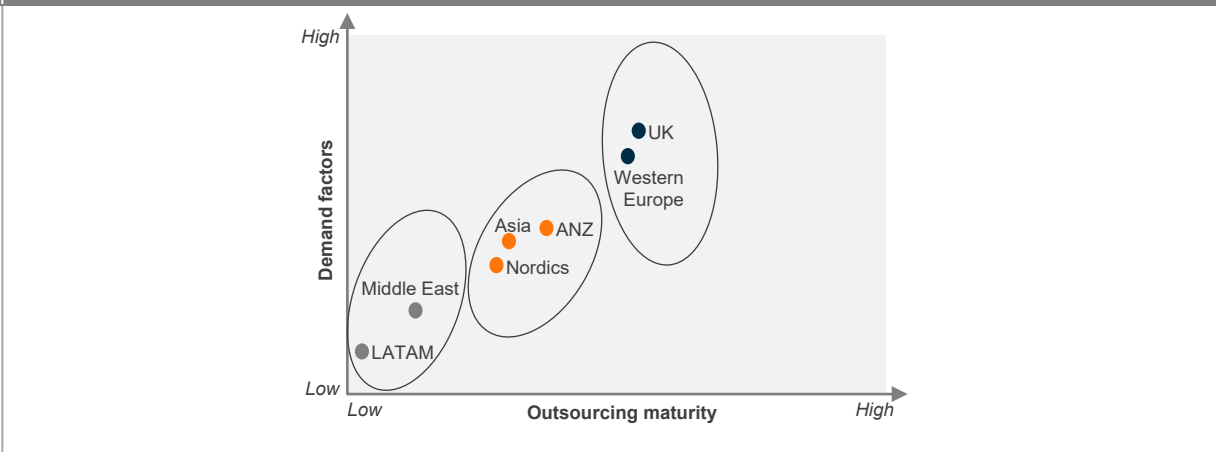
Key demands of enterprises in emerging geographies

Culture	Talent and skill availability	High volumes	Technology support
<p>Australia has been progressive in its outsourcing strategy because of the sheer thinking in terms of the advantages outsourcing brings to the table from an operational efficiency scale and cost.</p>	<p>Even though talent availability is a global issue, countries such as Australia particularly face the issue.</p>	<p>Australia has been experiencing high traction in FinTech activity, both in banking and insurance. In the last five years, the number of</p>	<p>With the increasing volume and complexity of regulations, banks in ANZ are seeking technological support from providers to manage risk and compliance.</p>

Geographies covered



Outsourcing maturity matrix



Research calendar

Banking and Financial Services Business Process

Published Planned Current release

Reports title	Release date
Capital Markets Operations – Service Provider Compendium 2021	September 2021
Banking Operations – Services PEAK Matrix® Assessment 2022	October 2021
Mortgage Operations PEAK Matrix® Assessment 2022	February 2022
Banking Operations – Service Provider Compendium 2022	March 2022
Mortgage Operations - Service Provider Compendium 2022	April 2022
BPS Top 50 – 2022	May 2022
Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022	July 2022
How to Trot When Others Trudge – Recession Forecast for Providers in Banking and Financial Services	October 2022
Put the Pedal to the Metal – An Enterprise Perspective of ESG in Banking	October 2022
Financial Crime and Compliance (FCC) Operations Provider Compendium 2022	October 2022
Navigating the Regulatory Tightrope via End-to-End Solutions – Financial Crime and Compliance (FCC) State of the Market 2022	January 2023
Emerging Geographies' Specialized Banking, Mortgage, and Risk and Compliance Needs	February 2023
Will That Be Check or Card? A Digital Payments State of the Market	Q2 2023
Banking Operations – PEAK Matrix® Assessment 2023	Q2 2023
Regulators Strike Back: the Role of Upcoming Regulations and Risk Framework Changes	Q2 2023

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