



Topic: Banking and Financial Services (BFS) BPO Annual Report 2013 – Small is the New Big!

Banking, Financial Services, and Insurance (BFSI) Outsourcing
Annual Report: August 2013 – Preview Deck

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¹ Banking, financial services, and insurance

Background and scope of the research

Background of the research

- The global BFS BPO market witnessed strong growth of 16% in 2012. A higher proportion of contracts in 2012 were extensions or renewals as compared to new contracts. Adoption of by small financial institutions increased in 2012, and was responsible for growth in the market. The overall value proposition of BFS BPO is strongly driven by cost reduction

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

- Market size and buyer adoption
- Banking BPO Solution characteristics across size and scope, LoB adoption, analytics and risk regulatory services trends, technology model, global sourcing, and pricing structures
- Capital Markets BPO Solution characteristics across size & scope, LoB adoption, regulatory reporting & risk management, technology model, global sourcing, and pricing structures
- BFS BPO service provider landscape, covering service providers' market share and areas of investments

Scope of study and sources of information

- Third-party BFS BPO contracts; it does not include shared services or Global In-House centers (GICs)
- Around 300 BFS BPO contracts signed as of 2012
- Coverage across 18 BFS BPO service providers including Cognizant, CSC, Dell, EXL, eClerx, Genpact, HCL, Infosys, iGate, Mphasis, Serco, Sutherland, Syntel, TCS, Tech Mahindra, Wipro, WNS, and Xerox

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Overview and abbreviated summary of key messages

This report provides a comprehensive coverage of the BFS BPO outsourcing 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 BFS industry is a US\$3.6-4.0 billion market growing at ~16% annually
- Adoption of BFS BPO (across both Banking and Capital markets) from small financial institutions increased in 2012

Banking BPO solution characteristics

- In 2012, lending was the largest banking BPO segment followed by retail banking, in terms of size (FTEs)
- The size of banking BPO contracts decreased in 2012, driven partly by increased adoption among smaller financial institutions

Capital markets BPO solution characteristics

- Investment banking is the largest capital markets BPO segment, followed by custody and fund administration, and asset management in terms of size (FTEs)
- The size of capital markets BPO contracts decreased in 2012 over 2011. The average term of contracts also dipped in 2012

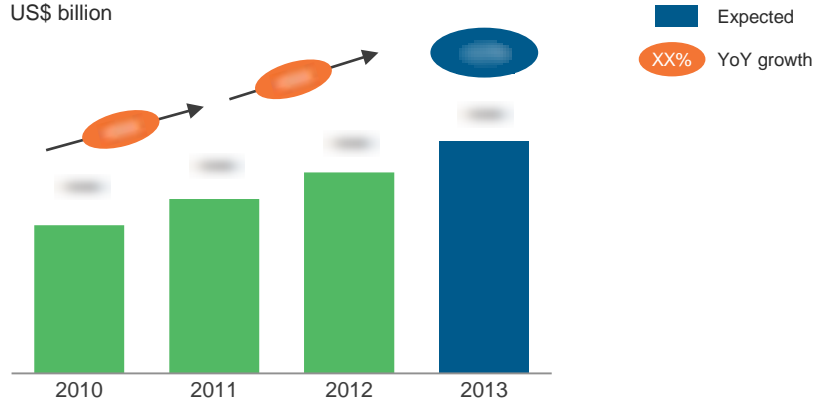
BFS BPO service provider landscape

- TCS, Genpact, Serco and Xerox account for nearly 60% of the market share for BFS BPO. Other notable BPO service providers include Cognizant, Syntel, Mphasis and Wipro
- Technology emerged as the biggest area of investment for BPO service providers in 2012

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

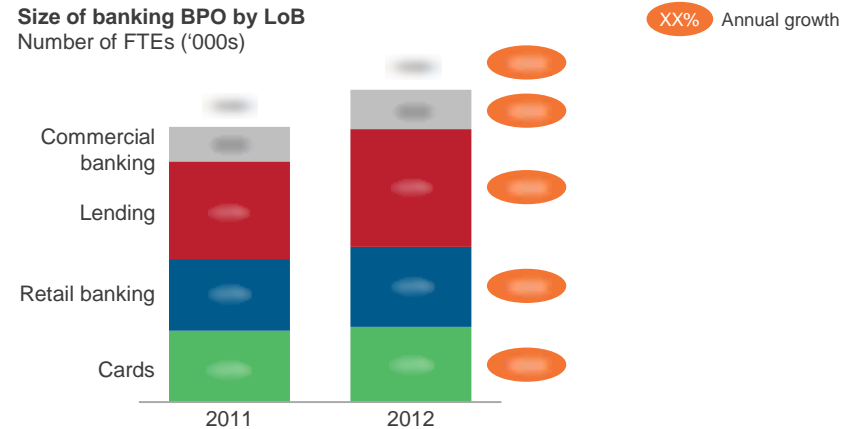
BFS BPO market size and growth

Market size of BFS BPO
US\$ billion



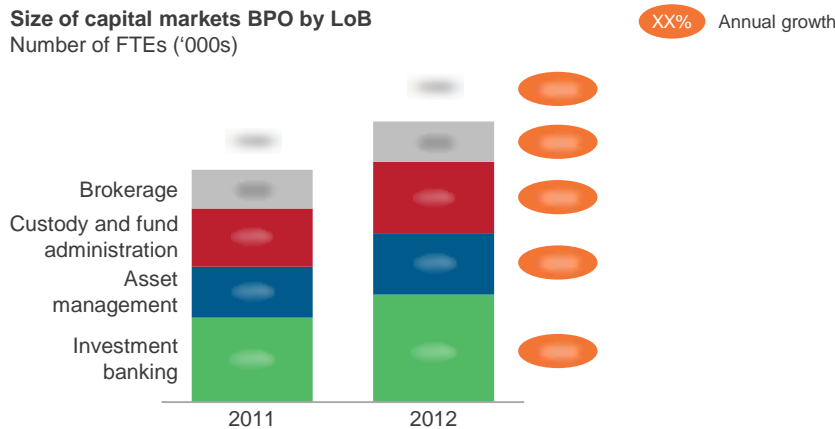
Banking BPO growth by LoB¹

Size of banking BPO by LoB
Number of FTEs ('000s)

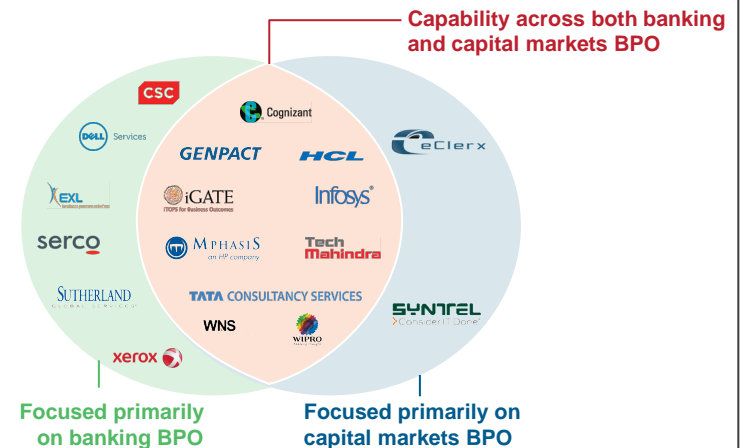


Capital markets BPO growth by LoB¹

Size of capital markets BPO by LoB
Number of FTEs ('000s)



BFS BPO service provider landscape



1 Line of business
Source: Everest Group (2013)

BFSI Outsourcing research calendar 2013

Published
 Current

Topic	Release date
Insurance BPO Service Provider Profile Compendium	January-2013
Analytics in Banking: War is Ninety Percent Information	June-2013
Banking and Financial Services (BFS) BPO Annual Report 2013 – Small is the New Big!	August-2013
Banking BPO – Service Provider Landscape with PEAK Matrix Assessment 2013	Q3-2013
Banking BPO – Service Provider Profile Compendium 2013	Q3-2013
Capital Markets BPO – Service Provider Landscape with PEAK Matrix Assessment 2013	Q3-2012
Capital Markets BPO – Service Provider Profile Compendium 2013	Q3-2013
Insurance BPO – Annual Report 2013	Q3-2013
Insurance BPO – Service Provider Landscape with PEAK Matrix Assessment 2013	Q4-2013
BFSI BPO Service Provider Profile Compendium – Insurance BPO	Q4-2013

Additional BFSI BPO research references

The following documents are recommended for additional insight on 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. Analytics in Banking: War is Ninety Percent Information** ([EGR-2013-11-R-0888](#)); 2013: This report provides a comprehensive understanding of the analytics services industry with focus on banking domain. Analytics adoption in the banking industry is covered in depth, covering various aspects such as market size, key drivers, recent analytics initiative, and challenges. The report also analyses the trends in analytics deals for various banking subverticals (cards, retail, commercial, and lending) and evaluates analytics capabilities of 20+ service providers in the banking space
- 2. A PEAK into the Leaders, Major Contenders, and Emerging Players of the Banking BPO Market** ([EGR-2012-11-R-0761](#)) 2012: This report will assist key stakeholders (banks, service providers, and technology providers) understand the changing dynamics of the banking BPO market service provider landscape. It will also help them identify market Leaders, Major Contenders, and Emerging Players for 2011. The report provides detailed analysis of service provider market shares, relative position on Everest Group PEAK Matrix, service provider capability assessment, and emerging service provider trends
- 3. A PEAK into the Leaders, Major Contenders, and Emerging Players of Capital Markets BPO** ([EGR-2012-11-R-0794b](#)) 2012: This report assists key stakeholders (financial institutions, service providers, and technology providers) understand the changing dynamics of the capital markets BPO service provider landscape. It will also help them identify market Leaders, Major Contenders, and Emerging Players for 2011. The report provides detailed analysis of service provider market shares, relative position on Everest Group PEAK Matrix, service provider capability assessment, and emerging service provider trends

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