Everest Group PEAK Matrix™ for KYC-AML BPO Service Providers

Focus on Wipro

June 2018

Introduction and scope

Everest Group recently released its report titled "Know Your Customer – Anti Money Laundering (KYC-AML) BPO – State of the Market with Services PEAK Matrix™ Assessment 2018." This report analyzes the changing dynamics of the KYC-AML BPO landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 19 service providers on the Everest Group PEAK Matrix™ for KYC-AML BPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of KYC-AML BPO service providers based on their absolute market success and delivery capability.

Based on the analysis, **Wipro emerged as a Leader**. This document focuses on **Wipro** KYC-AML BPO experience and capabilities and includes:
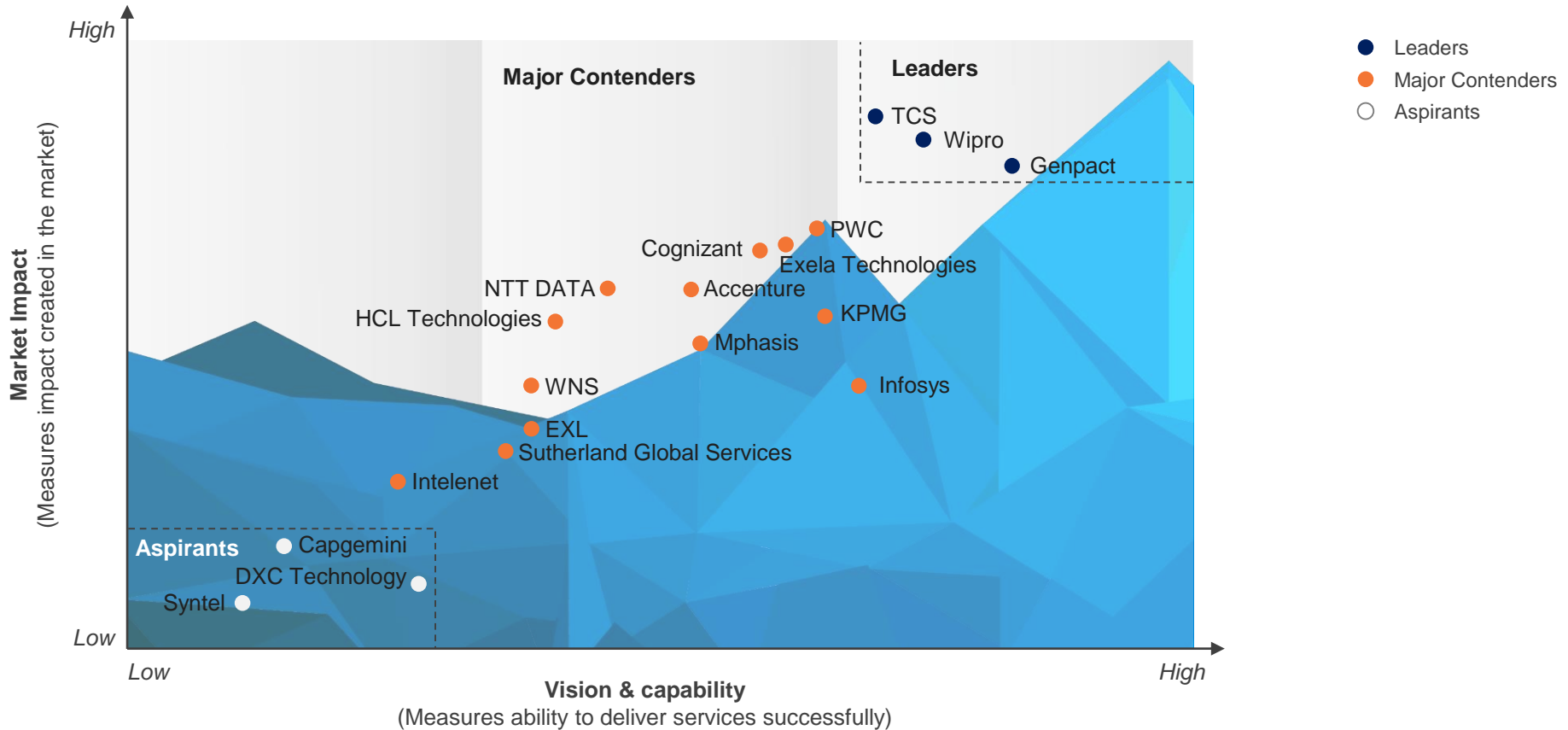
- Wipro position on the KYC-AML BPO PEAK Matrix
- Wipro year-on-year movement on the KYC-AML BPO PEAK Matrix
- Detailed KYC-AML BPO profile of Wipro

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

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Everest Group KYC-AML BPO – State of the Market with Services PEAK Matrix™ Assessment 2018[1]

Legend:
- ● Leaders
- ● Major Contenders
- ○ Aspirants

Y-axis: Market Impact (Measures impact created in the market) — Low to High

X-axis: Vision & capability (Measures ability to deliver services successfully) — Low to High

Quadrants: Leaders, Major Contenders, Aspirants

Data points — Leaders: TCS, Wipro, Genpact

Major Contenders: PWC, Cognizant, Exela Technologies, NTT DATA, Accenture, HCL Technologies, KPMG, Mphasis, WNS, Infosys, EXL, Sutherland Global Services, Intelenet

Aspirants: Capgemini, DXC Technology, Syntel

1   PEAK Matrix specific to KYC-AML BPO services sector
Note: Assessment for Accenture, Capgemini, DXC Technology, Intelenet, KPMG, PwC, Sutherland and Syntel 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 insurance buyers

Everest Group assessment – Leader

Measure of capability: ● Best-in-class   ◕ Very high   ◑ High   ◐ Medium high   ◔ Medium   ◔ Medium low   ◔ Low   ◷ Not mature

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered[1]	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
◔	●	◑	◕	●	◔	◑	◔	◑

Strengths

- Wipro capitalizes on its wide bouquet of technology capabilities, including its e-KYC HOLMES solution. It has also invested in Avaamo – an Artificial Intelligence process automation firm to further deepen its automation & AI capabilities

- It has a healthy split across various buyer geographies and also holds a considerable market share in each of the Americas, Europe, and MEA

- It has a widespread presence across both KYC and AML lines of business and caters to a diverse set of buyers as well, split across small, medium, and large revenue range

Areas of improvement

- While Wipro has got some of the big deals in KYC-AML BPO space, it needs to further improve its client tally to match up with some of the other leaders and reduce its concentration risk

- It has the potential to invest more sales energy in the fast-growing APAC region to tap into it

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1 Value delivered score and overall PEAK matrix positioning adversely impacted for those service providers who did not provide adequate information

Overview

Company overview: Wipro is a global information technology, consulting, and business process services company with over 160,000 employees serving across six continents. The company provides several AI-based KYC & AML solutions to the clients.

Key leaders
- Abidali (Abid) Z. Neemuchwala, CEO
- Shaji Farooq, President, BFSI Business Unit

KYC/AML BPO	2015	2016	2017
Revenue (US$ million)	Not disclosed		
Number of FTEs	1,050	1,810	2,820
Number of clients	7	10	14

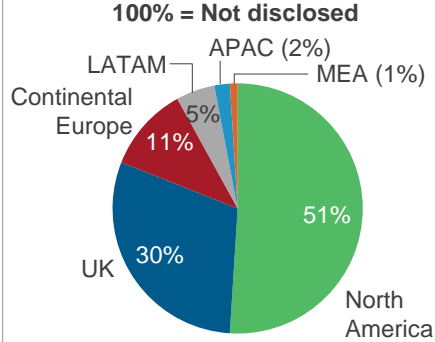| Technology solutions / offerings specific to KYC/AML			
Solution name	Year launched	Description of the solution	No. of BPO clients
EKYC HOLMES	2016	Cognitive AI engine to enhance KYC compliance, reduce manual effort, and enhance customer experience by automating identification and validation of customers, owners, and controllers	2
HOLMES Anomaly Detection	2016	A platform to detect fraud and process violations by correlating data feeds from multiple sources. It uses a combination of predefined rules and ML algorithms to identify outliers and leverages open source technology with a library of pre-built models that enable rapid deployment	Not disclosed

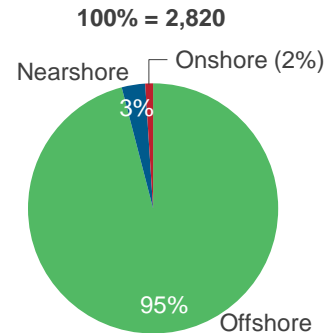# Wipro | KYC-AML BPO profile (page 3 of 3)
Capabilities and key clients

**KYC/AML BPO FTE mix by Lines of Business (LOBs)**
FTEs in numbers

100% = 2,820

AML 29%
KYC 71%
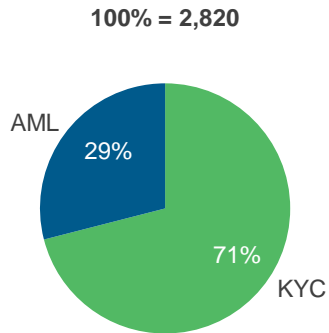
KYC/AML BPO revenue mix by geography
Revenue in US$ million

100% = Not disclosed

APAC (2%)
LATAM
MEA (1%)
Continental Europe 5%
11%
North America 51%
UK 30%

KYC/AML BPO FTE split by delivery location
FTEs in numbers

100% = 2,820

Nearshore 3%
Onshore (2%)
Offshore 95%

KYC/AML BPO number of contracts by buyer size[1]
Number of active contracts

100% = 14

Medium 7%
Small 29%
Large 64%
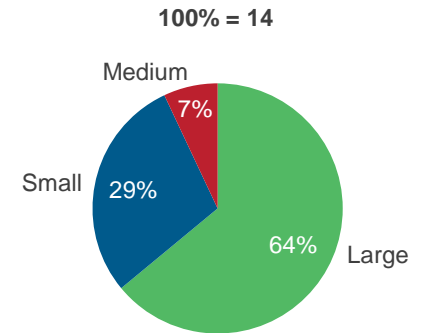
Recent developments specific to KYC/AML (12-18 months)

- Partnered a leading provider of client lifecycle management, AML/KYC compliance, and client data management solutions for investment, corporate, commercial, and private banks
- Developed HOLMES EKYC solution for KYC automation using Wipro HOLMES AI platform to enhance KYC compliance

Key KYC/AML BPO engagements

Client name	Region	Client since
Leading UK bank	Global	2016
Leading African investment bank	Global	2016
Leading U.S.-headquartered global bank	Global	2016
Leading U.S.-headquartered global bank	North America, EMEA, and APAC	2015
Leading European investment bank	Global	2014

Key KYC/AML BPO delivery locations

Poland
Dublin
Mexico
Costa Rica
Delhi NCR
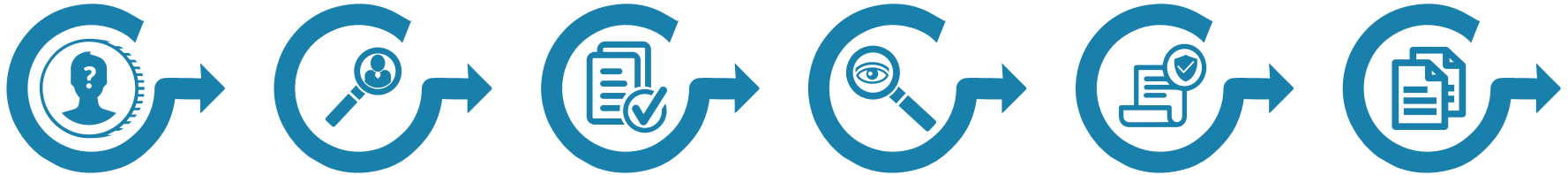Mumbai
Hyderabad
Bangalore
Singapore
Malaysia

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)

Appendix

# Everest group classification of KYC-AML BPO value chain

Know Your Customer (KYC) ——— **Anti Money Laundering (AML)**

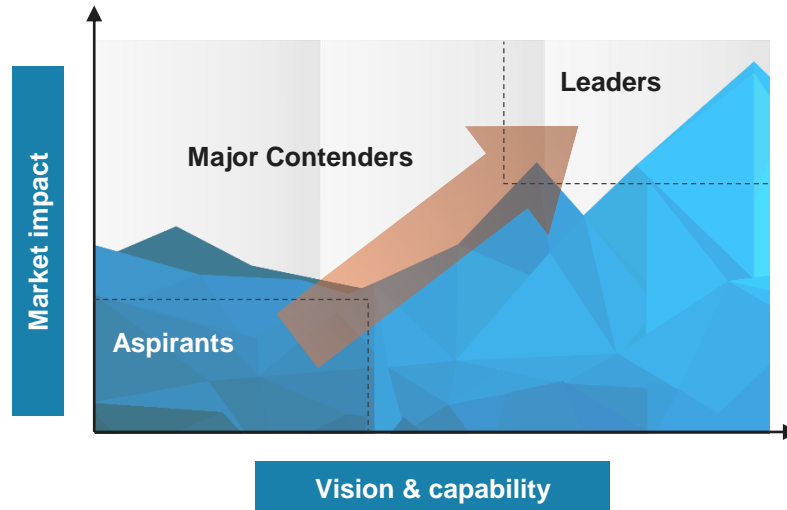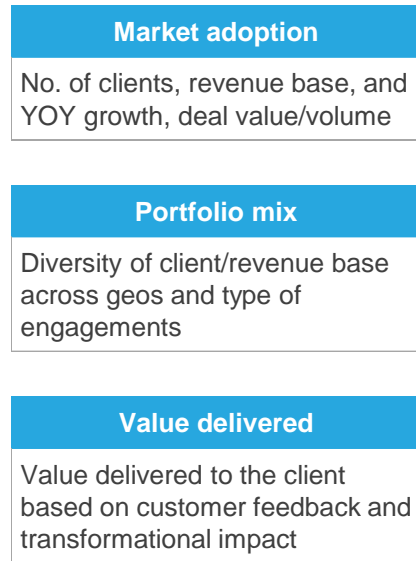| Customer identification & verification	Enhanced Due Diligence(EDD)	File validation & reporting	Monitoring	Ongoing case management	Reporting
Document collection	Sanctions list screening	Completeness check	Suspicious Activity Monitoring (SAM)	Alert management	Suspicious Activity Report (SAR)
Document storage and retention	Watch list screening	File validation	Transaction monitoring	Case management	Suspicious Transaction Report (STR)
Customer Identification Program (CIP)	Politically Exposed Person (PEP) screening	Customer risk assessment	Cash flow monitoring	Payment filtering	Currency Transaction Report (CTR)
General profile and negative news search	Adverse media screening	Data profiling	Mystery shopping	Fraud prevention	Terrorist property reporting
FATCA compliance	OFAC screening	Quality assessment	Suspicious Designated Nationalist (SDN) screening	Ongoing screening	Compliance reporting
	External data checks		AML monitoring for Money Service Businesses (MSB)		

Document management
Analytics

Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability
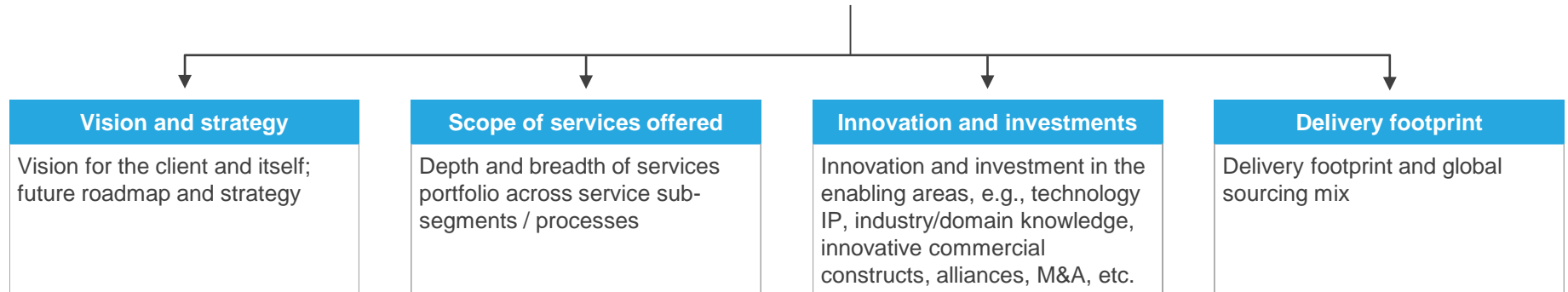
Everest Group PEAK Matrix

Vision & capability
Measures ability to deliver services successfully
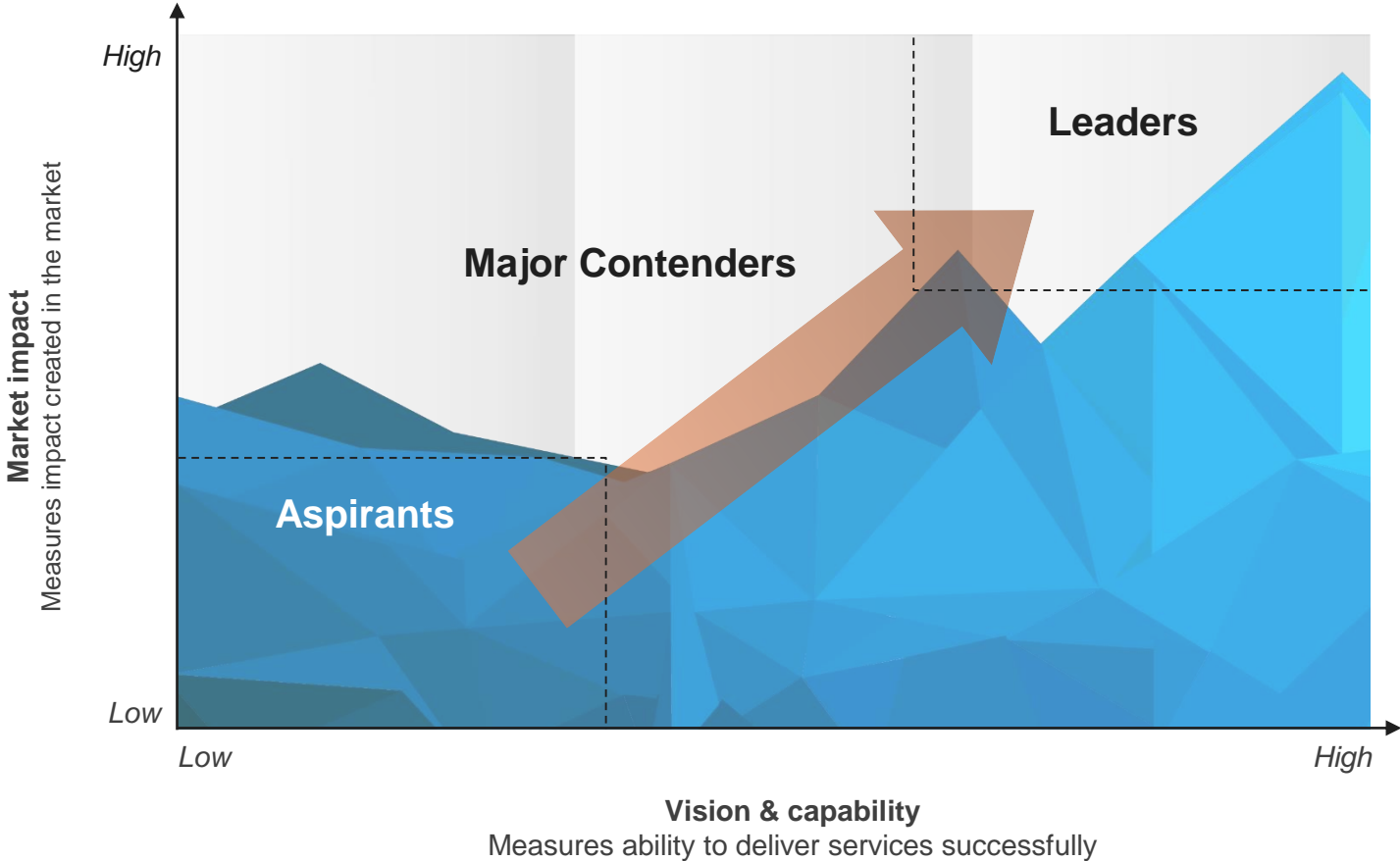
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market –
captured through three subdimensions

Market adoption

No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix

Diversity of client/revenue base across geos and type of engagements

Value delivered

Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability

Measures ability to deliver services successfully.
This is captured through four subdimensions

Vision and strategy	**Scope of services offered**	**Innovation and investments**	**Delivery footprint**
Vision for the client and itself; future roadmap and strategy	Depth and breadth of services portfolio across service sub-segments / processes	Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.	Delivery footprint and global sourcing mix

FAQs

Does the PEAK Matrix™ assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
● Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
● Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
● Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
● The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

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.

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