

HEXAWARE INVESTOR & ANALYST MEET 2019



Banking & Financial Services

BFS - Our Market Positioning



 **Full Service Offerings**

 **Challenger Position**

Micro Vertical Specialization

- ❖ **Buy-Side:** Investment Management, Asset Servicing, Mutual Funds, Securitization, Wealth Management
- ❖ **Retail & Corp Banks:** Payments, Trade Finance, Leasing, Mortgage, Private banks

Challenger Position

- ❖ **Enterprise Data Management** to address Compliance & regulatory requirements
- ❖ Fintech lead **Automation / Digitalization / Cloud Migration**



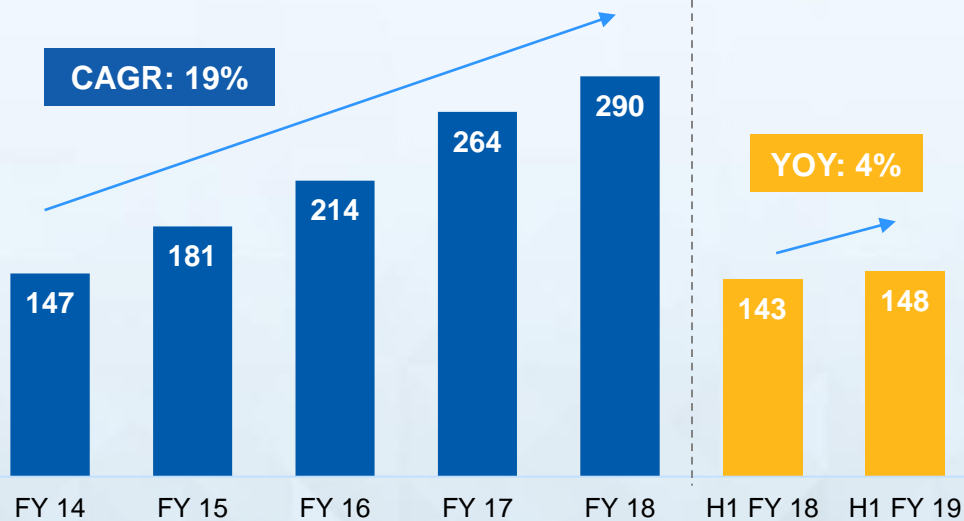
Financials

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Performance Snapshot

Revenue (\$Mn)



- ❖ BFS has been the largest and fastest growing vertical over 5 years
- ❖ 2019 has been the most challenging year thus far
- ❖ H1-2019 has been soft
- ❖ We will continue to grow marginally in H2, despite client specific challenges



Current Challenges and Road to Stable Growth





- ❖ The euphoria around “Interest Rate” is gone and long digested
- ❖ ‘Internalization’ emerging as a big agenda for many clients
- ❖ Customer spend is cautious, local (agile/internal led) and business centric. Many leadership changes in key accounts
- ❖ Unusually long gestation for deal closures and transitions
- ❖ Cloud & Digital Technologies are reaching mainstream

2019 – The year that's been the most challenging

- ❖ H1 saw rampant slow down in client decision making and deal closures
- ❖ H2 – Most accounts, with the exception of couple, have made smart recovery and are back on robust growth track
- ❖ One of our top accounts is undergoing a severe stress that started in Q2 but will see maximum impact in Q3 through Q4. It is expected to bottom out by end of Q4
 - Budget overrun in a major program. Lack of new funding due to change of mandates & priorities
 - Change in client strategy to alter their outsourcing ratio from 70% to 30%
 - Hexaware continues to be rated highest in client satisfaction & performance
 - Hexaware continues to win business with new groups of the client
- ❖ 2019 New client acquisition & pipeline is very healthy
- ❖ Expect growth in FY20

Focus on Top Discontinuities that will drive our growth

❖ **LIBOR Sunset & Transition**

- Libor is linked to \$350T of financial products. Millions of contracts to be rewritten, models to be adjusted, validation and business assurance
- Financial institutes are expected to spend from \$20M to \$200M to operationalize the change
- Our target offerings – Impact Assessment, Contract re-do using AI/ML, Data Migration, Business Validation

❖ **Operations Transformation in Capital Markets**

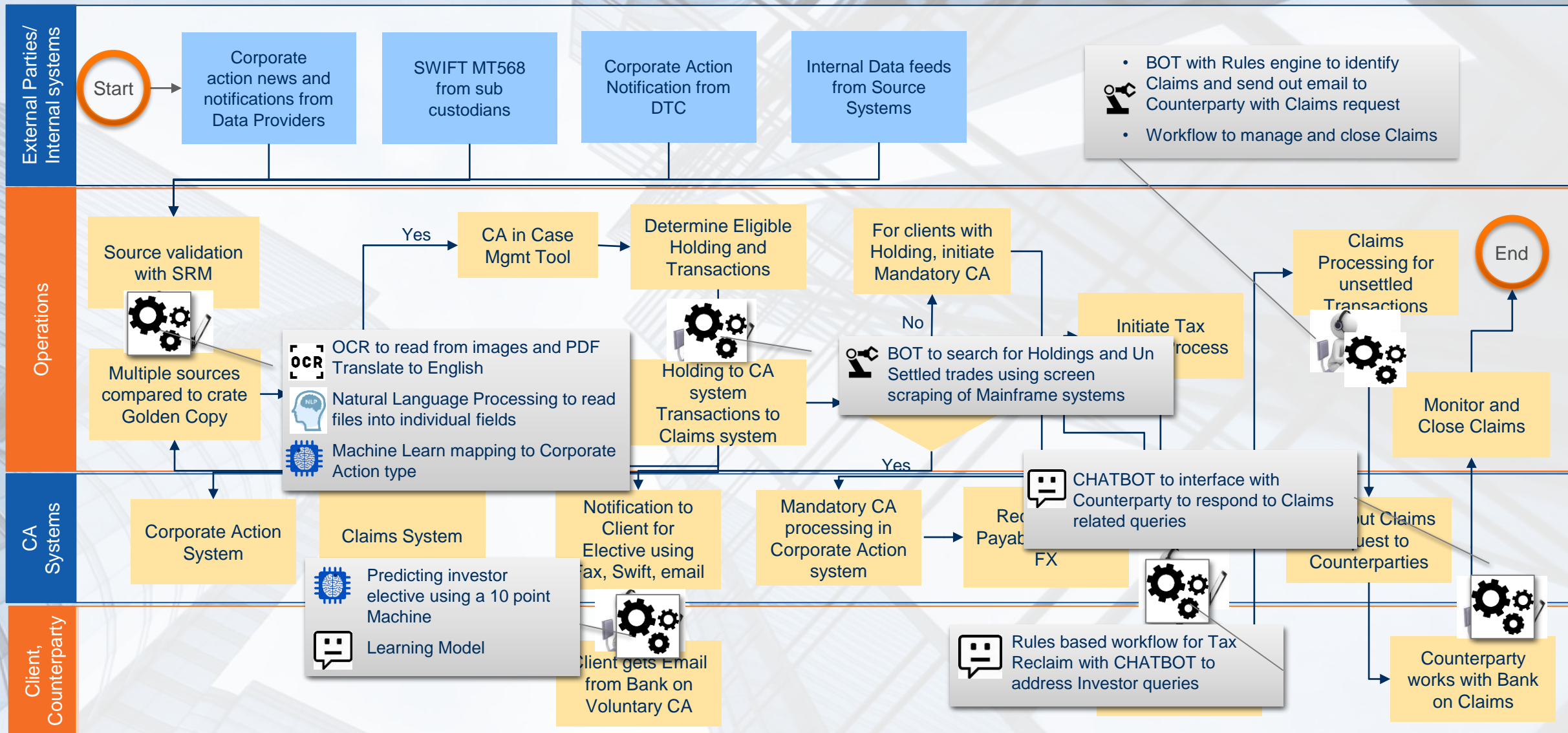
❖ **Focus on Retail Banking - Backbase** – Omni Channel Digital Banking Platform (leveraging Mobiquity's existing partnership)

❖ **Digitalization in Corporate Banking Space**

- Digital Payments business, AML/KYC, Trade Finance areas going through large scale digitalization
- New Product competencies – nCino, SimCorp

❖ **Enterprise Data Management & Data Governance** – (Cloud driven framework to enable analytics)

Automation in Capital Markets using Digitalization – An Illustration using Corporate Actions process



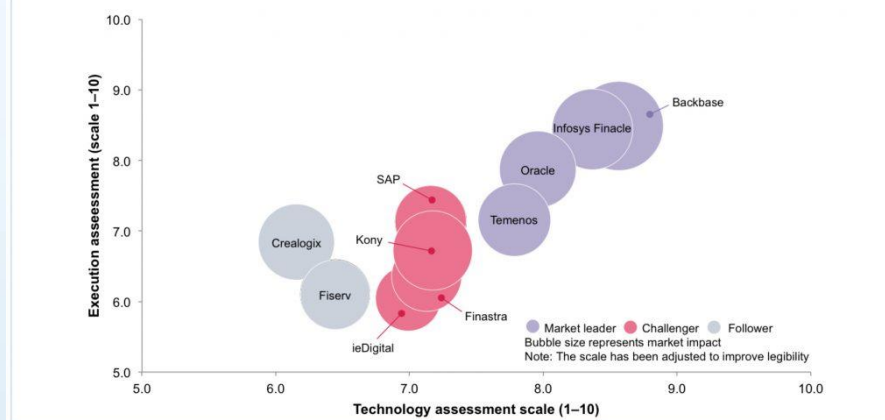
BackBase Omni-Channel Digital Banking Platform

Offerings

- **LOBs:** Retail Banking, SMB Banking, Corp Banking, Wealth Management
- **Channels:** Self – Service & Assisted. Known for Self-service : Mobile & Web Banking
- **Readily Deployable:** Widgets, Micro Service Components for the LOBs
- **Platform:** Built on Open Sources Technologies

Market Share

Figure 1: Ovum Decision Matrix: Selecting a digital banking platform, 2019



Source: Ovum

The 2019 Ovum Decision Matrix lists Backbase as the Ultimate Digital Banking Platform Market Leader.

Why We Want to focus

Aligns with our strategy →

- **Business:** Leverage existing Mobiquity Partnership with Backbase. Target commercial business banking, SMB banking areas which are lagging behind in terms of digital transformation
- **Technology:** Using CX, Micro Services, Security Technologies to drive digital transformations in the Commercial Banks
- **Competency Building:** Easy to train the resources with Java Technologies background



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Passionate Employees

Delighted Customers

Thank you

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