NEAT EVALUATION FOR COGNIZANT:

Core Banking Services

Market Segments: Overall, Process Automation Services,
AI & Analytics Services

Introduction

This is a custom report for Cognizant presenting the findings of the 2025 NelsonHall NEAT vendor evaluation for *Core Banking Services* in the *Overall, Process Automation Services,* and *AI & Analytics Services* market segments. It contains the NEAT graphs of vendor performance, a summary vendor analysis of Cognizant for core banking services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering core banking services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in operations services, cloud migration, process automation, AI & analytics, and professional services.

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Accenture, Aspire Systems, Avaloq, Capgemini, Coforge, Cognizant, Genpact, Happiest Minds, Infosys, Kyndryl, LTIMindtree, Quantiphi, Sopra Steria, TCS, Virtusa, Wipro, and WNS.

Further explanation of the NEAT methodology is included at the end of the report.

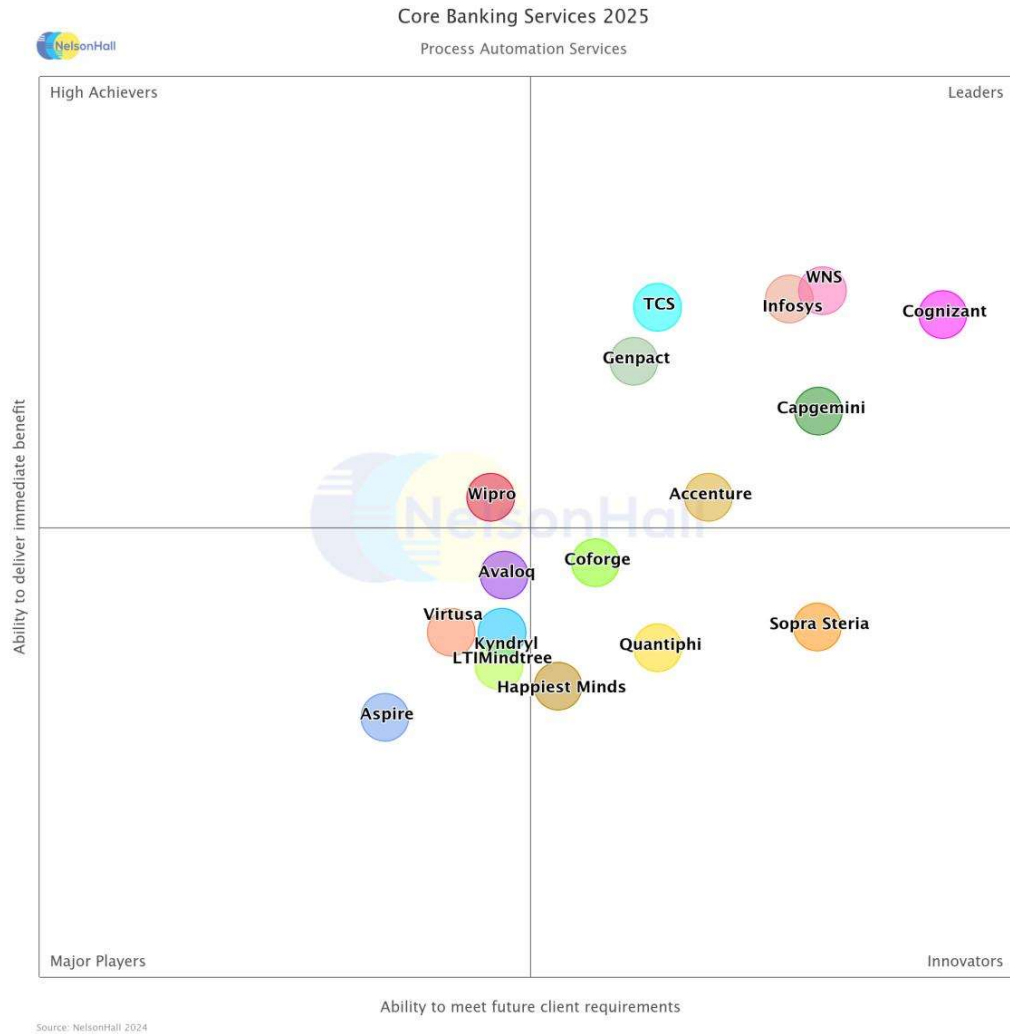# NEAT Evaluation: Core Banking Services (Overall)
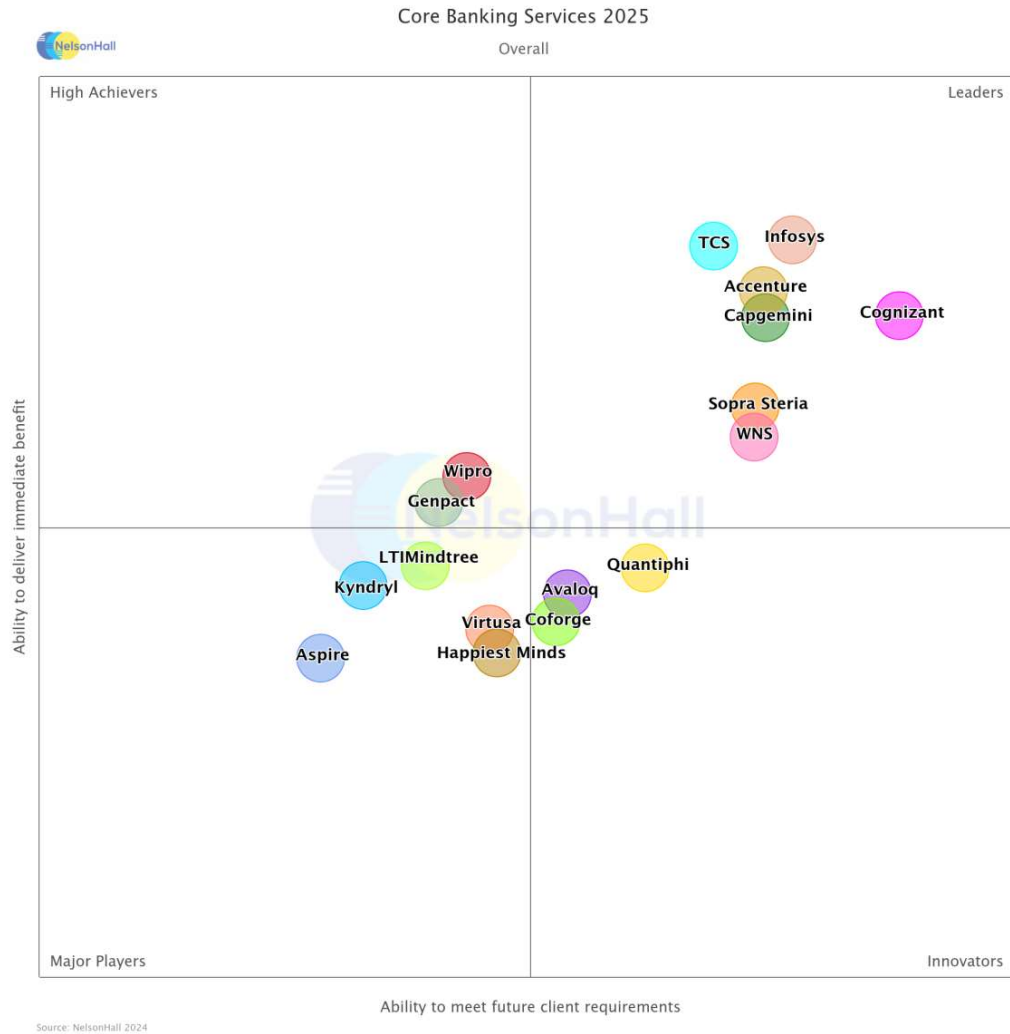
NelsonHall has identified Cognizant as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Cognizant's overall ability to meet future client requirements as well as delivering immediate benefits to its core banking services clients.

Leaders are vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements.

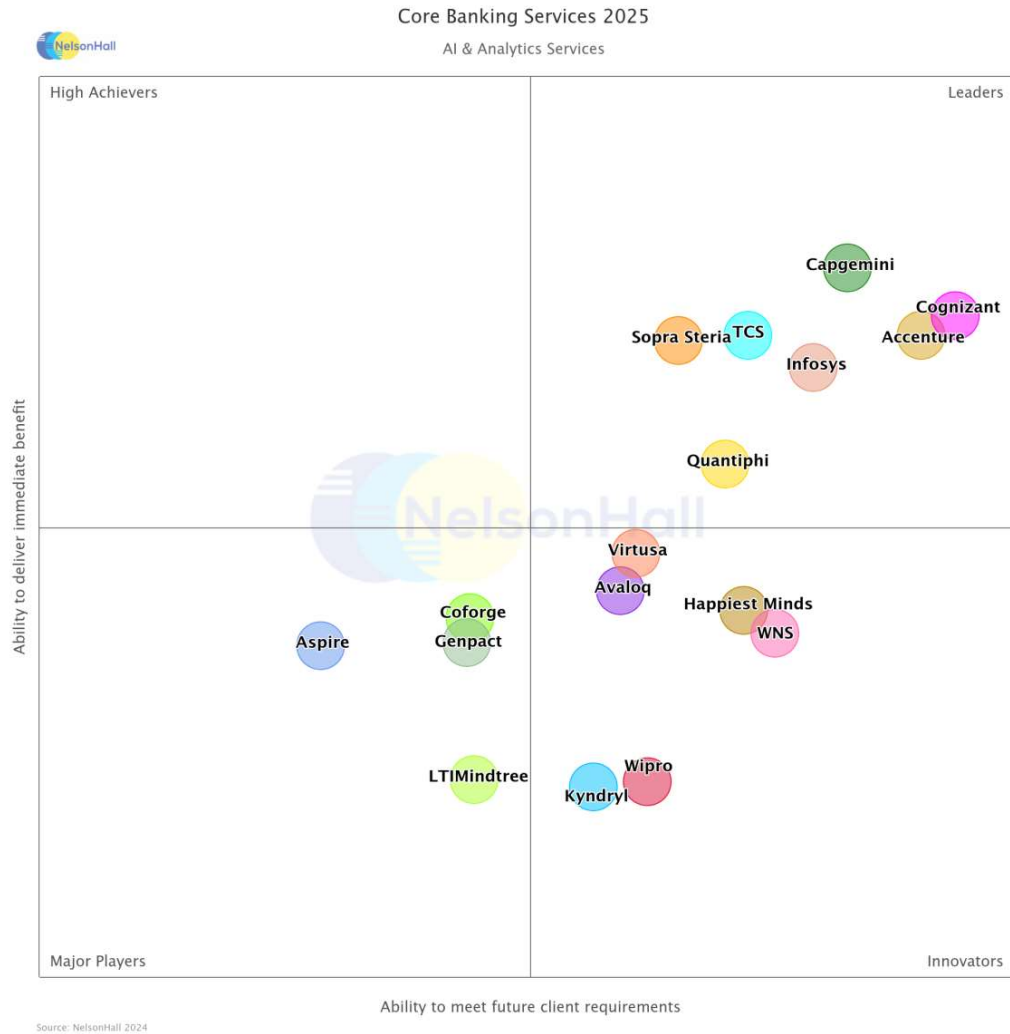Buy-side organizations can access the *Core Banking Services* NEAT tool (*Overall*) here.

NEAT Evaluation: Core Banking Services
(Process Automation Services)

Core Banking Services 2025
Process Automation Services

NelsonHall has identified Cognizant as a Leader in the *Process Automation Services* market segment, as shown in the NEAT graph. This market segment reflects Cognizant's ability to meet future client requirements as well as delivering immediate benefits to its core banking services clients with specific capability in process automation.

Buy-side organizations can access the *Core Banking Services* NEAT tool (*Process Automation Services*) here.

NEAT Evaluation: Core Banking Services
(AI & Analytics Services)

Core Banking Services 2025
AI & Analytics Services

NelsonHall has identified Cognizant as a Leader in the *AI & Analytics Services* market segment, as shown in the NEAT graph. This market segment reflects Cognizant's ability to meet future client requirements as well as delivering immediate benefits to its core banking services clients with specific capability in AI and analytics.

Buy-side organizations can access the *Core Banking Services* NEAT tool (*AI & Analytics Services*) here.

Vendor Analysis Summary for Cognizant

Overview

Cognizant delivers core transformation services using its Cognizant Integrated Banking Suite reference architecture. It customizes its delivery based on the domain knowledge it has gained over 30 years of working with the banking industry. This knowledge extends to subsector processes such as lending, deposits, payments, fraud mitigation, brand integrity, CRM, and new product launches. Cognizant uses its extensive ecosystem of vendors to build a customized roadmap and offering for clients who are transforming their core platform.

The company works with consumer banks, commercial banks, and wealth managers of all sizes across all major markets, with its go-to-market activities driving the "mitigate risk", "enhance customer experience", and "innovate and expand" agenda for clients through investments in platforms, partner ecosystems, and indigenously-developed, AI-enabled tools and accelerators. It supports its banking clients with four core banking offering sets:

- Design and roadmap planning for core platform transformation
- Build, configure, and deploy new modules and platforms
- Ongoing support and upgrades
- BPS: account operations, deposit transactions, and fraud mitigation.

Cognizant wants to increase its presence in the mid-market financial services segments. It has been working with one of its platform partners to build a tooling and automation suite to standardize clients' modernization journeys. Cognizant intends to use this suite of services as a pre-packaged, ready-to-deploy solution for its mid-market financial services clients, mitigating implementation risks and accelerating time-to-market.

It has 30k FTEs working in core banking services, delivered from offshore, nearshore, and onshore locations. Core banking staff are present in all major locations across the world. NelsonHall estimates that 70% of its staff deliver from India. Cognizant has been expanding its nearshore delivery capabilities. It recently opened new centers in Halifax (Canada), Mississauga (Canada), and Eastern Europe. It will grow its staffing in those centers over the next twelve months.

In addition, during this time frame, Cognizant expects to continue upskilling and cross-skilling its staff. Its training focus is on product-specific training and certifications. To enhance student learning and retention, it uses a learning-in-a-lab setup.

Financials

NelsonHall estimates that Cognizant's 2024 full-year revenues from core banking services will be $3bn, comprising:

- Consulting 10%
- IT design, deploy services 70%
- BPS 20%.

Strengths

- Large number of multi-country engagements providing complex transition domain expertise

- Ability to deliver combined ITS and BPS services

- Consulting capabilities, with domain expertise drawn from its long-term experience with financial institutions.

Challenges

- Building faster, more effective multi-country data migration tools

- Driving more productized tools and capabilities into offerings to target tier two and three banks across markets.

Strategic Direction

Cognizant aims to grow its business over the next several years by:

- Customizing its services to the regulatory and credit requirements of each market

- Launching a tooling and automation suite to standardize the upgrade journeys for smaller clients

- Embedding AI capabilities into its offerings to enhance the speed and quality of delivering upgrade services for the core banking system and data migration services

- Launching a transition architecture tool to support client choice among various phased transition approaches

- Developing offerings to support compliance with emerging regulations

- Expanding its nearshore delivery capabilities to support the increasing market demand for localized expertise and delivery.

Outlook

Cognizant has a core banking services business that delivers consulting, design, deployment, implementation, and BPS services for North American, EMEA, and APAC banking clients. Over the past year, it has been restructuring its business as new management looks to accelerate its growth and deliver new features to its clients in this evolving market.

NelsonHall estimates that Cognizant's core banking services revenues will grow by 3% per year over the next three years. If it successfully leverages its growing repository of AI-enabled tools and accelerators to standardize the upgrade journeys for smaller clients, it should be able to grow its business an additional 5% per year.

Core Banking Services Market Summary

Overview

The BFS industry is responding to new business conditions of tightening regulations (open banking, shorter settlement times, rigorous risk management, and more reporting), new financial products, new competitors, and declining margins.

New technologies, primarily GenAI, offer novel functionality but have been used mainly for POCs, which lack widespread operational application. Also, the changing technology landscape creates new challenges to maintaining data and operational security, which has slowed the maturation and adoption of these new technologies.

Bankers will increasingly look to:

- Accelerate migration to a microservices, open banking architecture and experimenting with AI and FinTech solutions to identify ways to transform their businesses

- Deploy GenAI to support relationship managers and middle/back-office process execution

- Accelerate their move to the cloud and automation of manual processes

- Support business model change to open banking

- Adopt agile deployment of new functionality with DevOps to accelerate new product introductions.

Technology and operations services in core banking include:

- Consulting services

- IT design and delivery services

- Managed services and business process services (BPS).

Buy-Side Dynamics

Client demand for core banking services can be summarized as follows:

- The highest level of demand has been for GenAI POCs and AI implementation services to enable banks to deliver a more extensive portfolio of offerings with hyper-personalization to customers. GenAI services remain experimental and internal facing. AI services are more mature and have been fully operationalized directly to customers

- Regional and local managers are facing cost pressures and are moving aggressively to modernize their operations. Their focus is on buying standardized offerings to enable them to compete with tier-one and digital banks. Regional and local banks are looking for cloud and AI-cognitive services to allow them to manage delivery in a new banking ecosystem

- Large banks are looking for the ability to hyper-personalize, introduce new products quickly, and convert all processes to 100% digital delivery to help them target customer offerings, adapt their environment to rapidly changing technologies, and access workers with scarce tech skills.

Regional and local banks seek to digitalize operational delivery and have access to emerging solutions and skilled technology workers to help them cost-effectively deliver a faster-evolving range of services to a broader range of customers. Customers now have access to a more extensive portfolio of bank offerings.

Key buy-side challenges include:

- AI and GenAI:
  - Improving the quality of market and entity data; securing and federating the data internally
  - Processing and analyzing new data types using OCR, ICR, LLM, SIM, and voice tools
  - Increasing accessibility and reporting to stakeholders
- Modernizing the operations estate:
  - Microservices, APIs, and app marketplaces
  - Enhancing orchestration capabilities across multi and hybrid domains
  - Identifying and implementing best-of-breed solutions while maintaining flexibility to change
- Modernizing offerings and customer engagement:
  - Building a digital-first operations estate
  - Increasing the speed and quality of new product introductions
  - Enabling open banking third-party access with quality control of offerings
  - Meeting the interaction expectations of new client demographics.

Market Size & Growth

NelsonHall estimates the size of the technology and operations services market for core banking was ~$18.5bn in 2024 and forecasts that it will grow at 11.4% annually from 2024 to 2029. This is made up of:

- Consulting services, which account for ~16% ($3bn) of client spending and are growing at ~11% per year over the forecast period
- IT design and delivery services, ~39% ($7bn) and growing at ~12%
- Managed services and BPS, ~45% ($8.5bn) and growing at ~10.9%.

Challenges

The key challenges faced in the technology and operations services market for core banking include:

- Data analysis:

  — GenAI needs to be tightly constrained to avoid hallucinations, requiring extensive upfront work for each use case

  — Most institutions cannot generate large data sets for meaningful analysis, requiring the creation of synthetic data

  — Increasing the use of data by new stakeholders requires rethinking which data can be touched by each stakeholder

- Re-platforming and cloud migration:

  — The lack of "one-throat-to-choke" in heterogeneous environments

  — Modern platforms require users to understand and work with much more heterogeneous solution environments and to integrate emerging apps and AI into those platforms

  — Moving to hybrid operations (internal/external/cloud), which offer less control for banks. Orchestration of heterogeneous evolving environments remains an ongoing challenge

- Business model change:

  — The industry business model is continuing to evolve. The current focus is on implementing an open banking model. These changes have obsolesced legacy IP and invalidated previous use cases, which need to be rewritten

  — Third-party service providers using the bank's open banking platform necessitates opening the legacy platforms with many APIs and exposing new vendors to buyers

  — New inputs to process: new business models are generating new data types (e.g., unstructured data from new channels). The data is processed using new methods (e.g., GenAI), creating the risk that the outputs will be flawed in a highly regulated industry

- Access to emerging technologies:

  — There is a lack of employees skilled in domain and tech issues that must be addressed to select and implement FinTech and AI solutions.

  — Identifying useful technologies while offerings are developing and maturing quickly reduces the ability to build use cases and employee skills that are required

  — Mid-tier and startup banks do not have in-house resources to assess or monitor the emerging technologies and vendor capabilities.

Success Factors

Key competitive differentiators (success factors) for vendors include:

- Tools and technology:
  - Ability to craft offerings from emerging functionality, hyperscaler software, and industry-specific platforms
  - Productized services and solutions for mid-tier and local banks
  - Vendor ecosystem: an ISV ecosystem and the ability to monitor changes in technology and data vendors
  - Online tech training for own employees and client staff

- Operations:
  - Ability to support multiple core platform replacement strategies across markets and business processes
  - Industry process knowledge and the ability to apply FinTech to address industry challenges
  - Deliver operational flexibility and speed-to-market for new offerings
  - Standardize and consolidate process delivery across markets and products
  - Enable core platform transformation to microservices and migration to the cloud.

Outlook

The future direction for the technology and operations services market for core banking transformation will include:

- Accelerating migration to hybrid, multi-cloud environments
- Digitalization of all processes and documents to reduce the cost of delivery and improve transparency
- The move to enable reduced time-to-market for new product offerings
- Growing interest in using AI to support relationship managers in efficiently shopping the large portfolio of bank offerings for customers.

NEAT Methodology for Core Banking Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders**: vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements

- **High Achievers**: vendors that exhibit a high ability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet client future requirements

- **Innovators**: vendors that exhibit a high capability relative to their peers to meet client future requirements but have scope to enhance their ability to deliver immediate benefit

- **Major Players**: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offerings	Breadth of application of core banking to banking
	Application of core banking technology to retail banking processes
	Consulting and strategy development
	Application of AI/cognitive technology for core banking
	Core banking services implementation capability
	Ongoing core banking management
	Monitoring and observability
	Application of proprietary/partner technology to core banking processes
	Ability to offer new process models for core banking with digital technologies
	Core Banking BPS Services
Delivery Capability	Scale of core banking process delivery capability
	Cognitive delivery capability
	Delivery capability – North America
	Delivery capability – Europe
	Delivery capability – ROW
	Use of pre-existing technology implementation templates
	Core banking process change management capability
	Maturity of services delivery model
	Services governance capability
	Extent of partnerships in support of core banking services
Market Presence	Overall presence in core banking processes
	Overall core banking management consulting presence
	Overall core banking management design and deploy presence
	Overall core banking management BPS presence
	Presence in managed services processes
	North American presence
	Europe presence
	ROW
Benefits Achieved	Overall level of benefit achievement
	Improvement in regulatory compliance
	Improvement in data sourcing and scrubbing
	Improvement in reporting
	Increased accuracy of core banking reporting
	Improvement in operational performance, reliability, and availability
	Level of cost savings achieved *Continued...*

Perception of "value for money"

Increased end-user satisfaction

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Service Innovation Culture	Perceived suitability to meet future client needs in core banking
	Ability to apply core banking services to core banking processes
	Perceived suitability to develop new business models & processes
	Service culture
	Innovation & creativity
	Ability to apply new technologies
	Transformation capability
Maturity of Roadmap	Maturity of roadmap in support of core banking strategy development
	Maturity of roadmap in core banking deployment
	Maturity of roadmap in support of process management in core banking
	Maturity of roadmap in BPS
	Maturity of roadmap in data management
	Maturity of roadmap in AI technologies
	Maturity of roadmap in own tools & platforms in support of clients
	Maturity of roadmap in new systems of reporting
Market Momentum	Core banking services momentum
	AI and Analytics services momentum
	Cloud services momentum
	Operations services momentum
	Automation focused momentum
	Professional services

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.

Sales Inquiries

research.nelson-hall.com

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

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