

Enabling Tomorrow's Financial Services Journey to the Cloud

VMware Cross-Cloud Services for Financial

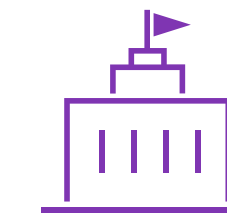
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VMware is reimagining financial services

The finance industry is on a trajectory for unprecedented change spurred by new emerging technologies and a newfound working paradigm brought on by the pandemic. With the rise of FinTech, an umbrella term denoting the use of software, mobile applications and other applications to overhaul the traditional finance industry, financial organizations of all sizes are finding their footing in the new digital-focused economy.

It's through a rich portfolio of next-generation technology solutions such as VMware Cross-Cloud™, a cloud management platform that unifies the multi-cloud environment and VMware Tanzu, a portfolio of cloud-ready solutions that enable and power Kubernetes containers, that VMware is stepping up to help financial organizations capitalize on tomorrow's FinTech future.



IT leaders report that the adoption of cloud technology, both private and public cloud, is rapidly outpacing other technologies. A full **92% of leaders say they have already invested and deployed or plan to invest in cloud in the next 18 months**,¹ according to a recent digital acceleration benchmark report by Gartner. Accenture says, 60% of its banking clients use more than one cloud provider, and over half have adopted a multi-cloud strategy.²

1. Gartner. "Survey Insights to Benchmark Digital Acceleration and Drive 2022 Priorities in Financial Services," June 2021.
2. Forbes. "The 5 biggest tech trends in Financial Services," 1/22/22.

The post-pandemic future of financial services

Financial services IT spending will grow 7.76% in 2022, according to the Gartner IT Spending Forecast. In 2022, banks will shift gears, according to Gartner, ramping up spending on technology, talent, and fintech integrations. Concurrently, banks are transitioning away from aging, complex IT environments. Legacy infrastructure and data center technology spending is expected to see a 41% reduction in investment this year, reports IDC.

Looking to maintain digital momentum and deter competition, banking executives will pursue innovation by launching new digital and sustainable products, unlocking the potential of open finance, evolving their business models, and experimenting with digital currency initiatives,³ reports Forrester. A full 71% of banking CIOs are either planning or implementing their new normal strategy to drive the business forward,⁴ says Gartner.



Banking Executive Priorities

In 2022, banks will be in a better place than last year when they set aside billions for loan-loss prevention.

This year, these institutions will look for ways to differentiate and innovate. Forrester predicts:⁵

- A quarter of banks will increase their tech spending by 10% or more
- The number of sustainable finance products will triple, but not all will pass muster
- Banks will prioritize identity as they explore X-as-a-service business models
- The number of bank-led lifestyle apps will double as banks respond to open finance
- Banks in Asia will outpace global peers on participation in retail central bank digital currency ecosystems

3. Forrester. "Predictions 2022 Banking," November 2021.

4. Gartner. "Leadership Vision for 2022—Financial Services CIOs," December 2021.

5. Forrester Predictions 2022

Five factors influencing financial services technology investment

1. Cloud adoption rises to boost innovation

A key to evolving and accelerating banking transformation is cloud. By 2025, 25% of tier 1 banks globally will deploy their data warehouses and analytics operations in the cloud, and by 2023, 65% of consumers across all channels will try an instant finance option, requiring the ability to make instant decisions which demands scalable processes supported by relevant data and an agile customer service infrastructure.⁶

2. IT Platforms Modernize and Accelerates

Financial Services IT Platforms continue to modernize with Kubernetes and core banking systems accelerate to the cloud. Today, a majority of banks with core banking system (CBS) installations in the cloud operate a private cloud. Gartner estimates 6.5% of core banking commercial off-the-shelf CBS installations ran in the cloud in 2020, and this percentage is predicted to increase to 10% by 2023 when public cloud usage will equal private cloud at 5% each.⁷

3. Customer experience moves up in priority

To build the kinds of applications that create great customer experiences, it's critical that enterprises support and solve for the developer experience gap by enabling modern app architectures and embracing native cloud Kubernetes services, APIs, and an expansive open-source ecosystem.

4. Expectations and competition fuel new models and approaches

With 26,000+ new fintech startups in 2021,⁸ traditional financial institutions have fierce competition. As workforce and customer expectations change while competition grows, financial services leaders are prioritizing better tools for employees and clients, creating online-only brands, and increasing process automation.

5. Cybersecurity remains challenging

Changing customer demographics and behaviors are driving digital transformation forward with 80% of financial services consumers preferring to manage all their finances digitally,⁶ reports Forbes. With increased demand and implantation to satisfy customer and employee digital expectations, institutions will continue to invest in cyber security infrastructure.

6. IDC. "IDC FutureScape: Worldwide Financial Services and Payments 2022 Predictions," 2022.

7. Statista. "Number of fintech startups worldwide from 2018 to November 2021, by region," Nov 2021

8. Forbes & Chase. "Digital Banking As the New Normal in 2021." 2021.

VMware empowers financial institutions to protect assets in the digital age

Financial institutions have long been entrusted to protect organizations' and consumers' money and data. To remain leading stewards of global commerce requires the way in which the world transacts with financial institutions to continually evolve. It's VMware's focus, to deliver cloud-native solutions that enable today's financial institutions to protect assets in the digital age while also securely aligning today's business to achieve the scale, flexibility and innovation required of today's financial services organization.

- Empower your financial services organization to accelerate to digital, customer-first banking with VMware.
- Modernize your infrastructure and application investments with VMware Cross-Cloud services. Accelerate your financial services' cloud transformation, deliver cloud-native customer-focused apps, and empower your hybrid workforce, securely aligning teams with the data and resources they need to support customers at every stage of their banking journeys.
- Scale innovation while lowering risk.
- Design and integrate new capabilities quickly without compromising customer outcomes.
- Break down silos and connect financial teams, bank personnel, and remote workers through frictionless workflows.



VMware is the #1 trusted vendor for enterprise workloads running across clouds⁹

Financial services run on VMware — 10 of the top 10 global banks are VMware customers

300K+ global organizations run VMware

20+ years innovating and reducing complexity around enterprise apps and driving IT modernization

VMware is a primary contributor to Cloud-Native Computing Foundation

VMware is leading the effort to make Kubernetes accessible to everyone

VMware Cross-Cloud services for financial services

VMware Cross-Cloud services empower financial organizations to connect institutions and customers with data, insights, and resources driving the next wave of consumer-driven financial services. Through a consistent, cross-cloud infrastructure, financial service organizations can build, run, and secure applications across any cloud, increase governance, control all apps, and facilitate an anywhere workforce—without jeopardizing security. VMware Cross-Cloud services provide a cloud-agnostic infrastructure and set of tools with a consistent way to address the following multi-cloud challenges in financial services.

Modern application development (VMware Tanzu)

Give developers the autonomy to build modern customer-facing and internal banking apps on the right cloud while giving IT Ops the ability to control and manage policies and security of apps and infrastructure across all clouds and development environments.

Multi-cloud management (VMware Cloud Management)

Automate previously manual tasks and deliver optimization capabilities that maximize performance, adjust capacity, streamline compliance, and remediate issues as they arise across clouds.

Anywhere workspace and edge (VMware Workspace ONE + VMware Edge)

Maximize employee productivity with an anywhere workspace solution that enables secure access to apps (including edge-native apps) from any device.

Enterprise-grade cloud infrastructure (VMware Cloud)

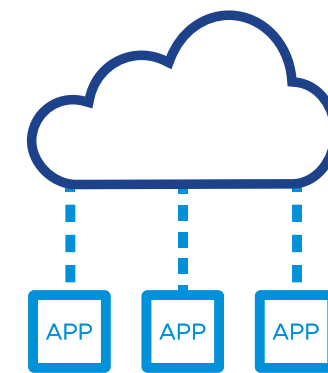
Provide a consistent IaaS and CaaS environment across all public cloud and edge environments, incorporating all the enterprise-grade capabilities that customers expect from VMware. Migrate and modernize existing financial services applications in the cloud while drastically simplifying multi-cloud management, thereby eliminating the need to juggle disparate cloud management toolsets and to refactor applications.

Security and networking (VMware Carbon Black Cloud + NSX Cloud)

Deliver security built-in as a distributed service, implement Zero Trust with fewer tools and silos, and scale response with confidence, speed, and accuracy. Achieve simpler, faster, and smarter security by leveraging the intrinsic attributes of VMware solutions to enable users to access any app on any cloud over any connection securely.

VMware Cross-Cloud services accelerate financial services transformation

VMware Cross-Cloud services support the fundamental transformations required for success as financial services organizations advance digital innovations in financial services and scale into a multi-cloud ecosystem.



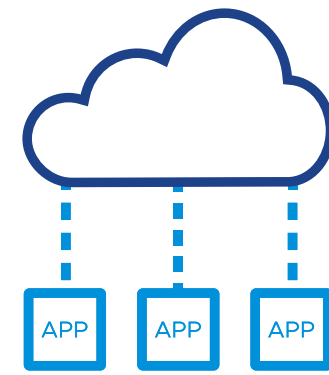
Integrate and operate a cloud-native platform at scale to drive top-line growth



Optimize and modernize cloud infrastructure, ops, and apps for competitive advantage

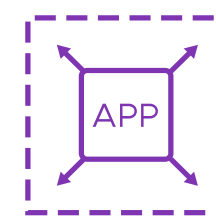


Empower the hybrid workforce



Integrate and operate a cloud native platform at scale to drive top-line growth

With VMware, financial services organizations can seamlessly scale into a cloud-native platform purpose-built to secure, run, and manage modern applications consistently across all clouds. This agility allows financial services organizations to operate at the speed and scale required of today's modern business.



Adopt a consistent and scalable container infrastructure Cross-Cloud to minimize risk.

The VMware Tanzu portfolio—with or without VMware Pivotal Labs app experts—and VMware multi-cloud infrastructure empower financial services organizations to effectively execute app modernization strategies without risk to application performance, availability, security, or budget.



Accelerate the delivery of new apps and service delivery to attract and retain customers.

The VMware Tanzu portfolio together with VMware multi-cloud infrastructure provides a supportive, modular, API-driven banking infrastructure that enables seamless and secure integration with third-party ecosystems, platforms, marketplaces, and channels in support of new customer services and experiences.



Improve app security, reliability, compliance to reduce costs and gain efficiencies.

VMware intrinsic security provides financial services organizations with cyber resilience and security that reduces risk, lowers liability, and delivers security control assurance in on-premises, multi-cloud, and edge environments as well as across virtual and physical networks. Tanzu Application Services automates the patching and updating of manual processes to keep application environments in compliance.



Optimize and modernize cloud infrastructure, ops, and apps for competitive advantage

By consolidating operations, development, apps into a unified cloud ecosystem, financial services organizations not only gain a competitive edge in delivering a highly competitive personalized experience to their customers but can also improve operational efficiency by 69%. infrastructure and applications.³



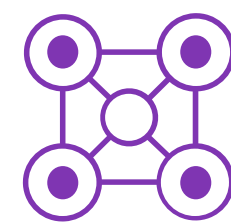
Migrate to financial services cloud-based infrastructure for the fastest path at lowest cost to cloud.

VMware multi-cloud infrastructure provides a consistent architectural model—infrastructure and operations—across the data center, cloud, and edge so financial services organizations can leverage many public and private cloud environments as a single pool of resources on demand for capacity, scalability, disaster recovery, and non-business-critical apps.



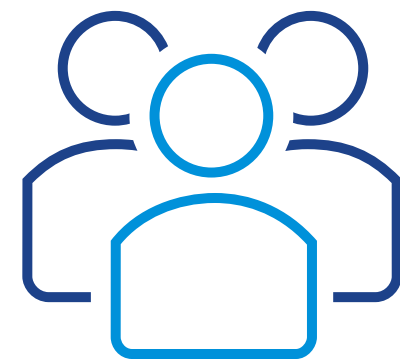
Leverage a unified cloud platform with integrated services to achieve app modernization goals.

The VMware Tanzu portfolio—with or without VMware Pivotal Labs app experts—and VMware multi-cloud infrastructure empower financial services organizations to effectively execute app modernization strategies without risk to application performance, availability, security or budget.



Unify cloud operations to optimize costs, performance, and security/governance.

The VMware software-defined data center is hyperconverged infrastructure (HCI) that brings together best-in-class virtualized compute, storage, networking, and a common operating environment with cloud management solutions to run, manage, connect, and protect financial services apps and workloads across data centers, clouds, edge locations, and devices.



Connect and secure the hybrid workforce for improved digital experiences

Today's financial services organizations are finding that the hybrid workforce not only improves employee satisfaction but also delivers an array of business benefits such as proactive and instant support — anywhere, anytime, support for employees around the country and ensure a unified desktop and application experience independent of where an employee works.



Mobilize and enable a distributed financial services workforce to support hybrid work models.

VMware digital workspace solutions—including virtual desktop infrastructure (VDI), the digital workspace, and remote-first work solutions—modernize end-user computing environments using a cloud-based approach that enables IT to securely manage identities and devices while delivering apps and desktops through a unified, zero-trust platform.



Secure the distributed edge to reduce risk.

Intrinsic security from VMware uses threat intelligence and infrastructure to protect apps and data across endpoints, workloads, networks, workspaces, and clouds while providing IT with visibility and control over policies that protect the business.



Automate the financial services workspace to streamline and increase IT efficiencies.

VMware digital workspace and software-defined networking technologies extend networking, security, and access to applications across private clouds, public clouds, WANs, and the edge. IT can deliver speed and security across heterogeneous sites via standardization and automation of networking and security services and build a stable foundation to grow a digital footprint, meet customer expectations, and facilitate business objectives.



Accelerate financial services innovation with VMware

VMware is a trusted partner to financial services organizations globally, delivering a comprehensive hybrid and multi-cloud platform that unlocks unparalleled financial services innovation. Our rich portfolio of solutions such as VMware Cross-Cloud and VMware Tanzu accelerate enterprise cloud transformation and empower today's modern financial services organization to build, deliver and scale solutions at the speed of today's modern enterprise. **To learn more, visit vmware.com/solutions/industry/financial-it-services**



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