Hitachi Vantara

eBook

Future-Proofing IT in Financial Services

Top Trends Disrupting the Industry

Introduction

Risk is no longer the exclusive domain of cybersecurity analysts.

IT professionals across various expertise—from data engineering and infrastructure operations to artificial intelligence (AI) and analytics—face a multitude of risks, especially in the banking and financial services (BFS) industries.

Understanding industry trends and the complexities of an evolving and regulated landscape are an everyday chore. Business continuity, data privacy, fraud, audibility and compliance are just some of the dizzying number of topics to keep top of mind. All while still meeting business goals and customer demands.

In this eBook, discover the ways that BFS businesses can address these issues by implementing change and reducing burden across the organization.

1

Future-proof

by Modernizing Traditional On-premises Infrastructure

From managing personally identifiable information to preventing fraudulent financial transactions, a complete shift to the public cloud will never be feasible for the BFS industry. Because there will always be an on-premises component, a flexible, scalable, and automatable hybrid infrastructure is essential.

Consider these solutions:

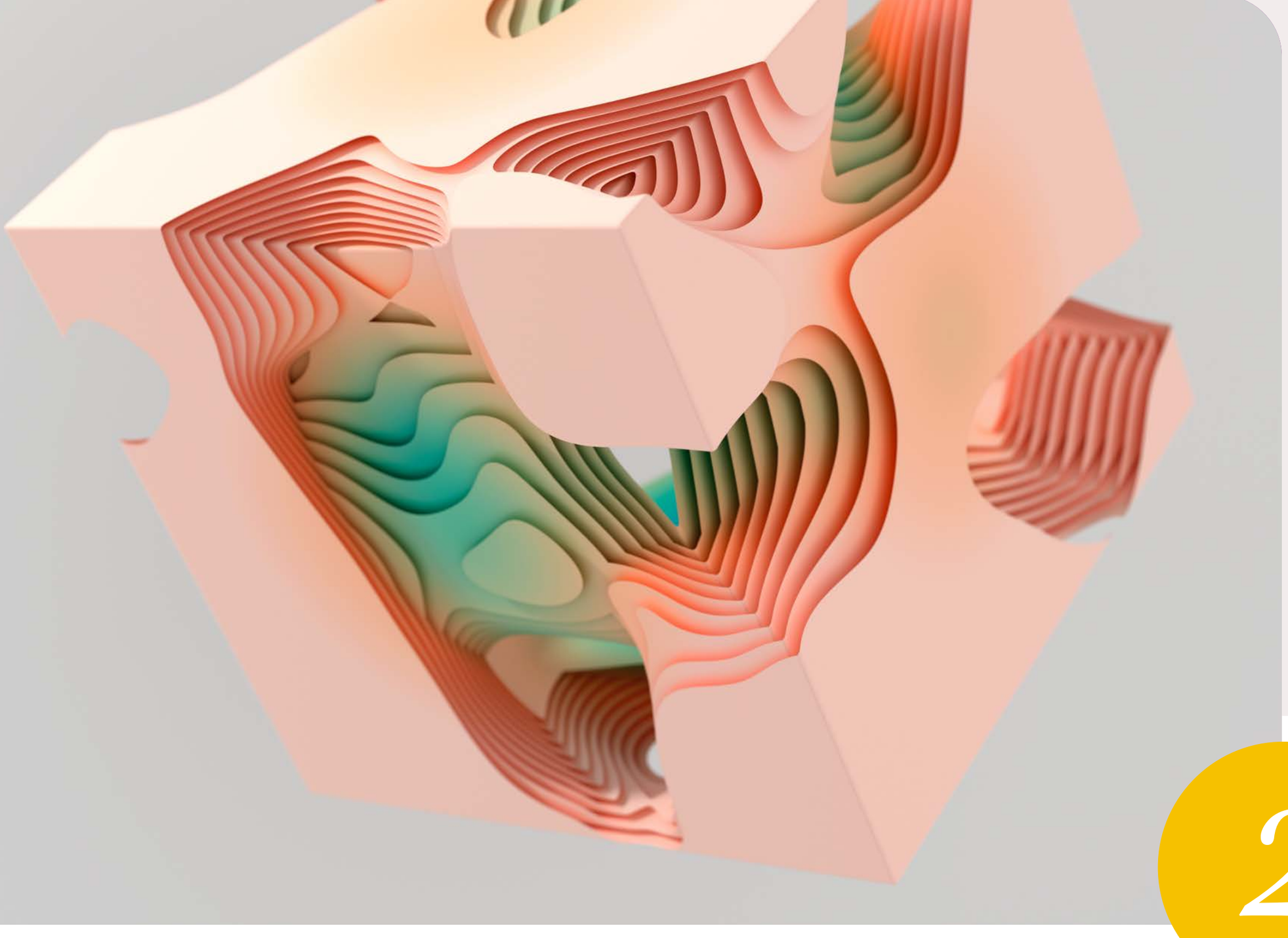
- Use a cloud-like experience even when deploying applications on-premises, including using infrastructure as code paradigms like Terraform
- Prioritize an automated, API-driven control plane
- Elect a node-based, scale-out architectures and software-defined storage (SDS) capable of handling high velocity and volume deployments

"The replacement of legacy tech with more modern tech will be the most impactful technology on post-trade over the next decade."

Firebrand research

Read the White Paper →

The Evolution of Hybrid Cloud in Financial Services (Firebrand)



2

Move Faster

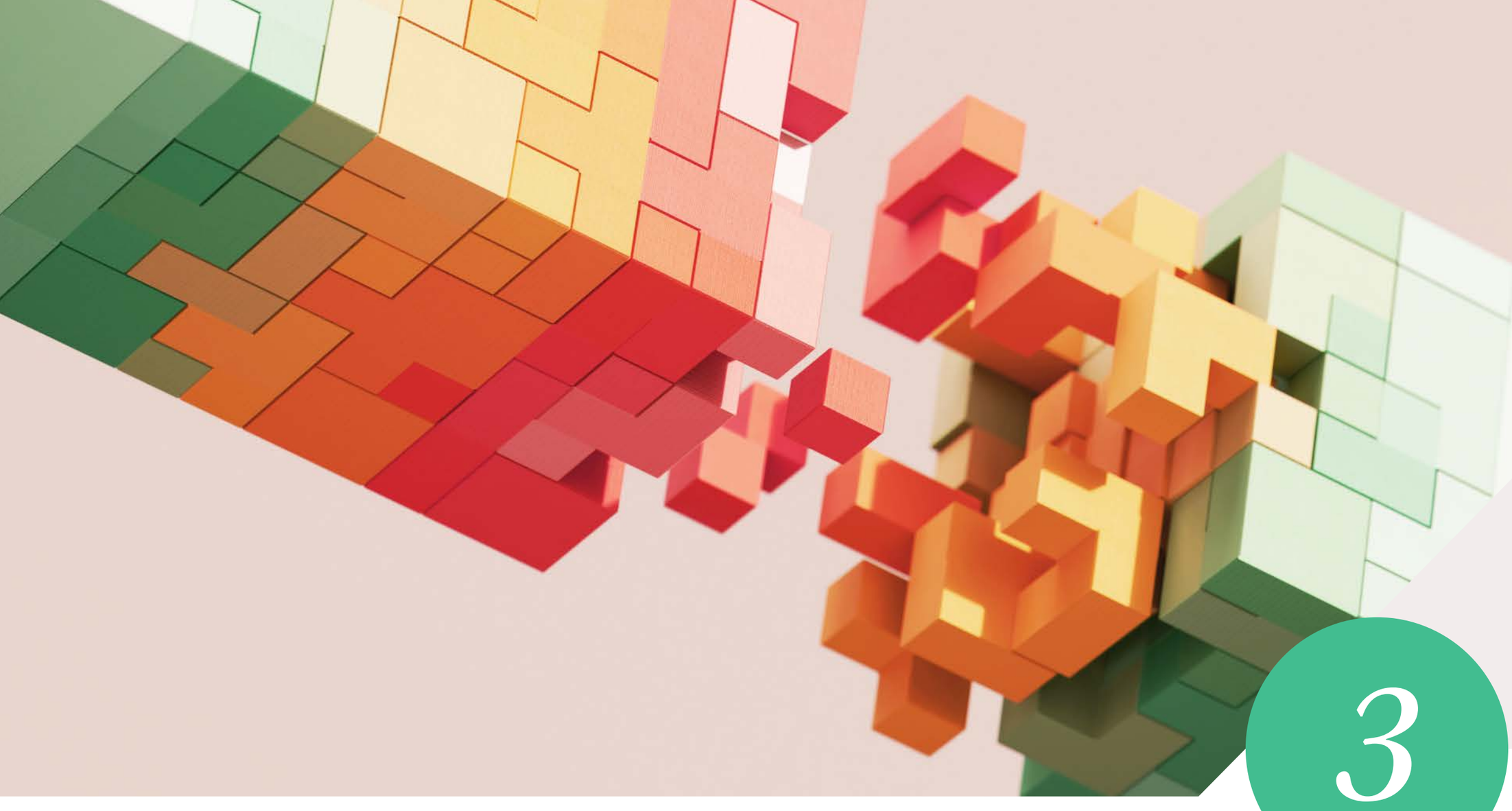
by Implementing Changes Required for Containerization

Containers enable faster development, testing, and deployment of applications. This agility allows BFS organizations to quickly respond to market changes and customer demands.

For example, containerization could help a financial institution that needs to scale its fraud detection system during peak transaction periods, such as Black Friday. Containers enable the institution to quickly scale up the necessary services to handle the increased load, ensuring real-time fraud detection without performance degradation.

Consider these solutions:

- Choose a managed Kubernetes service to simplify app deployment and management
- Apply microservice architecture for breaking down applications into smaller components



3

Adopt a Defensible Cyber Resilience Posture

for Brand Security and Global Compliance

BFS organizations are under constant threat of ransomware, which poses an existential threat to the trust-based business model of the industry. Meanwhile, **new regulations like DORA and New York State's Part 500** are becoming more stringent and global at scale. The solution is an iron-clad cyber security strategy.

Consider these solutions:

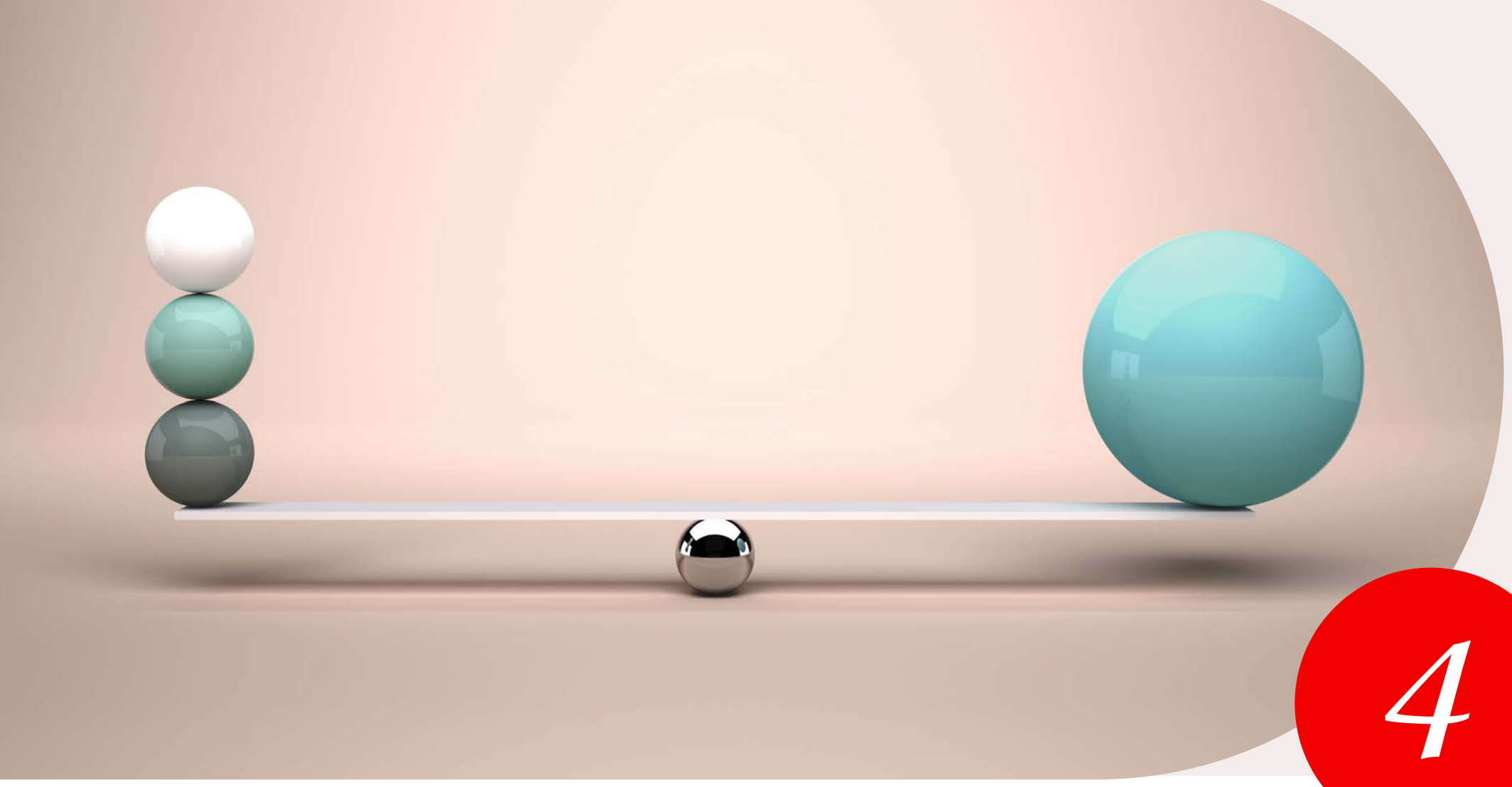
- Follow guidance on business process and technology changes from third-party oversight groups, and contract consultations with their experts
- Implement immutable storage to ensure data is unchanged and safeguarded against unauthorized modifications or deletions
- Develop a comprehensive strategy that includes recovery at scale, automated testing, and proactive monitoring to minimize downtime and data loss
- Leverage frameworks like the NIST Cybersecurity Framework or ISO/IEC 27001

"49% of financial entities state they are aware of DORA but have not yet undertaken exploratory work."

IDC

Read the White Paper →

DORA Requirements: The Imperative to Act Upon a New Paradigm of Resiliency and Risk Management (IDC)



4

Maintain Customer Trust

While Investing in AI and Business Needs

Balancing AI implementation with line of business strategy is trickier than it sounds. Exaggerated claims by vendors on the capability of AI, projects without defined use cases, and relying on poor quality data can derail even the most innovative of initiatives — not to mention customer trust that might erode as a result of failure.

Consider these solutions:

- Identify solid ROI use cases, and use retrieval-augmented generation (RAG) to reduce AI hallucinations
- Ensure quality data is used to retrain enterprise models accurately (while automating the exclusion of PII and NPI data to maintain privacy)
- Look for indicators of credibility in vendor claims, such as transparency in algorithms, data sources, and performance metrics
- Include clauses in vendor contracts that require regular performance reviews and updates
- Use AI to competitively embed financial services into non-financial platforms (like instant credit scoring and loan approvals within e-commerce platforms)
- Build trust throughout the digital customer journey with AI-enabled fraud detection

"By 2027, the average large company expects to more than double its AI investment."

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Read the eBook →

Turning AI into ROI with Banking and Financial Services

5

Reduce Costs

by Exploring Alternatives to VMware Licensing

Many financial services and banking institutions face high licensing and maintenance costs with VMware. Enterprises looking to reduce complexity and minimize management overhead can instead migrate to an open-source virtualization platform. This kind of move can save on licensing fees, maintenance costs, and hardware upgrades — not to mention allowing a wider range of solutions that align with specific business needs and budget.

Consider these solutions:

- Enable application discovery for container migratable applications
- Simplify the deployment, management, and operation of a Kubernetes platform with a full function distribution
- Optimize infrastructure to handle dynamic workloads efficiently, cut costs and better utilize resources
- Reduce or consolidate the number of VMware licenses needed

6

Hire, Upskill, and Transform

Employees to Close Talent Gaps

Operating a modern, containerized, on-premises environment requires a different set of skills compared to traditional IT roles. Teams need to be more code-savvy, and capable of writing and understanding code to manage infrastructure effectively. They also need to adapt to new ways of managing infrastructure, including using APIs to control infrastructure, rather than manual processes.

Consider these solutions:

- Ensure a knowledge transfer process in places so that employees can manage and operate new infrastructure effectively
- Partner with companies which offer expertise and services in modern infrastructure management and that can help bridge the skills gap

AI is Coming. *Are you Ready?*

To prepare for the future of AI, learn more about Hitachi Vantara's solutions for financial services.

Learn More →

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About Hitachi Vantara

Hitachi Vantara is transforming the way data fuels innovation. A wholly owned subsidiary of Hitachi Ltd., we're the data foundation the world's leading innovators rely on. Through data storage, infrastructure systems, cloud management and digital expertise, we build the foundation for sustainable business growth.

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