Banking on the future

Control to customise

Across sectors, the move to a digital-first way of working was already well underway when 2020 began. Now, with the year nearly at a close, the importance of that approach is clearer than ever before. Even traditional industries such as banking, with a longstanding reliance on a more conservative approach, can benefit from a digital-first way of working across their operations.

In fact, for the banking industry, some of the very things that have served as a point of resistance to change in the past — in particular, the complex regulations governing their operations — are now drivers for digital transformation.

"As consumers, we expect banks to be smart and understand us as individuals and serve us in a personalised and context-aware manner," said Kaylan Madala, IBM's Chief Architect, Cloud and Cognitive Software, Asia Pacific. "In a sense, the expectation of consumers is in line with the best-of-class digital service providers." But if our email doesn't get to a recipient immediately, or if our streaming service isn't playing a show in HD for a short period of time, the consequences are relatively small. With banking, however, the consistency, speed, accuracy and precision of data and digital services are paramount.

That is where IBM's digital modernisation solutions come in, not only for data storage but for application development and software deployment. Digital-first solutions such as hybrid cloud and artificial intelligence can help players in the banking industry build on their market share and value in a changing industry without compromising security and expand their wallet share and revenue.

"The challenge for banks is, how do I innovate fast, respond to market changes in real time?" Madala said. "At the same time, how do I preserve my trust and credibility?" IBM Cloud® Paks are oriented to ensure that banks can continue to leverage their existing software investments while innovating on new applications that incorporate modern technology. IBM Cloud Paks help customers strike the balance between greenfield (new or early stage) and brownfield (pre-existing or legacy) applications in a way that suits their business best using the latest cloud-native technology and ways of working. IBM worked with clients across the world and identified six domains where this approach delivers the maximum impact for business and built Cloud Paks to address them: business automation, applications, data, integration, security and IT automation.

How Cloud Pak fits into banking

IBM Cloud Paks are digital platform solutions that balance the banking industry's key needs: compliance and security, comprehensive application and data management automation, data ops, data governance and AI/ML.

This fully integrated data and AI platform modernises data collection, organisation and analysis — something of high importance in the banking industry, where every financial transaction represents new data to understand clients and operations better while ensuring consistency, security and privacy.

That data represents a level of risk for the banking industry, but it is also one of its most significant assets. In 2020, an IBM Institute for Business Value survey found 87% of CEOs see data as a strategic asset that can be used to support personalised experiences and provide opportunity.

With IBM's digital solutions, an agile data and AI first approach ensures banks can get the best value from the data they own and data they have access to. "The idea is that we take every piece of data and every event in the enterprise and make it accessible to across the ecosystem of the bank, in real time," Madala said. For example, any particular transaction or data point might interest multiple stakeholders such as customer service, fraud, marketing and compliance. With protections such as privileged user access management and tokenisation in place, everyone who needs access to the data gets it while privacy measures remain in place to protect personal customer information.

The cloud-native platform provides a modern information architecture that helps organisations make AI integration a reality at scale, at a lower cost and with less risk. And with powerful optimisation capabilities of Red Hat® OpenShift®, everything is efficient — even if you are leveraging the analytical power of artificial intelligence to get the most bang for your (literal) buck.

Cloud Pak for Data doesn't require any financial institution to rebuild their many existing architectures — all of which were constructed with regulations and legacy systems in mind — from the ground up. Instead, IBM's digital solution can be deployed on any cloud, with your existing landscape, and scaled across your organisation. Your institution can even integrate complementary hardware, software and services thanks to IBM's vast ecosystem of options and a growing catalogue of customisable data workflow solutions.
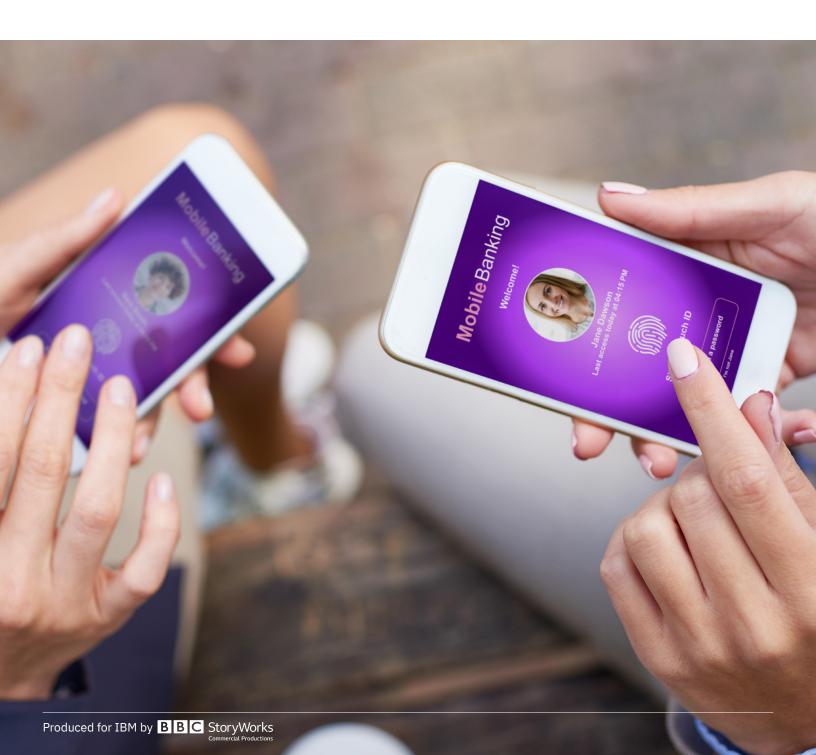
IBM Financial Services Workbench for IBM Cloud Pak for Data provides clients with a Financial services specific accelerators with a knowledge of data and application needs, which in turn helps organisations turn digital business opportunities into cloud-native solutions with agility and flexibility. The offering helps institutions move from monolithic applications towards nimbler microservices and DevOps architectures. Cloud Pak for Data accomplishes this using a low-code, collaborative environment where business analysts and developers can design, implement, build and test lightweight services with tailor-made tools for their role.

Besides custom code development options, the offering introduces a no-code design and low-code implementation environment based on domain-driven design. The solution uses best-in-class open source tooling with a pre-integrated and automated pipeline, including packaging, auto-deployment and monitoring capabilities.

The enterprise catalogue capabilities within IBM Cloud Pak for Data platform deliver a central view of all enterprise data, making it easier to discover for analysis. With the addition of the IBM Financial Services Workbench, add-on microservices can be centralised into that same platform, allowing you to view and discover your business services with various data sources in one place.

Building upon system, domain and industry experience, the IBM Financial Services Workbench for IBM Cloud Pak for Data facilitates a modular architecture for building microservices. Pre-built design packs and ready-to-use integrations help jumpstart the development of new solutions, and the platform helps simplify governance by allowing users to easily explore how services interact with one another and the data.

"Strong data architecture and platform form the foundation for a successful AI implementation. For example, an insurance and banking products and services company in Australia reduced the volume of claim inquiries to its call centre, accommodating peak workload at the call centre and improving customer satisfaction, when it deployed a solution of IBM AI technologies," said Chetan Krishnamurthy, IBM's CMO for Cloud and Cognitive Software and Security, Asia Pacific.

Regulatory Compliance at the Core

All this comes in a unified platform with intuitive, role-based navigation — something of key importance in an industry with strict regulations about who can access which data, and when. Forty per cent of surveyed participants told an IBM-commissioned study that data governance issues were a serious business concern. When BNP Paribas met with IBM in 2018, they pointed to 200 compliance and security requirements they needed to meet as a key consideration for their business.

The ability to deal with those regulations quickly and efficiently is another advantage offered by IBM's Cloud Pak for Data to the banking industry. The solution's embedded and automated governance capabilities allow for enterprise data compliance enforcement across your organisation — and can be changed as the rules are.

And IBM continuously works to maintain and upgrade its security features, including increased bandwidth and improved cryptographic technology. The security features of Cloud Pak are why clients such as BNP Paribas choose IBM.

Brought together, IBM Hybrid cloud solutions offer financial institutions innovation at the edge, the ability to build and run anywhere with consistency, automation capabilities, AI and best-of-breed security both on prem and in the cloud in a truly hybrid cloud environment, Krishnamurthy said.

"IBM has brought the best of the open ecosystem and the best of in-house innovations," he said. "And all of it on one unified and secure platform." This should help banks innovate rapidly and create the best digital experience for their clients.

Modernise your data management and infuse AI across your enterprise

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That's why IBM Cloud Pak® for Data helps modernise your data management and infuses AI to drive productivity. Now, your business can connect all the tools and data with ease and spend less on IT management and storage.

Today, everyone - from banks to factories is choosing IBM Cloud Pak® for Data.

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