

## RED HAT FORUMS

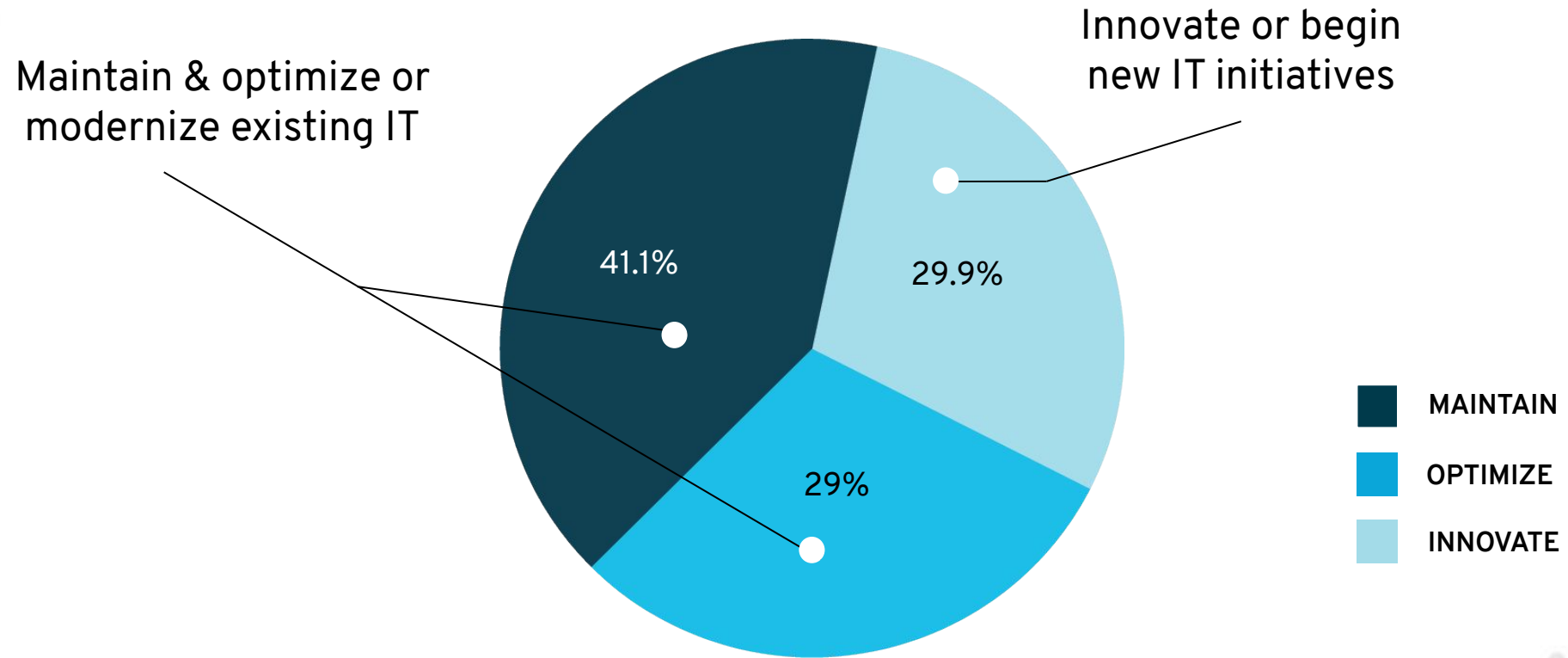
# Red Hat is your trusted advisor in Financial Services

## Business Intro

Alfonso Navío    EMEA FSI Business Strategist

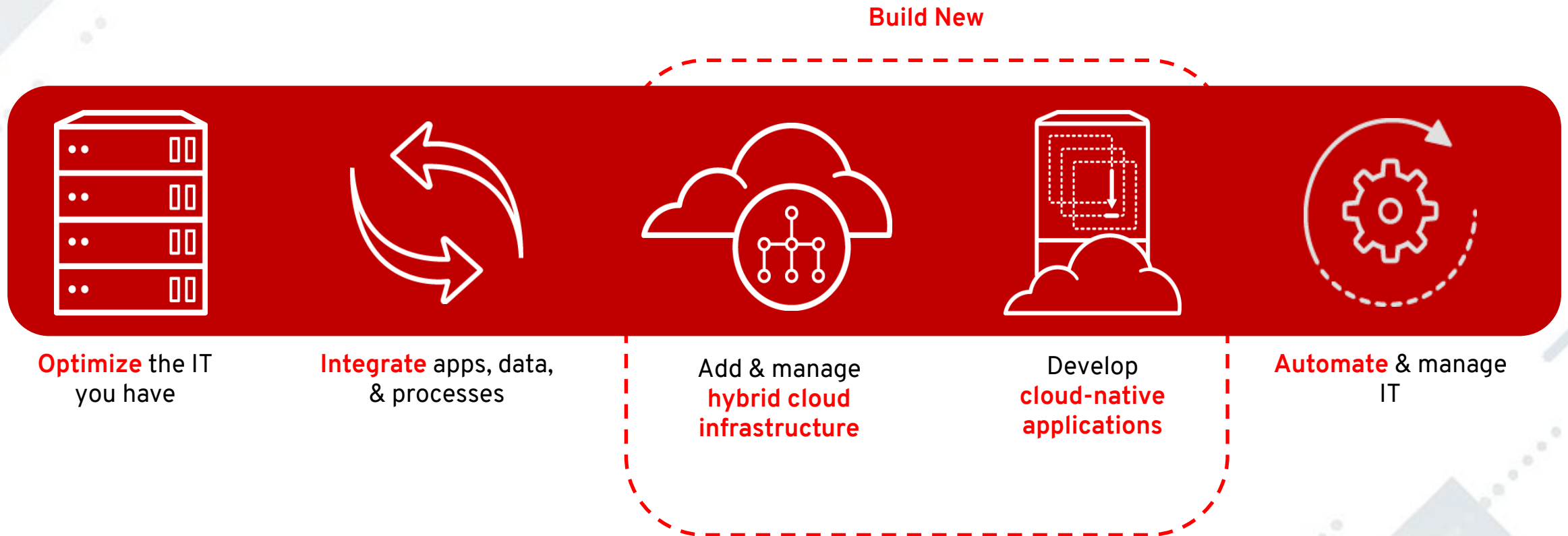
# Should you maintain, optimize, or innovate?

## You must be able to do all 3

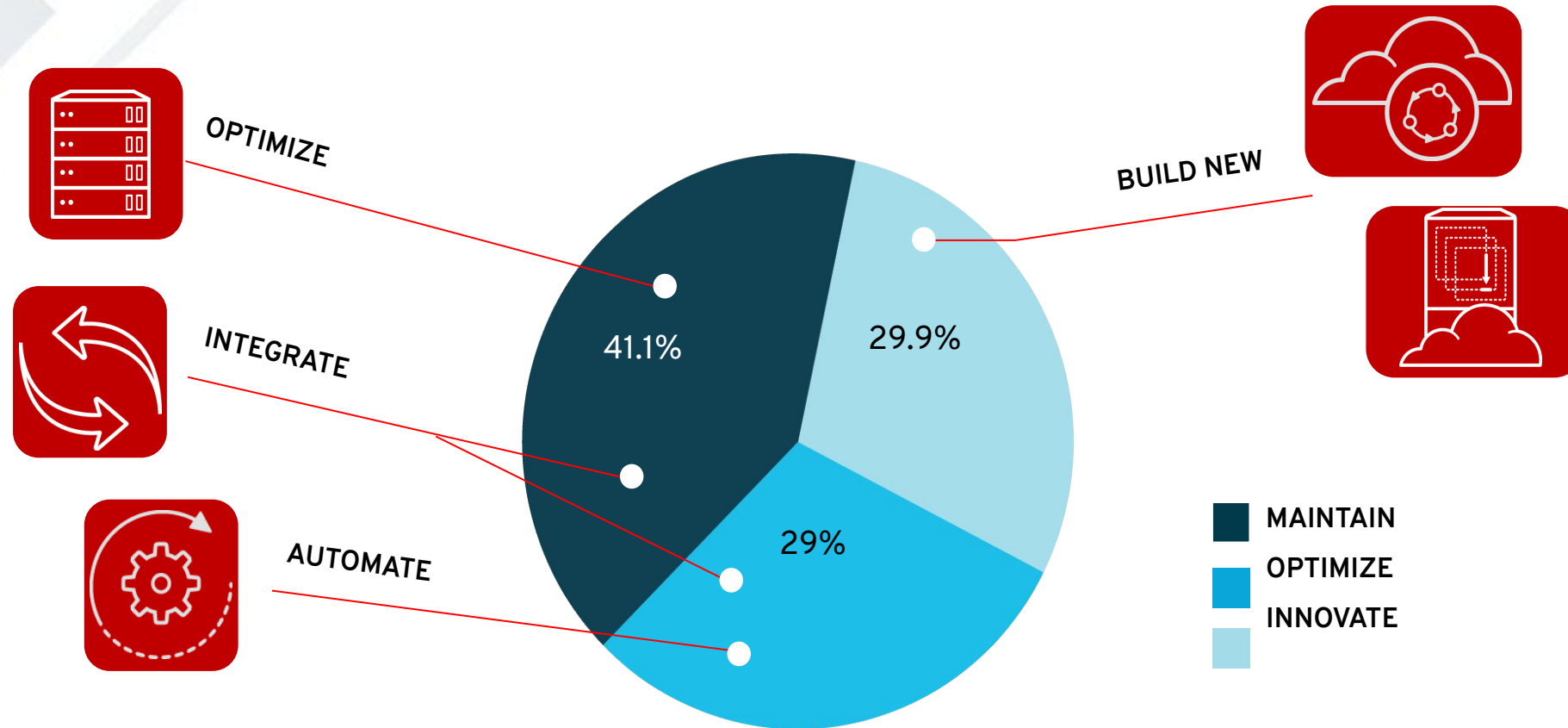


**~70% of current efforts are usually focused on "keeping the lights on"**

# Shifting investment to innovation: It's about efficiency, agility, & speed



# Red Hat gives financial institutions the tools to innovate in a world of rapid change

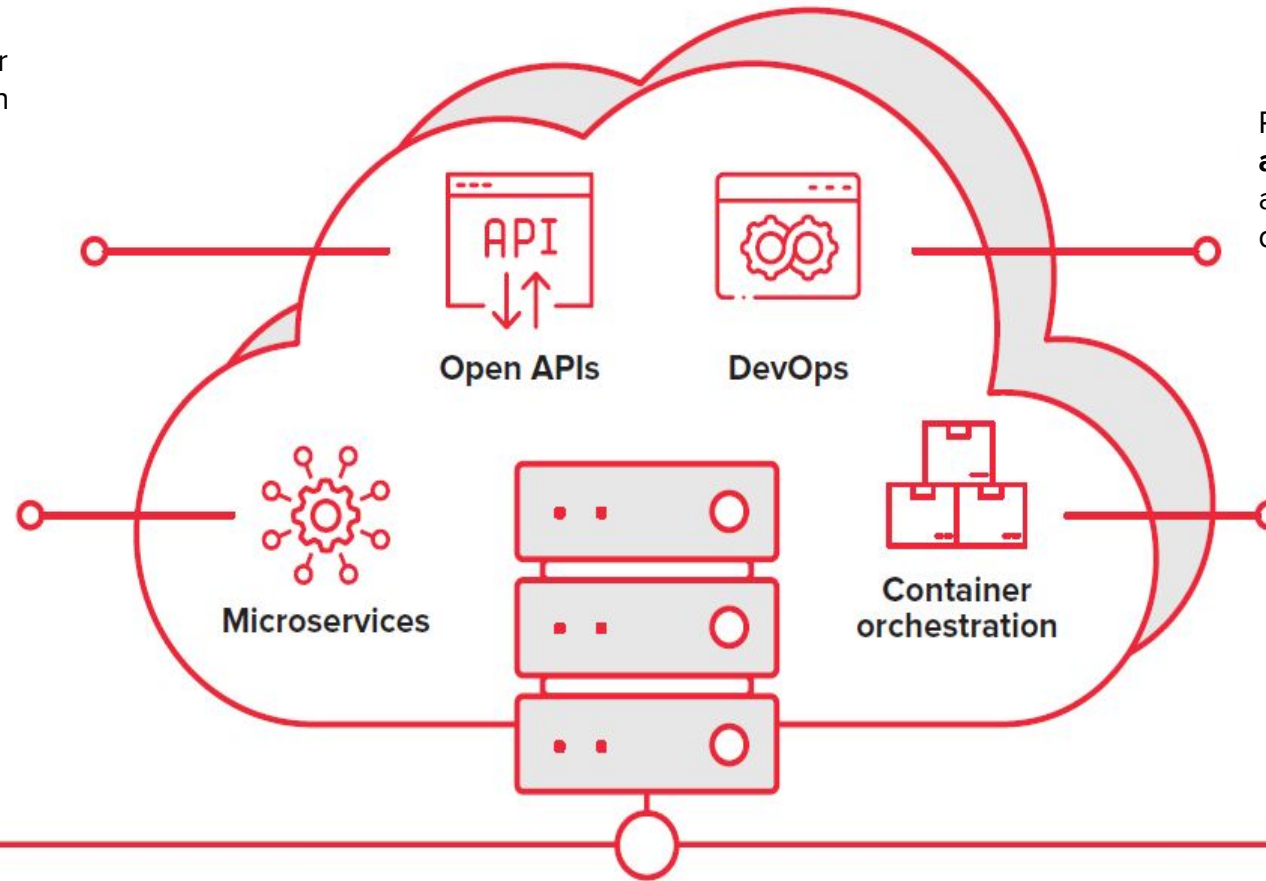


**~70% of efforts should be focused on Innovation**

# A secure open hybrid cloud infrastructure has become the ideal playground for new Open Banking data-driven business models

Foster **innovation** in developer ecosystem and enable creation of **new products and revenue streams**

Bring **agility and flexibility to application development** and enable banks to deliver immediate value to their clients



Reduce development cost and **accelerate time to market** by automating application testing and deployment

Enable banks to choose **the right infrastructure to succeed** in their highly regulated and risk-averse operating environment

# The business value of a **hybrid cloud** infrastructure

## Business Value Highlights

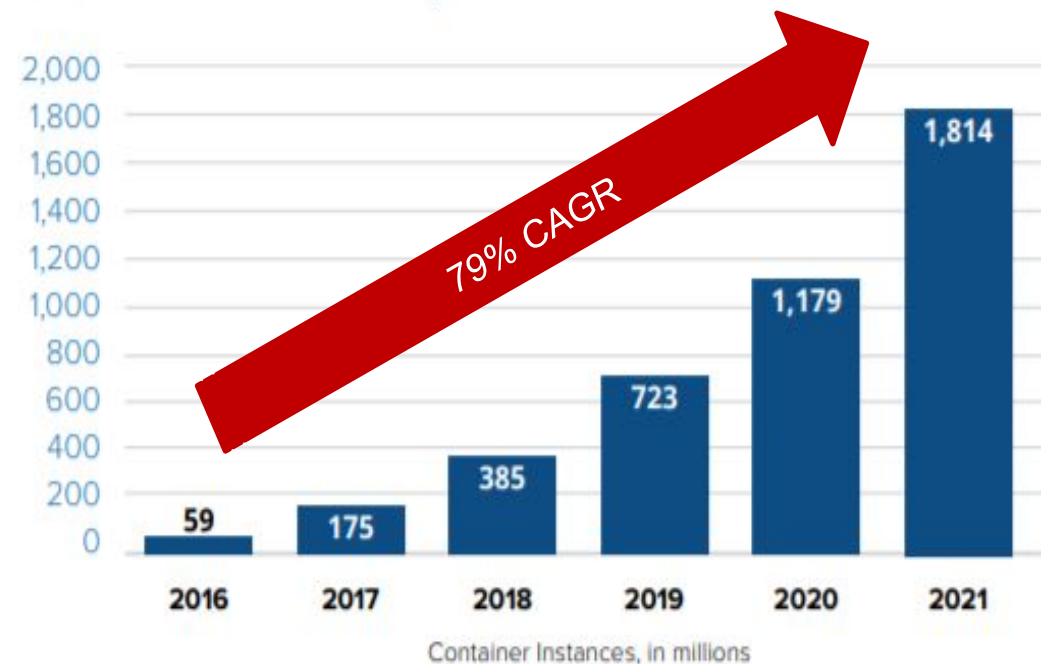
**661%**  
five-year ROI

**5 months**  
to payback

**54%**  
lower five-year cost of operations

**>2x**  
more new applications per year

## Container Growth, 2016–2021



Source: IDC, 2019

**24%**  
higher application developer productivity

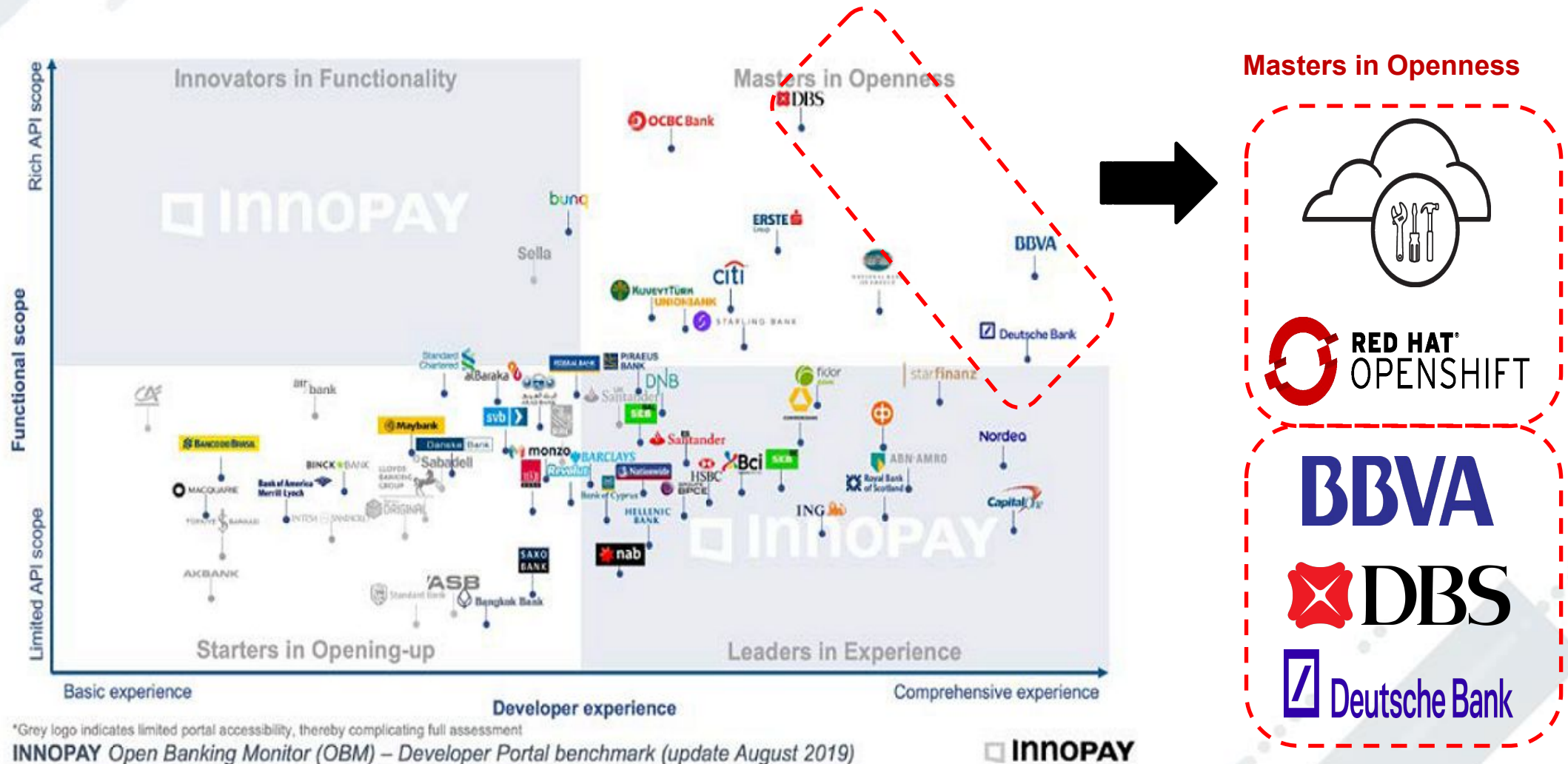
**\$32.9 million**  
higher revenue per year per organization

**80%**  
less unplanned downtime

**49%**  
more efficient IT infrastructure teams



# Red Hat OpenShift customers have been named as world's leading financial institutions when it comes to Open Banking



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Red Hat

Source: The Paypers and Innopay. The Open Banking Report 2019

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**“Banks need to take on Amazon and Google or die (2013).”**  
Francisco Gonzalez, BBVA Global Executive Chairman

Dec. 2013 “Banks need to take on Amazon and Google or die. We should **use our data to give customers exactly what they want.**”  
Francisco González

March 2015 “In the future, **BBVA will be a software company.**” FG

Apr. 2017 **“We are competing to be the Amazon or Netflix of banking. And we are confident that BBVA will be one of the winners in this competition.”** FG

Jan. 2018 **“This year, 50% of our clients will be digital.”** FG

<https://www.ft.com/content/bc70c9fe-4e1d-11e3-8fa5-00144feabdc0>

<https://www.finextra.com/newsarticle/27080/in-the-future-bbva-will-be-a-software-company---francisco-gonzalez>

<https://www.bbva.com/en/francisco-gonzalez-competing-amazon-netflix-banking/>

<https://www.bbva.com/en/francisco-gonzalez-davos-this-year-50-our-clients-will-be-digital/>

<https://www.bbva.com/en/ahead-of-the-curve-in-digital-transformation/>

## The impact of transformation: Spain

Two years change (Jun'17 vs Jun'19)



### GROWTH

Acquiring more engaged and profitable clients

**+33%**

Digitally acquired clients

**+11%**

Net fees & commissions



### EFFICIENCY

Lowering cost to sell and serve our clients

**-8%**

Operating Expenses

**-14%**

Branches

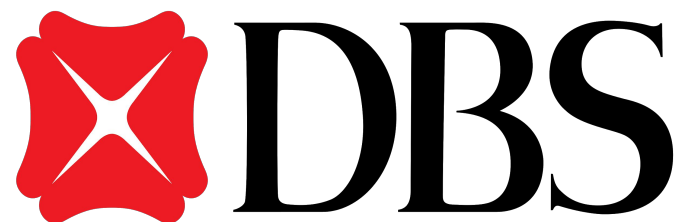
**+79%**

Remote serviced clients





**“In 2013, it became clear that Alibaba and Ant Financial\* were going to be a game changer.”**  
Piyush Gupta, DBS CEO



“By then **they were not only into payments, but getting into funding, lending, insurance**; they were getting into every part of our business and doing it differently. They had **no branches, no people**. They were **doing it all digitally**.”

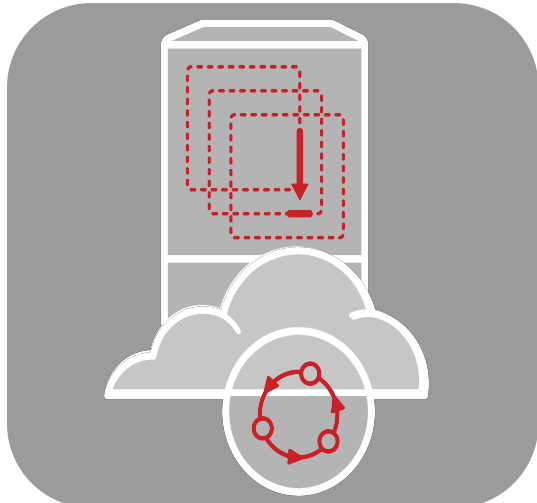
Gupta reached a conclusion: **“We have to think about the future differently.”**

He and the board came up with an agenda saying they would have to embrace digitalization, and do it properly, if they were to succeed. **“We had to start thinking like big tech**. Our frame of **reference had to be Amazon or Alibaba**. We had to **stop thinking about what other banks will do**. We had to start thinking about what big tech would do.”

(\*) Worth \$150 billion, is about the same as the combined market capitalization of Morgan Stanley and Goldman Sachs

# How do we get there?

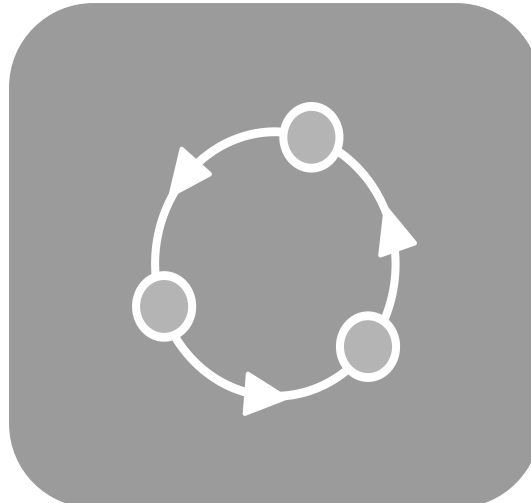
## Transform more than just technology



**Next-Generation Architecture**

New ways of developing, delivering, & integrating systems & applications

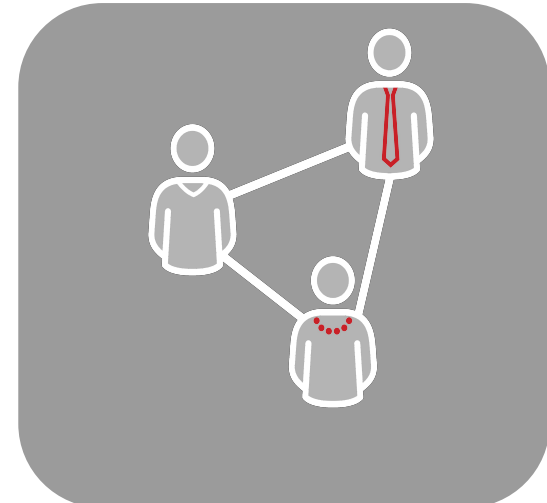
+



**Agile Processes**

New ways of doing things across both IT & the business

+



**Collaborative Culture**

New ways of working together & building organizations

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## THANK YOU



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