



## Financial institutions now moving confidently to the cloud, leveraging data lakes, AI and machine learning

*SmartStream's Peter Hainz and Amazon Web Services' Anna Green shared their insights on the advantages of on-demand and highly scalable cloud environments for banks and other financial institutions, as well as the factors hindering its adoption in the region.*

In this podcast titled **Cloud and Managed Services Transformation**, SmartStream and Amazon Web Services partnered with *Asian Business and Finance* to talk about managed services business in Asia, how banks adapt to the new way of working in terms of cloud adoption, and the key challenges surrounding the acceleration of cloud and managed services transformation.

SmartStream Global Head of Product Management - Cloud and Managed Services **Peter Hainz** and Amazon Web Services (AWS) Head of ISV and DNB for the Asia Pacific and Japan **Anna Green** shared their thoughts on how financial institutions can utilise on-demand and highly

scalable cloud environments, how the acceleration of cloud and managed services contributed to a large proportion of IT spend in the market, as well as the factors hindering the adoption of cloud in the region.

Green has mentioned that the current global pandemic validated financial institutions' cloud value proposition in such a way that the ability to use on-demand and scalable models to achieve cost efficiency and business continuity is revolutionising systems for organisations.

"What it has meant is that they are rapidly accelerating their digital transformation plans, and we have seen that across the spectrum of all industries, but in particular, with respect to financial services," she said.

Similarly, Hainz noted how such change in the ballgame has heightened the importance of security in cloud environments, with the goal of having a more fine-grained control.

"How can we put all in the cloud and have a standard security guideline? And this is how you reconstruct the on-premise solution into a cloud solution. So, you're going from a legacy system into a cloud solution, which is much more secure," he explained.

Whilst cloud and managed services certainly address doubts on security, Green and Hainz both agreed that there are still a myriad of factors hindering financial institutions to adopt cloud and managed services transformation.

Green brought up the culture of banks in terms of running legacy systems, as well as the sense of safety for employees in terms of job retention, as major reasons why banks are hesitant to use cloud.

"The change that technology can bring to banking and financial institutions doesn't mean that people won't have jobs anymore, it actually means that you can help people to retrain to do much more interesting jobs." she said.

"So education, shared responsibility model, and that, you know, there is also a certain level of control and trust: these are important," Hainz added.

As a way of maximising these technologies, SmartStream and AWS are currently collaborating on a data lake based on Redshift, allowing clients to develop deeper insights into the wealth of data. They are also working on state-of-the-art encryption technologies based on different regulatory and client requirements.

“More and more of SmartStream products are opting for cloud on-demand versus on-premise solutions, and examples are mastering products like corporate actions, collateral management and reconciliations solutions,” Hainz noted.

Amongst the innovative projects SmartStream has done is SmartStream Air, a reconciliation platform launched in 2019. It is a reconciliation platform powered by artificial intelligence (AI) which can match any datasets – structured or unstructured – in seconds rather than weeks.

The platform is an entirely unique innovation, built on the latest AI and machine learning technologies to compare and validate data, allowing its users to manage their data easier.

SmartStream also offers on-demand Software as a Service (SaaS) and Business Process Outsourcing services. For these services, it runs the IT infrastructure in the cloud, whilst also providing administrative and operational control. SmartStream and AWS published together a blog ‘Banking Apps Built on AWS: A Deep Dive into SmartStream’s SaaS Architecture’, which highlights these offerings along innovative cloud security approaches.