

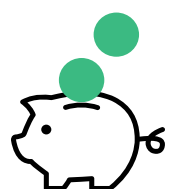
Resolve The False Dilemma Between Resilience And Modernization In Banking Through Hybrid Cloud

RESILIENCE IS A TOP CONCERN FOR BANKS BUT GAPS IN TECH STRATEGY PERSIST

Service disruptions in the APAC banking sector highlight a need to enhance operational resilience.



Sixty percent of respondents said their banks had experienced at least one service disruption in the last 12 months. As a result, more than half faced:



68%
financial penalties



56%
compensation to customers



Thirty-one percent ranked **business continuity planning** as the top element of resilience they aim to improve.

BANKS HAVE A RESILIENCY GAP IN THEIR TECH STRATEGY

Increase in cloud adoption due to modernization efforts has introduced new risks to banks' resiliency.

Only **47% of tech professionals** said that their bank views operational resilience as a key priority.*



This contrasts with **63% of business decision-makers** who shared the same view.



61% of tech professionals shared that increasing migration of services to third-party cloud has decreased resilience.

BANKS ARE LOOKING AT THE USE OF PUBLIC CLOUD SERVICES TO CLOSE RESILIENCE GAPS

Challenges with cloud services have given rise to cloud hesitancy amongst banks.

The Bank for International Settlements stated the growing reliance on a few cloud computing service providers was creating "single points of failure," and "new forms of concentration risk at the technology services level."

Banking business decision-makers expect the share of core banking-related workloads deployed on public cloud to **decline from 52% to 44%** over the next two years.

53% of business decision-makers faced barriers in complying with data residency regulations.

UNDO THE FALSE DICHOTOMY OF RESILIENCE AND MODERNIZATION WITH HYBRID CLOUD

Hybrid cloud can reduce third-party risks while enabling scalability and cost efficiency.

Benefits of hybrid cloud include:

Improving banks' business continuity and disaster recovery during public cloud service outages.

Scaling computing resources to handle demand spikes in a cost-effective manner.

Ensuring data security both during everyday operations and cloud disruptions.

In the next two years, the share of core banking applications on hybrid cloud is **predicted to double to 13%**.

Base: 166 business decision-makers in the banking industry in APAC

*Base: 108 tech professionals in the banking industry in APAC

Source: A study conducted by Forrester Consulting on behalf of Red Hat and Intel, September 2023

[Read the full study](#)