



## Joachim Wuest

Head of Financial Services,  
Google Cloud Germany

# European banks accelerate digital transformation with cloud adoption

Financial services institutions face continued pressures in the race for business transformation. This has never been more apparent than now during the COVID-19 pandemic which made consumers shift to digital banking channels at an unprecedented rate, whilst capital markets firms are dealing with extreme volatility. Cloud technology presents significant opportunities to help financial institutions standardise in multi-cloud or hybrid cloud environments, streamline tasks related to internal risk assessment, compliance and governance, improve visibility through the use of machine learning and data analytics, and minimise complexity with modern collaboration tools.

We see three key areas where cloud technology can help transform the financial services industry for the future:

1. Cloud can help reimagine customer relationships using data and artificial intelligence (AI);
2. Cloud can transform and modernise the use and management of data with the help of machine learning (ML) addressing one of the key challenges faced by financial services institutions;
3. Cloud can help drive operational improvements within core systems.

Whilst financial institutions in Europe were relatively slow to adopt public cloud at first, we are seeing an accelerated trend toward cloud across the Eurozone aimed to redefine and innovate banking services at large. Our recent announcement with Deutsche Bank to form a long-term global partnership to drive a fundamental transformation of banking and enable co-innovation between the two companies to create the next generation of technology-based financial products is a strong example of this type of strategic approach to cloud. This tendency can largely be attributed to the growing understanding of cloud security capabilities, and trust in the industry.

### Trust, security and sovereignty

Financial services is an industry that is based on trust, and security and privacy are absolutely critical.

At Google Cloud, we provide a number of technological advances to support our customer privacy and security controls to achieve various strategic autonomy and sovereignty requirements:

- Data Locality Controls are available for various services enabling customers to have sole control on the storage location of all copies of their data including backups;
- Confidential Computing of VMs allows to encrypt customer data also during processing;

- External Key Management enables data encryption keys hosting offsite and air gapped from Google;
- Access Transparency, Access Approval and Key Access Justifications tools enable customers to understand why access for their data is being requested and deny access to their data.

### Embracing open standards and multi-cloud approach

We also understand customer and regulator concerns over potential market concentration and systemic risk. We agree it is critical to ensure that proper risk mitigations are in place. Google has a deep commitment to open source, reflected in our contributions to projects like Kubernetes, which has been originally developed by Google, then open-sourced and is now the industry standard in portability and interoperability in the cloud. Another example is TensorFlow, our state-of-the-art AI and ML technology, which we open-sourced to allow the broader, global community of researchers to innovate.

We support openness and the ability for financial firms to freely choose which services and providers will best meet their needs, without being locked into a single vendor. That's why we introduced our cloud-native platform called Anthos that runs in a data center, in one cloud or in multiple clouds to give firms the freedom of choice and workload portability. For example, if a bank is running Kubernetes or open source containerisation, they can use Anthos to support workloads across any cloud, including through local providers in Europe.

We believe in open source technology and an open cloud, and work to support and enable our customers' choice. ●