



EBOOK

Drive Innovation in Financial Services with a Simplified Approach to Cloud Migration

How One Financial Institution Created Better Customer Experiences with VMware Cloud™ on AWS

Keeping the focus on customers, security, and regulatory compliance

Today's consumers are seeking out more personalized experiences and expecting higher value services at a lower cost.

In response, financial institutions strive to provide excellent customer experiences while minimizing risk and maximizing security.

Moving to the cloud is more important now than ever before to address customer expectations and tackle operational challenges.

VMware Cloud™ on AWS is a jointly engineered, hybrid cloud service that enables financial institutions to accelerate the modernization of their applications, unlock the value of their data, and innovate faster with cloud-native technologies.



With VMware Cloud on AWS, businesses can:

- **Rapidly migrate** or extend VMware workloads into the Amazon Web Services (AWS) Cloud with operational consistency and flexibility
- **Reduce costs** while accommodating global business demands
- **Minimize risk**
- **Modernize workloads** and increase innovation with cloud-native services
- **Access** over 200 native AWS services



Key considerations for financial institutions

To deliver best-in-class customer experiences, today's financial institutions must respond to:

- **Rising customer expectations for digital experiences:** Consumers have increasingly higher expectations and more choices. Businesses have to achieve and maintain a high bar of customer service experience or they may face industry disruption.
- **Migration preconceptions:** Companies may be avoiding cloud migration because they believe it will be complex, disruptive, and costly.
- **Legacy processes and infrastructure technology:** Large, complex, on-premises legacy systems and infrastructure constrain innovation and prevent companies from achieving the ideal goal of 80% innovation and 20% app maintenance.
- **Security:** New forms of risk are constantly emerging, but customer trust needs to be attained—and then retained—in an ever-shifting landscape.
- **Resiliency and reliability:** Customers expect their apps and services to be always on, available, and perform well. Operational resiliency is often associated with superior customer experience.
- **Regulation:** Regulatory oversight and ever-expanding reporting obligations remain a continual requirement.
- **Data:** Increasing volumes drive a need for cost-effective artificial intelligence (AI) and machine learning analytics to reveal go-to-market and cost-saving opportunities.



Why VMware Cloud on AWS for financial institutions

Financial institutions across the globe choose VMware Cloud on AWS to support their infrastructure, become more agile, and lower costs. VMware-based core systems behind banking operations increasingly are running on AWS, including those offered by leading providers such as S&P Global, Sterling National Bank, and Pennymac.

AWS has significant experience supporting customers to navigate regulatory hurdles and meet goals. Ongoing focus by VMware Cloud on AWS in new security offerings, such as PCI DSS (Payment Card Industry Data Security Standard) Compliance, means a financial services company's data is protected with the latest technology.

VMware Cloud on AWS provides IT teams an on-demand, scalable hybrid cloud service that enables them to migrate, extend, and scale infrastructure on the cloud. Once in the cloud, they can accelerate their application modernization without major refactoring. It also removes the heavy lifting of maintaining infrastructure from IT teams and empowers them to focus on strategic business initiatives to improve the customer experience.

On average customers are:



- Reducing IT infrastructure costs by 40%
- Reducing total cost of operations by 43%
- Accelerating migrations by 46%
- Realizing an estimated 479% ROI over five years according to a [2020 IDC report](#)

S&P Global, Sterling National Bank, and Pennymac rely on VMware Cloud on AWS



Customer Case Study: How Sterling National Bank is benefitting from VMware Cloud on AWS

Sterling National Bank, a \$30 billion-dollar financial institution, was running out of capacity in its on-premises data centers and could no longer address the needs of the business without significant cost in infrastructure scale and upgrades.

The company needed to become more agile and efficient to continue developing innovative services for its customers, so it turned to VMware Cloud on AWS to migrate its core banking systems to the cloud, quickly and securely.

Benefit: Rapid migration of systems to the AWS Cloud

VMware Cloud on AWS accelerates migration for:

- Core banking solutions (e.g., Fiserv)
- Corporate and retail banking
- Lift and shift of complex architectures to quickly realize the benefits of the cloud

View [Digital Banking architecture](#) for VMware Cloud on AWS.



At Sterling: Increased stability and resilience

It took 12 months to move five of Sterling's data centers to the AWS Cloud. Sterling now runs its entire banking stack (**300+ apps**) and **95%** of its business applications on VMware Cloud on AWS with higher availability, resiliency, performance, operational efficiency, and scalability.

95% of Sterling's business apps run on VMware Cloud on AWS

"With VMware Cloud on AWS, we have stayed ahead of threats and remain compliant while also being agile and bringing new products to market faster."

— **Brendan Welter**

SVP, Chief Security and Technology Officer,
Sterling National Bank



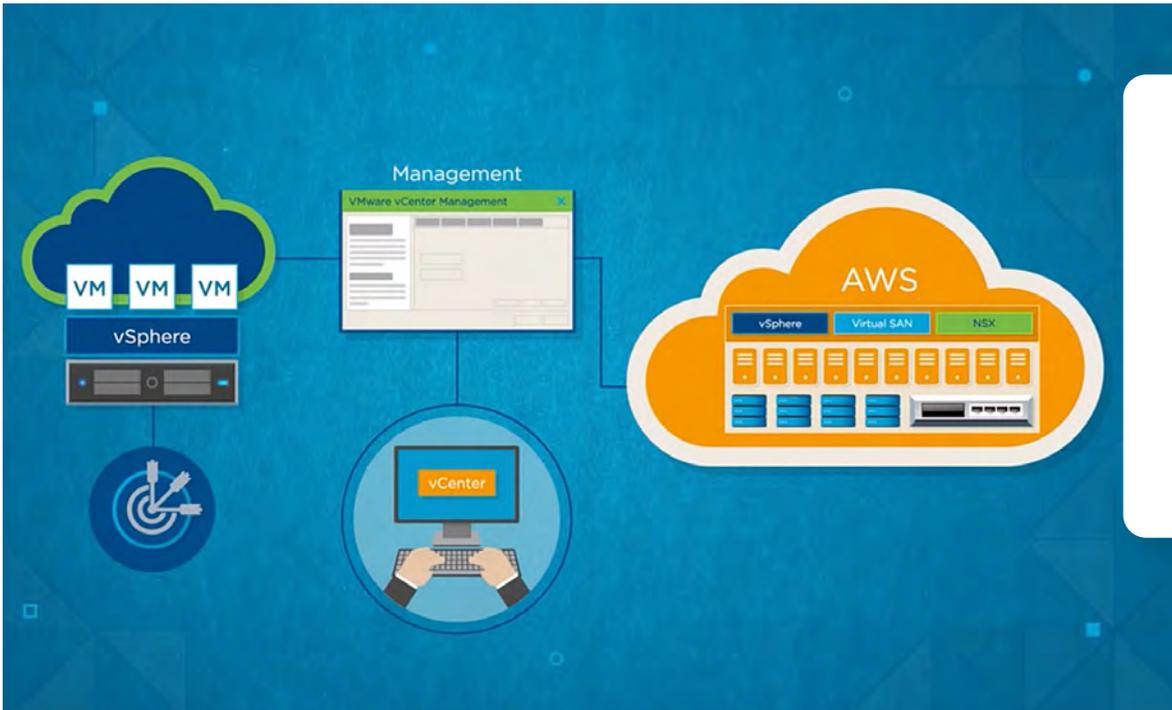
Benefit: Address the ever-changing security threat landscape

VMware Cloud on AWS has earned the following key industry certifications to date: (PCI DSS, ISO 27001, 27017, 20718, SOC 1, SOC 2, SOC 3, GDPR). More are in progress, and can be found in the [public roadmap](#).



At Sterling: Enhanced security

The Sterling operations team no longer needs to worry about keeping the infrastructure up to date with security patching and software/firmware updates, as this is a built-in service with VMware Cloud on AWS. The operations team can focus on enhancing security by taking advantage of deeply integrated security features and native AWS security services.



“We can almost get single click access to additional security capabilities that we didn’t have or would take months to implement.”

— **Brendan Welter**
SVP, Chief Security and Technology Officer,
Sterling National Bank

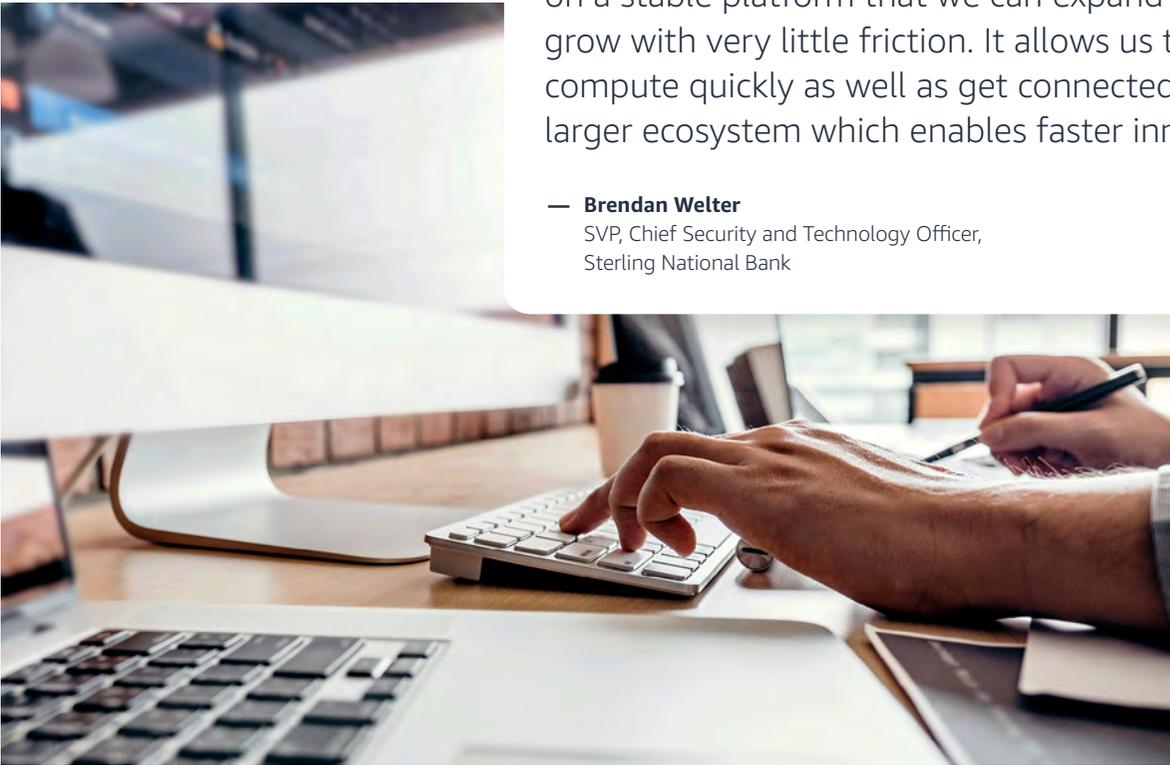


Benefit: Ensure high availability across on-premises and cloud environments

- Overcome disruptions and enable continuous operations
- Increase protection capabilities with native AWS service integration (Amazon S3 Glacier)

“VMware Cloud on AWS allows us to deliver on a stable platform that we can expand and grow with very little friction. It allows us to add compute quickly as well as get connected to the larger ecosystem which enables faster innovation.”

— **Brendan Welter**
SVP, Chief Security and Technology Officer,
Sterling National Bank



At Sterling: Data protection and disaster recovery

Sterling National Bank also uses VMware Site Recovery, an on-demand disaster recovery as a service offering, to protect its mission critical workloads. This accelerates Sterling's time-to-protection and simplifies the company's disaster recovery operations.

Latency for some of Sterling's core applications has gone down by 40% due to deep integration between the VMware SDDC and the new Amazon Elastic Compute Cloud (Amazon EC2) instances: the AWS Nitro System. The dedicated Nitro Cards enable high speed networking and I/O acceleration. This means better overall performance of its workloads, leading to faster customer transactions and increased customer satisfaction.

40%
Lower latency



Benefit: Enable better customer experiences

VMware Cloud on AWS gives banks a rich portfolio of native AWS services that they can use to improve customer experiences.

- Artificial intelligence
- Cost-effective analytics



"We want to transform our customer experience and we trust VMware Cloud on AWS as the key to our success."

— **Brendan Welter**

SVP, Chief Security and Technology Officer,
Sterling National Bank



At Sterling: Modernizing on AWS

Sterling faces a similar situation to many financial firms where rising data volumes are highlighting the need for cost-effective analytics.

22% Financial Services should expect a 22% (or \$1 trillion) cost reduction in operating expenses by 2030 due to AI.¹

Sterling is sitting on years of data—both for compliance purposes and because the company knows that if it can mine that data, it will be able to identify actionable information. The AWS infrastructure gives Sterling new machine learning (ML) and AI capabilities to mine and analyze this data so they can deliver on its promise of providing the best digital customer experience. Sterling plans to leverage AWS data analytics services and predictions through ML.

50% Sterling was able to reduce service-related incidents by 50%.

¹Source: *Augmented Finance and Machine Intelligence*. Augmented Research, 2018.

Build customer trust with VMware Cloud on AWS

In banking, customer trust is difficult to earn and easy to lose. With VMware Cloud on AWS, financial institutions can build customer trust and keep it with a stable, resilient, and reliable platform. VMware Cloud on AWS provides banks with a technical foundation for continued future growth through a low-cost, highly scalable operating platform.

With the security, reliability, flexibility, and scale of the AWS platform, organizations can migrate critical workloads and operations to the cloud with confidence and find new ways to streamline processes, enhance customer experiences, and innovate faster.

Get started

Contact an AWS Sales Representative or your AWS Account Manager today to get started.

Learn more at **VMware Cloud on AWS**

ABOUT STERLING NATIONAL BANK

Sterling Bancorp (NYSE: STL) is a regional bank holding company whose principal subsidiary, Sterling National Bank, specializes in the delivery of financial services and solutions to business owners, their families, and consumers within the communities it serves through teams of dedicated and experienced relationship managers. Pursuing its strategic goal of building a high-performing company, Sterling is sharply focused on delivering a superior client experience, increasing shareholder value, serving its communities, and creating a workplace where talent and initiative can thrive.

ABOUT AMAZON WEB SERVICES (AWS)

AWS is the world's most comprehensive and broadly adopted cloud platform, offering over 200 fully featured services from data centers globally. Millions of customers—including the fastest-growing startups, largest enterprises, and leading government agencies—are using AWS to lower costs, become more agile, and innovate faster.



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