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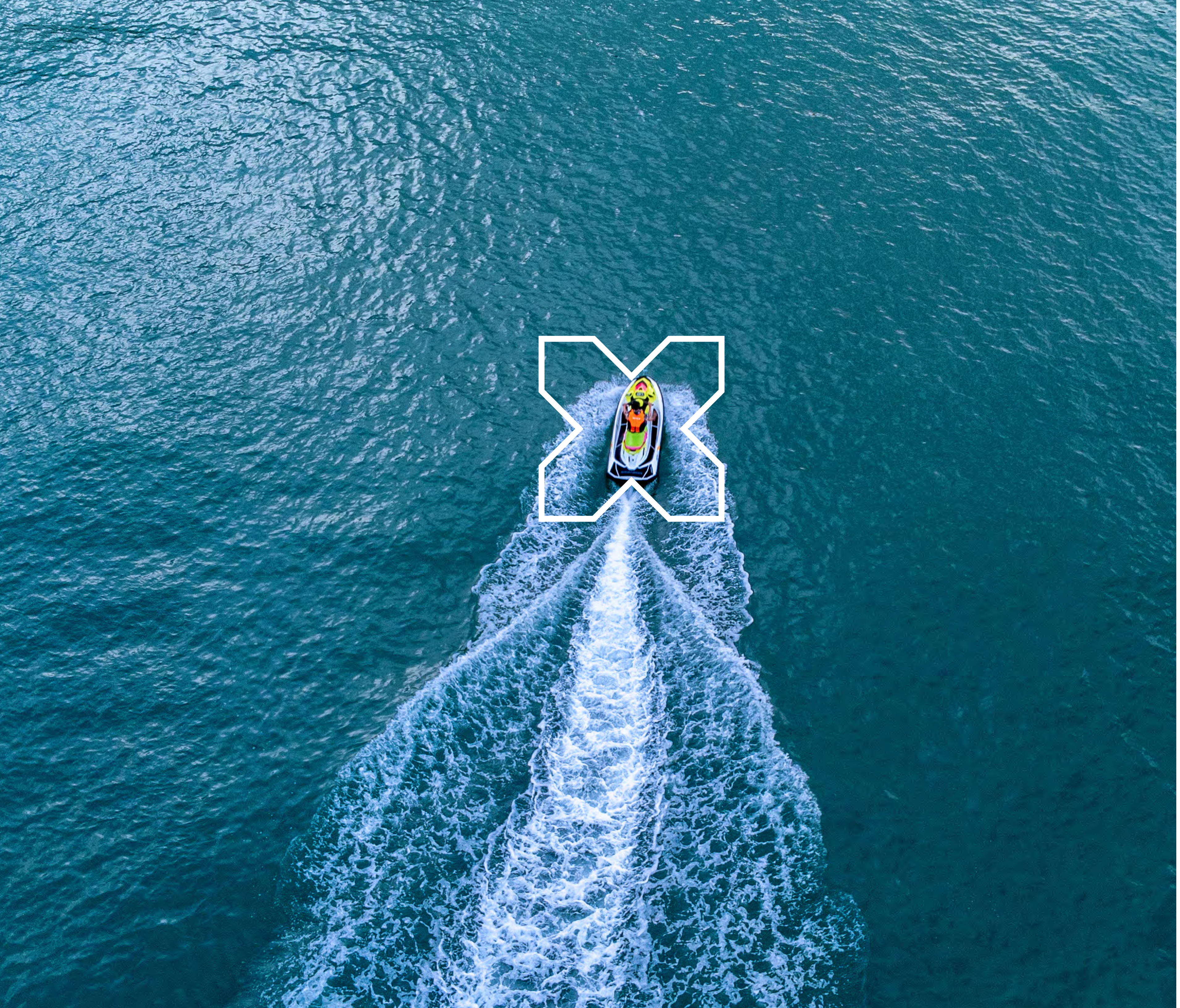
Why Financial Services Are Evolving to Hybrid and Multicloud

Becoming a More Responsive Financial Service Institution with Nutanix

NUTANIX



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Executive Summary

In today's dynamic financial services landscape, senior IT leaders face a critical mandate: derisk environments, achieve cost optimization, and accelerate AI and cloud services adoption - all without introducing operational risk. Legacy infrastructure and the evolving vendor landscape, exemplified by recent industry consolidation such as the Broadcom-VMware acquisition, present both urgent challenges and strategic opportunities for modernization.

The imperative for action is clear, according to Bain research, that banks which prioritized infrastructure modernization over a five-year period significantly outperformed their competitors, achieving:

- 5 percentage points higher total shareholder returns
- 10 percentage points lower cost-to-income ratio
- 12 points higher Net Promoter Score

However, financial institutions look to be taking a measured approach that balances innovation with operational stability. Most firms are pursuing hybrid strategies, modernizing less critical applications first while maintaining infrastructure for mission-critical workloads requiring continuous uptime.

Nutanix Cloud Platform empowers financial institutions to navigate this complexity through a market leading unified, secure, and highly efficient hybrid multicloud platform that delivers measurable business outcomes:

- **Proven ROI:** 391% three-year return on investment with 7-month payback period
- **Operational Excellence:** Unified management across on-premises and cloud environments
- **Risk Mitigation:** Built-in security, compliance capabilities, and vendor diversification

Our platform supports financial institutions in transforming IT operations and gaining the agility to accelerate innovation and respond to evolving customer needs, while helping them maintain strong resilience and alignment with regulatory expectations. By offering a strategic alternative to complex legacy solutions, Nutanix enables institutions to pursue modernization on their own terms, with a focus on control and flexibility.

Financial Services Navigate Unprecedented Transformation

Navigating the Hybrid Multicloud Landscape in Financial Services

Financial services firms worldwide are accelerating cloud adoption, moving trading analytics, risk management, compliance automation, and wealth management portals to cloud environments. However, institutions are taking measured hybrid approaches rather than all-or-nothing strategies.

Most firms maintain a pragmatic mix of public cloud alongside on-premises or private cloud infrastructure for distinct but interconnected purposes. Many institutions leverage private clouds for critical, sensitive, and compliance-heavy workloads including core banking systems, payment processing, risk management systems, and customer data storage. This approach can offer enhanced security, granular control, and predictability needed to meet stringent regulatory requirements while ensuring data sovereignty and high-availability performance for mission-critical operations.

Meanwhile, public clouds have been heavily used to support customer-facing services and analytics that are less sensitive or can be effectively secured within public frameworks. Examples include mobile banking applications, marketing analytics, CRM systems, and development environments. Public cloud providers deliver a wide range of services, including AI and machine learning capabilities, that help financial institutions accelerate innovation and enhance customer experiences, often without the need for significant upfront capital investment.

Regulatory and Competitive Pressures Intensify

This evolution in hybrid environments is occurring under intensifying external pressures.

Stricter regulations such as the Digital Operational Resilience Act (DORA) and emerging AI governance frameworks are prompting institutions to strengthen resilience, security, and compliance capabilities even as they pursue innovation. In parallel, rising consumer expectations for seamless, real-time digital experiences are influencing the adoption of cloud-native applications and AI-driven services.

Structural IT shifts complicate transformation further. The Broadcom-VMware acquisition has prompted industry discussion around licensing models and cost, while growing reliance on major public cloud providers has elevated concentration risk to strategic priority.

The Strategic Imperative

Hybrid multicloud is increasingly viewed as an adaptive strategy for financial institutions seeking to balance innovation with operational stability. Organizations require infrastructure supporting incremental modernization—bringing cloud capabilities closer to data and decision-making—while maintaining sovereignty over sensitive processes and compliance requirements.

The challenge has evolved from whether to adopt cloud technologies to managing increasingly diverse IT estates: legacy systems, multiple clouds, managed services, and edge deployments. Financial institutions that effectively navigate this complexity are better positioned to unlock innovation while sustaining operational excellence.

Empowering FinServ Infrastructure Modernization

Nutanix works with a broad range of financial services organizations — including banks, capital markets, insurance firms, exchanges, fintechs, and payments companies — to support key modernization priorities. Nutanix focuses on supporting the industry's modernization priorities through practical, flexible approaches [that align with how institutions evolve.]

Two Critical Modernization Priorities

Infrastructure Evolution

- Financial institutions require flexible infrastructure that supports their measured hybrid approach. Nutanix helps organizations modernize three-tier environments, develop or expand private and hybrid clouds, and advance toward hybrid multicloud architectures — all while supporting operational control and alignment with regulatory expectations for mission-critical workloads.

Application Transformation

- Modern financial services demand cloud-native capabilities without disrupting proven systems. Our platform supports cloud enablement for critical applications, accelerates container-based development, and delivers a flexible data infrastructure to power AI, analytics, and modern database initiatives.

Strategic Ecosystem for Accelerated Outcomes

To maximize existing investments, preserve technology preferences, and leverage established skills, Nutanix maintains strategic alliances across the technology ecosystem:

- **Cloud Providers:** e.g. AWS, Microsoft Azure, Google Cloud, OVHcloud
- **Infrastructure Partners:** e.g. Dell, Lenovo, Pure Storage, Cisco
- **AI Pioneers:** e.g. NVIDIA, DataRobot and Hugging Face
- **Security:** Palo Alto, Commvault, HYCU
- **Service Providers:** World Wide Technology, CDW

This ecosystem-driven approach supports institutions in modernizing at their own pace, with a focus on continuity, integration, and operational resilience. Nutanix's adaptable platform is designed to align with your strategic direction and existing technology investments.

Nutanix focuses on supporting the industry's modernization priorities through practical, flexible approaches that align with how institutions evolve.

Delivering Measurable Business Outcomes for Financial Services

Financial institutions using Nutanix report measurable benefits in cost efficiency, operational performance, and innovation enablement. Our unified platform is designed to support the performance, security, and governance needs common in regulated environments while enabling the agility needed for competitive differentiation.

Proven Financial Impact

Nutanix delivers substantial cost avoidance amid escalating vendor expenses, particularly relevant as legacy providers impose price increases up to **700%**. According to IDC's The Business Value of Nutanix Cloud Platform, organizations using Nutanix realized a **391%** three-year ROI and a 7-month payback period, translating to an average annual value of $10.6 million per organization. Organizations realize **41%** lower infrastructure costs and **42%** reduced three-year operational expenses, including $415,000 annual hypervisor savings and $533,800 in disaster recovery optimization.

Operational Excellence and Risk Mitigation

The platform reduces infrastructure complexity through unified management. IDC found customers were able to run **90%** more VMs per IT team member and improve infrastructure efficiency by **47%** across storage, network, and server operations. This operational streamlining reduces unplanned downtime by **77%** and resolves outages **58%** faster, helping support continuous availability for trading systems, payment processing, and digital banking platforms.

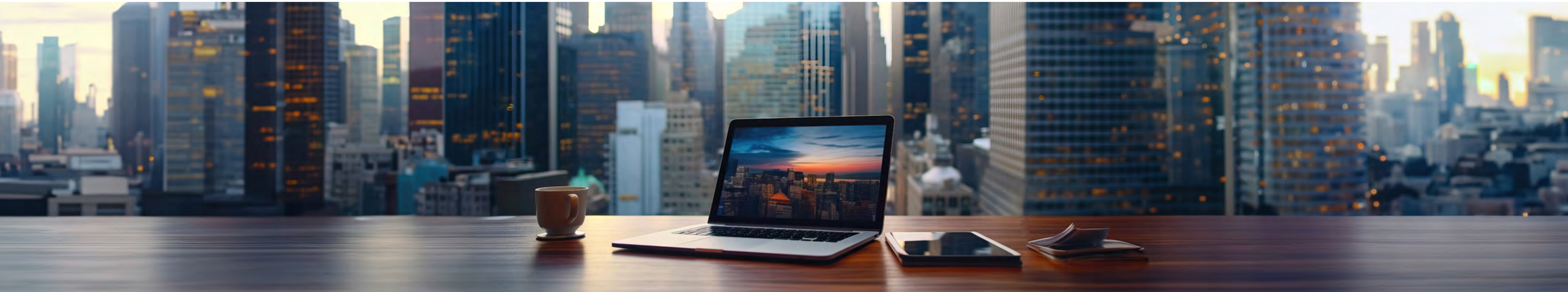
Built-in security features, including encryption, zero-trust architecture, and policy enforcement, are designed to support regulatory alignment and governance goals. Cloud-based disaster recovery delivers **98%** more timely backup completion, providing resilience without operational overhead.

Data and Application Innovation Acceleration

According to IDC, organizations reported up to **40%** increases in developer productivity, driven by self-service access to secure infrastructure, enabling rapid deployment of AI-driven solutions for fraud detection, risk modeling, and personalized financial services. Applications experience **31%** faster query performance and **27%** reduced latency—critical for real-time transaction processing and trading.

Nutanix offers flexible hybrid multicloud capabilities, allowing organizations to scale across on-premises, edge, and public cloud environments without extensive application rework. This approach protects existing investments while enabling consumption-based models that align costs with business growth.

The platform's ecosystem flexibility extends to comprehensive integration with technologies like Red Hat OpenShift, where Nutanix serves as foundational infrastructure beneath application platforms, creating scalable Kubernetes environments for DevOps and container management widely adopted across banking, financial services, and insurance organizations.



Proven Results Across Financial Services

Financial institutions worldwide have reported measurable outcomes with Nutanix as part of their infrastructure and application modernization efforts. These customer examples illustrate how organizations are tackling modernization priorities while supporting operational continuity and aligning with regulatory expectations.

Case Study 1
HighRadius Designs Hybrid Multicloud Roadmap with Nutanix

Challenge

HighRadius, a cloud-based software provider for CFO operations, needed to boost performance and innovation while reducing public cloud costs and avoiding single hyperscaler dependency for critical financial applications serving banking customers.

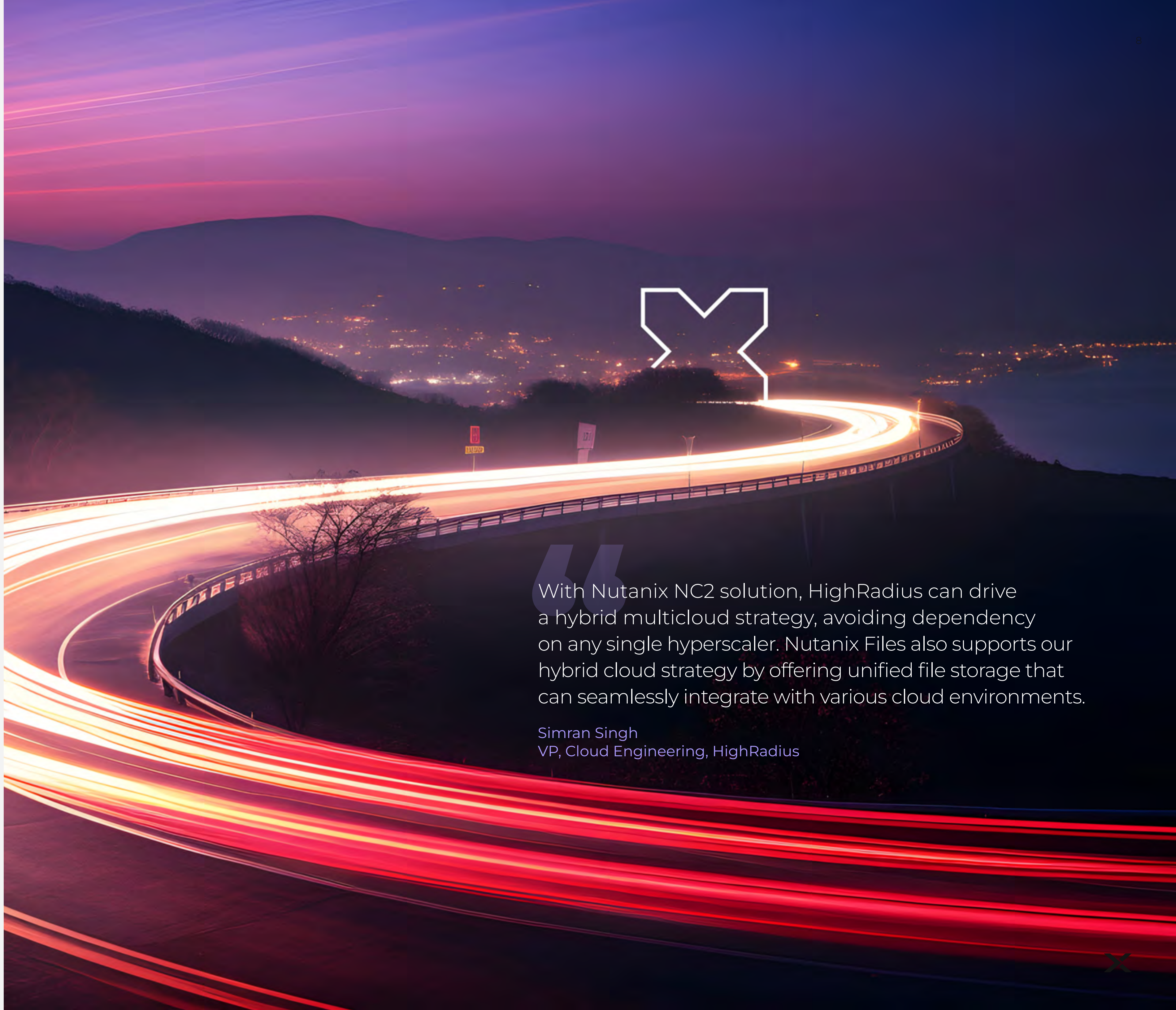
Solution

HighRadius migrated applications to Nutanix Cloud Platform, leveraging Nutanix Files for unified storage and Database Service (NDB) on Cloud Clusters (NC2) on AWS, with automated management through Nutanix Cloud Manager.

Result

Achieved **30%** immediate cost savings on recurring cloud spending, improved time to market, and significantly boosted DBA efficiency. The platform ensured reliable scalability, greater database control, and flexible hybrid multicloud strategy without vendor lock-in.

View Case Study



> With Nutanix NC2 solution, HighRadius can drive a hybrid multicloud strategy, avoiding dependency on any single hyperscaler. Nutanix Files also supports our hybrid cloud strategy by offering unified file storage that can seamlessly integrate with various cloud environments.
>
> Simran Singh
> VP, Cloud Engineering, HighRadius

Case Study 2
HAPEV (Hamburger Pensionsverwaltung) Accelerates Cloud Migration with Nutanix

Challenge

HAPEV, one of Germany's largest pension providers, needed to support essential services for their new AWS-hosted customer platform, but many applications weren't AWS-compatible or required costly re-tooling and staff retraining. They also needed stronger disaster recovery for their on-premise datacenter.

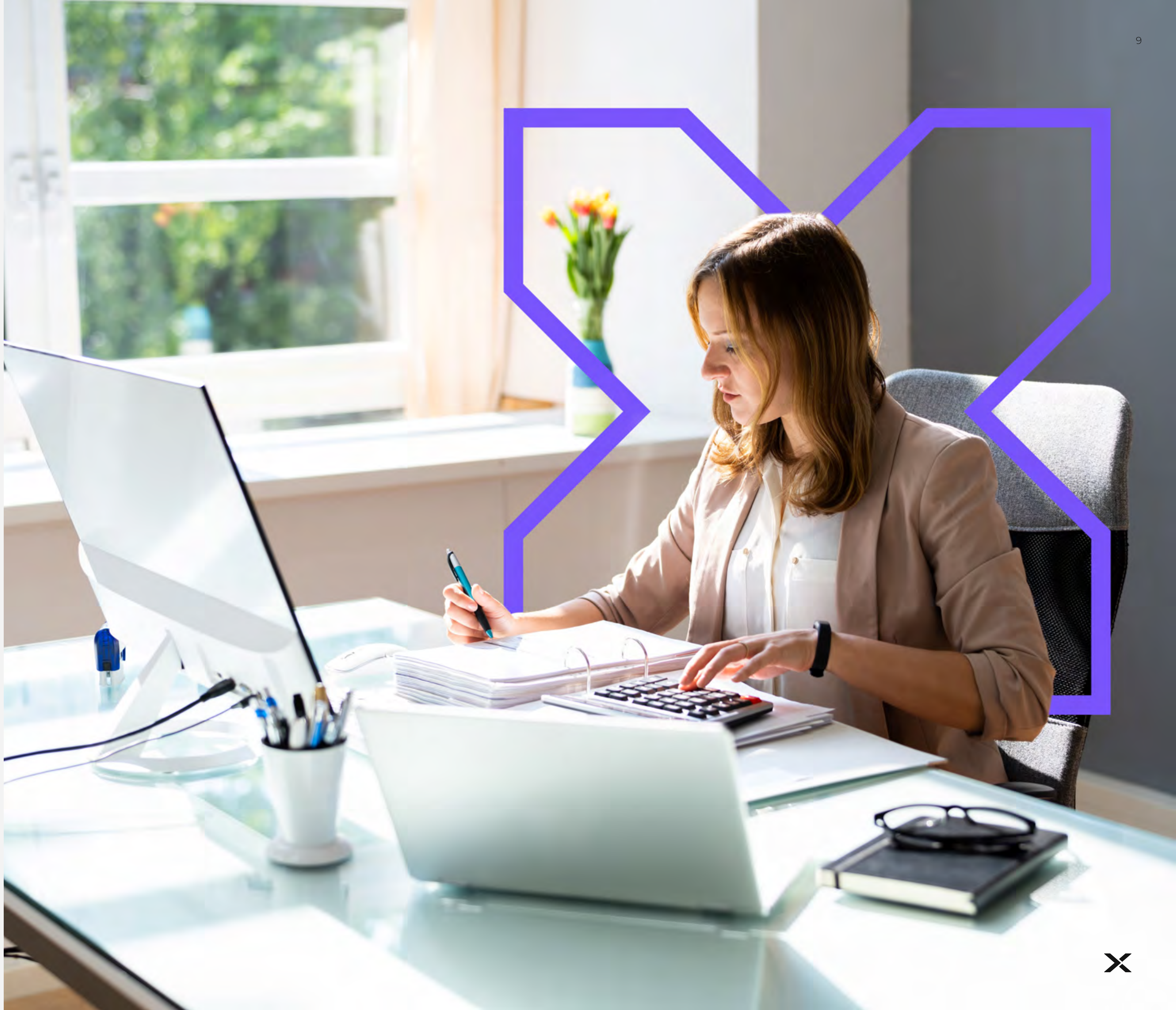
Solution

HAPEV deployed Nutanix Cloud Clusters (NC2) on AWS, enabling them to migrate existing applications to AWS without modification while maintaining the same Nutanix software and AHV hypervisor they already knew. They leveraged NC2 for both application migration and enhanced disaster recovery capabilities with one-click failover/failback functionality.

Result

The proof of concept went live in under 3 months with seamless implementation. Migration time was reduced from extensive re-architecting to just a few hours per workload. They achieved unified management through the same Prism interface for both on-premise and cloud infrastructure, eliminated the need for staff retraining, and significantly enhanced DR protection at minimal cost. The solution enabled them to scale efficiently while maintaining compliance and security standards, positioning them for future multi-cloud expansion to Azure.

View Case Study



Case Study 3
Financial Corporation Accelerates Cloud Migration with Partner Support

Challenge

A prominent financial corporation sought to exit datacenters and migrate workloads to public cloud, requiring a custom, cost-effective solution that maximized existing cloud commitments and simplified operations.

Solution

WEI partnered with Nutanix and Microsoft to design a tailored solution utilizing Nutanix Cloud Clusters (NC2) on Microsoft Azure. This was sold via the Microsoft commercial marketplace, with WEI guiding the architecture and executing a successful proof of concept.

Result

Maximized cloud investments by applying Azure-eligible purchases toward consumption commitments, unlocking significant discounts. Simplified access to high-performance infrastructure and enabled rapid workload migration without modification.

View Case Study

Start Your Infrastructure Modernization Journey

Market forces, including increasing regulatory expectations, vendor shifts, and intensifying competition, are accelerating the need for modern, resilient infrastructure across the financial services industry. Financial institutions that prioritize modernization are better positioned to simplify operations, optimize costs, and accelerate innovation in a secure and compliant manner.

Nutanix has supported hundreds of financial institutions, from regional banks to global firms, as they modernize their infrastructure and evolve their operations within regulated environments.

Take Action Today

Assess Your Current Environment
Evaluate your infrastructure modernization readiness and identify opportunities for immediate cost savings and risk reduction.

Explore Proven Solutions
Review how similar institutions achieved measurable outcomes with hybrid multicloud strategies tailored to regulated environments.

Plan Your Transformation
Work with our financial services experts to design a roadmap that aligns with your strategic priorities and compliance requirements.

Ready to Transform Your Infrastructure?

Download Key Resources:

- Financial Services Enterprise Cloud Index Report - Industry trends and peer benchmarks
- Hybrid Multicloud Playbook for Financial Services - Strategic implementation guide
- Future-Proof Your Financial Infrastructure: Navigate Virtualization Change - VMware alternatives and migration strategies

Connect With Our Team

Take a Test Drive