



Connect

Digital Sovereignty in the Banking Industry

Red Hat Summit: Connect

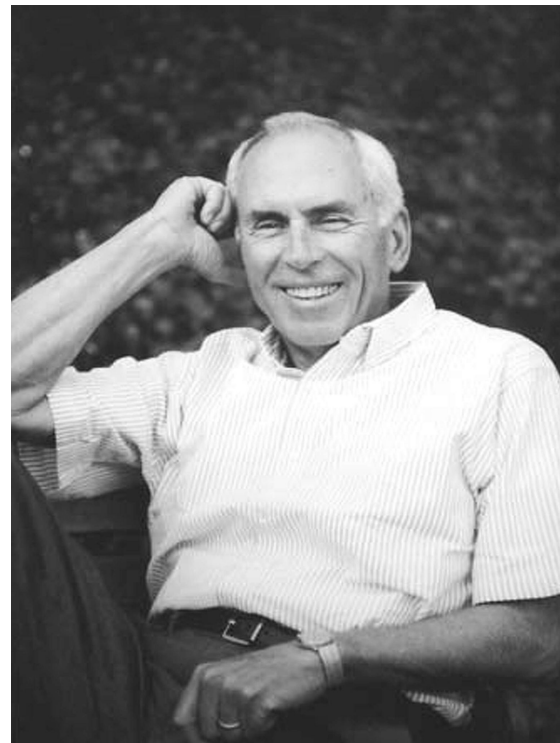
Ramon Villarreal

Payments Industry Global Lead



Roy Amara 1925 – 2007

**“We tend to overestimate
the effect of a technology
in the short run and
underestimate the effect
in the long run”**



Starting off at Stanford Research Institute, Roy Amara joined with others to create the not-for-profit think-tank, the Institute for the Future (ITF). Whether it was hiring scientists to study how ARPANET (a predecessor of the internet) was used, or pioneering discussions on global climate change as early as 1978, Amara was constantly looking at the cutting-edge – and trying to understand how we as humans responded to it.

**"We tend to overestimate
the effect of a technology
in the short run and
underestimate the effect
in the long run"**

Agents & Gen AI

"We tend to overestimate
the effect of a technology
in the short run and
underestimate the effect
in the long run"

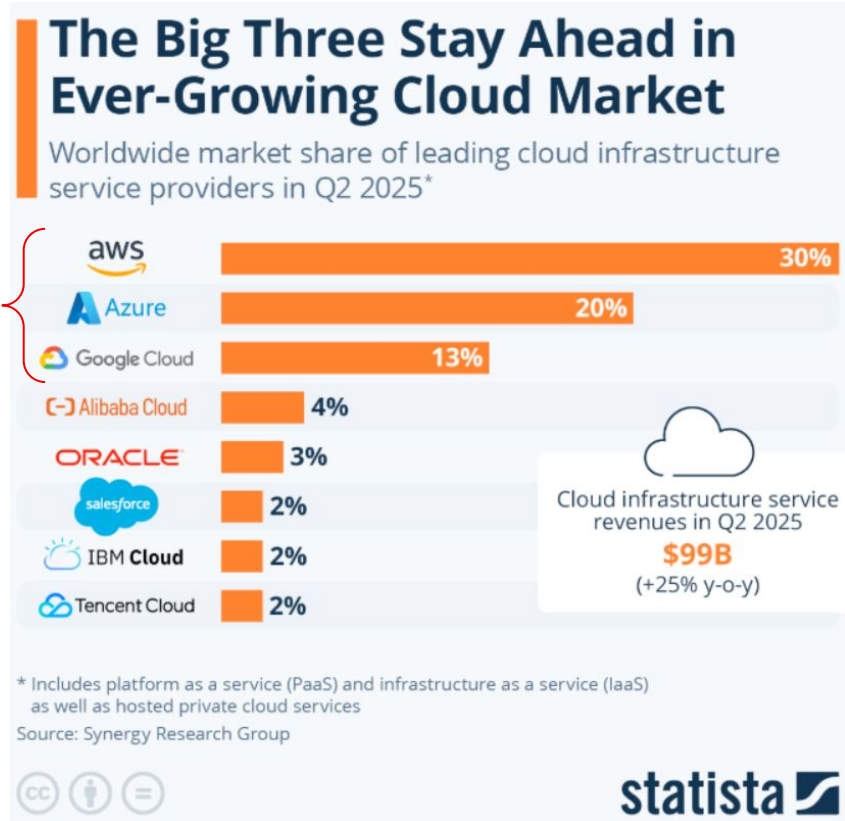
Hyper Scaler Cloud

"We tend to overestimate
the effect of a technology
in the short run and
underestimate the effect
in the long run"

Concen - tration Risk

Concentration Risk

63%



The 2026 October 24th global AWS outage



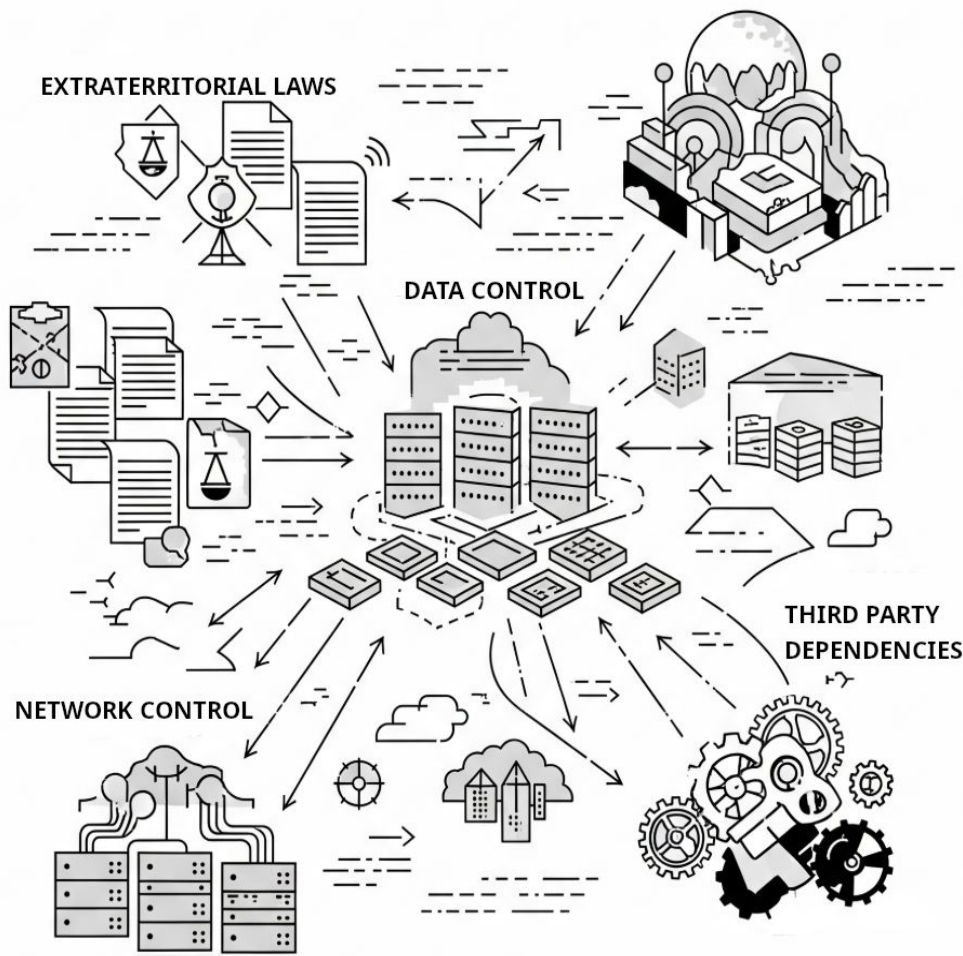
Platforms including

- Signal, Snapchat, Roblox, Duolingo as well as services such as banking sites
 - **Lloyds Bank, Halifax, Venmo Payments** and the
 - Ring doorbell, Eight Sleep smart bed
- companies were some of the
- 2,000 companies affected by the outage, according to Downdetector with more than
 - 8.1m reports of problems from users across the world.

Who has a say in defining recovery priorities, if not all customers can be brought back online at once?



Digital sovereignty refers to the ability to have control over your own digital destiny – the data, hardware and software that you rely on and create.



- Digital sovereignty is a nebulous concept
- Third-party dependencies and vendor lock-in pose risks
- Evolving regulatory landscape and extraterritorial laws create challenges

Vulnerabilities in Globalized Tech

Modern banking infrastructure rests on hyper-specialized global dependencies:



Banks utilize US hyperscalers



that are powered by CPUs designed in UK



that are implemented in silicon chips in Taiwan



which use Dutch lithography machines

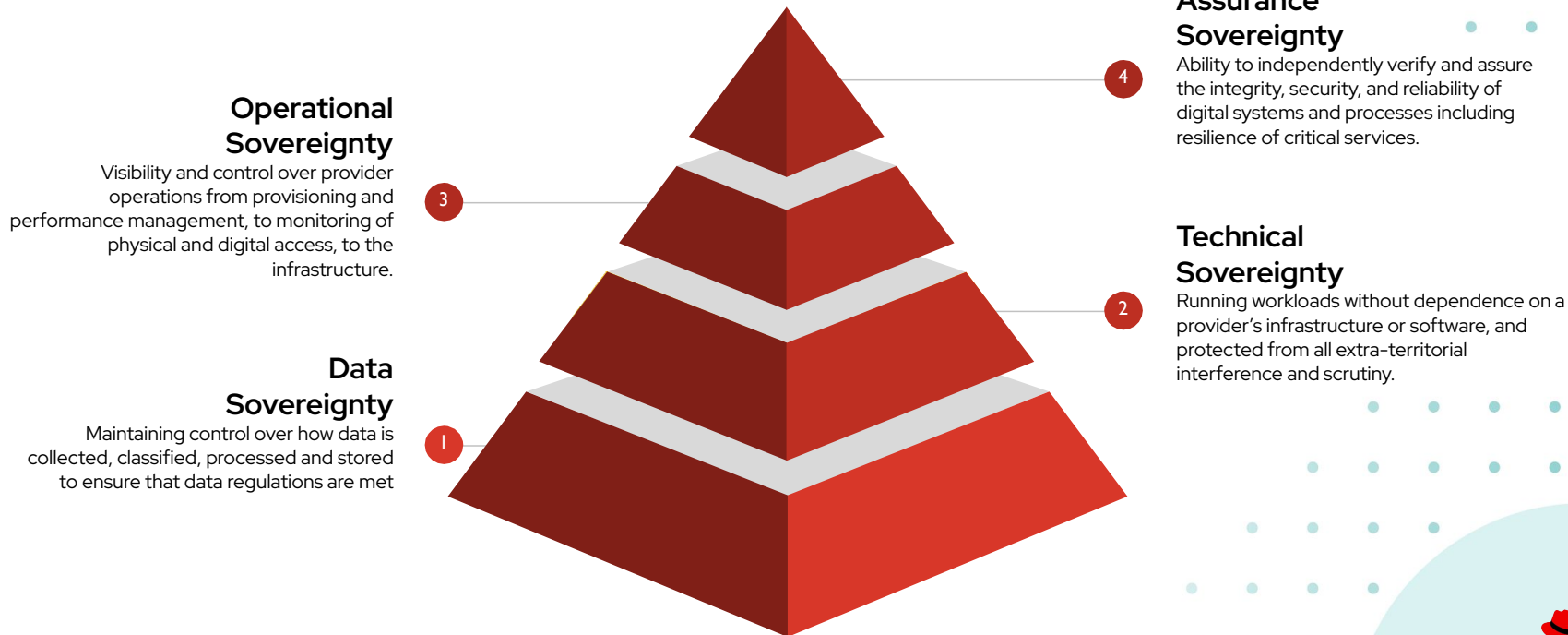


that contain German advanced optics

While this specialization accelerates innovation, scale and efficiency, cross-border outages and geopolitical shifts expose institutions to catastrophic **third-party risks** beyond their regulatory jurisdiction.



Digital Sovereignty is a continuum, reflecting a range of practices and policies that nations adopt to manage and control their digital assets, data, and technology infrastructure



Trends for 2026

Red Hat surveyed 909 IT leaders and AI engineers in enterprises across EMEA: in France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland, the UAE and the UK.

92%

Percentage of IT managers in EMEA agree that enterprise open source software is an important part of achieving sovereignty.



The Foundation for Digital Sovereignty



Transparency and Security

Understand how your systems operate without hidden limitations. Red Hat solutions allow organizations to view the software, enabling security awareness and compliance with local regulations.



Autonomy

Built on open standards, Red Hat technologies promote interoperability and prevent vendor lock-in, enabling organizations to integrate best-of-breed solutions seamlessly.



Community-Driven Innovation

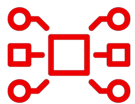
Global developer communities constantly improve Red Hat projects, fostering innovation and reducing dependence on single-company roadmaps.



Portability, Adaptability, Interoperability

Control over deployments is a crucial element of operational sovereignty. Red Hat enables organizations to tailor infrastructure to meet specific requirements within supported configurations.





Decouple Applications from Hyperscaler APIs

Build on standard OCI containers and Kubernetes primitives to avoid vendor-proprietary serverless or database traps.



Validate Dynamic Multicloud Exit Strategies

Establish automated CI/CD deployment routines capable of repointing mission-critical workloads within SLA thresholds.



Retain Hardware-Rooted Key Ownership

Enforce zero-trust architecture and confidential computing, keeping cryptographic keys segregated from cloud provider control.



Continuous Supply Chain Attestation

Mandate software bill of materials (SBOM) and automated policy enforcement with Red Hat Advanced Cluster Security, Trusted Content, and Secure Software Factories.

Red Hat Value for Digital Sovereignty

Red Hat enables the independence, resiliency and compliance needed today and in the future



Open Source

Provides 100% transparency and auditability. Avoids vendor lock-in and provides full control over the technology stack.



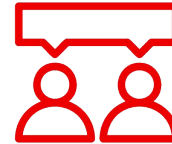
Hybrid Cloud Architecture

Unlocks control and choice. Run applications anywhere – on-premise, on local provider clouds, or at the edge – with a single, consistent platform.



Comprehensive Security

Fortifies core infrastructure, operational resilience and business continuity with secure software supply chain, zero trust, confidential computing and more.



Local Ecosystem & Support

Partnerships with 500+ local MSPs, CSPs, Telcos and SIs. Support is delivered by local personnel.



Sovereign AI & Innovation

Foundation for Sovereign AI Factories, Private AI, and GPU- and Models-as-a-Service, ensuring innovation remains under local control.





Connect

Thank you



linkedin.com/company/red-hat



facebook.com/redhatinc



youtube.com/user/RedHatVideos



twitter.com/RedHat

