
Financial Firms to Modernize Networks 2

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Financial Firms to Modernize Networks

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Financial-services companies are looking to strengthen their **technology** plumbing in 2022 to improve current product offerings and launch new ones.

This involves modernizing networks and tapping emerging technologies like **edge computing** and decentralized infrastructure, also known as Web3, **technology** leaders said.

Ally Financial Inc. said it is moving to route network traffic via software, allowing it to configure cloud and data center components remotely.

Traditionally, network activity was designed to flow through physical infrastructure. Apart from being inefficient, the legacy process introduces security vulnerabilities, said Sathish Muthukrishnan, chief information, data and digital officer at the consumer bank and auto lender.

"We want to get rid of all the physical stuff and have software-defined networks that have the ability to understand the traffic that is coming in, is aware of all the different applications that have to process the traffic and will intelligently route it wherever it needs to go," with security protocols embedded, said Mr. Muthukrishnan.

Ally Financial aims to have all of its applications running on the cloud by 2025, the company said.

Payment **technology** company Mastercard Inc. this year is focusing on enabling faster digital payments through **edge computing**, a distributed computing model where data are processed and analyzed on or near the device where they are generated instead of first being sent to a corporate cloud or data center.

"It's putting intelligence right next to our customers, all the way to the edge of the customers, within or next to the devices that they're running," said Ed McLaughlin, Mastercard's president of operations and **technology**.

The plan is to continue moving payment authorization decisions that previously would have been handled by a centralized cloud data center to the payment device, such as allowing a smartphone to unlock a subway turnstile.

The **technology** can speed up processing -- including authorization decisions -- while minimizing latency, and enhancing security, he said.

The **technology** also makes it easier for Mastercard to work with partners, who can connect directly to the Mastercard network, Mr. McLaughlin said.

Web3, a loosely defined vision for a decentralized internet that uses technologies like **blockchain** to give users new ways to transact, is inspiring some companies anchored in the traditional financial world to offer new types of products.

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