

21ST - 22ND JULY 2015
 METROPOLITAN WEST, NYC

How Cloud is Enabling the Digital Transformation of the Financial Services Industry

Summary of CloudFS Americas 2015

3 takeaways from bank leaders:

1. Sri Muthu, Wells Fargo: 'With 250,000 employees migrating to the cloud is really a people, organization and process challenge. And we do not see cloud as an option, it is just fact and the way it is. Cloud means faster innovation; our main driver for SaaS implementation is making unique products available that enhance the customer experience.'



Cloud in FS @CloudInFS · Jul 21
 The giants of #Finance converge at #CloudFSUS #WellsFargo #BNYMellon #BNPParibas #CitiMoven #CloudFS @fintech_connect



← ↻ 3 ★ 1 ...

2. Charaka Kithulegoda, Tangerine Bank:

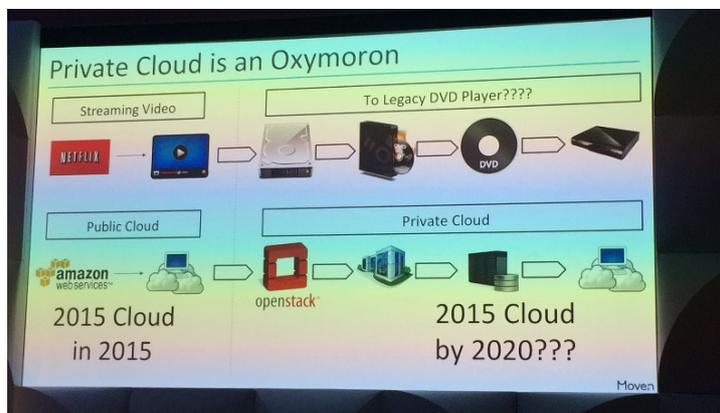
'Having a Cloud First mentality, we ask ourselves the question: Is it our core competence? If not, we outsource. Like for example email. The lesson we learned is that it is easy to get caught up in a price conversation, but price is never a primary consideration when it comes to cloud. The benefits will come through economy of scale.' If there is a better way to use our own resources, then we outsource that to the cloud. Because innovation, software development and mobile strategies should be the core business of talented people.'

Cloud in FS retweeted

Arthur's Legal @Arthurslegal · Jul 22
 "Legacy=fragility, cloud=agility" @TangerineBank @charakak @CloudInFS #CloudFSUS #agileisthenewit

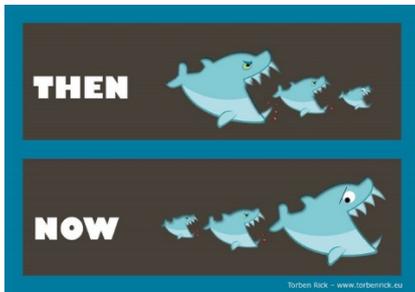
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3. Bob Savino, MovenBank: 'Private Cloud is an Oxymoron. Cloud cannot, conceptually, be a private service.' As example Bob explained streaming video; once you have streamed a movie you won't put this on a DVD and watch it in a DVD player.



3 takeaways from the Key Note by Arthur van der Wees:

- 1. How Cloud is enabling the digital transformation of the financial services sector:** 'As transaction-rich & document-heavy industry are driven more and more by algorithms, the Financial Services Industry is in the ideal position to transform and revolutionize itself with cloud computing. Technology-induced change is nothing new. So, how to think differently about technology? Enabler for more than putting old systems, processes and data management in new ones. Cloud migration is different: it is about new processes in new systems. There is only one way to cloud heaven and that is standardization.'
- 2. Who influences transformation?:** 'Every industry or company needs catalysts to transform, which could for instance be competition, peer pressure, commodity prices, crisis or regulation. In the Financial Services Industry, new Fintech players are entering the market, which results in smaller fish feasting on the bigger ones. Their language is Digital.'



- 3. Evolution or Revolution?** 'Cloud computing and the related possibilities help the Financial Services Industry to transform its organization structures, processes and business models, by fading-out what is not needed anymore, and fading-in updated structures, processes and models. All this can lead to huge ripple effects. It is a combined evolution and revolution.'

3 takeaways from other cloud experts:

- 1. Celent, James O'Neil:** There are more deployment options than 'public cloud': Private Cloud (benefit: improve data center resource utilization (CapEx)), Community Cloud (benefit: share costs & OpEx), Public Cloud (benefit: Procure resources if/when needed), Hybrid (benefit: maximum flexibility in response to unforeseen events).
- 2. Dr. Michaela Iorga, NIST:** As learned from government IT, we have to build trust. The old walls and moats can no longer defend. The lack of visibility prevents customers from building the necessary trust.
- 3. Robert Bohn, NIST:** To be able to procure cloud services in a secure, reliable, repeatable, and measureable manner which reflect the business & technical requirements of an organization is a challenge. Cloud Service Level Agreements can help by managing expectations on the technical performance levels, the handling of disputes and performance failures.



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Tweets:

1. **@Zapplied:** Social Collaboration is with customers AND with your company & vendors. @CloudinFS @tallduc @WellsFargo #ecosystem
2. **@NeilCattermull:** NIST has developed a Risk Measurement Framework – Essential for Cloud Adoption – Dr. Michaela Iorga, NIST #CloudFSUS
3. **@JantineJdeJong:** CloudFS: not 'if', but 'when'. Get there first! #CloudFSUS @bankofamerica @Arthurslegal @Zapplied
4. **@Arthurslegal:** 95% of cyber-attacks start via email: phishing. 23% of recipients still open it. Average hack in 2 minutes. How quick is your IT dept.?

Takeaways emerging from the discussions

Digital Bank Transformation:

1. Digital Banking (digital ecosystem connectivity is a business enabler powered by cloud computing and heart of the bank of the future)
2. Payment Reinvention (digital wallets, transaction banking 2.0, payment modernization)
3. Bank Operations Innovation (Open Bank Systems, Interoperability, Amplified Decision Making)

Investors flock to new entrants, which represents challenges for the Financial Services value chain and business models. Fintech is a red hot market. According to the Economist, in 2014 there was a \$12 billion of investment up from \$4 billion in 2013. These new FinTech pioneers are operating at the edge of the rule of law, some just on the other side and are changing the world, almost by accident. They promise to cut costs and improve quality of Financial Services.



But technology-induced change is nothing new. So, how to think differently about cloud? It is perceived more as an enabler for innovation instead of putting old systems, processes and data management in new ones. Cloud migration is different and offers a chance to gain access to new processes and new, agile technology. This will lead not only to cost savings and increased speed, but cloud makes it also easier to collaborate with partners and customers, which can lead to improvements in productivity and increased innovation.





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In-depth Clinic/Panel Sessions by Arthur's Legal & Zapplied Platform:

1. Insights: Cloud Leaders' Problem Solving Clinic:

Together with NIST, Arthur van der Wees, Managing Director Arthur's Legal and CEO Zapplied Platform gave a clinic about cloud standardization, regulatory challenges, requirements and implications for cloud compliance and security: <http://cloudfsamericas.com/speakers/>.

2. Cloud Compliance: Addressing the Challenge for Financial institutions to meet security demands whilst leveraging the Cloud.

Together with panelists NIST, Skadden Arps and Delphix Corporation, Arthur spoke about the differences between legacy systems and cloud services, as well as addressing cybersecurity and compliance requirements and standardization whilst embracing and leveraging the potential of Cloud.

Chair, Key note, Clinic & Panel Speaker: Arthur van der Wees

Arthur van der Wees is managing director of international law firm Arthur's Legal, with its headquarters in Amsterdam; he is senior lawyer, entrepreneur and investor, who has in depth experience and is well-connected in the world of technology, data, forensics & business. He is member of several European Commission industry working groups on cloud computing, SLAs and Internet of Things, co-author of the European Commission Cloud SLA Standardization Guidelines, co-contributor to ISO norms such as ISO/IEC 19086, and consortium partner to EC/H2020 project, SLA Ready. He is founder and Chief Executive Officer of Zapplied Platform, combining technology and artificial intelligence with durable document & deal process automation and auditable cycle management & collaboration.

Arthur's Legal

Arthur's Legal B.V. is an independent international law firm, founded in 2001 and working on a global, cross-border level. Arthur's Legal has specific expertise on global deal making and legal, privacy and data governance considerations with respect to cloud computing. www.arthurslegal.com

Zapplied Platform

Zapplied Platform has offices in New York and Amsterdam, and is the technology spin-off from international law firm Arthur's Legal, and a leader in process automation solutions for managing global business deals and other document flows. Zapplied has converted innovative deal making methodologies into one global platform: Zapplied Platform. It is Zapplied's mission to empower knowledge workers and other professionals by offering a centralized, online collaborative platform and contracting self-service from which any type of document can be generated, managed and negotiated out. www.zappliedplatform.com

