

TRANSPARENCY • EFFICIENCY • NETWORKS  
WHAT'S YOUR POSITION?



**TEN in 2010**  
**Financial Systems Analyst Briefing**

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December 1, 2009  
Boston



# New dawn following the financial crisis

## Observations (shock)

## Reaction (defense)

## Consequences (offense, new dawn)

## So think about

Significant **losses** by Financial Inst.

Massive government **bailouts**

Discredited **reputation of bankers**

Failed **risk management systems**

Failed **regulation**, national & global

Exit marginal businesses; refocus on home markets, **back to basics**

**Political interference** with management (eg salary caps)

Rethinking **incentive systems** and role of board of directors

More clearing & netting **utilities**, more use of collateral

More investments in risk control systems

**More regulation**, increased capital requirements

More opportunities for **new entrants**

**Exodus of talent** from large organizations

Increased **disclosure** requirements

Pressure on **profitability of legacy businesses**

Much more focus on **network stability**

**1**  
Innovations from left field

**2**  
Complex **Network** Monitoring & Data Mining

**3**  
Collateral Management & Securities Lending

- a. Watch **Blogosphere**
- b. **Social Networks**
- c. **Solution Platforms**

- a. **Algorithmic trading**
- b. **Algorithmic operations**
- c. **Risk management**

- a. **Move to CCPs**
- b. **Collateral movement & optimization**
- c. **Link-in Sec.Lending & Custody**

# Our focus in 2010 - five hotspots

2 more forces reshaping the financial industry:

### Fallout from Financial Crisis:

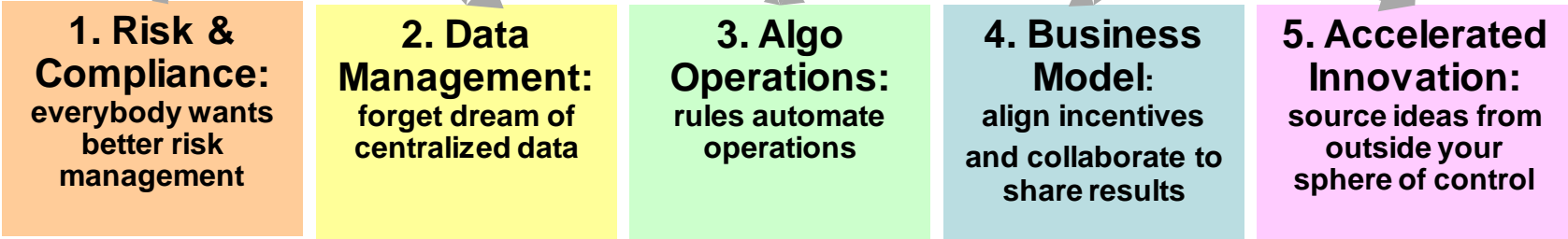
- Regulatory response
- Management response
- Talent Movement

### Economic growth differentials:

- Emerging markets
- Legacy burdens.
- Globalization in flows.

### Information Technology:

- Costs drop 15%p.a..
- Lower barriers to entry
- Social networks



# 1. Risk & Compliance

**Premise: everybody wants better risk management**

**Key driver:** Consensus on need for increased transparency on risks and controls

- **More disclosure for individual institutions**
- **Efforts to de-risk network (infrastructure)**

**Trend: Increased spending** (e.g. Tower: predicts >25% growth in IT spend on risk in 2010!)

- **Improvement in methodologies**
- **Improved reporting & compliance**
- **More risk mitigation through collateral**

**SunGard focus:**

- **Leverage best of breed analytics across businesses**
- **Improve risk reporting infrastructures**
- **Provide consulting to optimize regulatory and management requirements**

## Selected SunGard Initiatives

Initiative	Session
APT integration into Asset Arena	Paul Compton , Thorsten Heissel 1:30 pm
Ambit Capital Calculator	Chris Tobin 4:00 pm
Adaptiv Analytics, Adaptiv Risk Cube	Marcus Cree 2:45 pm
IWorks ERM	Mike Learned, Roy Massie 10:45 am, 1:30 pm
GL Selector & GL Execution Server	Fred Couperier 4:00 pm

## 2. Data

**Premise: forget the dream of centralized clean enterprise data**

**Key Driver:** advances in IT created unprecedented volumes, speeds and diversity of data

- **Opportunity: decentralize, individualize & control**
- **Challenge: aggregate & secure**

**Trends** are all about making better use

- **Ever more “free” data**
- **Networks of specialized data marts**
- **Business specific data standards**
- **New concepts for analysis**  
(e.g. Google MapReduce)

### **SunGard Focus:**

- **Automating flow of data between network participants** [STN, BNet, Loanet, GLNet, AvantGard Ecosystem, Cliq]
- **Improve use by greater ease and lower cost of personalized access**
- **Explore semantic cloud**

### **Selected SunGard Initiatives**

<b>Initiative</b>	<b>Session</b>
AvantGard Ecosystem Communication Service	Ken Dummitt, CJ Wimley Kurt Vandebroek 2:45 pm
Cliq: listed derivatives utility	Tony Scianna 10:45 am
Market Map	Oliver Muhr 1:30 pm

Note: NYSE: 1TByte new data / day  
CERN: 40 TB new data/day  
Google: 100EByte store

# 3. Algo Operations

**Premise: success of algo-trading will lead to rules-based automation of operations**

**Key Drivers:** cost, complexity & speed

- **Pressure to reduce costs or outsource**
- **Complex regulations and rules**
- **Need for increased speed of reaction**

**Trends** in process management

- **Adoption of service oriented architectures**
- **Software for business process management**
- **SaaS & cloud provisioning**

**SunGard Focus:**

- **Further investments in Infinity: SOA, IPP & SaaS.** See initiatives in the breakout sessions
- **Work with industry to develop process standards** [e.g. BIAN Banking Industry Architecture Network]
- **Consulting & local resources in Emerging Markets: localizing global expertise.**

## Selected SunGard Initiatives

Initiative	Session
Asset Arena Investment Accounting Workflow & Control Center	Thorsten Heissel 4:00 pm
Cliq: listed derivatives utility	Tony Scianna 10:45 am
Front	Peter Banham 10:45 am

# 4. Business Model

**Premise: Collaborating specialists move from allocating costs to sharing benefits**

**Key Driver:** lower cost with collaboration

- **Continued specialization**
- **Cost pressure force alignment of incentives**
- **Information networks facilitate collaboration**

**Trends:**

- **Spreading of open source models**
- **Uptake in SaaS**
- **Mixing cooperation & competition**

**SunGard Focus:**

- **Partner with clients and competitors to create shared benefits** (e.g. Assent ATS, Fidelity Wealth, Barclays iShare, Advent data aggregation, RBC-Dexia fund market place)
- **Built up service offerings on Infinity platform (SaaS)**
- **Further extend use of Infinity Application Framework in internal developments**

## Selected SunGard Initiatives

<b>Initiative</b>	<b>Session</b>
Infinity SaaS	Clare Porter 10:45 am, 1:30 pm
Infinity BPM	Clare Porter 2:45 pm, 4:00 pm
Cliq: listed derivatives utility	Tony Scianna 10:45 am
Assent ATS	Chris Lees 2:45 pm
Corporate Commercial Ecosystem	Ken Dummitt, CJ Wimley, Kurt Vandebroek 2:45 pm

# 5. Innovation

**Premise: Innovation will accelerate and disperse ->look outside your organization**

## **Key Drivers:**

- **Layoffs & mergers free up talent**
- **Technology lowers barriers for startups**
- **Ubiquitous communication**

## **Trends:**

- **Open source now mainstream**
- **Emergence of social networks**
- **Leadership in consumer focused industries**

## **SunGard Focus:**

- **Deepen internal adoption of IAF**
- **Improving non-hierarchical communications**
- **Acquisitions**

# Our mantra for 2010: Transparency - Efficiency - Network

Forces reshaping the financial industry:



.. so we focus on



Common Themes:

**TEN**

