



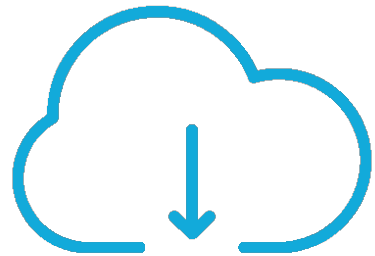
# Preview of EBA Paper: **Business Relevance of Cloud Adoption**

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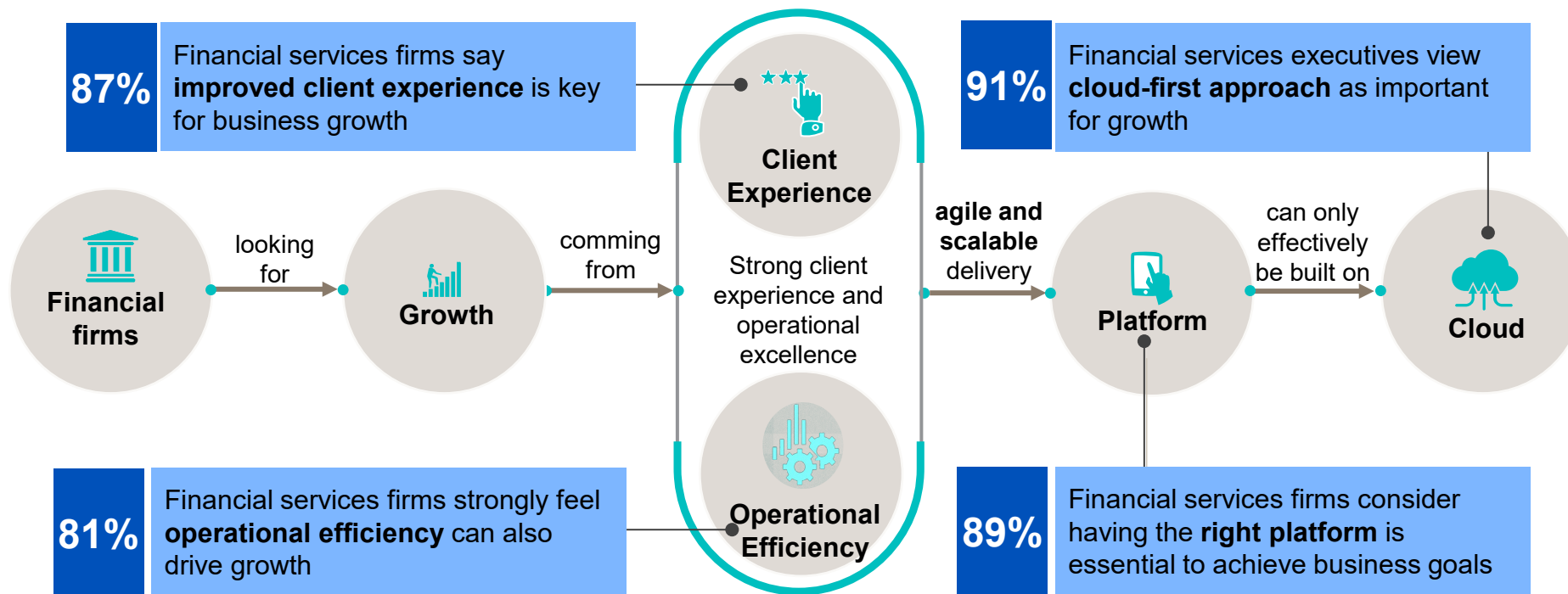
# Welcome to Our Presentation on Cloud Adoption and Its Impact on Operational Models



- Share first insights into our paper
  - Business relevance driving cloud integration
  - Status of the cloud integration within Financial Services industry over time
  - Methodology to categorize cloud technology
  - Reviewing cloud usage scenarios for banks over time
  - Highlighting cloud technology as an enabler for new use case: AI Powered Operating Model
- Have an open discussion with the audience

# FS Business growth will come with cloud as a key enabler

## GENERIC MODEL: DRIVERS TOWARDS CLOUD



## COMMENT

Cloud Adoption: A Strategic Shift Driven by Business Needs

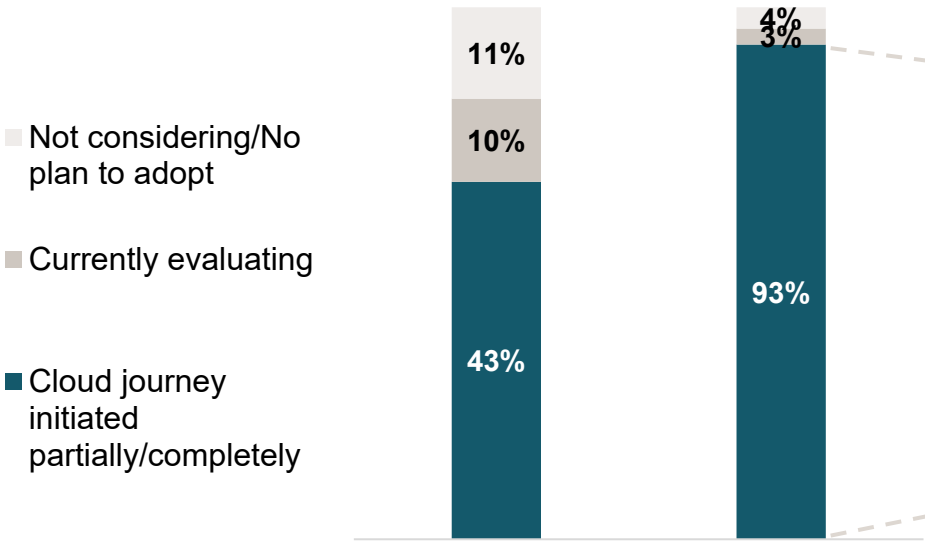
- Rapid traction in cloud adoption across industries including Financial Services
- Business-related triggers for cloud transformations are essential – moving into the cloud just driven by possible technology enhancements and potential cost savings will not be successful

Source: Capgemini Cloud Survey of Financial Services firms 2023

# Most banks have initiated their cloud journey

## BANKING CLOUD JOURNEY PROGRESS

% of FS executives – Aug 2020 V/s Aug 2023



## BANKS ADOPTION

( Partial/complete initiation) by region, % of FS executives – Aug 2023

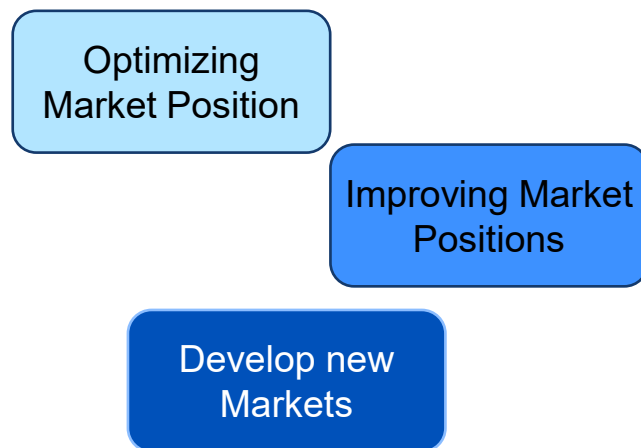


**As efforts have started, time has come to harvest the benefits by moving to cloud first and reach - business value**

Source: Capgemini Cloud Survey of Financial Services firms 2023

# Cloud technology usage is depended on state of the organisation and its current ambition

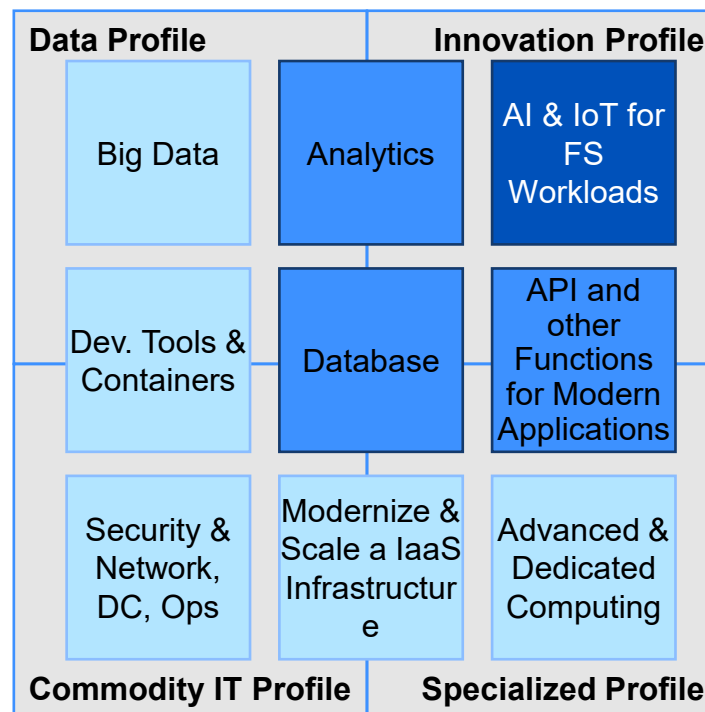
## MARKET OPTIMIZATION BY CLOUD



Each organization starts with a different intention towards cloud technology and has a therefore a different starting point

Source: Microsoft 2024

## CLOUD TECHNOLOGY CATEGORIES

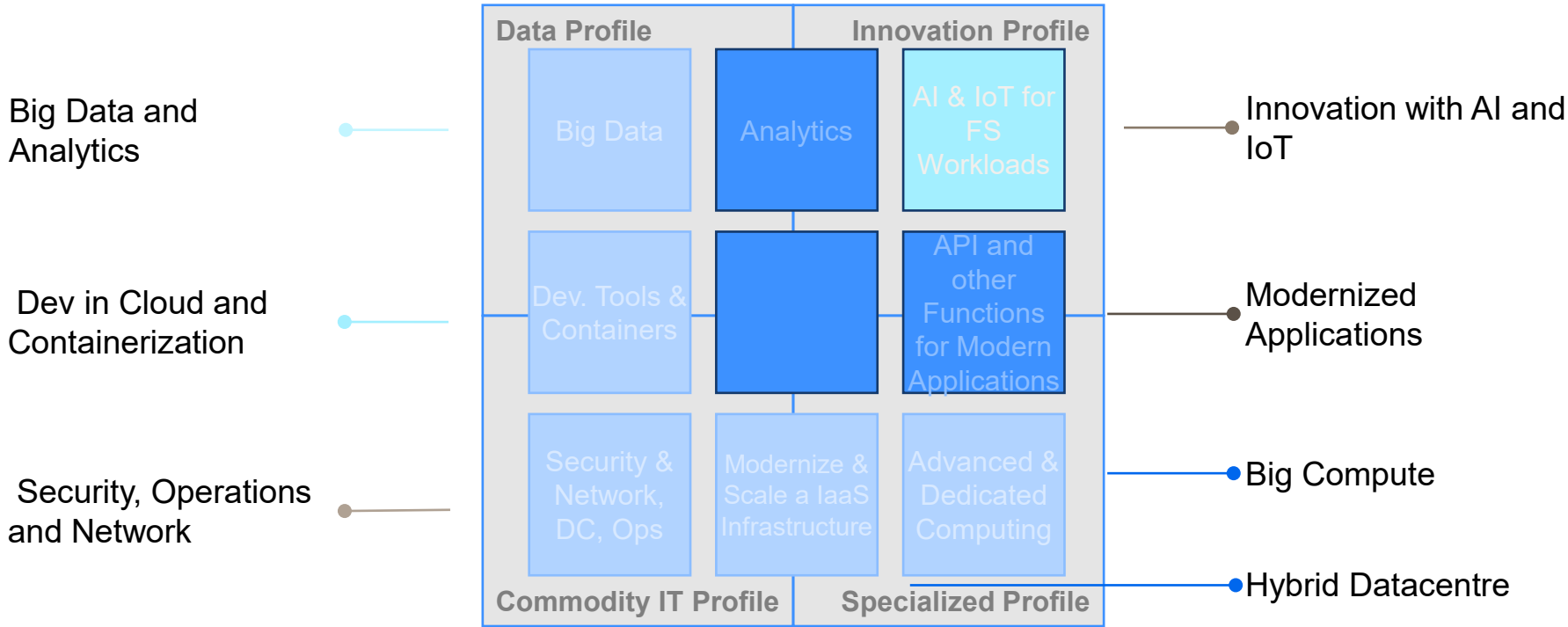


## DESCRIPTION

- Cloud services are mapped into 9 distinct technology categories, which relate to certain adoption profiles (Commodity IT, Data, Specialized and Innovation Profile)
- Respective technology categories have the potential to enhance the market position from optimisation to entering new markets
- Research has shown that the optimal value of cloud adoption is obtained with a balanced usage of the 4 cloud profiles

# From cloud technologies to usage scenarios

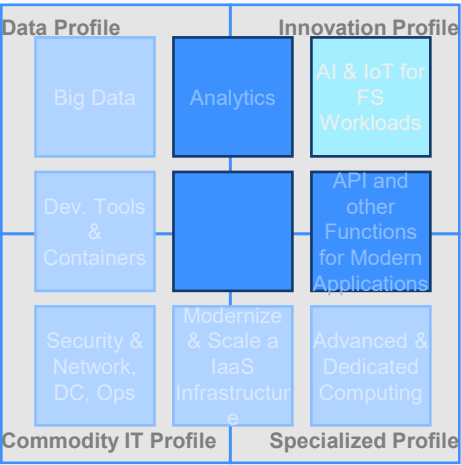
## MAPPING OF CLOUD USAGE SCENARIOS



Source: Microsoft 2024

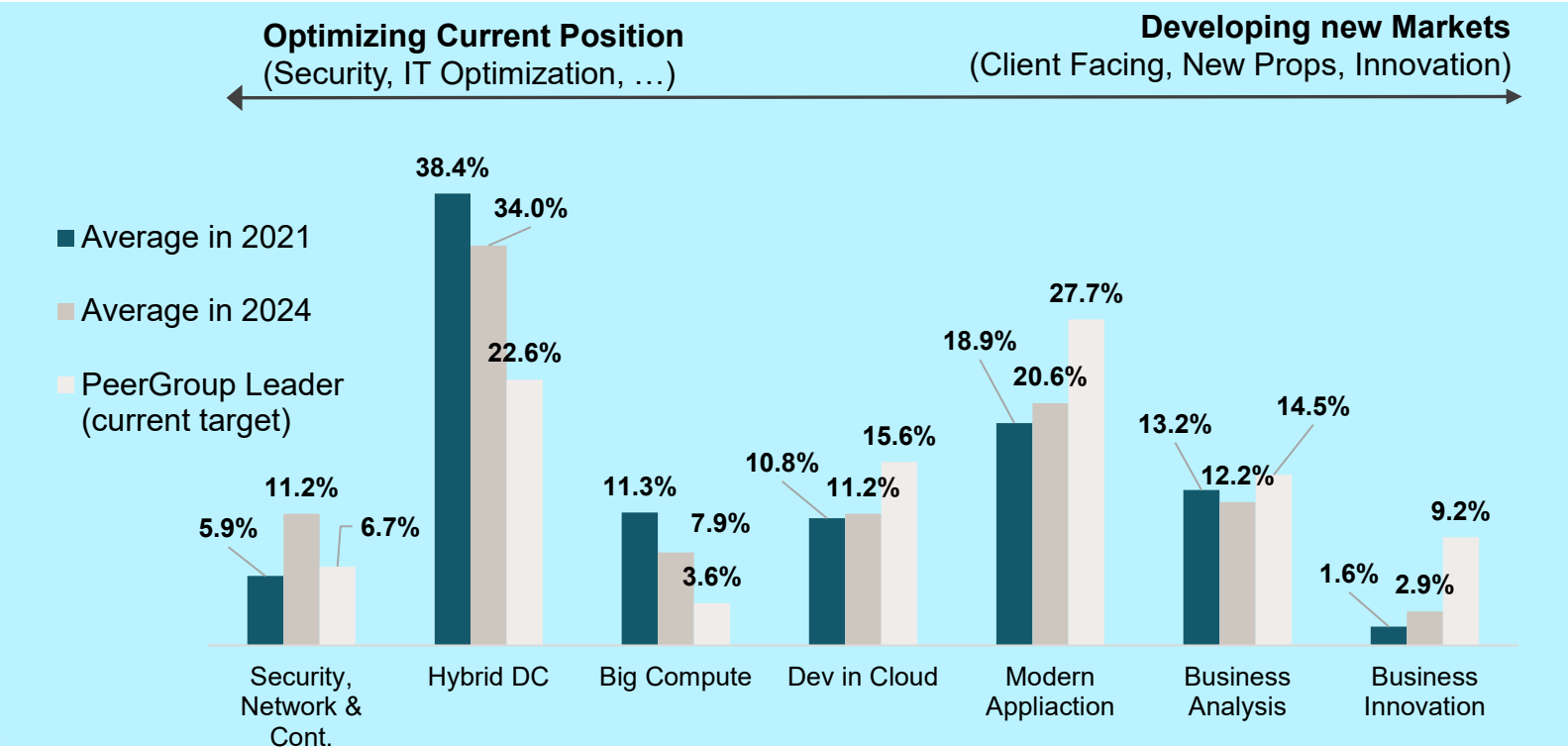
# Over time, Banks have shifted priorities towards business and innovation scenarios

## CLOUD USAGE SCENARIOS



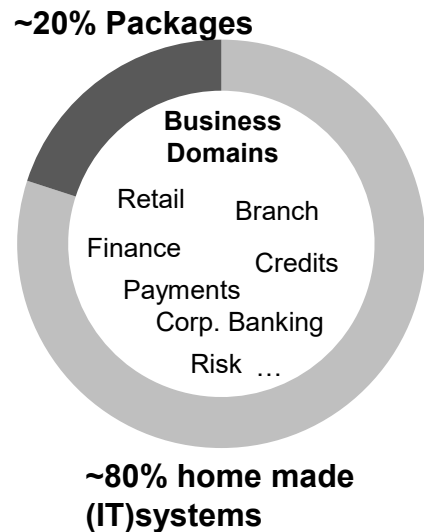
Source: Microsoft 2024

## EVOLUTION OF CLOUD USAGE SCENARIOS OVER TIME

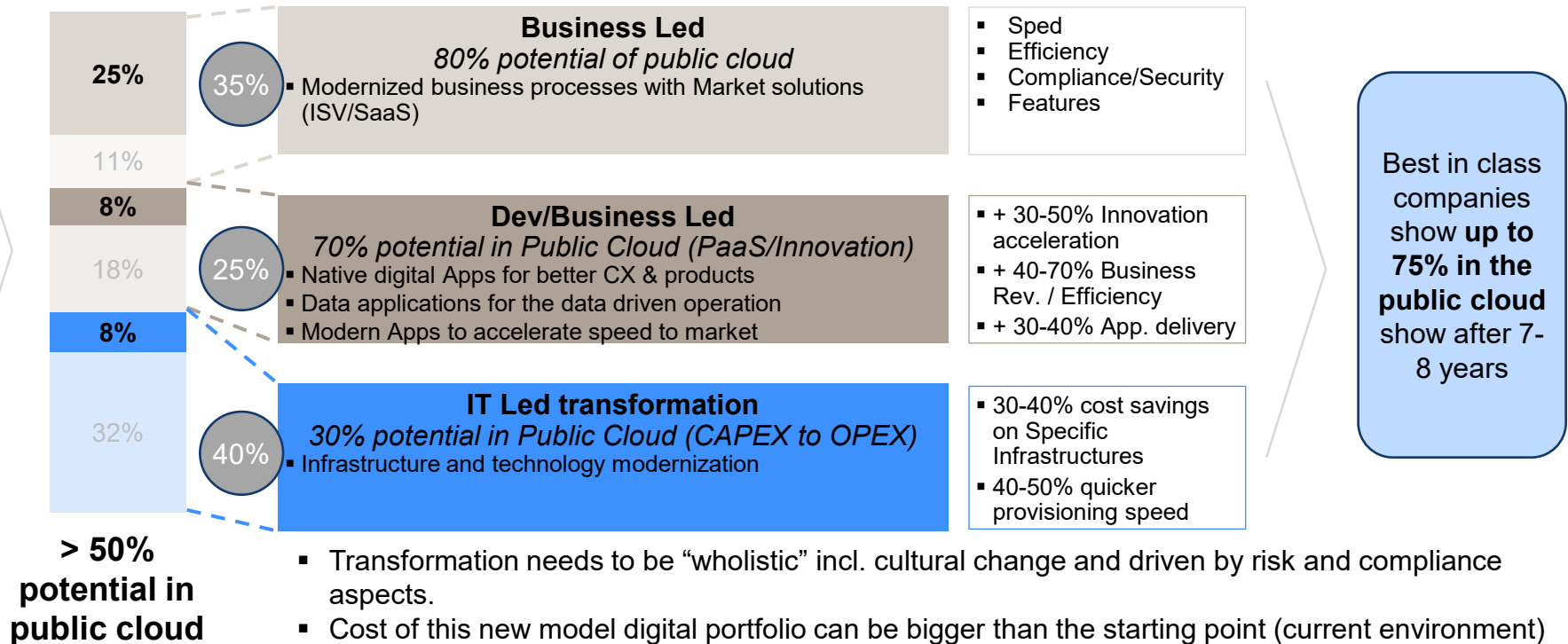


# After 5 years of transformation more than 50% of public cloud potential can be achieved

## EXEMPLARY STARTING POINT



## PUBLIC CLOUD POTENTIAL AFTER BANK WAS IN 5 YEARS OF CLOUD TRANSFORMATION (EXEMPLARY)

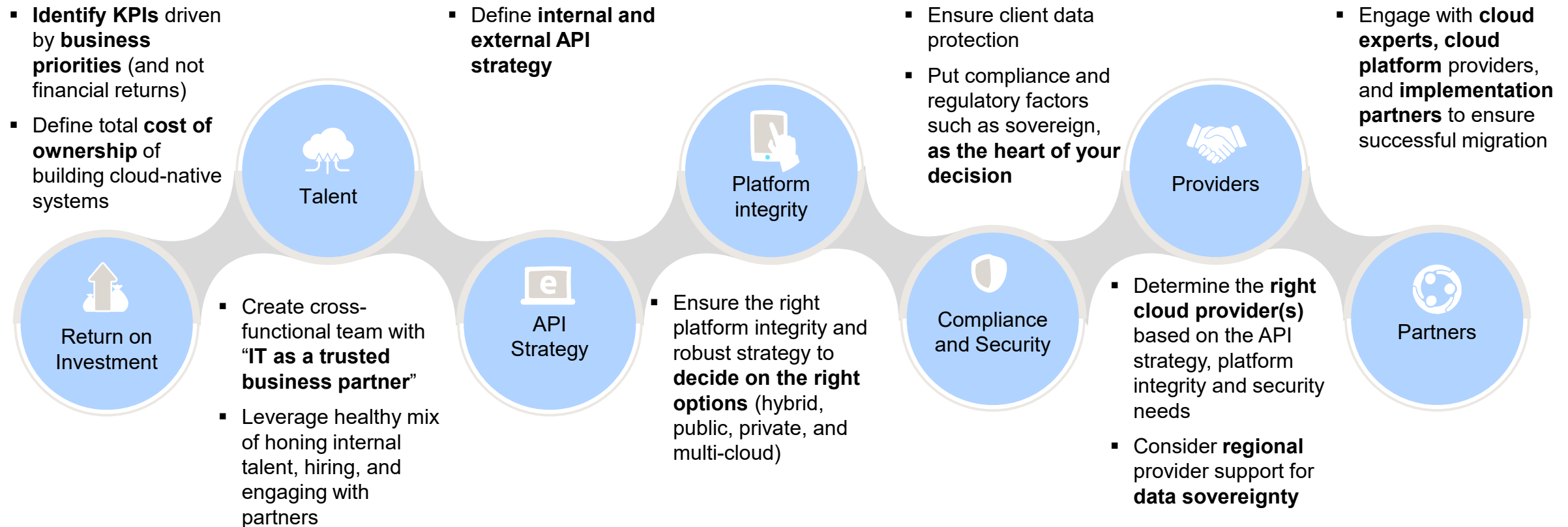


Source: Capgemini Cloud Survey of Financial Services firms 2023, Microsoft 2024, Gartner 2023



# Setting the stage for Cloud Adoption is a multidimensional challenge

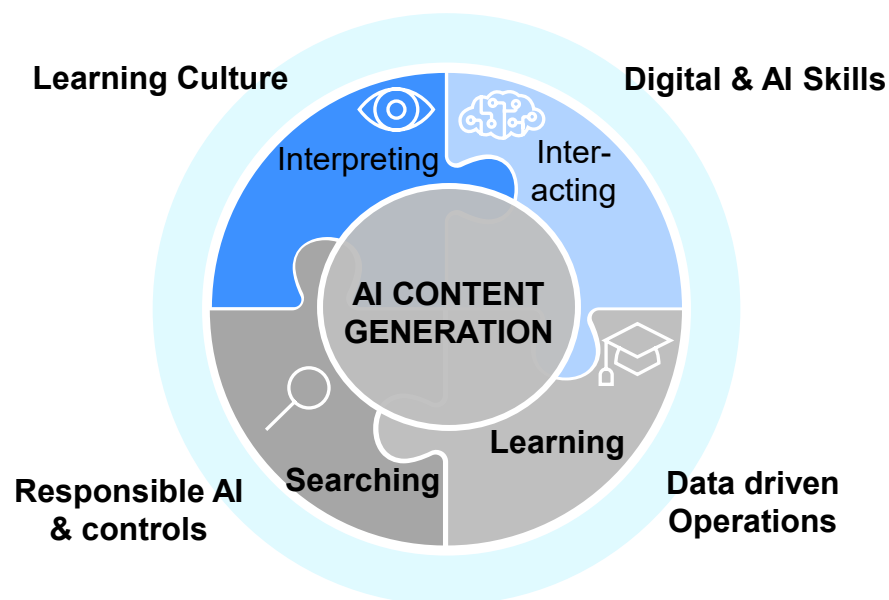
## TRANSFORMATION ELEMENTS TOWARDS CLOUD



Source: Capgemini Cloud Survey of Financial Services firms 2023

# AI Powered Operating Model: Change in culture

## EXAMPLE: CLOUD ENABLED AI OPERATION MODEL



## FUTURE STATE: GEN AI USE CASES ACROSS FS DOMAINS

As Generative AI use cases mature, significant impact will be created from AI – Payments is expected to have highest use case adoption

(based on ~500 Executive responses in 2023)

Payments	72%
Retail banking	69%
Wealth management	68%
Capital markets	66%

Source: Capgemini Cloud Survey of Financial Services firms 2023, Microsoft 2024

# We are looking forward presenting you our final report end of Summer 2024!



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