



Interactive Data's Cloud Can Enable Financial Institutions to Rapidly and Cost Effectively Develop and Deploy Data Applications

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The convergence of a number of factors, including technology innovation and a renewed focus on cost containment driven primarily by the global financial crisis, led many financial institutions to closely examine their business processes to determine new areas that could be more effectively managed as outsourced functions.

During this review process, it became clear that financial information, especially real-time market data and related applications, could be outsourced. This is due in large part to evolving data consumption patterns for end users, the explosion in data volumes that strain bandwidth, and the reduction in resources among many IT staffs that need to support hundreds or thousands of end users. While outsourcing any critical business function can generate a certain amount of concern over loss of control, trust in your vendor's performance, and other related issues, we believe that outsourcing financial data and applications can provide a defined set of tangible benefits related to cost, resources, and technology that clearly outweigh any potential challenges.

Interactive Data's Cloud

Interactive Data provides an innovative technology model – essentially its own content and Software as a Service (SaaS) Cloud – that clients can seamlessly access over the Internet. As one of the largest global providers of hosted market data infrastructure and applications, Interactive Data offers a Cloud that features real-time market data for millions of global financial instruments and complementary applications. These include charting, alerts, tick history, analytical data and even complete portfolio reporting applications through readily available standard web-based interfaces to help with building state-of-the-art financial applications.

Interactive Data can manage all aspects of content collection and delivery, as well as the technology infrastructure needed to run the applications. To access Interactive Data's Cloud, an institution can use Java, PHP, .NET or other widely-used programming languages. Data is delivered from the Cloud in standard output formats, such as XML Web Services and JSON, enabling institutions to easily integrate and display market data for their employees or clients on most devices with an Internet connection and web browser, including mobile devices.

Benefits for Clients

Interactive Data estimates that the delivery of content and infrastructure management through its Cloud can reduce the price point compared to an institution's legacy market data workstations by up to 65%. Key to these cost savings are reductions in technology costs and bandwidth needs as the major infrastructure is running in Interactive Data's Cloud. This could greatly reduce the need for additional technology spending on the servers, circuits and routers that have traditionally been needed to support an institution's market data applications in a deployed environment. Institutions can also minimize bandwidth requirements, as Interactive Data's Cloud can provide only the levels of data that they require, instead of all the data their vendor wants to deliver.

Through its Cloud, Interactive Data can also manage the continued development and maintenance of its datafeeds and applications. No longer are large teams needed to manually install software for hundreds or thousands of users. Interactive Data can quickly upgrade the offerings in its Cloud, and the next time any of an institution's end users connect to their applications, they have the latest version. Clearly, this provides substantial cost and time savings.

Additional Areas of Focus

While many financial institutions have been looking to outsource their market data operation that supports their wealth management/brokerage functions, there are other areas within institutions that Interactive Data expects will continue to emerge as compelling candidates for outsourcing. For example, we expect that many institutions who have built their own networks to support their latency-sensitive trading applications will seek to outsource these networks to realize lower operational costs and maintenance overhead. A number of the benefits are the same as those outlined above, and Interactive Data's Cloud has the capability to offer networks that support the rapid and cost effective deployment for ultra-low latency trading strategies.

Although it is typically the high volume, high frequency data and applications that are most appealing to clients today, Interactive Data expects that other types of data and applications will help to expand its Cloud offerings in the future. This can include reference data and more powerful analytical tools that can help institutions to manage risk.

The emergence of new, innovative technology and the need for efficiency and cost control has continued to drive financial institutions to seek new options for their business processes. By providing access to global financial information and sophisticated analytics in its Cloud, Interactive Data can empower institutions to operate in a more cost effective and efficient manner and spend their time focused on driving growth in their core business.

For additional information about Interactive Data's Cloud, please visit www.interactivedata.com/rd/cloud or contact us at info@interactivedata.com.

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