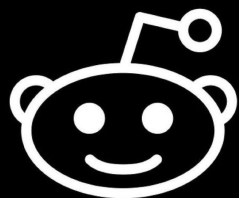


# The many challenges in financial markets



## We live in “interesting” times!



Extreme market volatility due to retail trading trends



Geopolitical risks and political regime changes



The requirement to cope with higher volumes of transactions

## A global focus on improving operational resilience and governance



A focus on operational risk monitoring and management practices



More rigorous and documented third party provider assessments



Greater investment in cybersecurity

## **Continued pressure to modernize and move to the cloud**

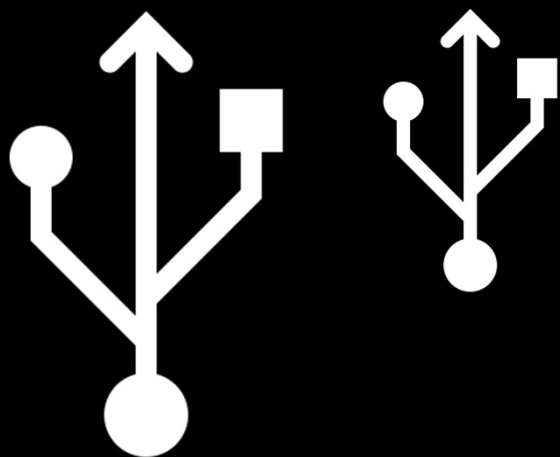


Including establishing a multi-cloud  
arrangement for the largest firms

Introducing a designated C-suite role for  
cloud oversight



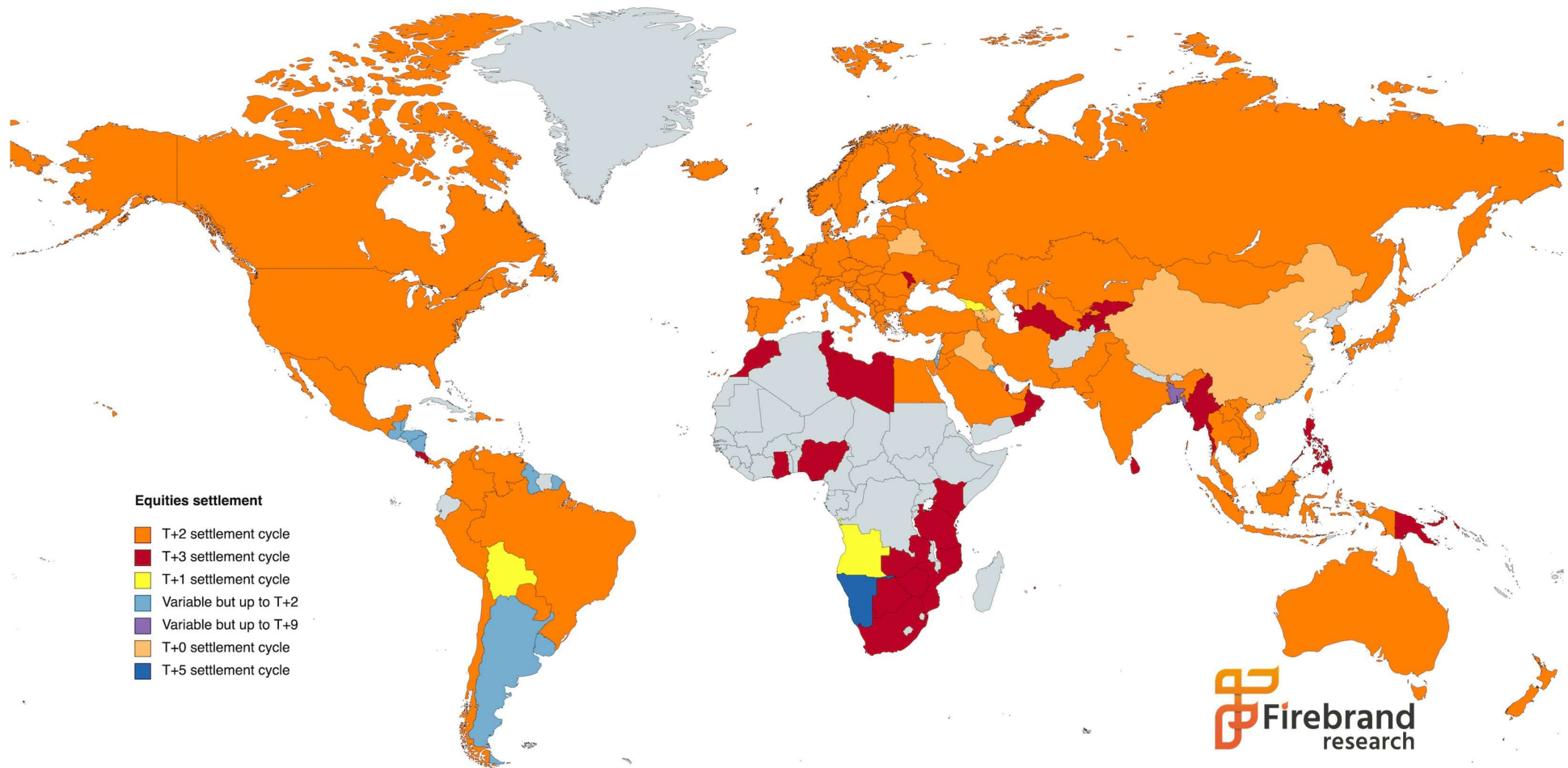
## Client requests for more open access to data via APIs



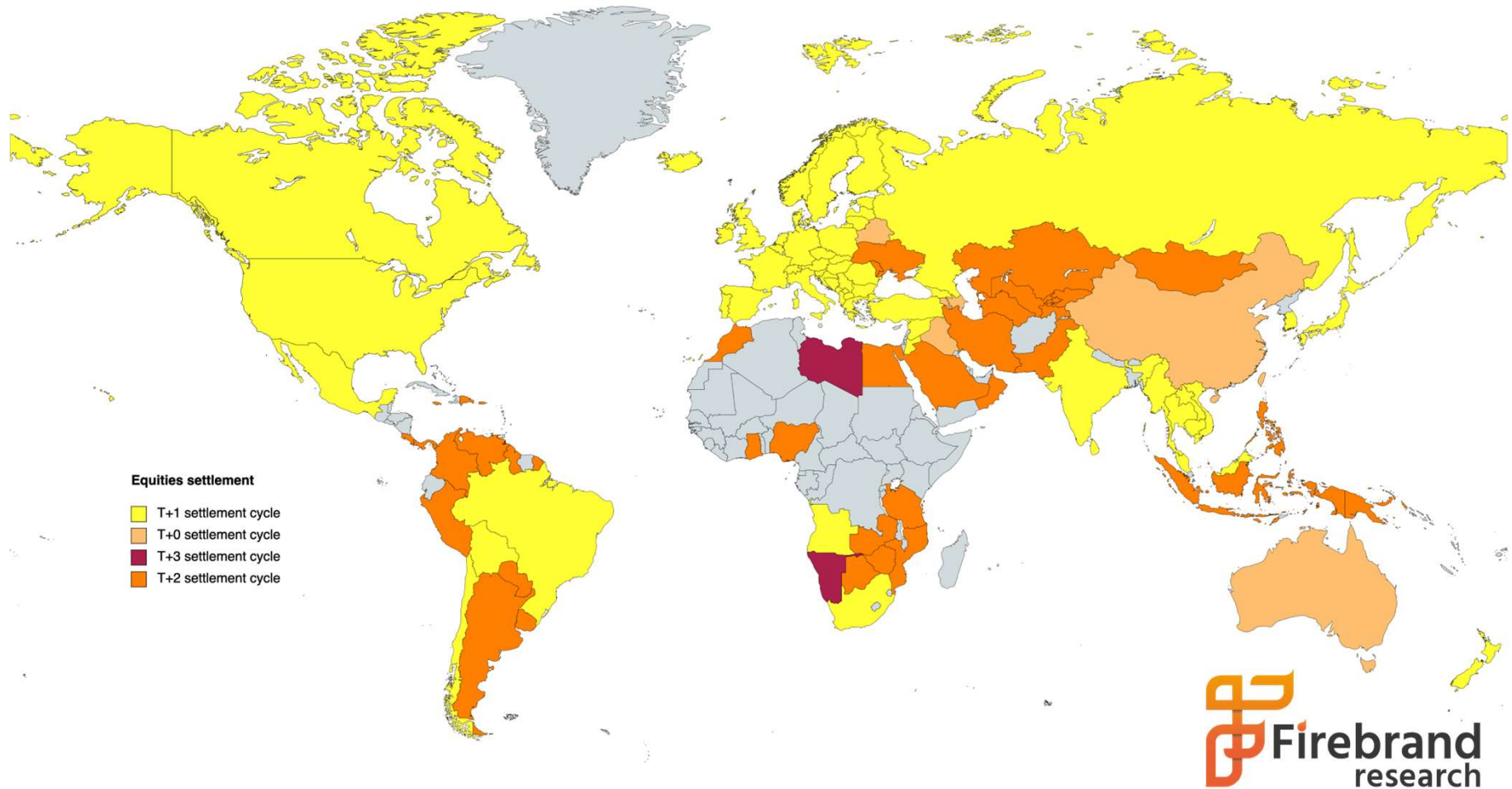
Which can expose them directly to poor  
quality data!



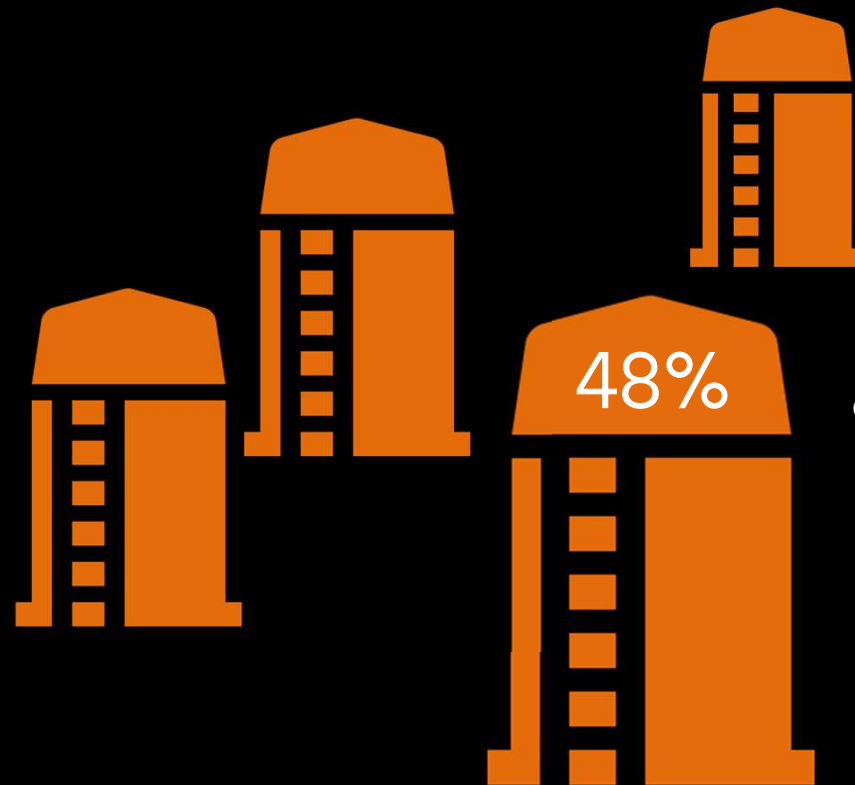
# Most of the world is currently on T+2



**But that is likely to change by 2030**

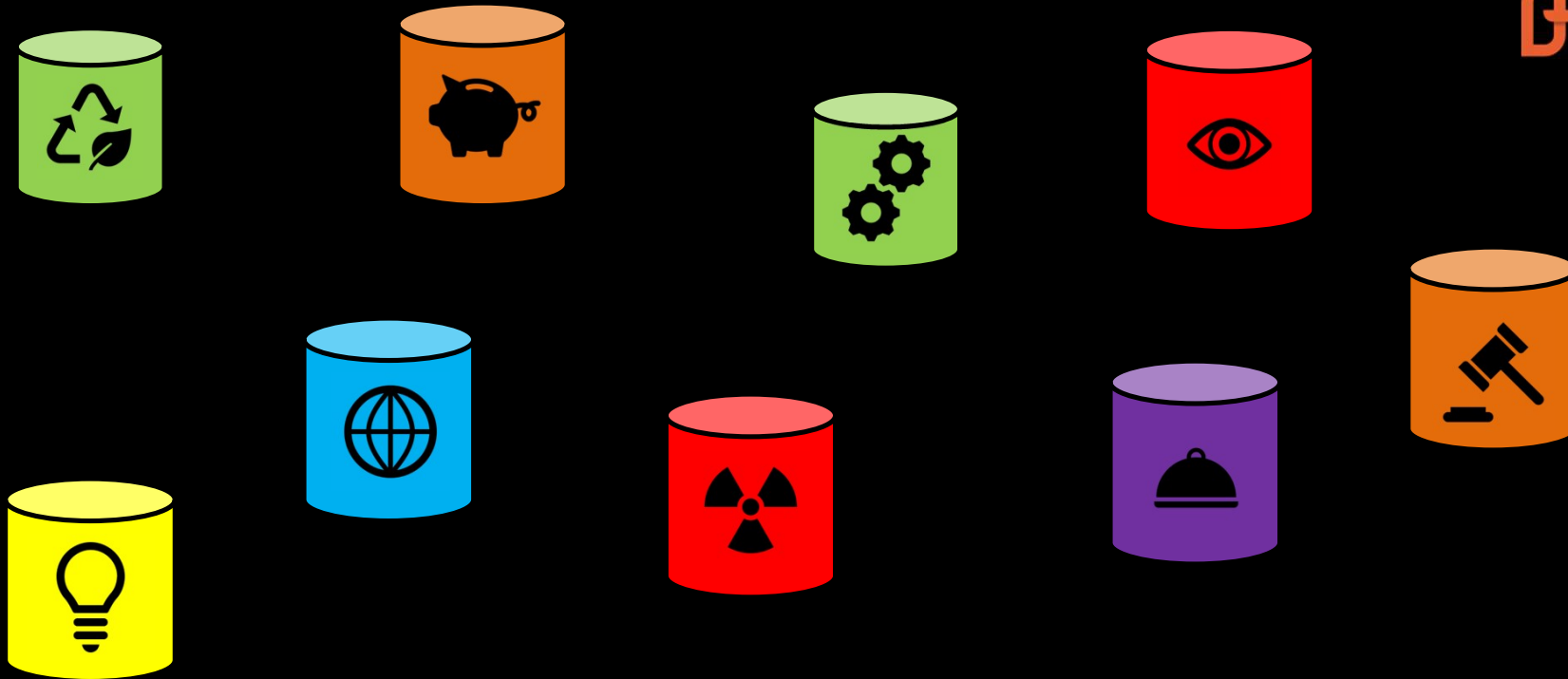


On the data side, silos continue to cause problems



of firms surveyed by Firebrand  
indicate that they have  
**significant business and  
operational challenges**  
because of data silos





There's an ever-increasing supply of data to sift through, from structured to unstructured

Poor data quality can impact a firm's reputation in numerous ways



Increased focus on  
data quality from  
regulators



The inability to  
prove systems and  
controls

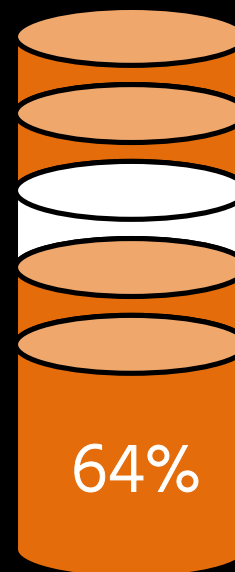


Negative impact on  
client trust and  
market perception

## Getting the data details right isn't easy



of firms surveyed by Firebrand  
indicate that  
**data accuracy**  
is a significant challenge



of respondents indicate that  
**data consistency**  
is a significant challenge

But...data strategy is big news for the buy-side and sell-side



41 of the 100 largest global asset  
managers have a  
**chief data officer**



48 of the 100 largest global  
investment banks have a  
**chief data officer**

## Data quality investment is increasing



Respondents scored their firm's ability to track data quality an average of

3.2 out of 5



of firms surveyed by Firebrand indicate that data quality tools are strategically important to their business

The strategic reasons for investing in data management are numerous



55%

want to reduce  
operational risk

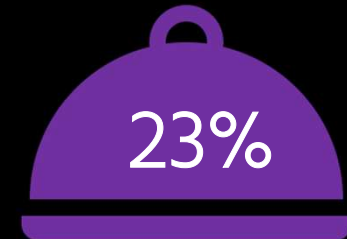


55%

want to improve  
efficiency  
by reducing manual processes

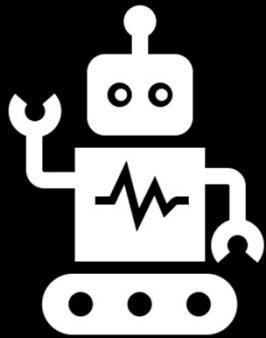


want to improve  
transparency  
for audit purposes



want to improve  
client support

Plus a whole host of other benefits



Next generation  
technology adoption



Product innovation



Competitive  
advantage

## The 10-year outlook



Settlement cycles move closer toward T+0 but not real-time



ESG becomes increasingly part of the routine investment process



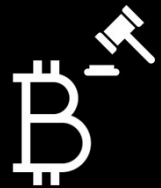
Multicloud becomes a reality and data disintermediation layers proliferate



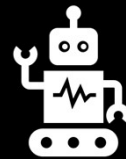
Legacy replacement projects continue to pick up speed



## The 10-year outlook



Digital currencies will be regulated like any other instrument



Automation will replace many more operations jobs and generalists will take over



Cybercriminals will be even more innovative and professional, quantum computing will pose a serious threat



Consolidation of providers will continue within banks' four walls and beyond

# Firebrand research



## We're passionate about capital markets research

### The voice of the market

Rather than printing our opinions, we listen to the market and reflect the multiplicity of industry views

### Independent

We don't pay for play, none of our subscription research is content marketing.

### Built on decades of research

Our community of research participants has been built over decades of capital markets technology analysis.

### Practical not posturing

Our research is aimed at providing functionally-specific recommendations and practical advice

### Diversity of approach

There's no one right way to do things, our research examines how different teams take different approaches to the same objective

### Market research should be accessible

We believe that market research should be accessible, thorough, and easy to consume.

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