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Media Contacts:  
Binna Kim/Carly Fowler  
+1 646 395 6300  
ISITC@cognitomedia.com

### **ISITC Survey Reveals Cautious Optimism Among Member Financial Institutions**

- *More than half of those surveyed believe financial crisis has opened up opportunities for innovation in financial services*

Boston, 15 March 2010 – ISITC (International Securities Association for Institutional Trade Communication), the industry trade group focused on standards in transaction processing and related communications, today announced the results of a member survey focused on the opportunities for innovation revealed by the financial crisis. The upcoming ISITC 16th Annual Industry Forum and Vendor Show in Boston on March 21-24 will look to address how financial services firms are innovating with regard to the ideas revealed in the survey.

ISITC regularly surveys its North American membership to keep abreast of the issues and trends that are of most importance to the organization. This year, the survey focused on innovation and opportunity in the wake of the financial crisis. Although the results show lingering uncertainty in the market, with only 31% of respondents believing the economy is poised to recover in 2010, there are also indications of cautious optimism. Fifty-six percent of respondents feel that the economic crisis has offered the financial services industry opportunities for innovation. Areas of innovation included central clearing of OTC derivatives; risk management; increasing transparency, efficiency and automation; and taking advantage of new regulatory and oversight opportunities.

When comparing the ISITC member survey responses from 2009 and 2010, results show that the challenges of 2009 will continue into 2010. Firms remain primarily concerned with operational risk management, followed by reducing costs and increasing efficiency – however, those concerned with operational risk management increased from 38% to 41%, while those concerned with reducing costs decreased from 35% to 23%.

Results also included the following findings:

- Central clearing of OTC derivatives continues to be an issue of importance, as 64% of respondents' firms are already involved in this initiative, and 58% of those not involved feel their firms should take part

- Cloud computing will become a bigger trend: only 21% of respondents' firms are currently involved in cloud computing, but 42% of those not involved feel their firms should become involved
- The majority of respondents' firms are currently focusing on introducing innovations to the middle office and back office (69% and 60%, respectively)
- 74% of respondents feel that future regulation will not hinder innovation in financial services

Gary Probert, Chair of ISITC, remarks, "Although there is clearly still some uncertainty in the market, we are excited to see that ISITC members also recognize the unique opportunities here. We look forward to having in-depth conversations about the potential for innovation at our upcoming Industry Forum and Vendor Show as ISITC continues to drive the discussion around innovation in the wider financial services community."

Survey respondents are indicative of ISITC's wider membership and consist mainly of executives at a variety of firms in the securities processing industry, including asset managers, custodians, broker/dealers, investment bankers and technology solutions providers. The full results of the survey are available at [http://www.isitc.org/publish/showDoc.cfm?contentId=0000005644\\_001\\_20100312.pdf](http://www.isitc.org/publish/showDoc.cfm?contentId=0000005644_001_20100312.pdf).

#### **About ISITC**

Comprised of 1,500 individuals from 350 companies worldwide, ISITC provides members with the means to revolutionize the securities-trading process. ISITC brings together broker/dealers, custodians, investment managers, vendors/utilities and other industry professionals to develop proposed standards that are designed to enhance efficiencies in trade processing and related communications. Through collaboration, ISITC's members reduce inefficiencies, lower risk and build shareholder value while developing and promoting the global securities industry.

The ISITC 16<sup>th</sup> Annual Forum and Vendor Show will take place in Boston from March 21-24, with the General Session being held on March 22. For more information on ISITC, please visit our website: [www.isitc.org](http://www.isitc.org).