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## **Your Future Front Office. Today. Connect to Multi Asset Class Trading**

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### **To Win the Future, Banks Must Prioritize Front-Office Technology**

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**The stage is set for the most intense competitive race the industry has ever seen. Banks are navigating countless complexities that are set to continue, including fragmentation of markets, regulations, electronification of OTC trades, lower profit margins and higher cost pressures. We envisage – what will it take to win in this year of complexity? With innovative and integrated technology enabling consolidation, AI and new approaches to real-time trading needs, efficient operations and workflows, will it be the banks that take advantage of technology who will win the race?**

### **Where We Are...**

Across the capital markets, 2018 was a tumultuous year based on geo-political risk, the end of quantitative easing by the European Central Bank, trade wars, low interest rates and a return to market volatility. This year appears ready to throw more of the same at banks' front offices such as changing regulations, LIBOR replacement, a strong upsurge in ESG investing trends, and a trend toward cloud adoption. With so much focus on combating external pressures, how can banks find their way to offering premium services to their customers?

Internally, banks are grappling with lower profit margins driving the need to lower the cost of doing business. This increases pressure to explore new business models, with a push to increase efficiency across electronic trading, OTC and the management of complex derivatives, XVA valuation and risk management needs, with trading and risk functions moving closer together.

A complex web of pressures and market shifts affect the front office; therefore banks need to ensure that they take action today to win the future.

### **Where We're Going: The Future of the Front Office**

When we look back at 2019, FIS believes we'll remember this year as not only a time of unrelenting shifts, but as a technological game-changer for banks. Success in the future is dependent on the extent to which banks can perfect the digital operating model and the extent to which they invest in technology that supports an integrated front office.

Instead of viewing complex operating needs and technology as a complicated web to untangle, banks must view this environment as an impetus for smarter integrations.

With increased volatility in the market we are seeing trading in fixed income and convertible bonds making a comeback and additionally, the continued use of derivatives trading to hedge risk or speculate on price changes. In short, we believe the future of the front office is an integrated front office that can flex and scale, and still support trading for a comprehensive range of asset classes.

A future-ready front-office platform puts market data at the fingertips of users, streamlines data and processes for maximum efficiency, and supports multi-asset class electronic trading and complex investment strategies.

When it comes to technology powering an integrated approach to trading and risk, flexibility has never been more important for banks than it is now. Future ready technology is underpinned with open APIs, empowered by digitalization and strategically aligned to business growth. Banks are pushing to become more agile, and integrated technology is a key factor in achieving this – monolithic technology systems that are anything but modern, or user-friendly will only stand in the way.

To rise to the future, banks must look at 2019 as the year to embrace a mindset of integration and flexibility in the front office, both in terms of strategic alignment and technological evolution.

**Are you ready to win the future of the front office? With FIS' Front Arena, you can be. Get connected to our team of solution experts. EMAIL: [getinfo@fisglobal.com](mailto:getinfo@fisglobal.com).**

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