the ValueExchange

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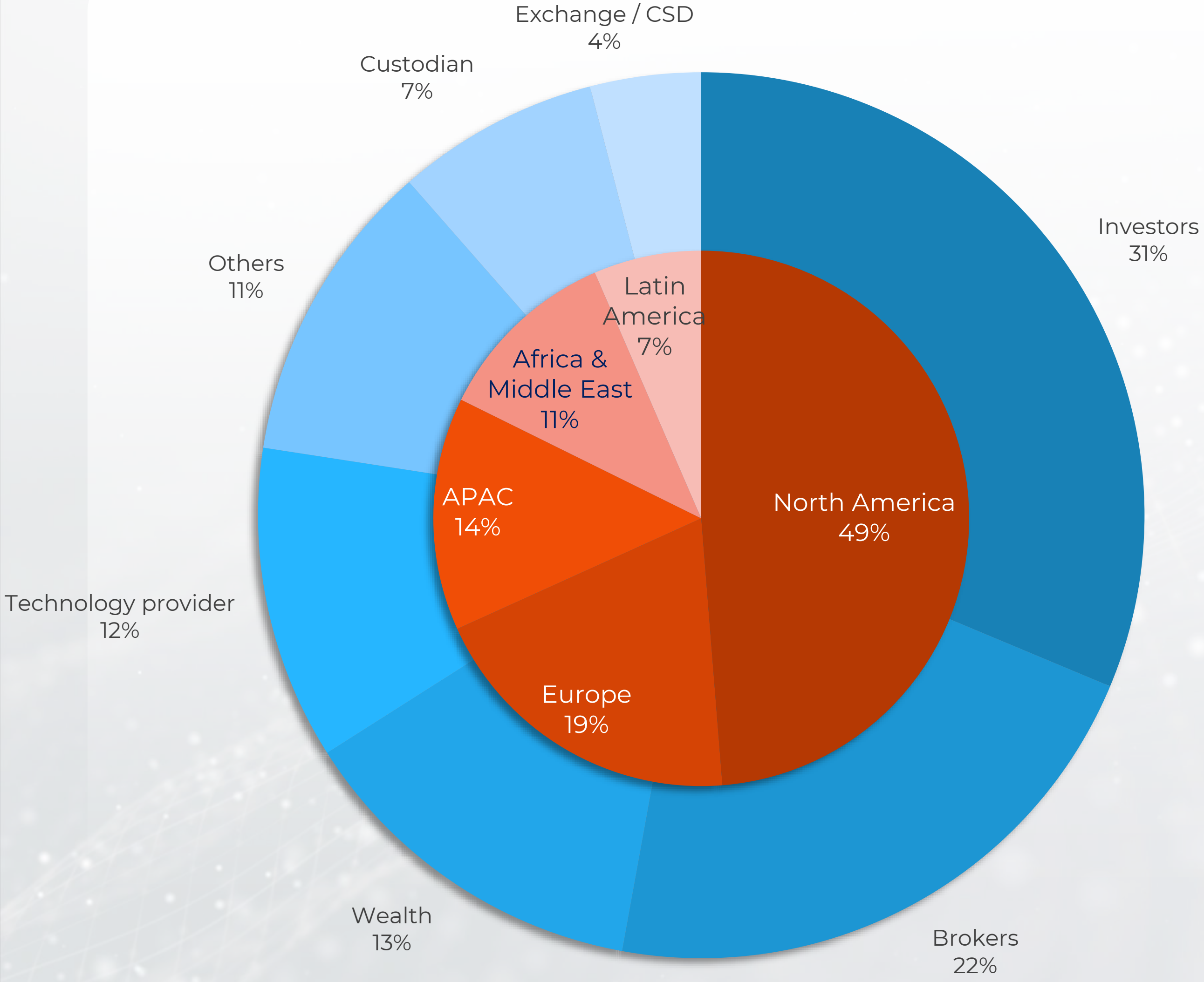
Key Findings

2026 Making every dollar count

Who participated in the survey?



How should firms be building their investment plans in 2026? What considerations should they have in mind and what challenges should they expect?

This Key Findings summarises the data insights from the ValueExchange's survey in December 2025, in partnership with Broadridge and ISSA. The survey gathered responses from 297 leading experts around the world.

This is a discussion document – and so we look forward to talking through these results together with you soon. We would welcome your thoughts or questions at info@thevalueexchange.co

All data is accurate as of 24^{th} February 2026.

2026: Making every dollar count

Overview

Securities Operations in 2026

- Securities Operations are a billion-dollar business – but is the industry too polarised?
- It is 30% more expensive to run a US operation than a European one, but it handles more than twice the volume
- Budgets are growing across the industry, with wealth managers and brokers out-investing their peers by at least 25%
- Market change is hitting North America in 2026 more than any other region
- 24/5 clearing, T+1, asset servicing, US Treasury Central clearing....all are short-fuse events hitting over 70% of North Americans hardest
- Is post-trade commoditised? 43% of C-level managers see post-trade as a critical differentiator

How we spend it in 2026

- Legacy platforms are 44% of our current costs, rising to over 70% in North America
- Brokers carry the heaviest legacy burden, but custodians are most active in replacing it
- 49% of firms are engaged in system replacements today – creating a major opportunity for change?
- Legacy transitions are taking effect: the industry spending 13% less on legacy in 2026
- Pick your burden: smaller firms don't have legacy issues but their resilience costs are almost as significant

The cost of change in 2026

- Market infrastructure change is costing global businesses over USD13m a year
- 40 cents in the dollar is on settlements – yet asset servicing is more of a differentiator
- Round-the-clock trading will cost the industry over half a million dollars per firm – more for those who need to now build a global operating model
- Artificial Intelligence: up to USD125m in spend but it's still early days
- Market change is costing each business unit up to USD40m per annum in vendor and provider fees
- Innovation: the critical role of well managed partnerships and vendor governance

01

Securities Operations in 2026

Securities Operations are a billion-dollar business – but is the industry too polarised?

2026 – Making every dollar count

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Average annual budget for securities operations in 2026 (USD)

Question: Based on your current outlook, what do you expect your 2027 budget to be (YoY vs 2026)?

Average securities operations budgets are over USD1bn for tier one firms in 2026 – and look set to grow by a further 6-7% in 2027.

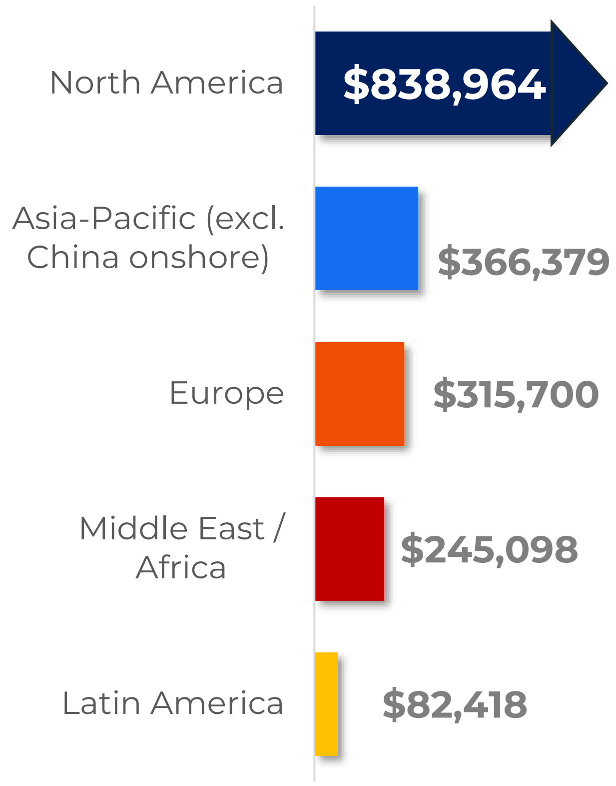
Tier 1 firms are outspending their Tier 2 peers by 2-3 times (per staff member)

Tier 2 and 3 firms must be intelligent and agile in spending in order to sustain their place in a technology arms race

It is 30% more expensive to run a US operation than a European one, but it handles more than twice the volume

Average annual budget for securities operations
per regional activity in 2026 (USD)

Total market cap per USD of Operating spend



North American operations are handling twice as much market cap for every dollar of operating spend.

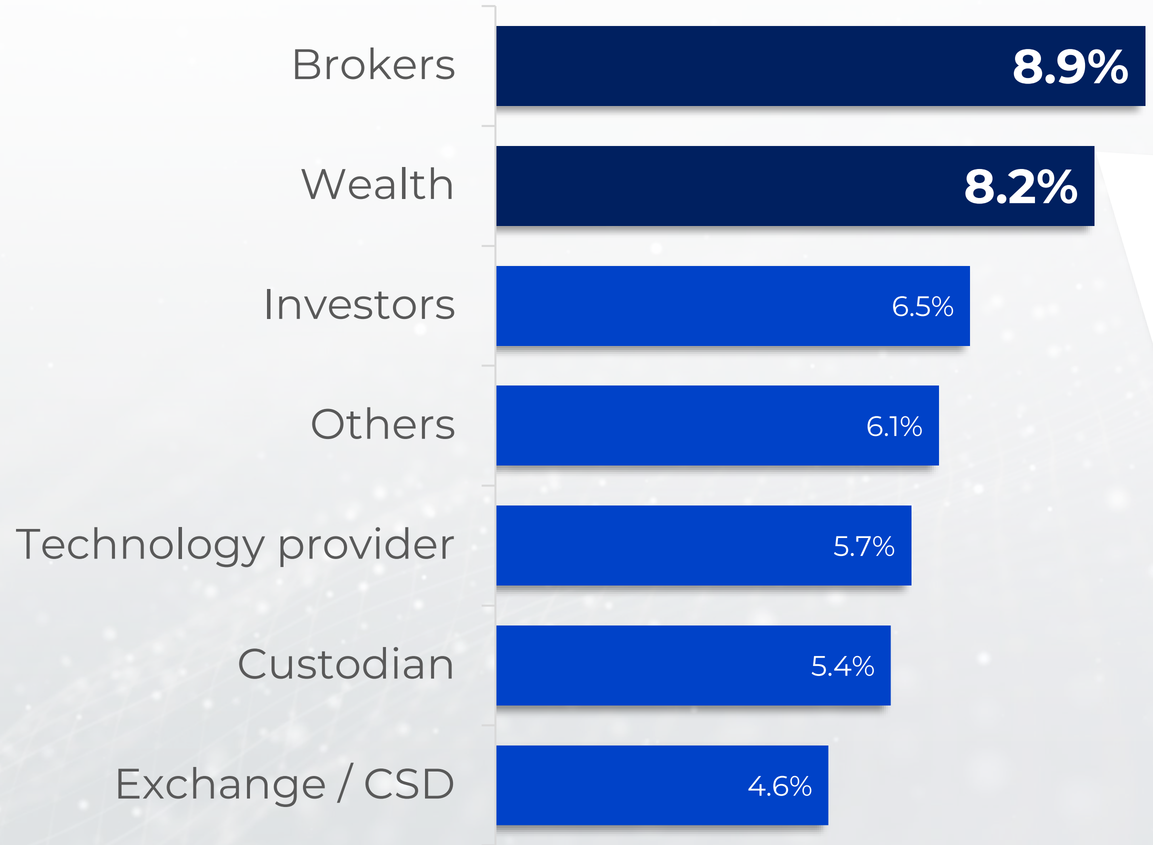
Market complexity costs: Asian and European back offices are on par, in market efficiency terms

Protecting firms against local market costs is a core P&L driver today

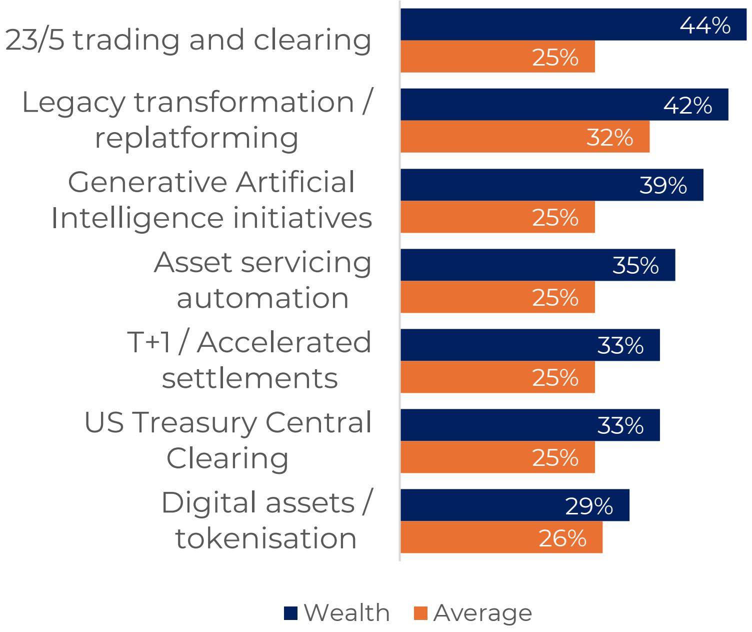
Question: What is your approximate annual budget in 2026 (including platforms and people)? (M+P)

Budgets are growing across the industry, with wealth managers and brokers out-investing their peers by at least 25%

Average change in securities operations spend YoY (2025/2026)



% of Wealth managers significantly impacted by market changes in 2026 (versus survey average)

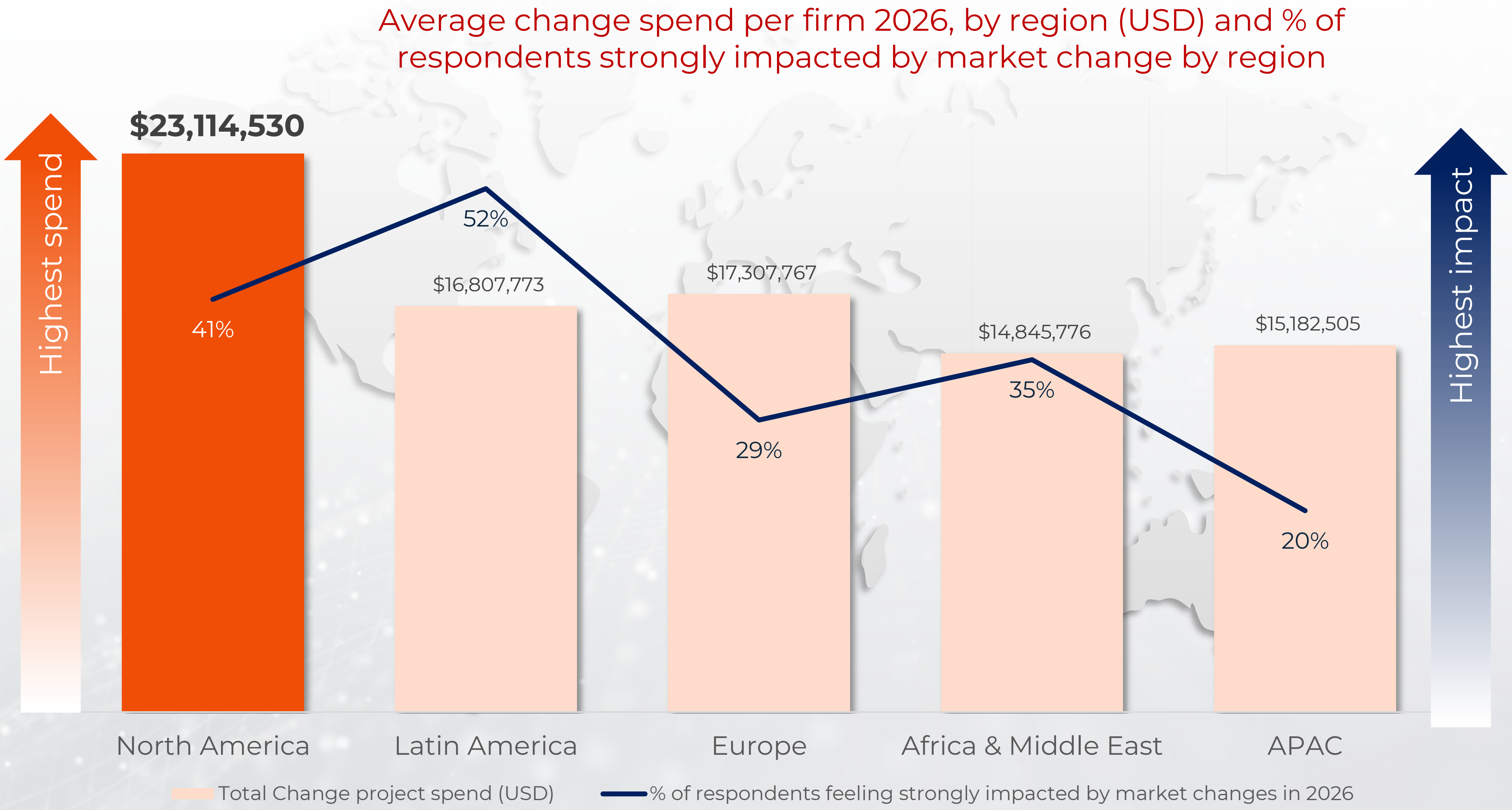


85% of firms are increasing their spend in 2026 (vs 2025) – with one in ten growing by over 10%

Brokers and wealth managers are growing their spend in order to accommodate multiple shocks to their business model: from 24/5 to T+1

North American spend is growing at an accelerating pace vs Europe and Asia-Pacific (7% vs 6.6%)

Market change is hitting North America in 2026 more than any other region



The Americas are the HQ of change in 2026: outspending their peers and feeling the concentration of pressures more acutely than anyone else.

Despite extensive market change in Europe, less than one third of Europeans feels strongly impacted by market changes this year

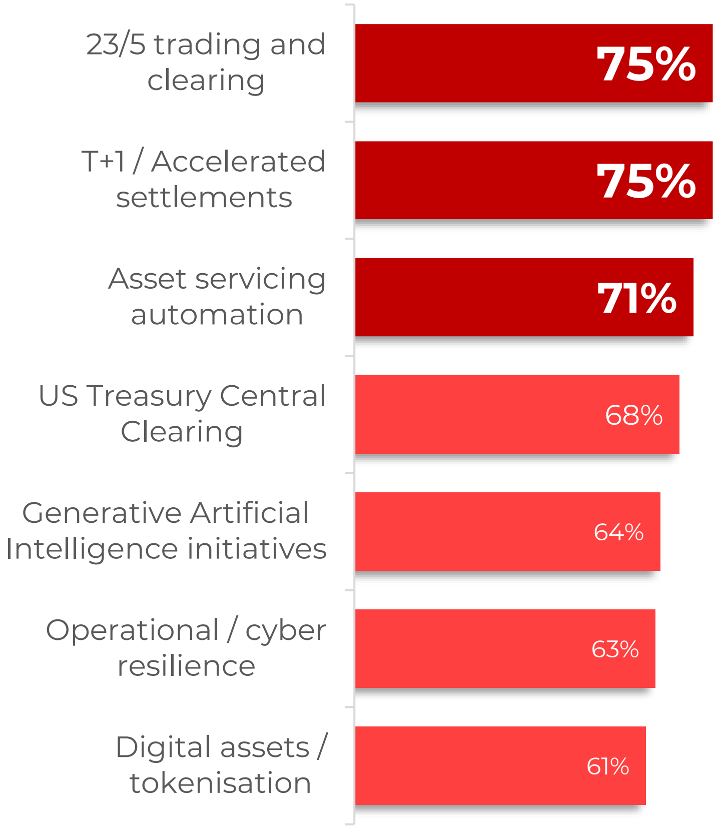
Time for real change: How to drive a new, strategic operating model for North America that enables all of these changes at once?

Question: How much impact do you expect each of the following initiatives to have on your investment operations in 2026?

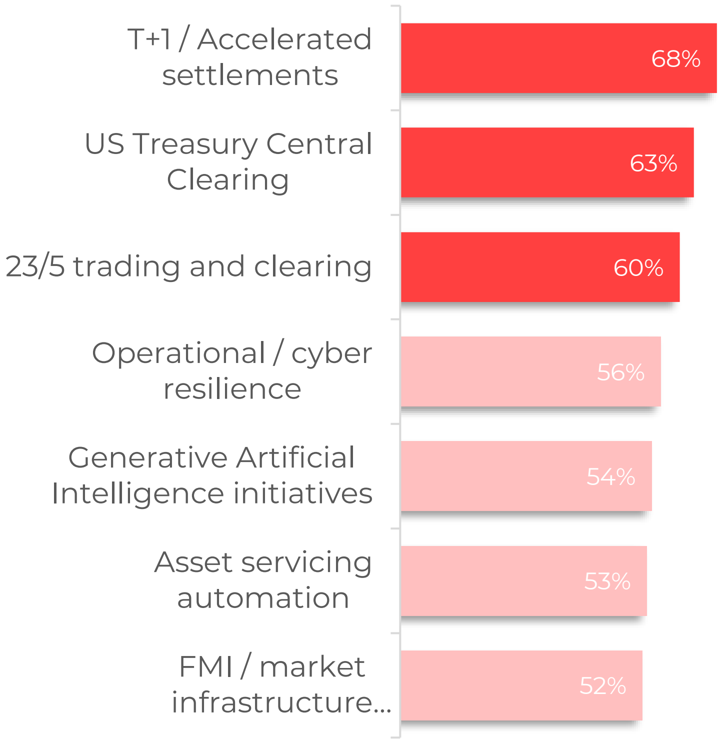
24/5 clearing, T+1, asset servicing, US Treasury Central clearing....all are short-fuse events hitting over 70% of North Americans hardest

% of respondents with change projects to be completed by end 2027 (excl any <50%)

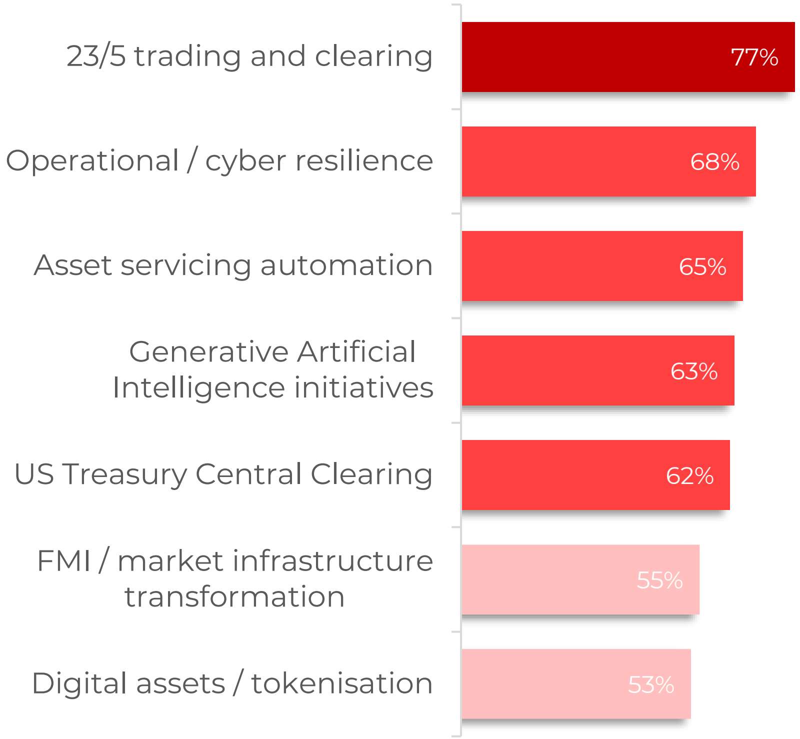
North America



Europe

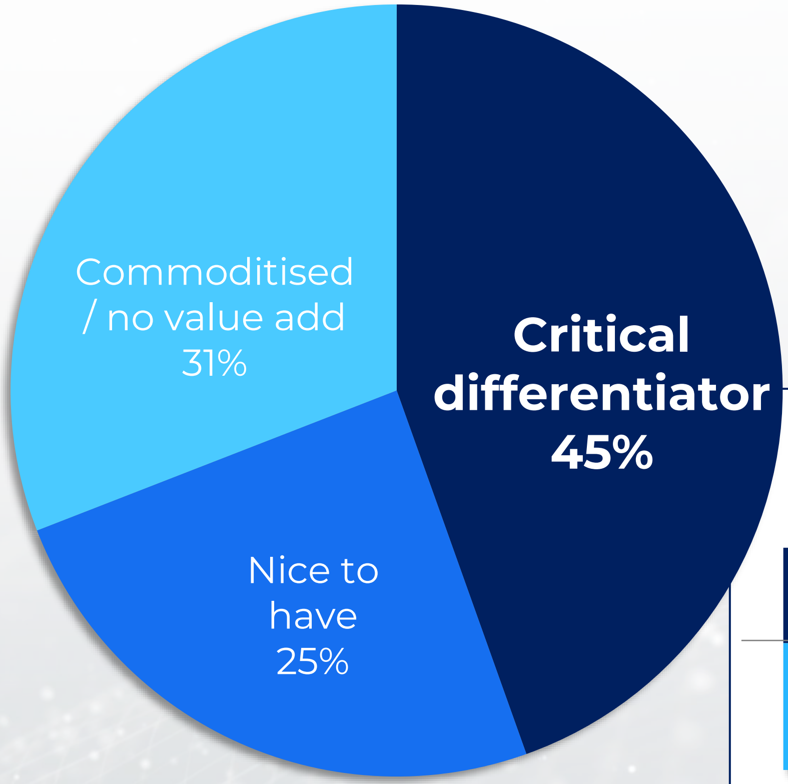


Asia Pacific



Is post-trade commoditised? 43% of C-level managers see post-trade as a critical differentiator

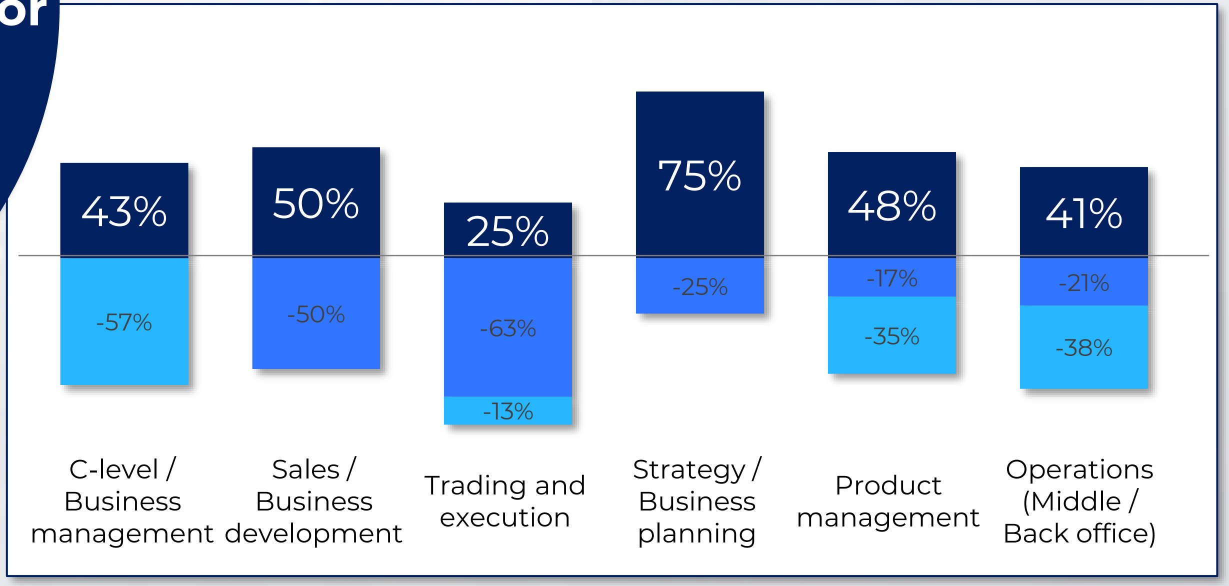
% of respondents who see post-trade functions as critical differentiators



43% of C-level managers see post-trade functions as critically differentiating – albeit still a minority

Is post-trade our future? 75% of strategy and business planning respondents believe it is.

58% of North Americans see post-trade as differentiating, versus only 35% in Europe. 48% of wealth managers do too – the highest of any market segment.



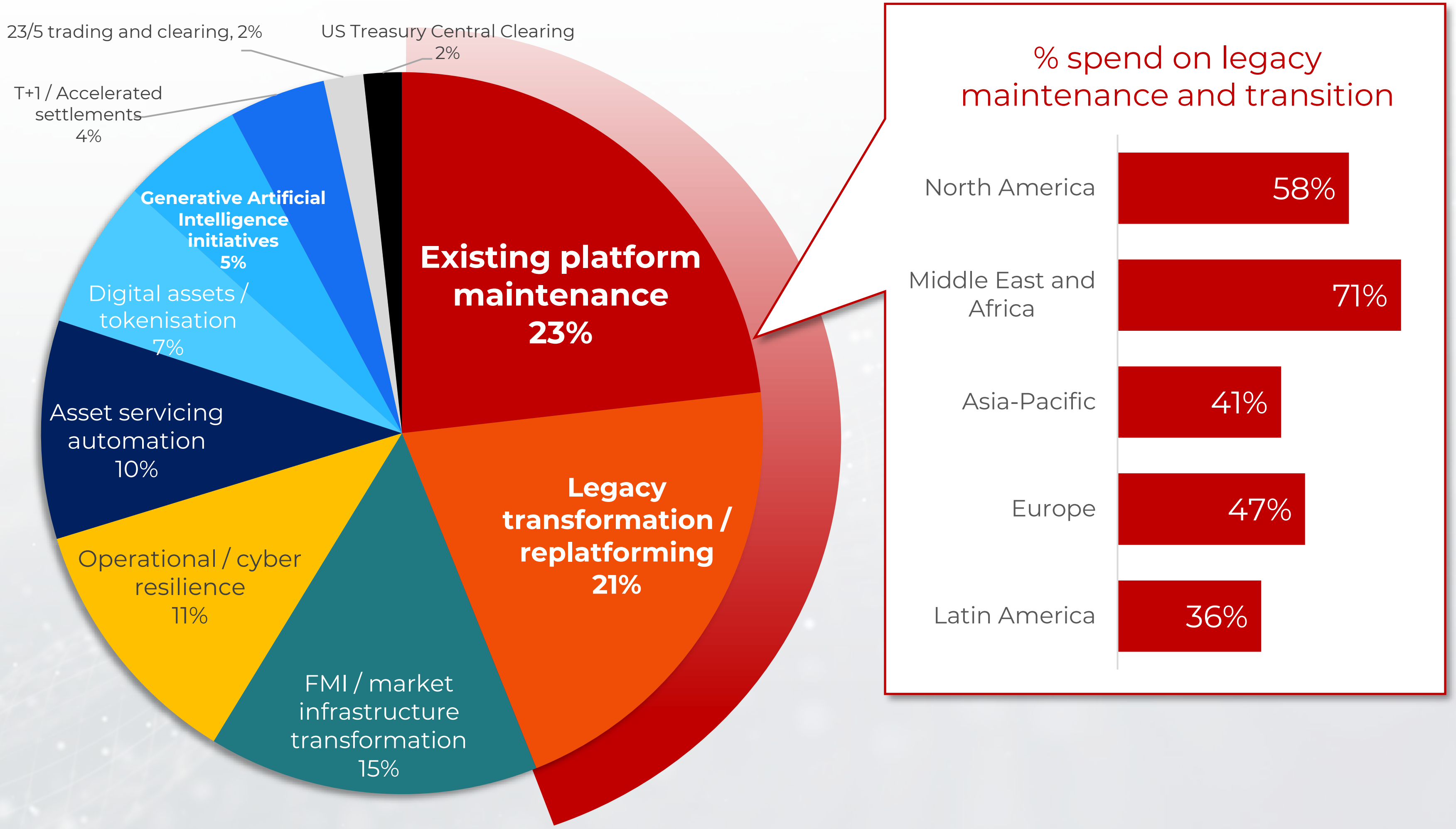
Is your case for post-trade investment based on revenues or cost optimisation?

02

Where are we spending it in 2026?

Legacy platforms are 44% of our current costs, rising to over 70% in North America

Average distribution of 2026 securities operations budgets



Question: What proportion of your 2026 budget is being allocated to each of the following areas?

Managing legacy platforms (and re-platforming) is costing up to USD426 million in a tier one firm.

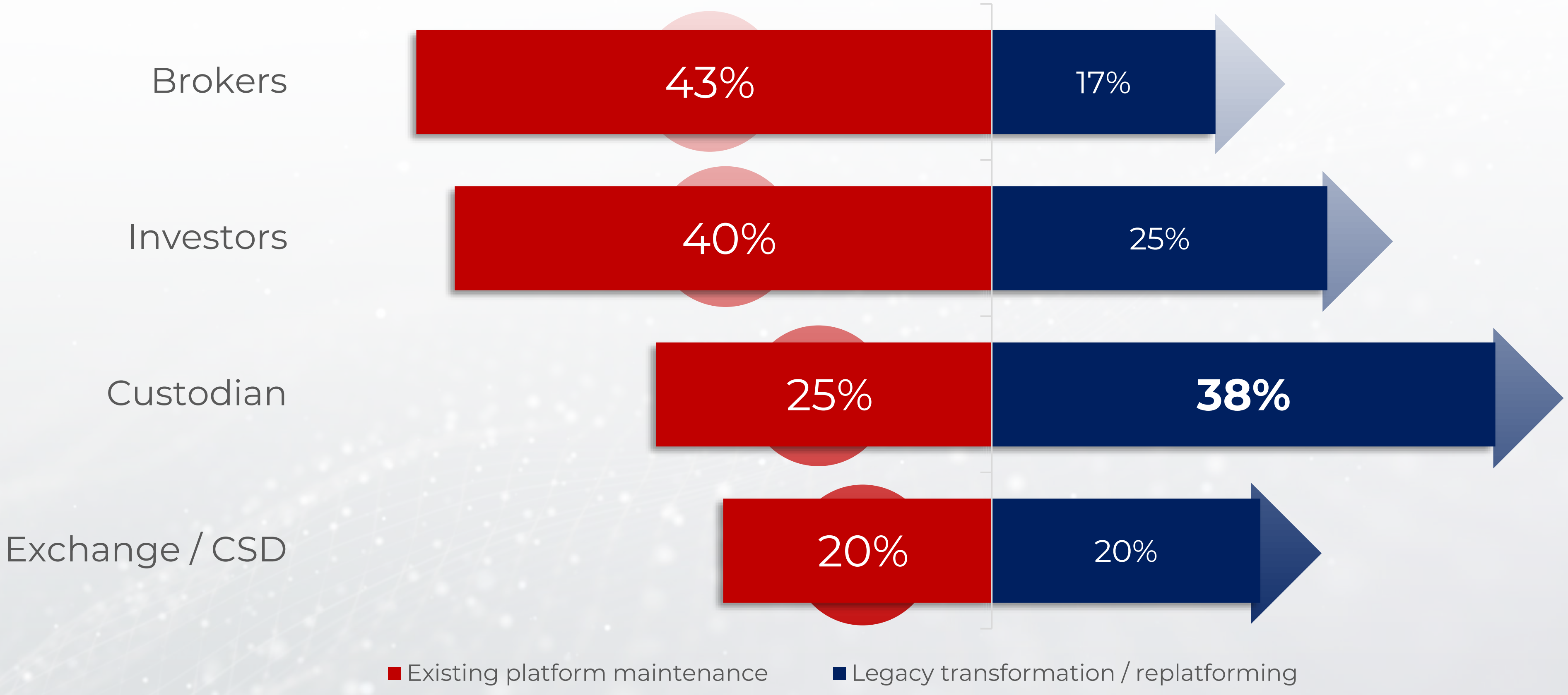
Pure legacy maintenance takes up two-fifths of spend for North American units. Is legacy an obstacle to change in 2026?

Ten cents in every dollar is on asset servicing – making it a $100m question for large firms.

Legacy isn't all bad. With only 8% of budgets allocated to major regulatory changes, the majority of change is funded through legacy programmes

Brokers carry the heaviest legacy burden, but custodians are most active in replacing it

% of respondents significantly impacted by market changes in 2026 (by segment)



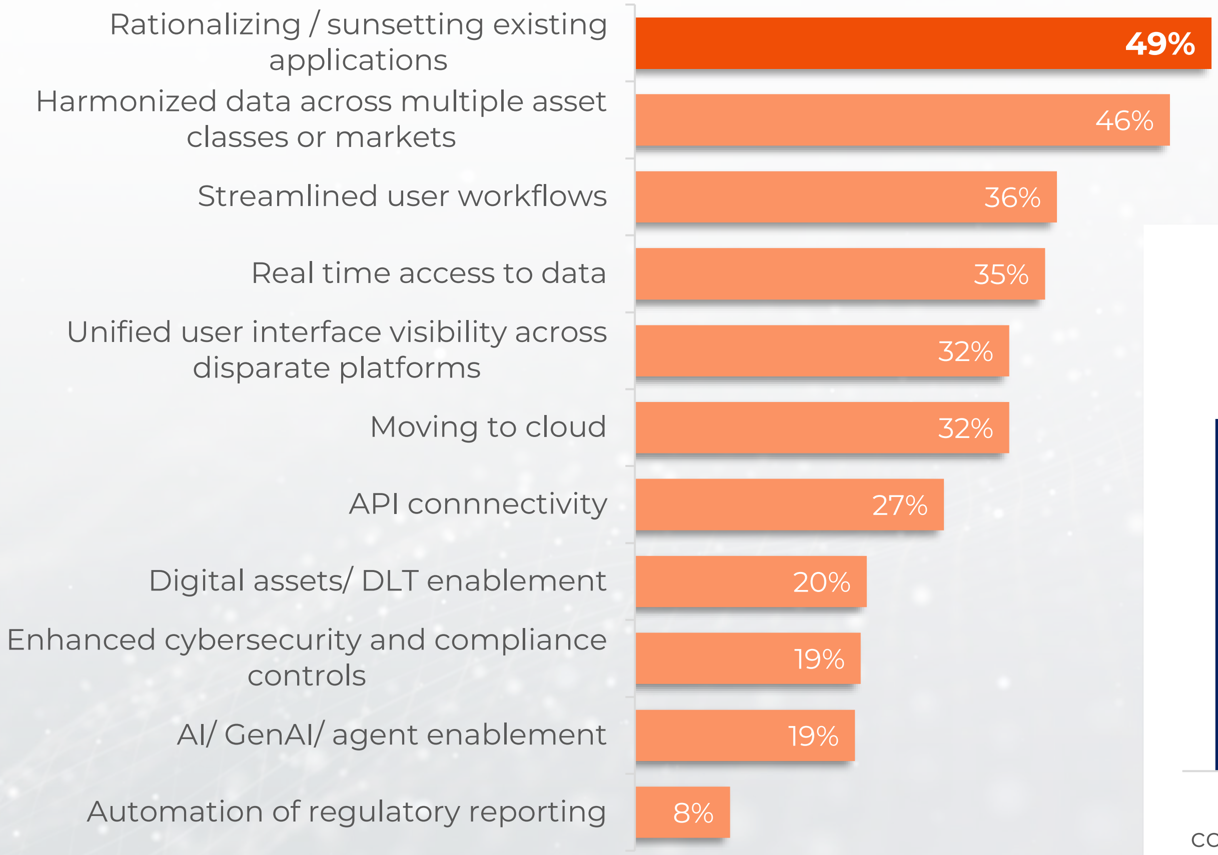
Over 40% of brokers are significantly impacted by legacy maintenance challenges today – yet less than 20% are acting to change.

Custodians are leading the charge to transform their legacy infrastructures.

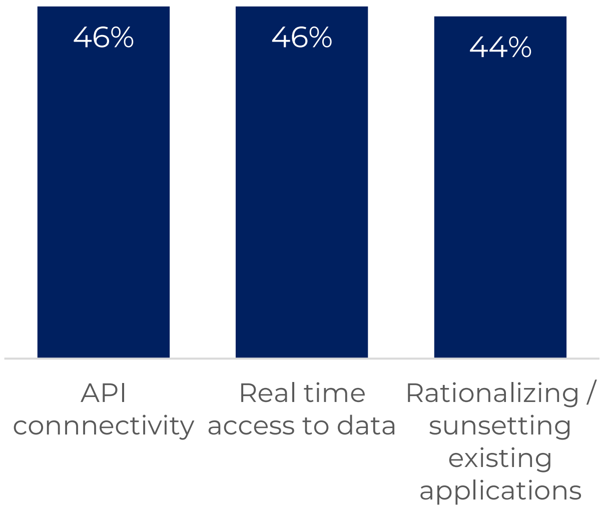
Question: How much impact do you expect each of the following initiatives to have on your investment operations in 2026?

49% of firms are engaged in system replacements today – creating a major opportunity for change?

% of respondents undertaking each activity as part of their 2026 legacy transitions



Brokers and Wealth managers' legacy focus



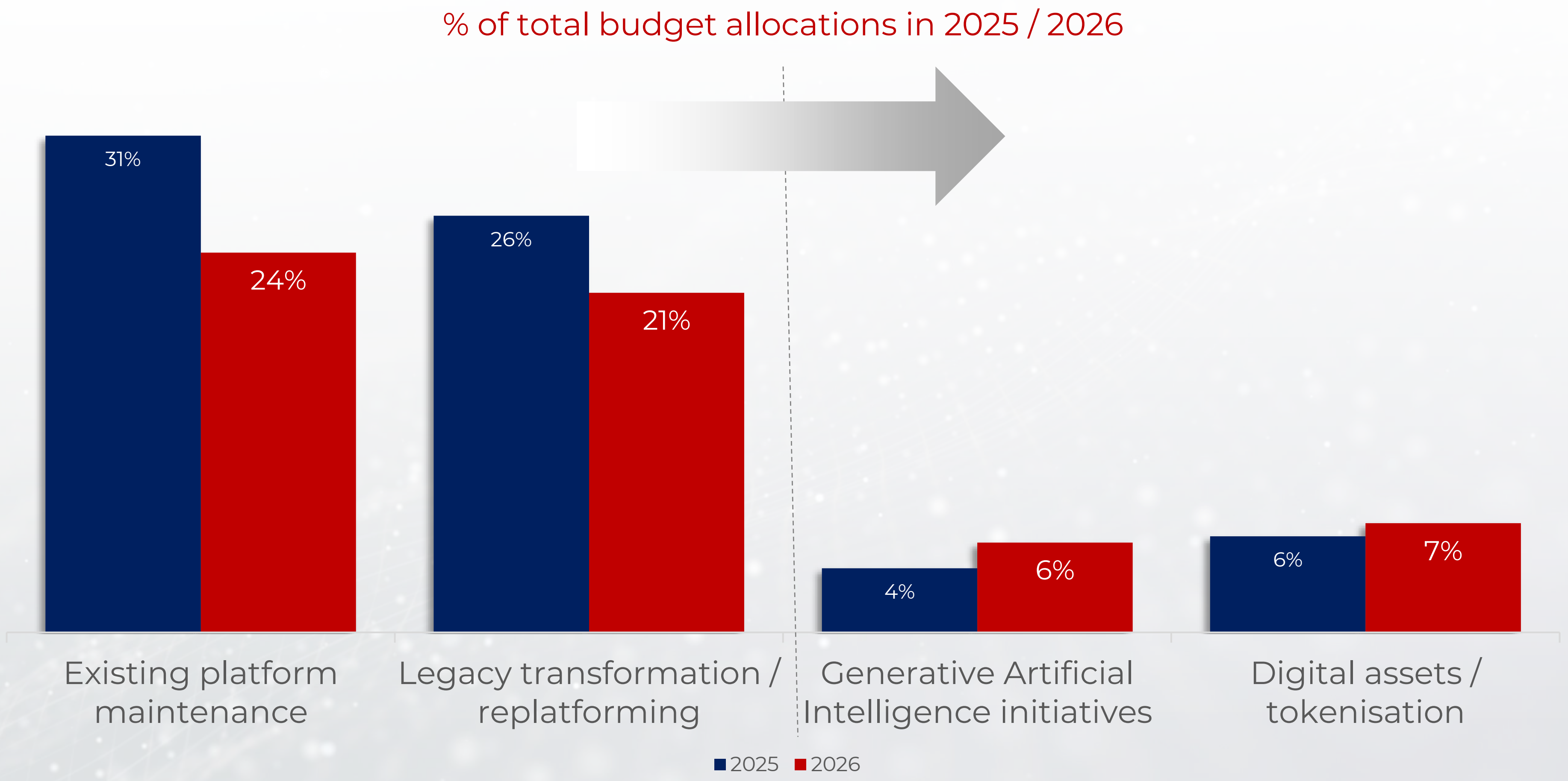
Almost half of legacy management activity is focused on system replacement – creating major opportunity for innovation and automation

Sell-side firms are more focused on accelerating data flows though – as a first step

Firms must use every end of life as an opportunity for transformational change

Question: Which of the following areas within legacy transformation / replatforming will you focus your 2026 investments and effort on?

Legacy transitions are taking effect: the industry spending 13% less on legacy in 2026



The industry is reducing the legacy burden – with 13% less funding allocated to it in 2026 (vs 2025).

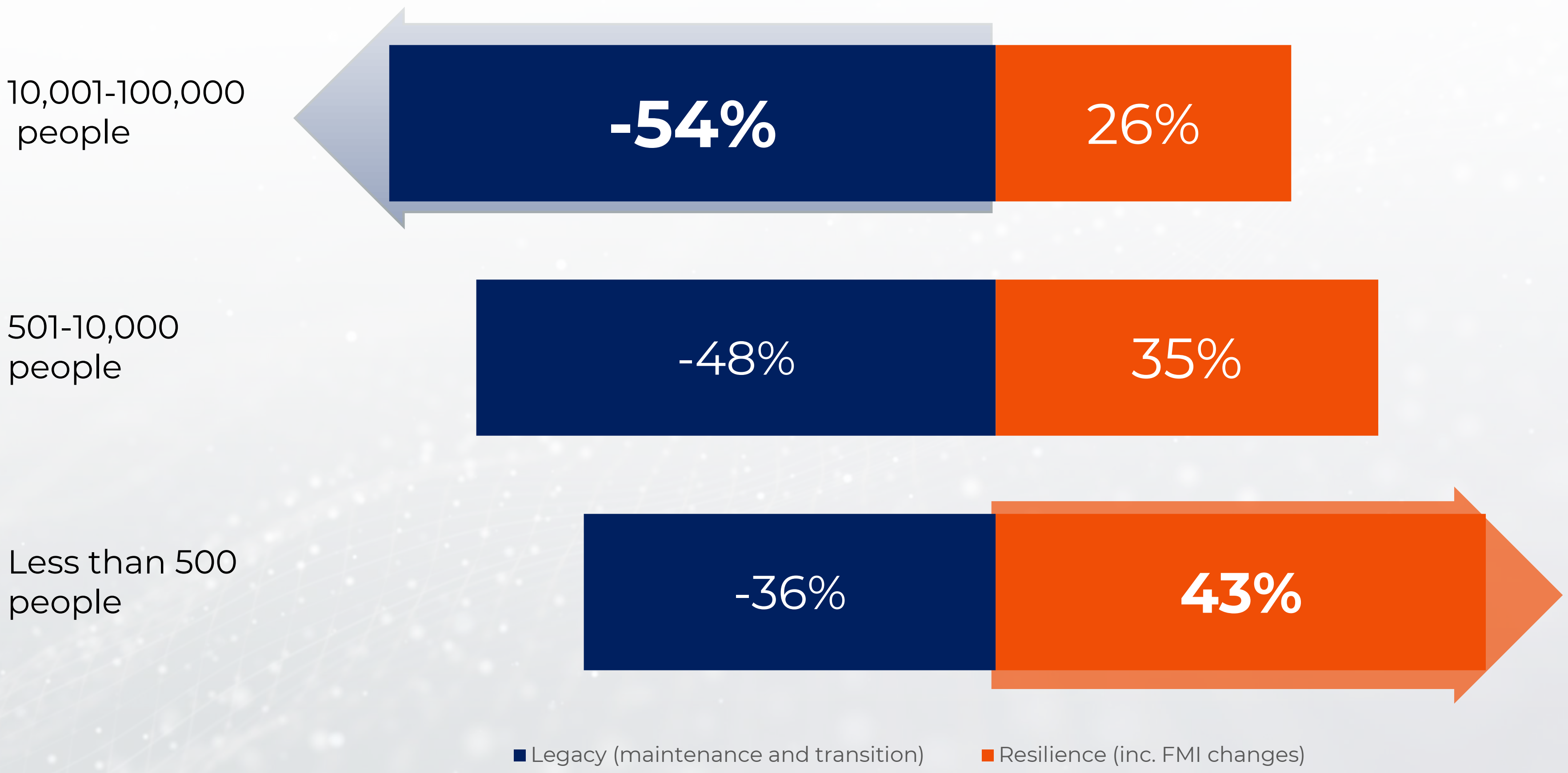
This is freeing up capacity to increase investments into innovation - but not quite on a one-for-one basis

In order to keep step with peers, firms must create investment capacity from their legacy spend

Question: What proportion of your 2026 budget is being allocated to each of the following areas?

Pick your burden: smaller firms don't have legacy issues but their resilience costs are almost as significant

Average cost breakdown by type and by size of organisation



Large firms have to allocate over half their spend on legacy maintenance – whilst smaller firms have to focus almost as much on resilience.

But it is the smaller firms prioritising innovation – more than double the largest firms

How can firms leverage partnerships to drive resilience – so that they don't have to 'go it alone'?

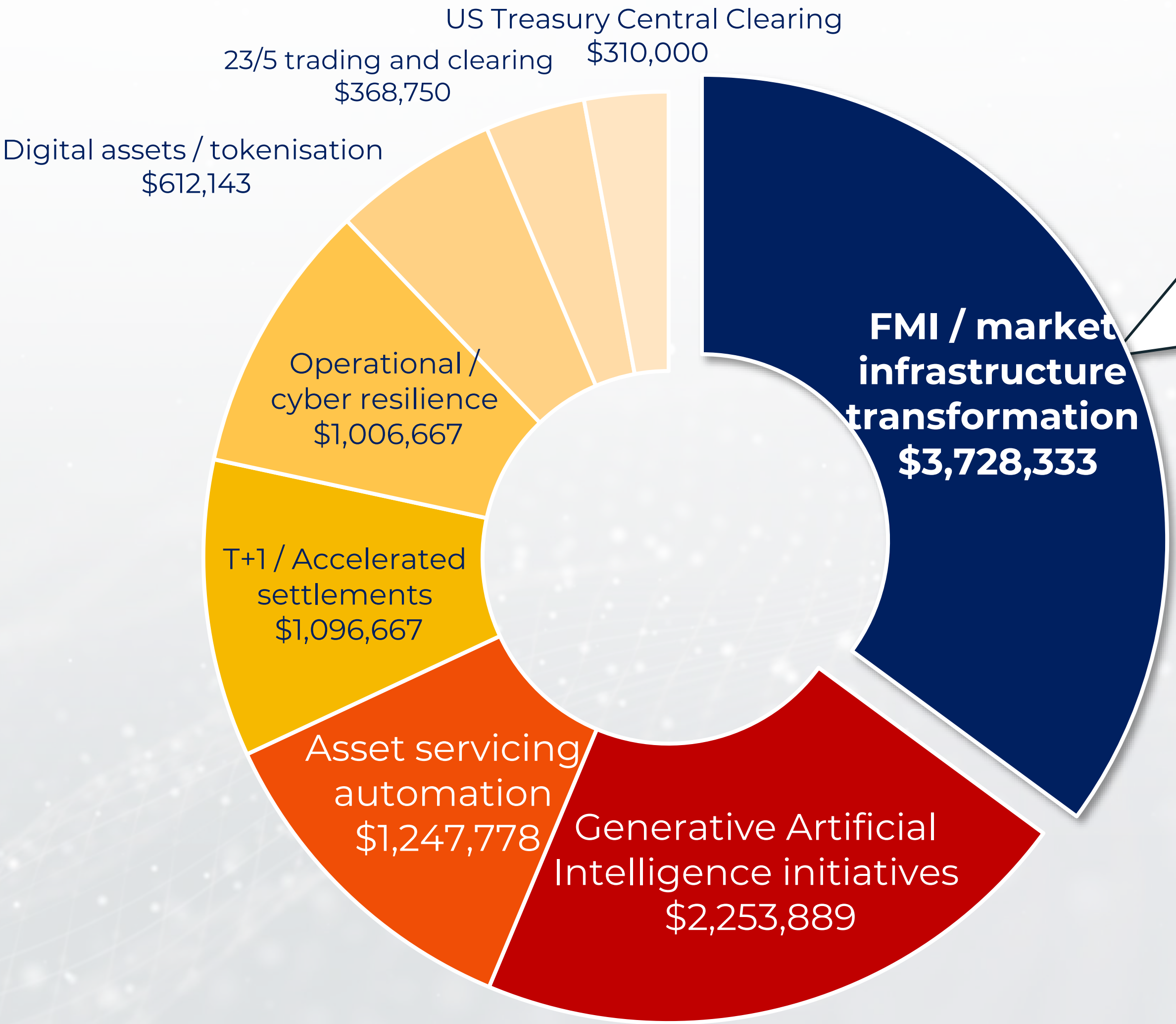
Question: What proportion of your 2026 budget is being allocated to each of the following areas?

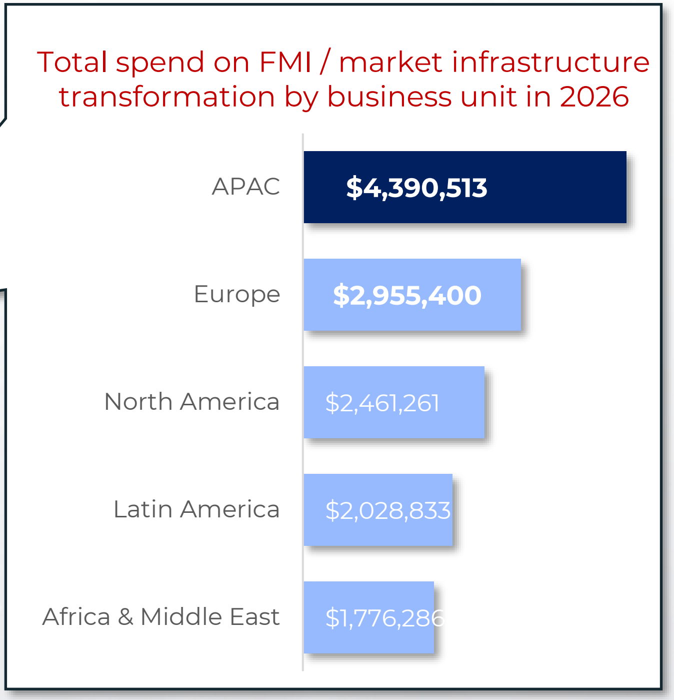
03

The cost of market change in 2026

Market infrastructure change is costing global businesses over USD13m a year

Average annual change spend on key initiatives per regional business unit (USD)





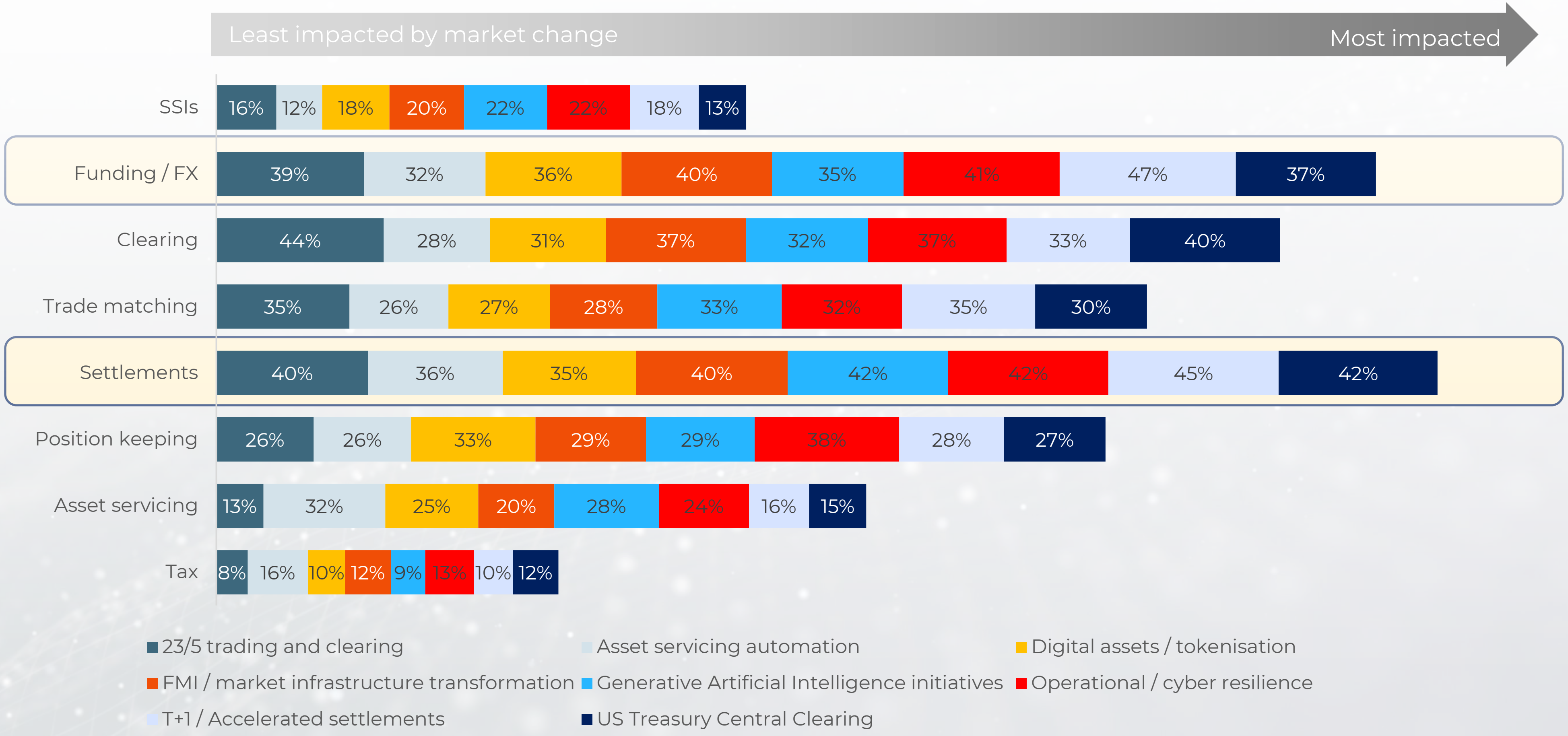
The average (regional) business unit is spending USD4-10m on market change each year – up to 20% of operating spend in tier 2 organisations.

FMI transitions are a core driver of long-term costs – rising with market fragmentation. How to make sure that these deliver for the industry?

(Gen)AI investments are ahead of almost every regulatory initiative in 2026.

The cumulative impact of market change is most acute in funding and in settlements

% of respondents seeing each area of the trade cycle impacted by change drivers



Put together, today's market changes are impacting over 40% of firms in funding and in settlements

Clearing transformation can not be overlooked as a major driver of change

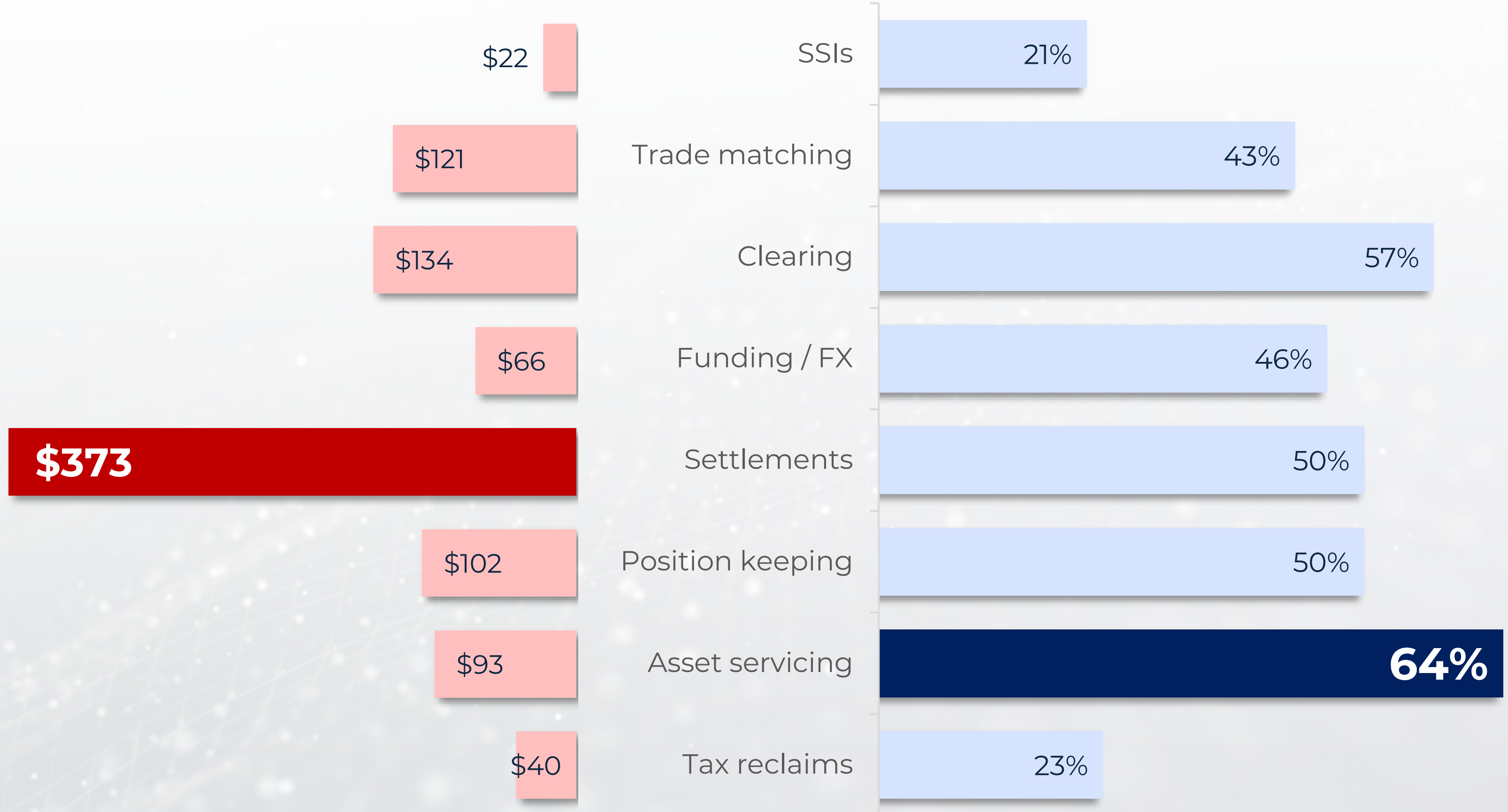
FMI transformation is significantly impacting over 25% of firms across 8 core areas

Question: Which of your trade cycle activities are impacted by these initiatives?

40 cents in the dollar is on settlements – yet asset servicing is more of a differentiator

Average 2026 Budget Allocation for Tier 1 firm in USDm

% of respondents citing each activity as a Critical Differentiator



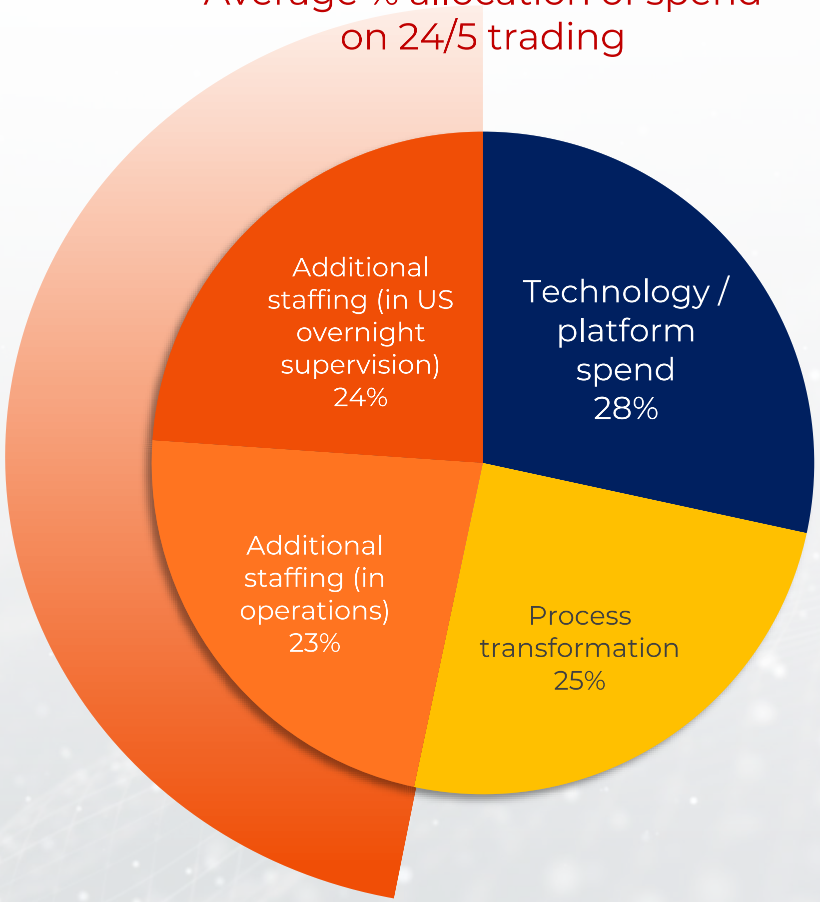
Tier 1 firms are spending $373m on their settlements – due to pressures in T+1 and other compressions.

But with 64% of respondents citing asset servicing as critically differentiating (the #1 differentiator) is there a risk or overlooking core competencies?

Question: How critical is your handling of each of these activities to your competitive differentiation?

Round-the-clock trading will cost the industry over half a million dollars per firm – more for those who need to now build a global operating model

Average % allocation of spend on 24/5 trading



Average expected spend on 24/5 capabilities in 2026 (USD) by firm size

Half of the impact of 24/5 trading will be in more staffing

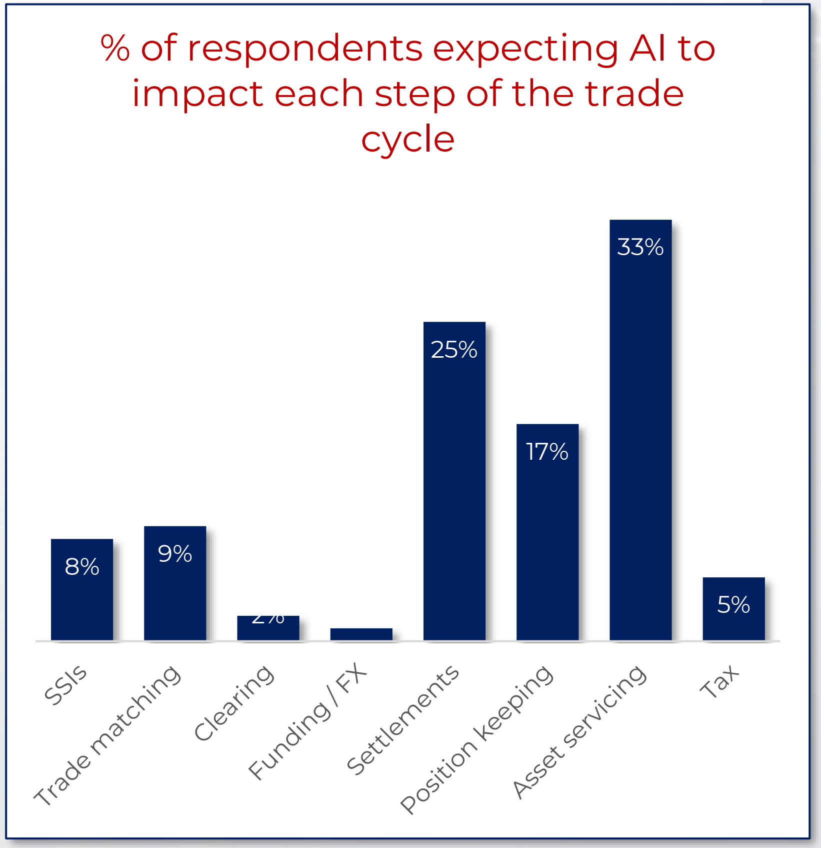
Those without follow-the-sun or global operating models today will face the biggest leap to 24/5 trading and clearing – meaning tier 2 firms above all.

Can smaller firms absorb these costs when they are up to 30% of annual running costs?

Question: Specifically on 23/5 trading (in the USA), what is your expected project spend on the following areas (in USD)?

Artificial Intelligence: up to USD125m in spend but it's still early days

Average expected impact of AI in 2026 (by role)



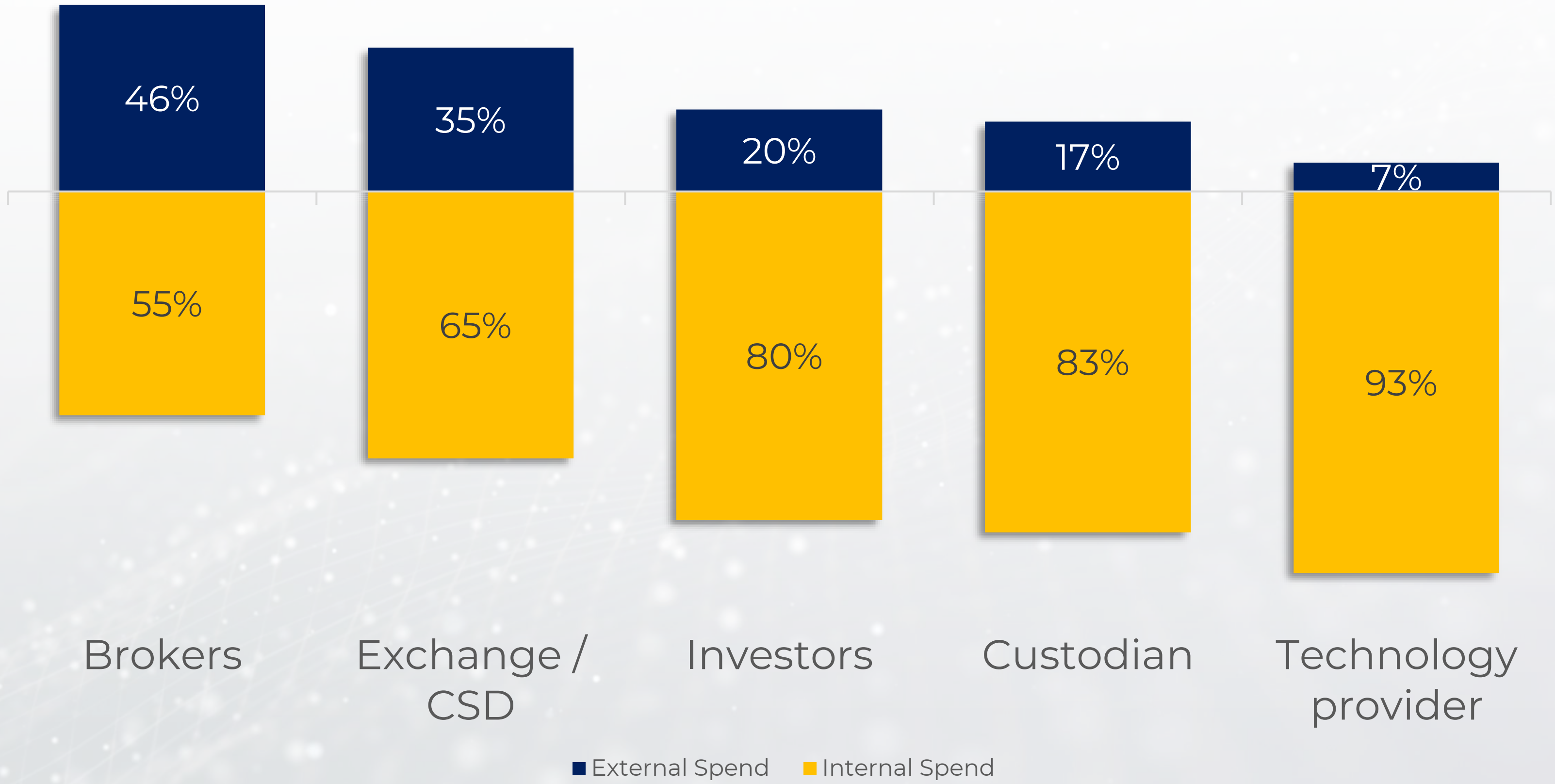
Tier 1 firms are spending over USD125m on AI deployments, with tier 2 firms spending USD23m on average.

Yet AI is still primarily a tool for IT – as the business is still yet to see a significant impact.

AI is set for the back office though – with asset servicing as the leading area of expected impact (for 33% of respondents)

Market change is costing each business unit up to USD40m per annum in vendor and provider fees

Average breakdown of change spend by external vs internal spend in 2026



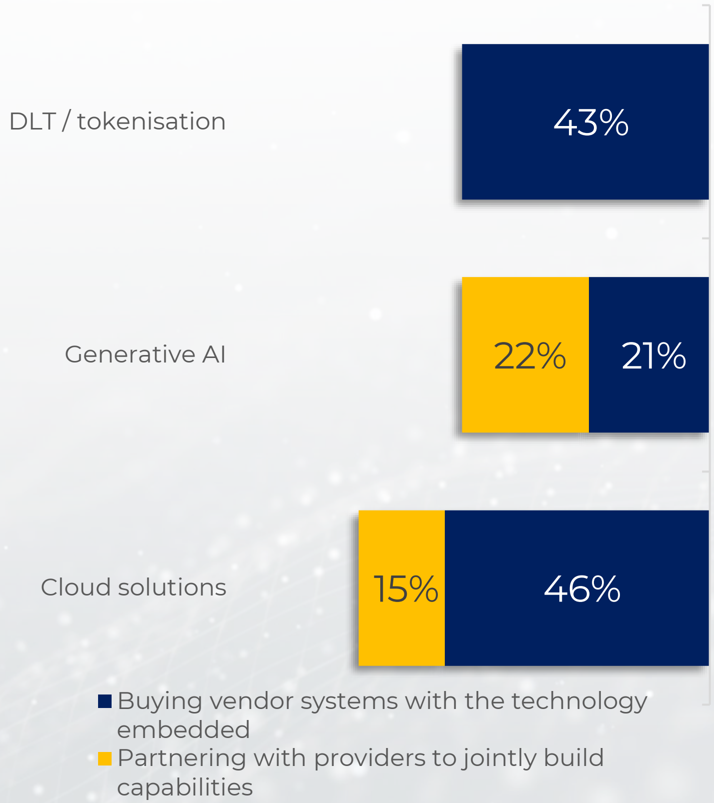
With up to USD40m spent on 3rd party providers per year (46% of total), brokers are most reliant on their vendors.

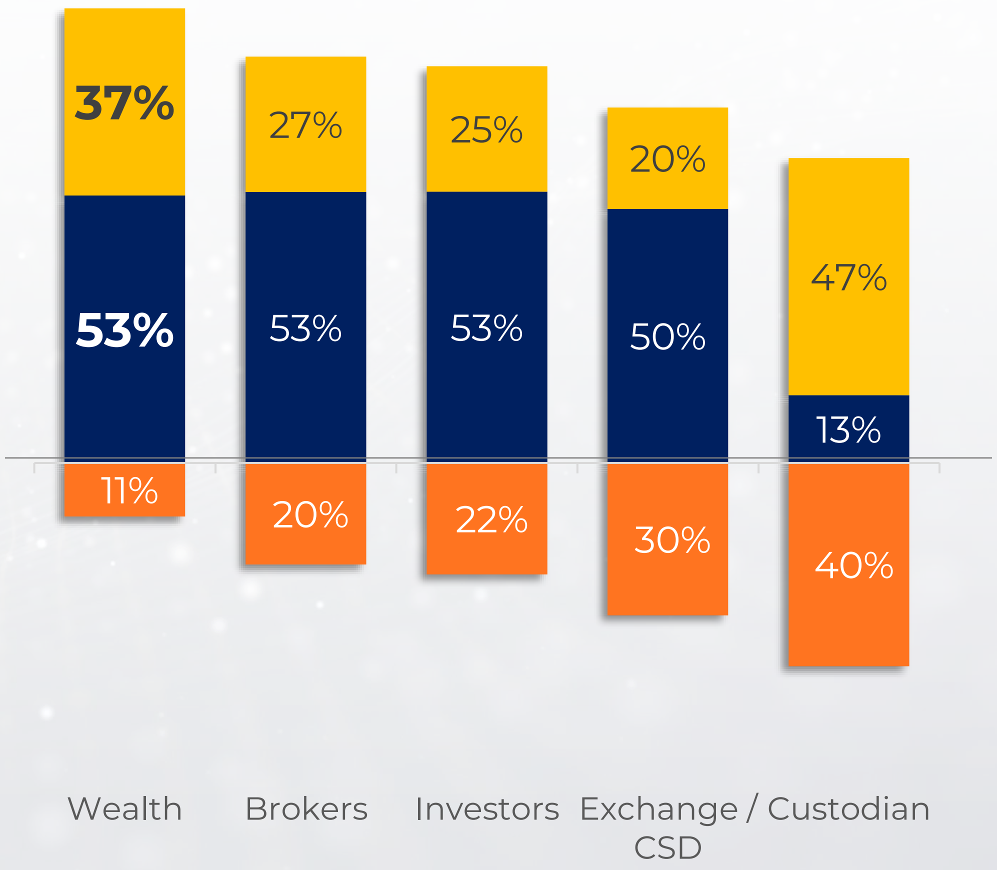
34% of spend on asset servicing automation is on third parties – the highest of any change initiative.

Question: What percentage of your 2026 budget is allocated to internal spend versus external / vendor spend?

Innovation: the critical role of well managed partnerships and vendor governance

% of respondents planning to buy or build, by technology





The majority of firms are looking to build out their own DLT and AI capabilities – but mostly custodians and IT providers.

Two-thirds of firms would rather buy or ally for cloud capabilities.

Almost 90% of wealth managers and brokers are keen to explore partnerships and vendor relationships

Question: How would you describe your approach to adopting the following technologies?

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Thank you!

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