

Breaching the mobile frontier for structured products

FinIQ and Deutsche Bank Wealth Management believe that by bringing to market the world's first mobile app for structured products, the industry as a whole will benefit from greater transparency, better informed clients and more relevant portfolios.

The world's first mobile app for structured products heralds a significant step forward for a sector which has started to regain a lot of momentum on the back of positive market sentiment in early 2017.

stand to benefit from bringing this to market first.

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The innovation promises to be a win-win for everyone involved – product providers, individual relationship managers (RMs) and investment advisers within wealth management firms, and also end-clients.

For the time being, FinIQ and Deutsche Bank Wealth Management

says Akshay Prasad, managing director and head of structured products for Deutsche Bank Wealth Management in Asia.

This includes increasing market access for RMs, advisers and client alike, as well as lowering the barrier to knowledge about this set of products, and



AKSHAY PRASAD
Deutsche Bank Wealth Management

helping to grow structured products volumes. Adds Mahesh Bulchandani, chief executive officer (CEO) for FinIQ in Asia Pacific: "The simplicity and con-



MAHESH BULCHANDANI
FinIQ

venience of the mobile apps for structured products make these products easier to understand and easier to explain, and thus help grow the market the structure products.”

LOGICAL PROGRESSION

By announcing that it has gone live with this mobile app, FinIQ, as a specialist software solution provider for the distribution and transaction processing of treasury and wealth management products, has created a clear evolution for its existing Connect platform.

This offers connectivity between private banks and top market-makers in the equity-linked and FX linked space for equity-linked securities, equity linked OTC derivatives, FX, FX options and Bonds.

With a mobile offering, however, the volume of trades which are tailored and relevant to individual clients might potentially increase exponentially.

Traditionally, clients have had to wait for their RM or investment adviser to go back to price different combinations of ideas with the product team and counterparties.

Yet given the large number of variants in any trade – ranging from maturity, expiry, strike and barrier levels to the number of stocks, issuer name and other criteria – made this a time-consuming process.

It might even have often killed the momentum in a conversation where a trade might now otherwise get done.

stocks, the RM or adviser can now immediately price a relevant structured product, he explains.

“There and then on their phone, they can show their clients an instant price for different combinations of features or variable,” says Prasad.

This also then leads to a more meaningful conversation.

Plus, no longer must RMs or advisers have to rely solely on their laptops in order to show clients this data, explains Bulchandani.

“A huge comfort factor is the fact that clients understand the different types of product better. This is fundamental to the longer term benefits for wealth management.”

Despite the launch of greater connectivity to market makers in recent years, the speed and flexibility of the new mobile engagement takes this to a new level.

ACTIVITY BOOST

This complements feedback Prasad says he has had from his RMs and investment advisers on the bank’s investment platform overall in early 2017.

And although it is still early days for the mobile app, more specifically, it is already helping in the typical conversation with clients. For example, when a client starts enquiring about different

Inevitably, with a heightened level of understanding among clients about products, both the bank and individual bankers or advisers stand to benefit too. “A huge comfort factor is the fact that clients understand the different types of product better,” adds Prasad.

“This is fundamental to the longer term benefits for wealth management.”

According to Bulchandani, it is the DIY element of the app which helps to demystify the product itself. “Clients can see instantly how a change in the strike price or maturity alters the product.”

Clearing complexity

According to Bulchandani, it was naturally a challenge to be able to fit the complexity and depth of product informational required within the confines of a small mobile screen, in comparison with a laptop.

FinIQ also had to help Deutsche address any security concerns involved when using a mobile device.

For example, says Bulchandani, this involved dealing with issues if a mobile gets lost, or if the software is upgraded.

After working with the client to solve all those issues, the platform then went live in late January.

Yet making the most of it also comes down to being able to drive the right types of conversations with clients.

“Tools like this are as much about how you use them,” says Prasad. “This tool is optimal for our business.”

To maintain this edge, the bank wants to continue to work to further enhance the user experience. “A lot more can be achieved through this app,” says Prasad.

“For example, to track what is happening in new portfolios and get more market colour and insights.”

More specifically, this could be in the form of metrics about which stocks are gaining in popularity, and why.



MILIND KULKARNI
FinIQ

Indeed, launching the mobile app at the moment also coincides with an uptick in structured products volumes.

“Interest in structured products is high at the moment,” says Prasad.

This activity has come off the back of the momentum from relatively positive market sentiment. “Investors are focusing on protecting their downside while either generating yield or participating on the upside,” he adds.

COMPETITIVE EDGE

For Deutsche Bank, clearly being the first private bank with this mobile app creates a short-term advantage over its competitors in this space.

“Digitisation of advisory, price discovery and trade execution is going to revolutionise how wealth works.”

There is also the potential to have more impact in other spectrums across the investment platform, he adds.

DIGITAL FRONTIER

This all highlights the fact that the addition of mobile apps is a milestone for the industry.

“Digitisation of advisory, price discovery and trade execution is going to revolu-

tionise how wealth works,” says Milind Kulkarni, global CEO for FinIQ.

But mobile apps for structuring is just the beginning, he adds. “Over the past decade, we have successfully launched various trend-setting technology tools and we hope our new offerings will continue to empower more sales channels, allowing bankers to price products on-the-move.” ■