

# Digital Wealth Asia 2017

## video highlights

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At the Hubbis Digital Wealth Asia Forum in Hong Kong on November 9th, we interviewed leading industry experts. Want to know what you missed - [click here](#) to view the highlights.

You can also read the transcripts in this document - and click on the name of the person to view their individual comments.

**John Robson**  
**Quantifeed**

One of the key changes is that financial institutions really want to go away from the idea of a product push. They realised that the longevity of clients staying with you if you're just selling them products is short lived. Whereas if they can get their clients in to a solution, the solution has got a much longer life to it. And the client will stick with you if you engage with them about how you're solving a particular problem for them, and you're continuing to communicate and update that financial investment solution to them and the technology is allowing us to do that.

The technology of having goal-based type investment and theme-based type investments that is delivered across the digital advice and is regularly communicating with the clients about how they're performing on the journey towards that particular goal. That's really what's changing and it's changing at the level of banks, it's changing at insurance companies and it's changing even at securities brokers who want to expand what they're doing into the wealth management field.

**Tanmai Sharma**  
**Canopy**

Until now, aggregation was not available as a service. People were not aware that this could be done. Once you start aggregating your data into one place, this will start differentiating the better banks from the not so good banks and start differentiating the better RMs from the not so great RMs, because the customer will never survive. That's a counter party risk issue. It's got nothing to do with how good or bad your bank is - they will have five or six banks. But then suddenly you can see all of it in one place. Is their advice good or not so good, is their product good or not

so good? It makes a difference. If you look at the last Hubbis digital event and you look at what was in general spoken, I think the market has matured. People have much more of a reality check on what can be done, what cannot be done. So earlier all of these were business plans with some in the air. Now people are saying nuts and bolts, I do this, this is what I get, how many sales calls did you make, what response did you get, what is your make time to market, what's your cost base. I think it is a real thing now.

**Seamus Donoghue**  
**Lykke**

I think it's another great opportunity to get in front of banking wealth managers to dispel some of the hype around this crypto space. Clearly

bitcoin is the headlines but there is a lot more to this, a lot more legs. Is it a bubble - this is just missing the point. This is an exponential change in the markets. We have a great opportunity to talk about what we are doing in this space and how we think financial markets are going to be impacted. Banks that are sitting still run the risk of being completely displaced in this market.

With a mobile phone in your hand you can have all your banking services in one. This is where we're going. Hopefully, we are we are looking for banking partners to partner in this because I think the journey is an exciting one. Our natural capital products that we talked about today, tokenizing mangroves securitising carbon, a new way to go long





credit on carbon and invest in natural capital cashpoints I think is exceedingly exciting. Our solar point wind product as well as is something very innovative, taking the bitcoin point concept except and putting it into to say renewable energy. All these things were not possible before the block-chain came along. I think is a space we are happy to be able to just very very happy to be on discuss and explore for them.

**Michiel Van Selm**  
**Canopy**

What I've seen at this Hubbis conference is really a change in the maturity of a lot of the technology players. Last year, the year before, we saw a lot of companies were in idea phase. Now it is really mature and working, people are making real business and a real impact on the wealth management industry. You see client data aggregators for example, companies like Canopy making a real impact on the digital business of Credit Suisse.

You see other companies really helping transform. For some maybe the robo advisors is still a bit early but also there is a are a lot of traction both in terms of investment and revenue. So, I would summarise, it is really a big breakthrough in terms



of technology impact and I'm looking forward to next year to see how it will materialise.

**Frank Henze**  
**Trimantium GrowthOps**

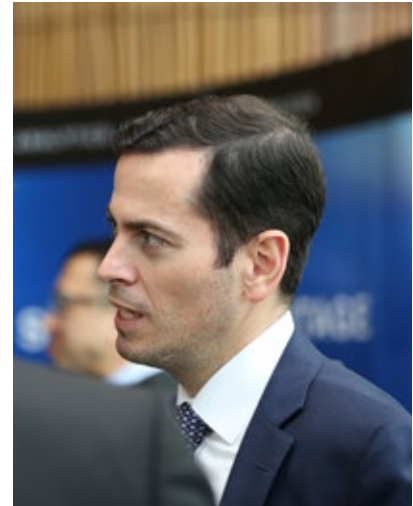
My observations from today's Wealth Management Forum that require wealth managers to do more digital implementation and go to firms like ours and other implementers. And part of that is the changing world of the client, more expectation on digital delivery, and part of that is cost and part of that is the sheer variety of business models that private banks will have to deal with in the future.

**Alex Ypsilanti**  
**Quantifeed**

Everyone is talking about transformation, inflection points in a new age in wealth management. It does involve the words digital but we don't think that digital is necessarily the solution. Digital is simply an enabler. We use technology to scale but at the end of the day it's all about crafting the right digital experience for the customer, solving the customer's real problem.

**Peter Scott**

The challenge that a lot of financial institutions are facing today are ways



in which they can actually make their RMS more profitable. When you look at the actual cost coefficients that they have, yes they tie up money in technology but the amount of money that they actually have to invest in RMS is extremely sizeable.

So one of the key issues is how do we make our RMS more effective and actually driving more commission revenue out of the clients they've got, increasing the number of clients that they can service more effectively. That's leading to all sorts of innovations around a better presentation of information, a better usage of their actual time invested in terms of time organisation but also creeping into artificial intelligence solutions that looking to optimize the type of time they spend on making re-balancing recommendations to their clients.

**Donald Soo**  
**Malabar AI**

The focus of the presentation was to really look at how advice could actually help people achieve choose their financial goals and have a fintech project that is actually advice driven. With regards to what we've done today in digital wealth management, we have actually had a lot of feedback and the issues with regards to advice in the industry resonated



with a lot of people. It was a good event for us.

**Stephane Dubois**  
**Xignite**

What we're seeing is massive development around the development of B2B platforms. That's the big thing. We had at first the B2C platform, the wealth from the personal capital from all those guys who have been our clients from the early days with just a number of global B2C platforms developed and made available to large financial institutions that just blows my mind every day, it's quite an explosion.

There is always skepticism around how much robo is going to affect the industry, how much of a threat really it is, but at the end of the day we're still talking about it and that's all we're talking about. So I think the impact is bound, it's clearly seen over here and that institutions whether they're very large or midsize are just taking notice and trying to transform themselves. So that's the main theme

and we are going to talk about this for the next 10 years no question.

**Thomas Achhorne**  
**additiv**

The main thing that has happened is that digital and need for digitalisation has gone mainstream. So it's absolutely accepted across the industry that either hybrid models or purely digital self-service models are going to be the new norm. And the question is how quickly to do that and how fundamentally it is going to transform the way players are going to operate in the future.

**Salomon Wettstein**  
**Synpulse Management Consulting**

So what we see is definitely the client is as usual most important and as such the client onboarding process is key at the moment, and the whole digitisation of it. This includes even KYC, the KYC review and the client onboarding whole life cycle. What we also see is as soon as the client is onboarded, that they look more to a cold faced advice approach and as such

always RM based advisory models are becoming more important, and the RM needs for support to advise the clients.

**Christophe Lee**  
**JP Asia Partners**

Some of the hot topics on our panel were ICOs, crypto currencies and there seems to be a lot of interest from wealth managers and their clients in this space. I think they're still getting their head around the main issue which seems to be differentiating between the good, the bad and the ugly of the ICO world, and we got some very good advice on how to do that.

The other big bottleneck seems to be custody and we had some interesting discussion how the wealth management world is moving into the custody of cryptocurrencies. I think the competitive edge in Hong Kong is mainly in the B2B sector. As a small market I would not advise any fintech here to go into the B2C world, and actually in a report from





the Financial Services Development Council we identified five areas where Hong Kong has an edge in the B2B world including cyber security, payments, regtech and also well wealth tech and insure tech. So these are the areas I think Hong Kong can have a competitive edge and will do well in the fintech space.

**Julian Kwan**  
**InvestaCrowd**

So the opportunities that we see at the moment are certainly people diving into the blockchain change space, how's that going to completely change all elements of wealth management from management of KYC, AML, email contracts, different types of deals. Wouldn't be able to get on camera unless I was going to say something about crypto currency, so we're big buyers. The new world of creating and owning part of a currency I think is getting everyone very excited. I think that they're the are two biggest spaces to look at and we're very excited to talk about it.

At the moment I think the buzz words still go back to the ICOs and the crypto currencies. The blockchain is still weirding a lot of people out actually because it's all so new. Blockchain is a little bit more technology driven. The lawyers are getting very excited about this because with all this technology comes a million questions of what it means on the legal side. So some of the fastest guys jumping on the block chain and the crypto because their currency seems to be the lawyers in this space so that's pretty interesting. But we think that it still goes back to the new ways people are exchanging value and sending value and then trading value. That's the space to watch for sure.

**Phil Neilson**  
**Just Service**

I tell you what the most interesting thing is, is the validation of block-



chain and even cryptos corrupters as is being a revolution and being inevitable. By comparison, talking to some of the people in the audience who is it overheated, is it overdone? So hopefully by the end of today, everyone's going to truly believe that it really is inevitable and is going to change the way we do business.

**Stanley Chao**  
**Red Pulse**

Hong Kong is a great place for upcoming fintech. It seems like a lot of people are interested in blockchain and crypto currency, machine learning and AI. This is a great spot to learn about it. Red Pulse, as a market intelligence platform covering China's financial markets. We also use crypto currency and we also use machine learning and AI. It's been great discussing all the possibilities with everybody here in Hong Kong.

**Ian Woodhouse**  
**Orbium**

I think today's been very interesting. We've discussed a number of different trends and what we're seeing in the marketplace is big change on the way. We're seeing new digital technologies, we're seeing changing time demands. We're also seeing pressures on the industry, so although the industry is growing the pressures are very much around the margin and so people are really looking at how they can adjust to the profitability pressure and how they can manage the regulation. We really discussed the impact of suitability. We think the industry is going to move quite quickly from transactions through to advisory, and advisory managed and asset and liability management all of which require advice. The regulator is pushing quite stringent suitability and we talked about the need to address these regulatory concerns by working through a partnership of ecosystems.



Ecosystems was very much the theme of the day and to be successful going forward you need to work with an ecosystem of systems providers to enable you to be successful in the future. We also talked about the uncertainty going forward and to the different rate that the way of to the evolutions of the Asian markets ranging genes from the frontier markets through to the more established Asian markets. We talked about the initial shake out where a number of banks have not managed to be successful in the region and have withdrawn through M&A.

We also talked again about the regulatory pressures where a couple of banks have been shut down and what we see is that the industry is that the next three years will be pretty fundamental in terms of reshaping the industry environment and there will be winners and losers in that. We're also looking at what those winners and losers will look like. So what we've done is we're currently running a C-level survey amongst CEOs of the private banks in both the European and Asian regions and that's giving us a pretty good insight as to how they're have future proofing their business and where they see the biggest trends, the challenges and opportunities moving forward. So all in all it's been a very very productive day for us. We've made a lot of new contacts and we're exchanging information and trends and we look forward to the next Hubbis conference.

**David Wilson**  
**Capgemini**

It's been an interesting day. I think transformation is the word of the day. A lot of the existing players the private banks and the advisors are struggling with not just the usual suspects - profitability, regulation, clients demands - but then some of the more frontier innovations that a lot of the discussion revolved around.

What is AI, is it actually going to make a fundamental difference to the industry and also to what extent are crypto currencies and all this discussion going to finally penetrate the guided halls of wealth management firms. I think client the interest is there, I think still a bit of an aversion on the part of banks to just to understand it and figure out what their angle is and how they talk about it. But certainly a lot of interesting themes and great speakers. I think it's a fantastic event to be at.

I was here very much to talk about what we consider to be the future of wealth management. The digital discussion has been going on for many years. First of all it was overcoming firms perception that clients don't want it? I think we put that to bed and now it's about but where do we land in terms of the business model. So our view is that it's hybrid advice. We're not saying that digital removes the need for financial advice or the wealth manager - they've very complex expertise. It's about enabling them to do their jobs more

effectively and to run a more efficient enterprise. From that perspective hybrid advice is the hopefully the way forward that has a fundamental challenge in terms of how you then pay yourself to do that. You've got to get the people element in order, you've got to get the process element in order, you've got to have a proposition that is more customised. We think it's about putting clients in the driving seat, a more modular pay as you go approach through the channel that they prefer rather than a bank centric top down view.

**Mathias Helleu**  
**8 Securities**

The discussions today were very solid, professional, serious, around wealth management and digital. I felt that I should be a little bit more controversial, maybe look at things from a retail perspective. And raise the attention of the audience on the major changes that have to happen here. Even if the contention is it would take time, that people are really attached to the human touch. Are the banks ready for the world of tomorrow?

Are the banks ready for the big shift in the assets to the next generation? Do the banks realise they will face what was faced in America with the emergence of Amazon, what movie theaters faced with Netflix? I don't think so. There is a massive dissatisfaction today with financial services in general and in banks in particular so it's time to wake up - it's just a wake up call. ■

