

Driving wealth management growth through digital solutions

A world of increasing complexity, greater regulatory strictures and additional pressure on the bottom-line adds up to a world Jeson Liu observes in which financial institutions are working harder to leverage technology to increase sales and improve margins by automation of a host of activities and processes.

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LIU IS HEAD OF GREATER CHINA for Singapore tech solutions firm FinIQ. He explained some of his views and some of the FinIQ solutions to the audience at the Digital Wealth Asia event on November 9.

RMs need new world tools

Liu observed that relationship managers at wealth management firms spend a lot of time worrying that they do not have the tools to properly serve their clients, that they themselves are not sufficiently empowered by technology solutions. Real-time answers for real-time problems create real growth



JESON LIU
FinIQ

in advisers' skills and success.

"Price discovery and limit setting, for example, as well as many other facets of investment and portfolio management, can all be handled via the screen and thereby the process and information can be demystified for the client."

"We also we want our client to be able to assess matters from a compliance perspective, so we can enable RMs to introduce the right products to the right clients," Liu added.

The result is execution platforms which provide real-time connectivity with several counterparties for various flow-type structured products, thereby helping increase volumes and protecting against adverse market movements.

Multi-asset and multi-function

"This is not only for equity," Liu elucidated. "We also can handle FX and bonds, fixed income, commodities as well, so this is a multi-asset

solution. More interaction with the clients will in turn drive the wealth management business forward."

Liu highlighted many advantages of the FinIQ systems. "With extensive use of the pricing tool, RMs can price and deliver what you want, when you want it and with more flexibility and with mobile apps to help as well.

Full scenario analysis through tables and graphs. Stress testing, regulatory compliance, automated documents real-time are all more accessible through electronic trade.

A greater understanding regarding structured products by the customer and the sales force leads to an increase in the volume of the derivatives business."

A wide angle view

Liu also noted that RMs and clients can more readily and easily access portfolios to see the full range of assets, their returns, maturities and so forth. "It is all about accessibility and transparency," he explained.

Additionally, the generation of ideas becomes easier. "RMs must stay ahead of the innovation race by creating new financial products suitable to client needs. And then delivering those ideas is facilitated easily through our platform, making it fast and simple for example to attach research to an idea, or attach an idea to research."

Numerous advantages

Liu listed a variety of other advantages of the solutions on hand. Actionable and timely data will help measure and understand customer behaviour and engagement as it happens. Hedging will be facilitated to offset the risk of adverse price movements.

Schedule management, currency management, regulatory and compliance issues and other facets can be handled dynamically with the right systems.

Best execution with evidence is another advantage. "Obtaining simultaneous prices from various



FINIQ

Since 2001, FinIQ says it has been a market leader in the financial product distribution space. The company has grown rapidly to more than 350 employees in Singapore, Hong Kong, Kuala Lumpur, Taipei, Bangkok and London. This extensive footprint in the Asia region targets the huge growth in the assets of Asia's wealthy and newer rich.

FinIQ offers both single-dealer as well as multi-dealer pricing and execution solutions and trade life cycle support. FX, equity, fixed income linked flow business as well as non-flow business involving one-off investment, OTC or structured products are handled equally well by the FinIQ system.

It offers a one-of-its-kind toolkit called UCP or User Configured Products which enables banks to design their own products within matter of days.

The system also supports booking of traditional investment products including funds, shares and insurance. The solution automates workflows including RFQ and response, Order management, Execution management, Trade capture, Life cycle, Collateral, MTM, Corporate actions, Payout and Documentation management.

FinIQ says it seamlessly integrates into bank's market risk, client portfolio systems and accounting systems.

FinIQ's specialty lies in the fact that its system is used by relationship managers and not just the execution dealers. Over 12,000 bankers from 30 banks use the FinIQ System today, the company reports.

FinIQ's EQ-Connect, FI-Connect and FXD-Connect platforms give FinIQ a unique distinction of being the only vendor platform in the world that automates best execution for equity linked structured products, FX structures and fixed income bonds. FinIQ reported that 15 leading banks are part of the FinIQ liquidity panel and the list is growing. FinIQ liquidity solutions can be accessed using FinIQ web GUI or FinIQ mobile apps or via third party GUI using API packages offered by FinIQ.

market makers provides competitive prices for the clients and increases investor confidence," Liu explained.

"Post-trade transparency is an ever more crucial factor as the necessity to report a wider range of transactions under newer regulations has forced financial institutions to look at technology for regulatory and compliance related issues."

Technology is enabling banks to create several structured products of all asset classes in an extraordinarily brief time. "Imagine," Liu said, "the benefits of creating 200 structured products of different asset classes in less than six months."

Financial and regulatory risk management

And risk management for the client's exposures will also be accelerated and enhanced. "For example, real-time tracking of the total credit extended to a borrower helps manage and mitigate risks on all sides," Liu observed. "Counterparty credit exposure and dynamic calculation of xVAs helps measure the amount that would be lost in the event a counterparty defaults on a financial contract."

To round off his presentation, Liu added the further benefits of operational risk management, as technology is playing an increasing

role in identifying employee errors, system failures, fraud and other criminal activities.

And finally, legal and compliance risk is mitigated via automation that makes it easier to identify and prevent violation of laws, regulations, codes of conduct and organisational standards of practice with features such as suitability checks.

Concluding, Liu indicated his belief that success in the future will require the wealth management industry to embrace the universe of innovative technology solutions to the increasingly complex and demanding world they face. ■