

FNZ Cements its Platform Footprint in Asia with some Big Name Clients

FinTech FNZ is blazing a trail across Asia, working outwards from a series of digital solution 'home-runs' for big-name clients in Singapore. Tim Neville, Managing Director, South East Asia, explains that FNZ is migrating its offerings to other markets in Asia, as well as focusing on staying at the cutting-edge of technological advances globally and looking at how they are best deployed locally.

Executive summary

FinTech FNZ's latest win came in late October, when their client, UOB, announced a new digital investment solution for UOB Asset Management's corporate customers in Singapore - a first of its kind solution. The latest announcement adds further fuel to FNZ's propulsion through Asia, as it rolls out end to end wealth platform solutions via banking, insurance and asset management customers. Hubbis met with Tim Neville, Managing Director, South East Asia, who explained FNZ's progress to date and the solutions and services that he feels are making a difference in Asia.

FNZ is a global wealth management platform provider that offers its service on a fully outsourced basis only. The platform offers front, middle and back-office technology and operational services to banks, insurers and asset managers around the world.

FNZ has been working hard to expand in Asia for nearly four years now, and has established a solid base of institutional partners. Further afield, FNZ has grown to be the market leader in wealth management platform services in the UK, and is already successful in Australia and New Zealand. Plans are in place to expand to the US and further into mainland Europe next year. This all culminated in a recent partial equity sale valuing FNZ at circa SGD 3.2 billion.

Neville observes that the Asian developed and emerging markets are rapidly maturing and growing their mass affluent segments, which will ultimately require scalable wealth management platforms to service these millions of customers. FNZ has entered this segment early in the region, with a fully outsourced service offering that has gained considerable traction with solutions rolled out for names such as Aviva, Singapore Life and most recently UOB Asset Management, a subsidiary of Singaporean bank UOB.



“WE ARE NOW OFFERING A REGIONAL WEALTH

PLATFORM FOR ASIA,” NEVILLE BEGAN. “Singapore is a useful service and infrastructure hub for us in South East Asia particularly, but our clients like the concept of one core platform pushing into multiple Asian markets - this reduces cost, gives them control and enormous flexibility on propositional change at pace. We have had considerable success with solutions for some major names in the financial services market here and as a result, we are rolling out solutions into Thailand, Hong Kong, Taiwan, Malaysia and the Philippines. Regional platforms driven by a single core are the future for the region.”

He reports that the FNZ model is fundamentally different to most models in the market, being a fully outsourced service of both technology and retail investment operations. “Traditionally, technology in the financial services sector was either built in-house which worked for decades, followed by outsourced but maintained in house, followed by software as a service. Platform as a service is the new wave allowing firms to outsource all the commoditised middle and back office elements of wealth management whether they relate to technology (software & infrastructure) or people.”

Platform as a service

The FNZ model is one in which not only is software offered as a service, but also all investment operations are run by FNZ in global operational hubs. “That is what we do and what we have always done - we are not a firm trying to convert to the BPO model because it is on trend. We have done this since inception” he



TIM NEVILLE
FNZ

explains “this creates the opportunity for banks and insurers to fully outsource their front, middle and back offices - or componentise this in a way that works for them - so that they can focus on sales, distribution partnerships, product manufacturing and strategy.” He adds that none of the other players have matured this outsourced platform as a service model in the mass affluent wealth service sector to the right level.

Neville adds further insight by clarifying investment operations as anything that requires a human to intervene operationally to facilitate the administration of wealth management products at any stage in the cycle - onboarding, purchase, redemption and everything in between.

“Although we strive for automation to reduce cost to our customer, and ultimately the consumer, unfortunately there will always be exception handling for things like complex asset classes, order management, AML/KYC and reconciliations. We take that off the table for our customers and into a proven operational model.”

FNZ can offer the outsourcing at what Neville calls ‘a very, very low cost’. “We can provide our customers with a price, as if they had the USD400 billion of assets sitting on a single platform. No

Key Priorities

When looking ahead, Neville explains that his mission is sustainable growth in the region. “We planted the flag here over 3 years ago and we can now wave that flag with some major customers and great solutions up and running,” he reports. “Our first priority is our existing customers where we want to continue to enhance their service offering to consumers which will drive growth for all parties. We will also be moving into new markets with these customers which is very exciting.”

Secondly, FNZ will acquire new clients in Singapore, and the region, but this needs to be selective to ensure new customers complement our existing customer stable and are onboarded with the appropriate level of support. “We are having a lot of discussions around some transformational partnerships, whereby a lot of institutions in Asia are needing to consolidate platforms across Asian markets into a more centralised model - that then allows them to deploy new propositions quickly. This is complex work and so we need to ensure the settings are right on our side and the customers before agreeing to proceed.”

single institution in the world has this isolated scale. We don’t charge licence fees or any traditional software charging structures. We get paid as our customers grow.”

Innovation...and more innovation

FNZ invests heavily in innovation to ensure it is in a constant state of evolution. He says “it is a key requirement for institutions when they outsource services to us that we are able to stay ahead of innovation in an agile way - we

can provide ideas, solutions and insights that they will not be able to obtain otherwise. Any firm promoting itself as specialising in a particular vertical has to do that.”

FNZ’s robo-advisory solution recently launched in Singapore via UOB Asset Management [see box article]. “The robo-advisor is in one sense, another digital distribution channel that can be used directly by customers or through advisers. It connects to a core wealth platform like all other distribution channels of our customers. We do feel FNZ’s robo is a leader in that it incorporates multiple goals and multiple cashflows into its algorithms to ensure the user receives a probability score of achieving their stated objectives – they can then adjust accordingly.”

“FNZ’s robo solutions are aimed at optimising investment outcomes for end investors – as opposed to some robos simply automating the advice process – which really only achieves efficiency, not enhanced investment outcomes for the customer.”

Separate innovation areas FNZ are focused on with specific R&D teams in place are FNZ Chain – its blockchain solution for fund administration being piloted in the UK – and FNZ’s Predictive Analytics module.

Getting Personal

Tim Neville hails from Orange, a country town in New South Wales, Australia, where his family have a sheep farm that has been in the family for four generations. His core education took place at a boarding school in Bathurst, followed by Sydney University, where he obtained an Economics Degree followed by a Juris Doctor obtained at the University of Technology in Sydney.

Neville then trained with a Sydney-based law firm, before moving in-house to Oasis Asset Management, a small wealth management business, also in Sydney. “We sold that business to ING Australia in 2006, after which I moved onto the leadership team of the pension and investment division of INGA.”

ANZ Bank bought ING Australia and Neville moved onto the leadership team of the ANZ Wealth business on the pensions and investments side. “That was when I moved into a new business role of running some of their advisory and wealth management businesses – around eight years ago.”

In early 2014, Neville and his wife decided to pick up and move to Asia where he launched FNZ in the region and has not looked back. “It was very tough to begin with, as all things are starting out, but we have the traction now to really do something unique across APAC.”

When he has time to relax, family comes first with Neville where he enjoys time with his wife and young daughter. He also enjoys a variety of sports – rugby and cricket are his first loves but he confesses an appetite for most sports. Since moving to Asia, the Indian Premier League has caught his attention – and following the Rajasthan Royals. “I will even fly there for games with some friends if time permits.”

Neville’s other interests range from art to other business interests outside FNZ. “I love being involved in business, growing something is a fascinating and rewarding exercise.”



Flying the FNZ flag

UOB Group and UOB Asset Management has been an exemplary client for FNZ to work with Neville says. “What we have launched for them is a wealth platform, with a fully integrated robo adviser, that is targeting the corporate customer in Singapore - the SME and mid-tier businesses particularly - through their market leading wholesale banking network. It is the first digital, corporate wealth platform launched in Singapore and possibly even further afield.” [See box article: ‘UOBAM adopts FNZ’s digital investment solution’]

Neville expounds on this, adding that the platform’s robo-advisory option is available for those corporates to set multiple investment goals via a digital journey that provides an individualized investment portfolio which is then monitored and optimized on an ongoing basis. Alternatively, the platform offers clients a ‘self-serve’ service to invest independently and buy or sell their fund holdings from a range of UOB Asset Management-managed funds.

Life solutions

Another exciting advance in Singapore has been FNZ’s delivery of insurance platforms for Singapore Life - the first newly licenced life insurer in Singapore in around 45 years. “We have built - for the first time for FNZ globally - a fully digitised term life and endowment administration system that is now live in the market and currently expanding into connecting investment and protection products ... but further details here are a secret at the moment!”

He explains that the system digitised the underwriting process through API integration, with a real-time electronic underwriter, and an electronic signature process to close out the policy purchase - all done in 10-15 minutes.

The core platform handles everything from premium calculations to benefit illustrations to customer account record-keeping to integrating with all third parties. “It is an end to end insurance administration system that enables Singapore Life to run their business seamlessly” he reports. “It also now includes what we believe is the first digitally launched endowment product in Asia.” ■

UOBAM adopts FNZ’s digitised corporate investment solution

At the end of October, UOB Asset Management (UOBAM) announced its market-leading initiative UOBAM Invest to enable corporate investors to receive customised digital investment portfolios to meet their specific investment goals.

UOBAM’s technology partner on UOBAM Invest is FNZ Group, the global FinTech company specialising in providing multi-channel wealth management services to the financial services and wealth management sectors.

Through UOBAM Invest’s online portal, corporate investors can use Digital Adviser’s portfolio planner to invest in a customised portfolio, based on their investment goals, investment horizon and risk profile.

Before that, corporate investors were only able to choose from static model portfolio proposals, meaning that two people of the same risk appetite would probably get the same portfolio suggestions.

Corporate investors can now key in their specific investment goals by completing an online risk questionnaire that determines their company’s risk profile, after which they will receive a customised investment proposal created from a range of UOBAM-managed funds and global exchange-traded funds spanning equities, investment grade and high-yield bonds.

The portfolio will be generated by a portfolio optimisation algorithm which considers the investor’s risk profile, timeframe and goals and creates portfolios based on various economic and market scenarios. The investor can then adjust factors such as planned capital contributions, investment goals or risk appetite and the portfolio planner will recalculate the success probability of meeting the desired outcomes.

The investor may also fine-tune the proposed portfolio further by setting limits on the portfolio’s allocation to various asset classes. An alert will pop up should the potential volatility of the recalibrated portfolio fall outside the company’s risk profile.

After confirming the desired settings for the investment portfolio, corporate investors can then leave it to UOBAM to monitor the investments and to rebalance the portfolio quarterly and when funds are deposited or withdrawn. Customers can log into UOBAM Invest on their mobile devices to monitor or make changes to their investments.

In addition, corporate investors who prefer an independent approach to investing can build and manage their own investment portfolio of UOBAM-managed funds using UOBAM Invest’s new “self-serve” feature, Fund Direct. With Fund Direct, investors can buy or sell their fund holdings as and when required.