

# Swissquote's Damian Hitchen on Reaching out to Asia's IAM Leaders

Damian Hitchen, the Singapore-based Asia CEO for Swissquote, sees a world of opportunity in offering platform solutions for Asia's many independent, external asset management firms and wealth management advisory firms, to help them evolve and thrive in a rapidly changing global financial landscape. Working with the Swissquote global trading and custody platform, he firmly believes that many such wealth management businesses can significantly enhance their capabilities and offer their clients a world of product and trading opportunities, all at a sensible entry and ongoing cost basis. Hitchen was a key panel member on the December 10 Hubbis Digital Dialogue on the topic of the IAM/EAM community and their digital journeys, including their rising adoption of external platform providers. We have summarised some of Hitchen's key observations here, highlighting his optimism for the rollout of platform solutions in Asia in the foreseeable years ahead.

**Hitchen reports that** despite a remarkably difficult year for the industry and everyone concerned, Swissquote will likely close the year with 40 partners signed up in 2020 for its digital and global execution and custody platform.

“The fact that people have had a little bit more time to do some housekeeping, to maybe do some of the things that they’re not able to do in a normal ‘business as usual’ year has been good for us,” he explains. “We’ve had a number of EAMs who have added us to their custodian partner list. And a number of EAMs we’ve been talking to have been either rationalising or expanding the custody partner and execution partner panel.”

**“As we are execution only, and we offer no advice at all, we steer well clear of conflicts of interest, and this is incredibly valued by our partners, who do not need to be concerned that their execution platform or custodian may poach some of their clients, despite non-competition agreements that are always in place, and that is realistically always a worry for them in dealing with the incumbent private banks.”**

Hitchen moved to Singapore in 2019 to build the Asian operations, having spent roughly six years successfully building the firm’s Middle East footprint. He knows from research and numerous discussions with the IAM/EAM wealth industry that the Asia-Pacific market opportunity is remarkable, offering the largest accumulation of private net worth in the world, indeed surpassing North America back in 2015, and that the growth in private wealth APAC, at least until the pandemic hit, has been truly dynamic.

As such and understanding the evolution of the private wealth industry globally, Hitchen and colleagues see immense potential for Swissquote to work across the spectrum of wealth management firms from small independent firms to large regional banks and securities houses.

Swissquote clients, in fact, span all the way from proficient, self-directed investors to the largest client, which is another Swiss bank. And between those two parameters, Swissquote has over 600 B2B partners across the globe using their range of online platforms and tools. Those same clients are managing accounts of anywhere from USD500,000 (private

client) to institutions running billions of dollars of client assets.

“Our key target partners,” he reports, “include family offices, EAMs or IAMs, general financial advisory firms, local securities brokerages, regional banks with a strong Asia footprint but limited global footprint, local Asian banks, or insurance companies.”

Swissquote is a listed bank in Switzerland, but also importantly a digital bank since inception in 2000, and from Hitchen’s regional base in Singapore provides digital and fully global custody and multi-





**DAMIAN HITCHEN**  
Swissquote

market, multi-asset class execution services to its partners. Importantly, Swissquote does not give financial advice, it is execution-only, and nor does the firm manufacture any own-brand product, meaning a fully-aligned partnership model with the independent wealth managers and financial advisors in the region.

“We and our partners are mutually aligned in that the usage of our platform is driven by our partners providing advisory services to their clients, and executing these on our platforms,” says Hitchen. “As we are execution only, and we offer no advice at all, we steer well clear of conflicts of interest, and this is incredibly valued by our partners, who do not need to be concerned that their execution platform or custodian may poach some of their clients, despite non-competition agreements that are always in place, and that is realistically always a worry for them in dealing with the incumbent private banks.”

Hitchen comments that 2020 saw spikes in activity through the Swissquote platform, related to very significant spikes in volatility, but that everything functioned exactly as it should. “Back in February and

March, we had literally three weeks of quite unprecedented volatility, but thankfully, we proved how stable our platform and processes are.”

He also highlights some of the bells and whistles that appeal directly to the IAM community. “We are always building out more tools in terms of functionality. For example, a lot of independent asset managers use model portfolios, so we have a tool on our platform that allows them to build model portfolios across various asset classes and rebalance. And once they rebalance that, it goes across to all the clients who have purchased that model portfolio.”

**“There is evidently more focus and more investment on their side in terms of bringing more automation into their in-house operations, particularly multi-custody. All in all, assuming the world can get to grips with this pandemic and we can return to some sort of new normal in 2021, it should mean that most firms are organised reasonably well to recommence.”**

As such, Hitchen reports that he has witnessed more of those EAMs, even some of the smaller shops, start to use Swissquote’s API reporting tools.

“There is evidently more focus and more investment on their side in terms of bringing more automation into their in-house operations, particularly multi-custody. All in all, assuming the world can get to grips with this pandemic and we can return to some sort of new normal in 2021, it should mean that most firms are organised reasonably well to recommence.”

He also reports that Swissquote works very closely with the community to help devise their next solutions and tools. “We must be both fit for purpose today but also

forward-thinking and anticipate and reach to anticipated changes in the industry,” he explains. “We can characterise ourselves as a custodian which is effectively a FinTech bank, and as such we are agile and able to adapt rapidly to actual and predicted evolution in this market.”

He notes that Swissquote works ever more closely with aggregators than a few years ago. “Accordingly,” he says, “we’re very open for our EAM partners to connect their aggregator or software providers into us, and we can discuss what they require. We see our role as being far more than being a global custodian and

execution partner, we see the need to build the functionalities for your partners that they need to drive their differentiation and their revenues in the coming five to 10 years.”

His final comment is that globally all execution brokers have had a pretty good year, mainly because volumes were up tremendously on any other year, but that this is no cause for resting on their laurels. “We can see that the digital journeys out there have accelerated during 2020, there is a lot more work and tangible progress going on across the industry now, but from our perspective we must continue to stay ahead of the industry, to remain ahead of the game. And we will.” ■