Using software to cut through red tape requirements

Local and regional private banks are likely to seek out new software processing solutions, as they seek to retain clients and cut compliance costs. Nicholas Hacking and Adrian Williamson of ERI believe their OLYMPIC Banking System has the answer.

Banks and insurance companies have hit the headlines in recent months for their support of fledgling financial technology companies. One recent example was DBS Bank (Hong Kong)’s announcement of an inaugural DBS Accelerator Programme, in which the bank financed a set of start-up fintech companies. Other financial organisations such as MetLife are pursuing similar strategies.

Why is this? Nicholas Hacking of ERI has some suggestions to make. “In part it gives these organisations marketing, and demonstrates they are supporting the leading edge of fintech, and doing things to look like a very modern institution,” says the director of sales.

However, there is more to it than pure branding. “There is also an element of looking to see if there are other ideas out there,” he adds.

“It’s similar to the way big pharmaceutical companies go out and sponsor small start-ups, which they may end up buying if they succeed. The same principle applies.”

The use of financial technology is proving to be increasingly important in private banking, as it can help cut costs. That is an appealing ingredient at a time when compliance expenses are spiralling, along with bankers’ salaries.

At the same time, Asia’s ever-rising HNW wealth growth has not fully converted into rising private bank AUM, which has pressurised the balance sheets of many organisations in the region. “We are clearly seeing some private banking organisations withdraw or reduce their exposure to this market because they have not been able to make the returns they were expecting,” says Hacking.

However, this creates opportunities for vendors such as ERI. “There is a solid foundation of business here that will grow, although perhaps not at the hyped levels of previously. We need to be here to support our existing and growing client base to build on that.”
TECHNOLOGY

COMPLIANCE PUSH

Hacking’s belief rests in large part on the fact many regional private banks are not cutting edge when it comes to their digital platforms. This could stand them in trouble as the world continues to digitalise.

“Outside of Singapore almost every country has its own leading banks, which obviously want to retain the funds that they have rather than lose them to the international private banks. They don’t want to have had a client from the cradle, only to lose them to Credit Suisse or JPMorgan as soon as they make it big.”

“So there is a huge opportunity there to put in systems to cater to the new requirements of the HNW individuals in their country.”

Ultimately, there are a few common factors that drive a private bank’s potential uptake of a new software system. One of the most important over the past few years have been the need for these institutions to meet the costs of increasing regulatory and compliance requirements in an efficient manner.

This need exists in international centres, and is likely to increasingly gain traction in emerging markets too.

“What the financial regulator asks for in Singapore is very advanced in terms of compliance. Other regulators in the region may not be as demanding today but one day they will end up copying what the more advanced regulators are doing,” says Hacking.

“A lot of [HNW] money is in local banks and regional banks,” says Adrian Williamson, ERI managing director for Asia Pacific. “I think a lot of people choose us because they look at our track record, and particularly our project implementation,” he says. “One of the key drivers for changing systems is the question of cost and efficiency. By changing a system you need to depreciate an enormous cost. There is also [an IT company’s ability to offer] ongoing support and activity. This also costs money over time.”

“Even in the supposedly most advanced countries there are still a lot of processes that are not particularly efficient. For example, many fund purchases still have to be done by fax, even in the world’s centres. There is still a lot of room for improvement.”

Replacing or adding technology is a big, costly and potentially painful process for any institution. So why should they choose ERI’s Olympic Banking System?

For Nicholas Hacking, director of sales at ERI, he says it comes down to a few simple factors.

“As an institution you want to get the most value for your buck, and that will be us,” he says.

“Ferraris look very good and they run well a few days of the year, but they cost a huge amount to keep going. Audis also look good, but they are reliable and drive well and cost less. It always comes down to reliability.”

Adrian Williamson, managing director for Asia at ERI, adds that the pricing competitiveness of ERI’s Olympic Banking System is important at a time when margins are being squeezed. It is flexible and easy to integrate into in-house and third-party software.

Hacking likens the fully digital-enabled solution from ERI to a highly reliable Audi, versus the Ferraris offered by other software suppliers. “Ferraris look very good and they run well a few days of the year, but they cost a huge amount to keep going. Audis also look good, but they are reliable and drive well and cost less. It always comes down to reliability.”

PR NEWSWIRE

Re: ERI Olympic Banking System

Adrian Williamson, ERI managing director for Asia, comments on the importance of digital solutions for private banks in the current regulatory climate.

“Outsourcing to a reputable, high-quality provider is key,” says Williamson. “ERI’s Olympic Banking System is designed to meet the needs of today’s regulatory landscape, offering a comprehensive solution that can be tailored to the specific requirements of each institution. Its flexibility and scalability make it an attractive option for private banks looking to stay competitive in the digital age.”

ERI Olympic Banking System is a market leader in the provision of technology solutions for private banks, delivering a range of services that support the management of wealth in the digital age. The system is designed to meet the needs of today’s regulatory landscape, offering a comprehensive solution that can be tailored to the specific requirements of each institution. Its flexibility and scalability make it an attractive option for private banks looking to stay competitive in the digital age.

PR NEWSWIRE

ERI Olympic Banking System

Adrian Williamson, ERI managing director for Asia, comments on the importance of digital solutions for private banks in the current regulatory climate.

“Outsourcing to a reputable, high-quality provider is key,” says Williamson. “ERI’s Olympic Banking System is designed to meet the needs of today’s regulatory landscape, offering a comprehensive solution that can be tailored to the specific requirements of each institution. Its flexibility and scalability make it an attractive option for private banks looking to stay competitive in the digital age.”

ERI Olympic Banking System is a market leader in the provision of technology solutions for private banks, delivering a range of services that support the management of wealth in the digital age. The system is designed to meet the needs of today’s regulatory landscape, offering a comprehensive solution that can be tailored to the specific requirements of each institution. Its flexibility and scalability make it an attractive option for private banks looking to stay competitive in the digital age.

PR NEWSWIRE

ERI Olympic Banking System

Adrian Williamson, ERI managing director for Asia, comments on the importance of digital solutions for private banks in the current regulatory climate.

“Outsourcing to a reputable, high-quality provider is key,” says Williamson. “ERI’s Olympic Banking System is designed to meet the needs of today’s regulatory landscape, offering a comprehensive solution that can be tailored to the specific requirements of each institution. Its flexibility and scalability make it an attractive option for private banks looking to stay competitive in the digital age.”

ERI Olympic Banking System is a market leader in the provision of technology solutions for private banks, delivering a range of services that support the management of wealth in the digital age. The system is designed to meet the needs of today’s regulatory landscape, offering a comprehensive solution that can be tailored to the specific requirements of each institution. Its flexibility and scalability make it an attractive option for private banks looking to stay competitive in the digital age.