

DRIVING GROWTH THROUGH DIGITAL WEALTH MANAGEMENT

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BUT WHY?



With increasing regulations and additional pressure on their bottom-lines, financial institutions are now leveraging technology to increase sales and improve margins by automating several activities

1. EMPOWERING THE SALES FORCE

- Find a suitable product

For increased customer satisfaction and to ensure performance, it is necessary to sell the right product to the right customer



- Real-time suitability checks

This helps save a lot of money, time and effort with respect to operations and compliance-related activities

- Real-time credit checks

Will help reduce time taken for issuing financial products and reduce default risk



A technology-empowered sales force can do wonders to increase sales and enhance customer satisfaction



2. PRICING AT FINGERTIPS

A. Prices for Structured Products

ELN
FCN
DRA
Accu
Decu
Options
BEN

Share: (IBM.N)/IBM UN-International Business Machines Corp

Exchange: NYSE - New York Stock Exchange

Solve For: IB Price (%) | Tenor: 1 Month

Strike (%): 97.00 | Sett. Weeks: 2W | 14 Days

IB Price (%): 0.00 | Note Ccy: USD

Notional (USD): 0 | KO % Of Initial

Upfront (%): 0.50

PDD Ref: ELN0000001

Currency: USD

Trade Date: 23-Oct-2017

Settl. Date: 06-Nov-2017

Expiry Date: 06-Dec-2017

Mat. Date: 08-Dec-2017

IBM.N CALCULATOR : ELN

INTERNATIONAL BUSINESS MACHINES CORP

Spot(d)	23-Oct-17 01:59:36 PM	162.07
52 Wk High	16-Feb-17	182.78
52 Wk Low	21-Aug-17	139.14
YTD Chng %		-2.36
MTD Chng %		11.71
1 Year Chng %		6.96
Trailing 12M P/E		13.43
12T Div Yield Indicative	4	3.73%
Prev. EPS		

Current Vol. Annualized

20D	29.82
60D	19.42
250D	16.04

*As of 20-Oct-17 *sources and definitions as per Thomson Reuters DataScope Select

	Bank A	Bank B	Bank C	Bank D	Bank E	Bank F	Bank G	Bank H	Bank I	Bank J	Bank K	Bank L
IB Price (%)	99.32	99.01	99.48					99.07	99.29			
Client Price (%)	99.82	99.51	99.98					99.57	99.79			
Client Yield (%)p.a.	2.0287	5.5396	0.2250					4.8584	2.3675			
	28	18	48					13	18			
	Mail	Mail	Mail					Mail	Mail			
	Price All	Order	Order	Price	Price	Price	Price	Order	Order	Price	Price	Price
Min/Max(USD)	200.0K / 5.0M	200.0K / 2.0M	100.0K / 3.0M					100.0K / 1.0M	200.0K / 1.0M			

Execution platforms which provide real-time connectivity with several counterparties for various flow-type structured products will help increase volumes by facilitating lower trade sizes and protect against adverse market movements

2. PRICING AT FINGERTIPS



B. Prices for FX & FX Derivatives

FX Multi Option Entry

Vanilla Barrier **Strategies** Accumulator

RFQ No: 3022086

Cust Booking Center * SINGAPORE

Customer-ID * 102

Main RM 102

Currency Pair * EUR - USD

Price Provider * U BANK

Product Type * Strangle

Customer Buy/Sell * Buy Sell

Notional * EUR 250,000.00

Tenor * / Option Days 3W 21

Spot Rate 1.1911 / 1.2110

IB Premium (We Receive) EUR 300.00

RTC Amount (Pay) 325.00

Sales Spread (%) 0.250000

Bank Income (EUR) 625.00

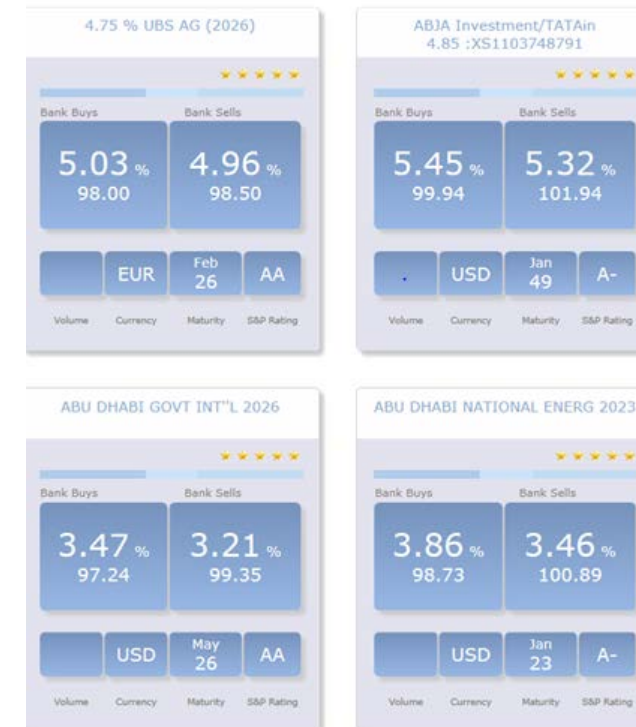
Bank Income (USD) 744.44

Reset Route To Dealer Re-price

B Bank	C Bank	D Bank	U Bank
0.1172	0.1044	0.1188	0.1200

Trade Trade Trade Document Trade

C. Prices for bonds



Multi-asset class and interactive

3. DEMYSTIFYING STRUCTURED PRODUCTS



- Extensive use of the pricing tool

RMs learn from experience



- Get full scenario analysis – tables and graphs

Scenario analysis and stress testing to keep client happy, keep regulators happy



- Price what you want, when you want

Flexibility.
Mobile apps.

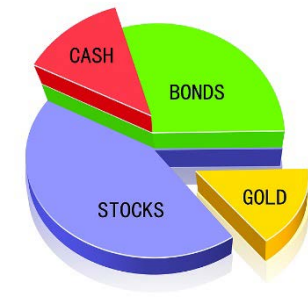


- Get documents real-time

Automated documents, on the fly.



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



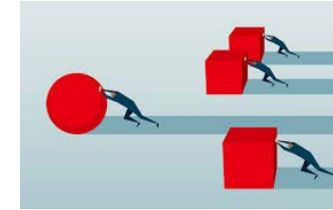
4. CLIENT PORTFOLIO

- Assets maturity
- Coupons due
- Assets knocked-in/ About to knocked-in
- Assets knocked-out/ About to knocked-out

Ref Prod ID	Product Name	Current Level	Check For	Barrier Target	Distance(%)
614219	Accumulator linked to IBM.N Strike@95.00% KO@105.00% 6M/Monthly	146.5600	Up and Out	149.4780	KO 1.95% away
563981	Daily Range Accrual linked to IBM.N Strike@95.00% KO@108.00% KI@82.00% 6M/Monthly @3.00%pa	146.5600	Up and Out	149.5260	KO 1.98% away

Continuous monitoring of client portfolios helps in efficient management of customer assets

5. PRODUCT DESK EFFICIENCY



A. Generation of ideas



It is necessary to stay ahead in the innovation race by creating new financial products suited to client needs

B. Publishing ideas



Attach research to an idea
(or)
Attach an idea to research

C. Collection of Orders

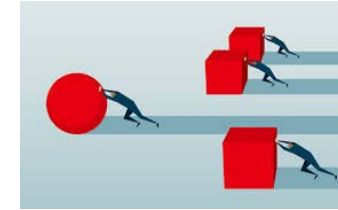
Cust B/S *	BUY	Price Type	CLEAN
Order Type	Market Order	Ind. Interbank Price (%)	100.2370
Nominal (USD) *	800,000	Spread (bps) *	30.00
Time In Force	Day	Ind. Client Price (%)	100.5370
Order Expiry Date	13-Oct-2017	Accrued Int. (USD)	12,011.111
		Days Accrued	94
		Settlement Amt. (USD)	816,307.111
		Bank P&L (USD)	2,400.000

Market order

Cust B/S *	BUY	Price Type	CLEAN
Order Type	Limit Order	Ind. Interbank Price (%)	100.2370
Nominal (USD) *	800,000	Target Interbank Price(%)	100.0000
Time In Force	Day	Spread (bps) *	30.00
Order Expiry Date	13-Oct-2017	Target Client Price (%) *	100.3000
		Accrued Int. (USD)	12,011.111
		Days Accrued	94
		Settlement Amt. (USD)	814,411.111
		Bank P&L (USD)	2,400.000

Limit order

5. PRODUCT DESK EFFICIENCY



D. Real-time book status

Actionable and timely data will help measure and understand customer behaviour and engagement as it happens

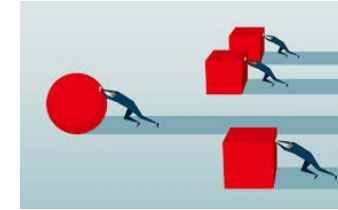


E. Hedge and allocate

Timely and appropriate hedging using the right instruments helps offset the risk of any adverse price movement



5. PRODUCT DESK EFFICIENCY



F. Schedule Management

Calculation and payment changes related to natural disasters, special handling of certain currencies, day count conventions can be handled dynamically with the right systems



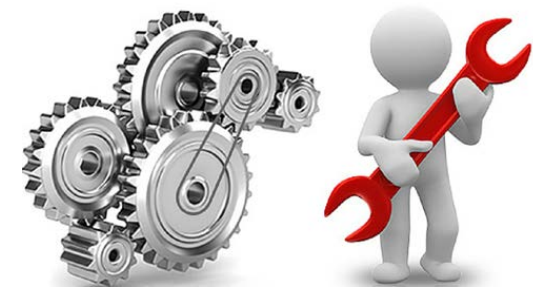
G. On-the-go payoff design

Technology is enabling banks to create several structured products of all asset classes in an infinitesimally short duration of time

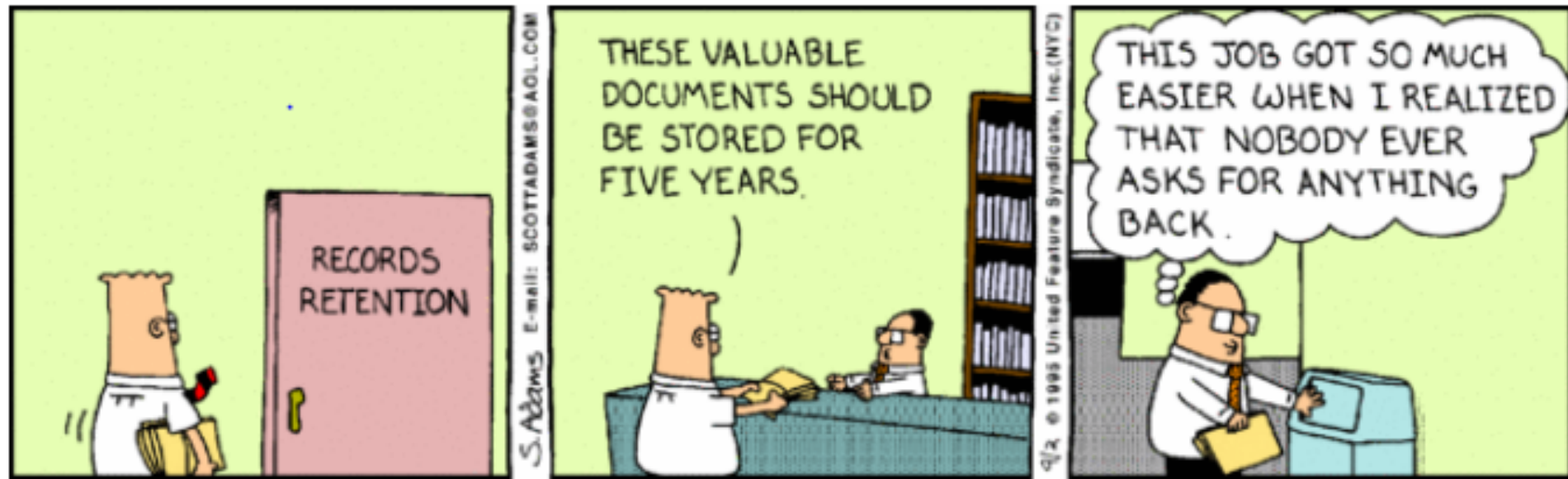
Imagine the benefits of creating 200+ structured products of different asset classes in less than 6 months time!

H. Trade Enrichment

Selection, calculation and attachment of the relevant and necessary information to a trade is facilitated with the help of automation



6. REGULATORY AND COMPLIANCE



Stricter and increasing regulations post the financial crisis has got many banks to rethink their tech strategy in dealing with regulatory and compliance issues

6. REGULATORY AND COMPLIANCE



A. Best execution with evidence

Obtaining simultaneous prices from various market makers provides competitive prices for the clients and increases investor confidence

B. Post-trade transparency

The newer regulations have made reporting obligatory for instruments trading on MTFs and OTFs, apart from those traded on regulated markets



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



7. RISK MANAGEMENT

A. Client credit exposure

Real-time tracking of the total amount of credit extended to borrower helps manage and mitigate risks



B. Counterparty credit exposure

Dynamic calculation of xVAs helps measure the amount that would be lost in the events a counterparty defaults on a financial contract



C. Operational Risk

Technology is playing an increasing important role in identifying employee errors, system failures, fraud and other criminal activities



D. Legal and Compliance Risk

Automation makes it easier to identify and prevent violation of laws, regulations, codes of conduct and organizational standards of practice with features such as suitability checks



Technology is increasingly being used to ensure that the private banks manage risk in real time

THANK YOU!



**KEEP
CALM
AND
GO
DIGITAL**