



«Robo-Advisory» for a more efficient Front-office

ICOS/2 for KYC automation, Onboarding,

IMTF stands for Excellence in Automation & Compliance for 30 years and into the future:



- **Swiss:** Founded in Switzerland in 1987
- **Pioneer:** 1st Compliance solution in 1999 (AML/KYC)
- **Trendsetter:** Banking automation and digital transformation
- **Reliable:** Excellency in Project execution
- **Robust:** Serving > 200 FSPs in more than 50 countries
- **Solid:** Profitable & independent for 30 years
- **Glocal:** Switzerland / Singapore / Mumbai / Dubai / Vienna



30th
ANNIVERSARY
1987 | 2017

The **center of the digital transformation** theoretically remains the experience delivered with the digitized relationship:

- **Digital Marketing**
 - Personal content curation
 - Social media & digital collaboration tools
- **Acquire & Engage front-to-back**
 - **Multi-channel:** smart combination of traditional & digital channels
 - **Compliant & risk based:** in-line with up-to-date regulations and risk
 - **Trustful:** personal and built on solid, reliable security solutions

The Focus in WealthTechnology was a lot on **Robo-Advisory**, where Industry and Customers are still **largely cautious**:

- 17% of Bank Respondents* are offering robo-advice
- **39% state «No Interest» of their firm**
- 44% Wait and see how automated advice develops

- «Robos and apps are not going to replace the RM» **:
 - ✓ **World: 59%**
 - ✓ Europe: 65%
 - ✓ Switzerland: 75%

*MyPrivateBanking Research 2017

** Legg-Mason Study 2017

Most PB respondents of the 2017 Research are convinced, that **technology is increasingly crucial to keeping **compliant**:**

- **Wealth Managers** value the leverage of IT**
 - **44%** (up from 29% in 2015) say **technology is critical**
 - **95%** say IT should be more leveraged helping to meet obligations

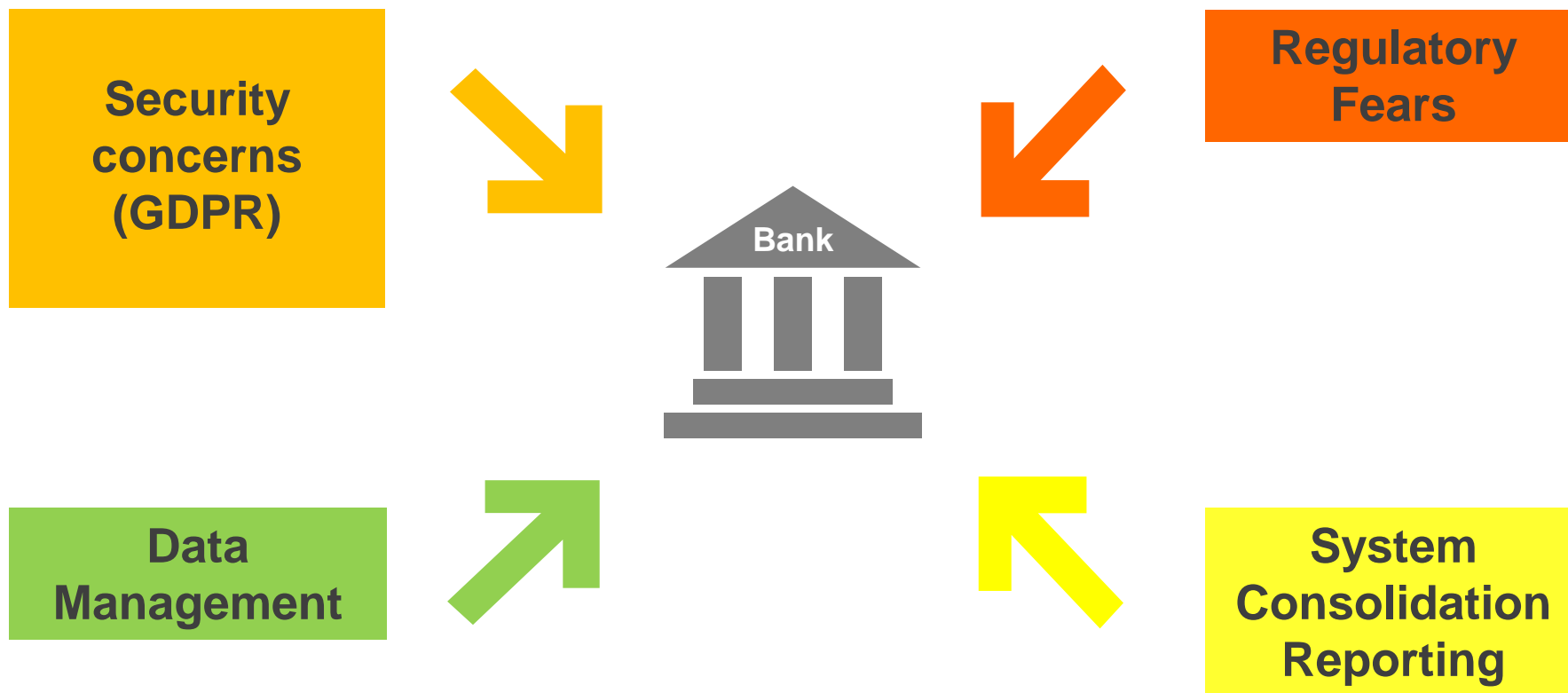
- **But prevents from making strategic investments ?**
 - **40%** see regulatory burden imposing budgetary constraints
 - **28%** require major upgrades; **19%** an entire change
 - **Data Management is top of the agenda**

**MyPrivateBanking Research 2017

Robo-Advisory Technology combines the best from the spectrum of technology:

- Actually adopted for investment-offerings and management
- Focus is on Middle office tasks like Model & Portfolio Management, Rebalancing, etc.
- Applying & Combining **Market Data, DWH**, advanced **Analytics, Artificial Intelligence** and more from IT & FinTech

Other factors and fears need to be considered and addressed:



Level, complexity and changes of **compliance requirements** continue to be a challenge:

- A broad set of skills & knowledge is required **at multiple touch-points**
- Latest regulatory **changes** need to be **updated automatically** for all channels
- Higher **risk** automatically triggers enhanced due diligence
- Stronger control over security & **data privacy** requirements make high demands
- Advice is to be delivered as an **excellent experience**

Data Management remains a top priority in terms of enhancements, accumulation and management:

- Banks need to collect a maximum of client data regarding **profile** and **objectives**
- **MiFid, AML, GDPR** and **cross-border** tax reporting obligations being the main driver
- Distinction between retail and institutional investors
- It's not only about exposure to risk, but **missing opportunities**

Most **FinTech** services, technologies and new ways of communication are mostly non-integrated silo-solutions:

- **Digital identification** (Video-chat client self-service front-end)
- Digital marketing, social media & **Chatbots**
- Functional enhancements of the Digital Banking platform
- Existing and new **CRM reference** data & services (Singapore “myInfo Service”, EID)

Back office processing is mostly legacy based, batch oriented and not talking to Middle & Front office systems:

- Non unified accounting & transactional systems
- Custody, DWH, some analytics!
- Paper based processes
- Separate trading / clearing / settlement
- Several CRM systems

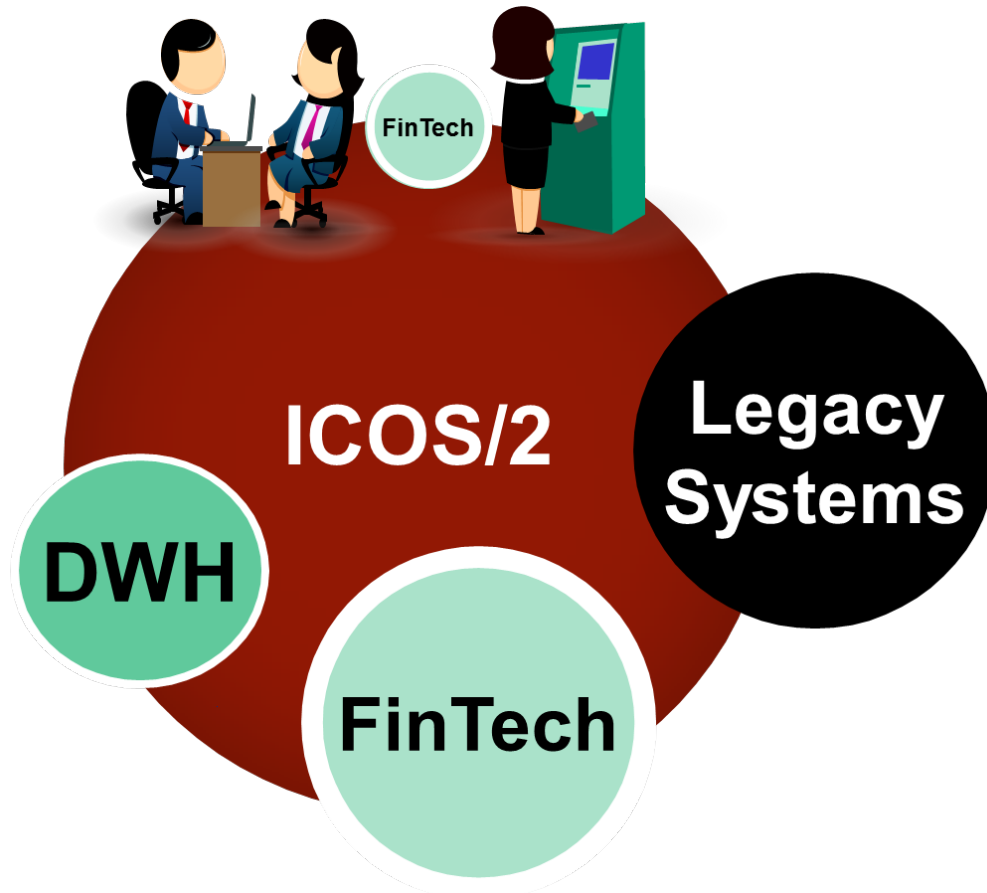
Improvements will result from a strategy with **Business Models, Technology and processes aligned:**

- **Focus on interaction** between **multiple systems** and services
- **Improve RM support** and **advice** regarding regulations, risk management, cross-border situation, data privacy laws, complex relationships & products,
- Bundle expertise, knowledge, data and technologies by providing **shared resources** and networking services
- Respond to new job profiles

RegTech solutions are the missing link to cope with these challenges and become your Front office “robo-advisor”:

- **Integrating all your existing systems & data** (internal & external)
- **Adding new technologies for automation:** cognitive technologies (DWH/Big Data), AI, machine learning, Biometry, semantic searches,
- **Enforcing the rules** to control the **cost of non-compliance**
- Building on a dynamic **risk assessment**
- **Prevent the inefficiencies** from high error rates of unstructured, multiple, manual data entries, etc.

ICOS/2 is an established RegTech offering to engage with clients and to manage relationships front-to-back:



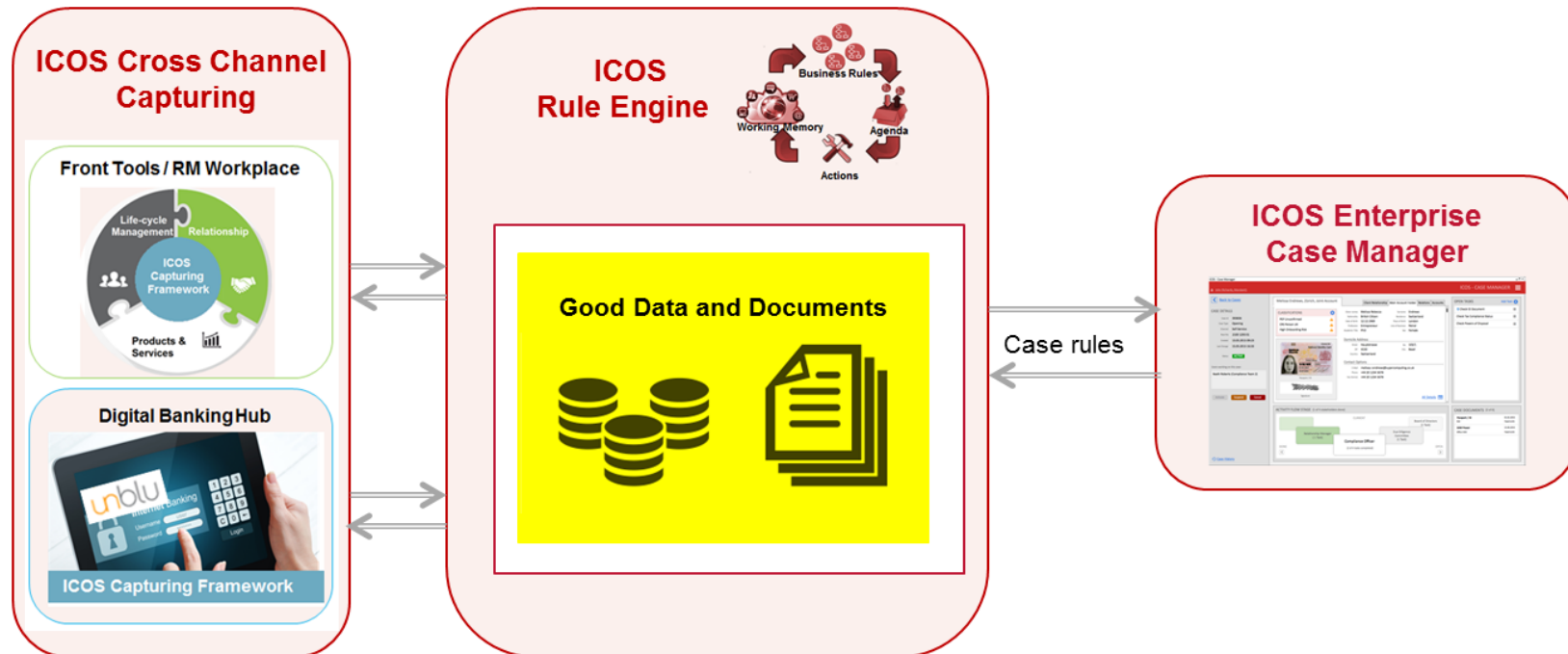
ICOS/2 includes:

- **eKYC / Digital ID**
- **Governance, Risk & Compliance**
- **Open Architecture**

ICOS/2 combines multiple WM advice & engagement functionalities with powerful integration capabilities:

- Self-service front/end with Digital Identification
- KYC & smart Enhanced Due Diligence
- AML and risk automation
- Onboarding & Life Cycle Management
- Financial Profiling / Suitability (MiFID)
- Proposal Generation / eSignature
- APIs / interfaces / Data Synchronization

The **complexity** is in the **Rules** - not in the process:



- Flexible Capturing
- BOM / relationships
- Validations
- Partner / Reference data

- Business Rules & AI Innovations
- KYC, EDD, Compliance
- Analytics & Policies
- Case Rules / Capturing Rules

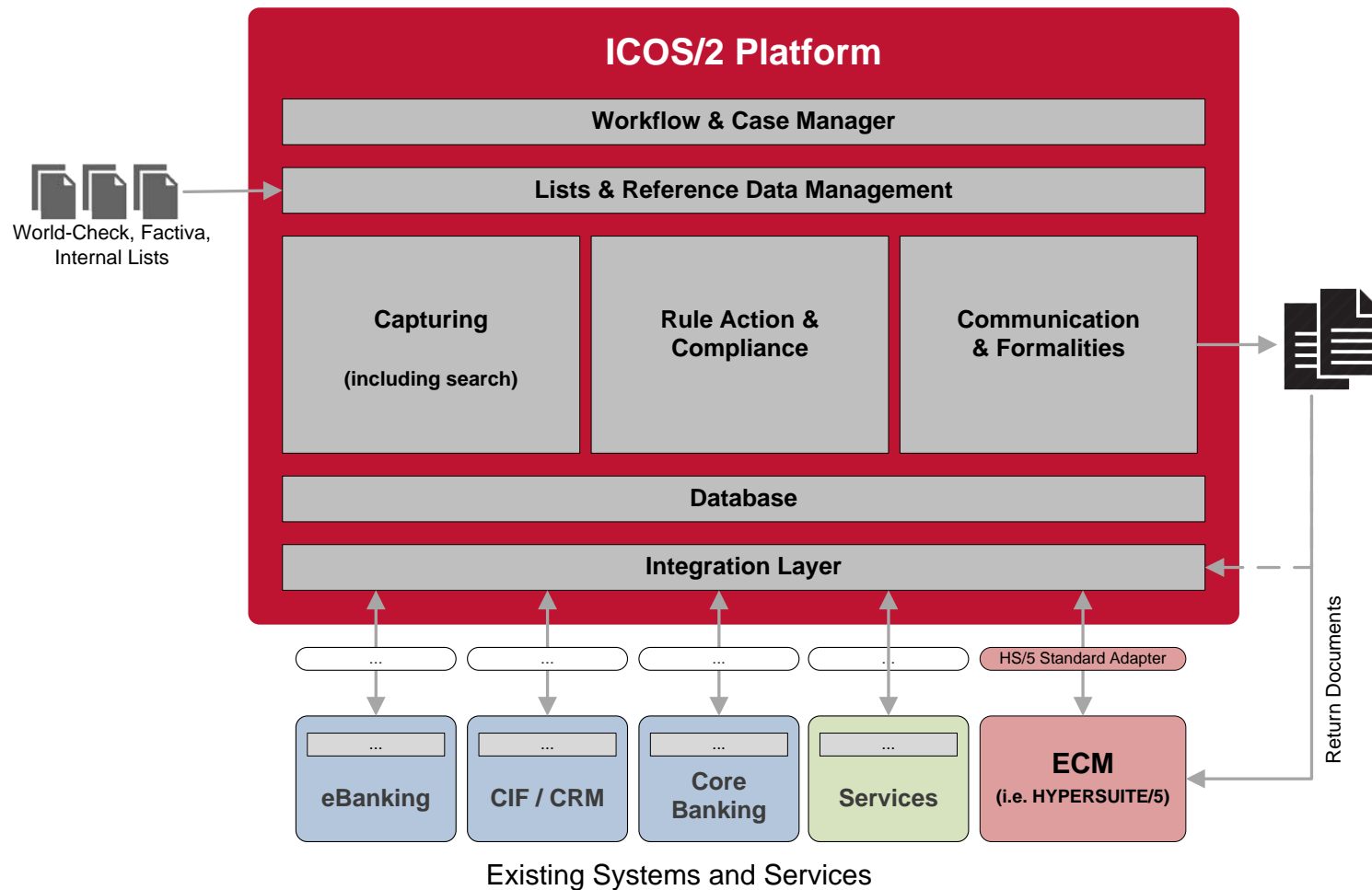
- Case Management
- BPM / workflow
- Content (data & doc)
- History / Audit Trail

IMTF is offering both technology and **Complete Rule Content:**

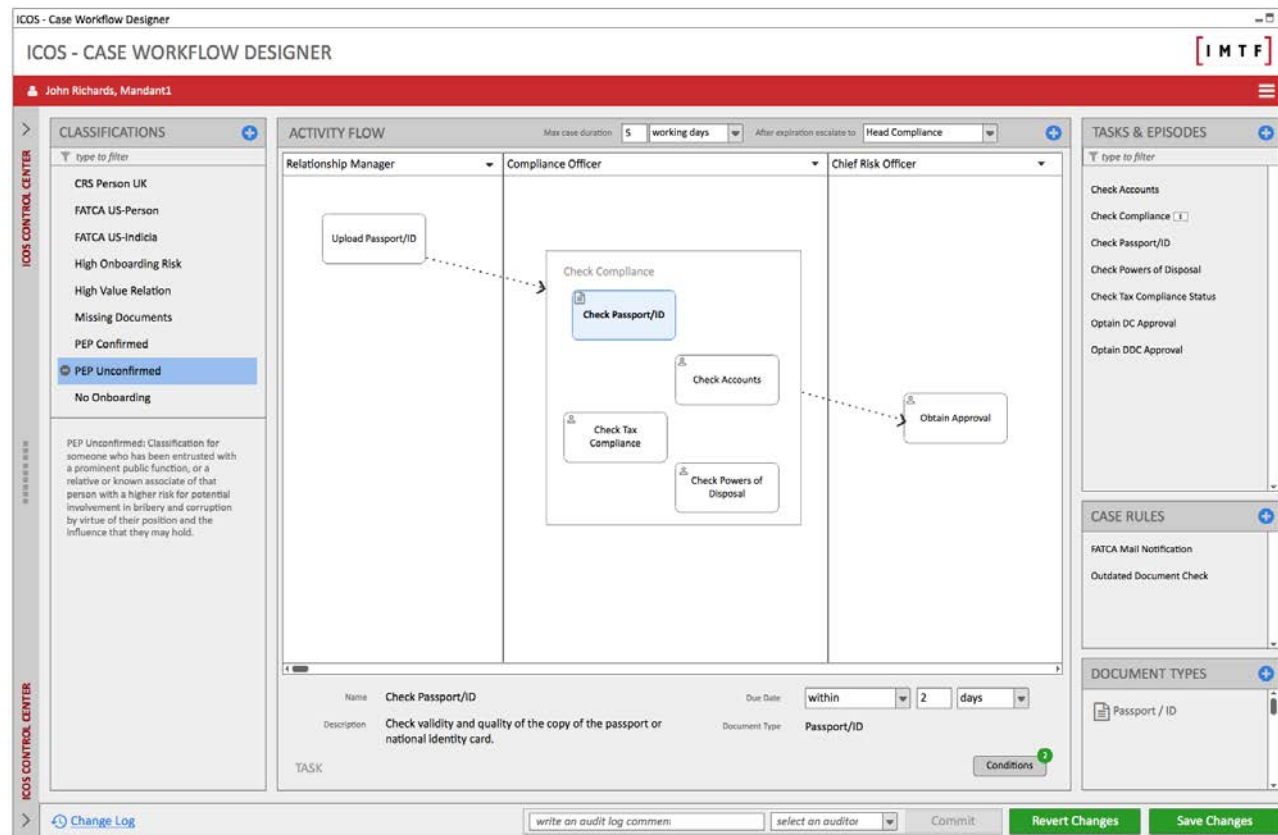
- **Mandatory**, minimum and country specific **data requirements**
- **Full KYC**, EDD (AML)
- **Tax** Regulations Compliance (FATCA, CRS, ..)
- Cross-Unit and **Cross-Border** relationship management
- Client **data disclosure**
- Product & Service **Suitability** incl. Product rules
- Client suitability: **investment knowledge** / experience / profile
- Account **Reviews** / Document Resubmission
- Fast Track, Sub-Accounts, **Prospect** Management, etc.

with ongoing maintenance !

The ICOS/2 application **architecture** is designed for easy integration and scalability – in real-time:



ICOS/2 comes with “out-of-the-box” processes and may be tailored graphically to your context:



Empowering the business side while ensuring compliance

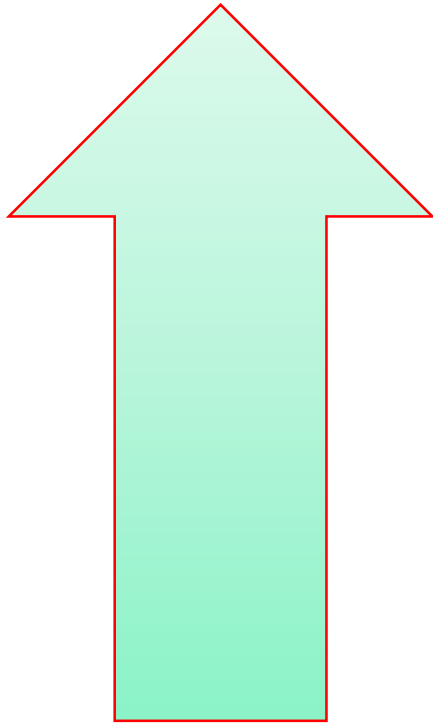
ICOS/2 is responding to all of the actual regulatory fears and data management needs and

- **Adding new technologies for automation:** Rule engine, cognitive technologies, machine learning, (Biometry), etc.
- **integrating all your existing systems and external data**
- **Enforcing the KYC/EDD rules** to guide, control & document
- Building on a **dynamic risk assessment**
- **Prevent the inefficiencies** from high error rates of unstructured, multiple, manual data entries and paper based processes

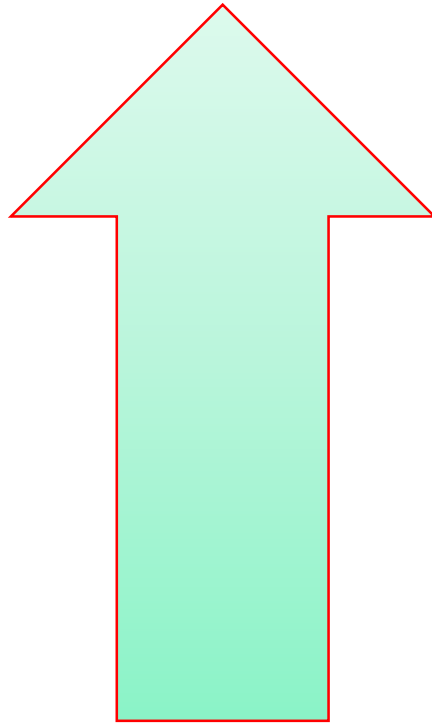
... in practice improving dramatically **KYC effectiveness** with RegTech “Robo-Advisory”:

- ✓ Improved **collaboration** and client experience
- ✓ Automated Identity Screening / risk
- ✓ Integrated & smart access to trusted client information (**EDD**)
- ✓ Making Regulations work for you - delivering **real personalization**
- ✓ Automated KYC **reviews** / updates
- ✓ Audit trail / **record keeping**
- ✓ **Adherence to regulatory** requirements

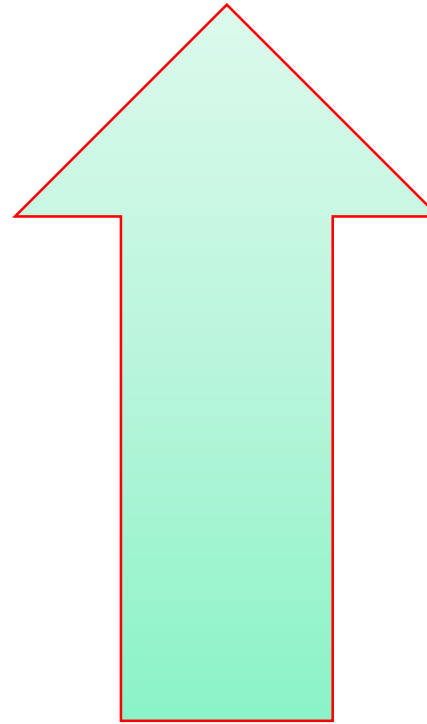
“Front-Office Robo-Advisory” is delighting clients, regulators, employees and the bank



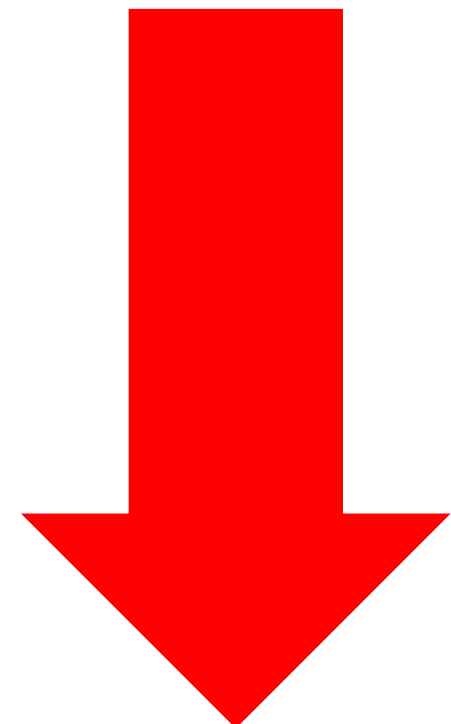
Compliance



**Quality
Speed**



**Efficiency &
Effectiveness**



Cost