



Transforming business models via a RegTech Eco-system

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The PB industry remains attractive but short-term headwinds require rapid business model change

Industry opportunities & challenges



Attractive growth globally and in Asia



Margin pressures



Enhanced client sophistication

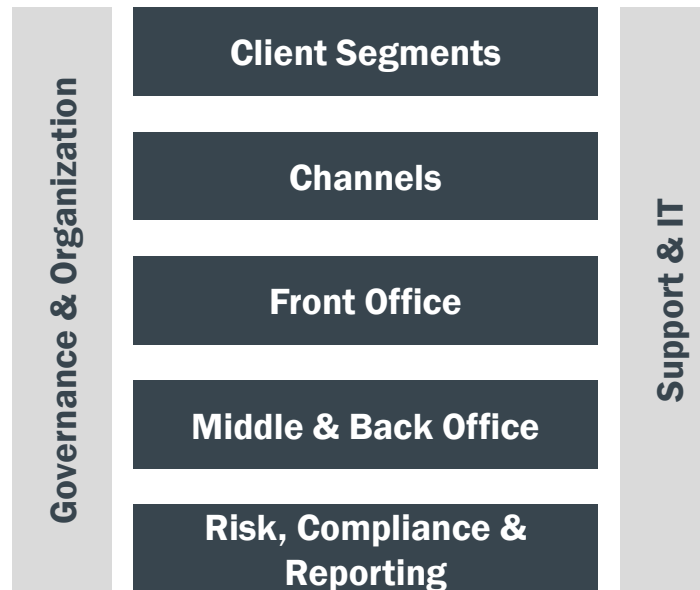


Increasing and complex regulations

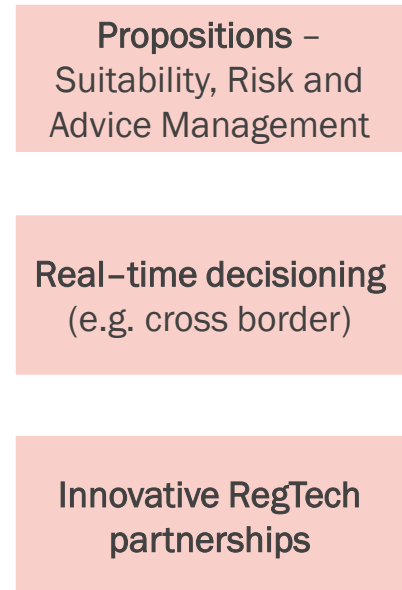


Rapid technology innovations

Traditional business models

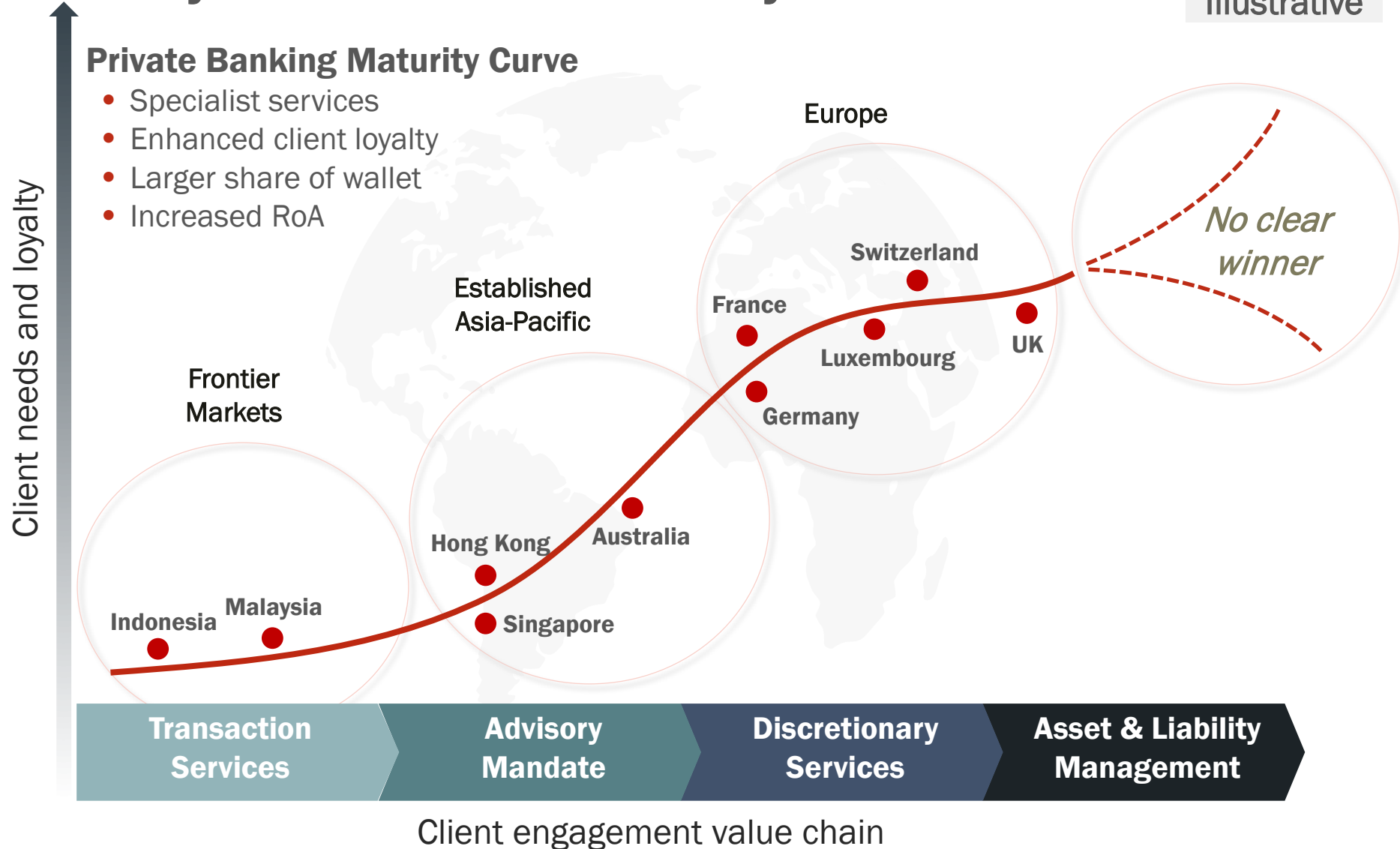


Business model changes



Based on client engagements, we observe wealth management centers evolving at different levels of maturity – no clear winners as yet!

Illustrative



Source : Orbium analysis, BCG World Wealth Report 2016

Asia - Investor protection obligations are driving change through the value chain, but vary by service offering

32 critical investor protection requirements !!!
(5 key groupings)

Trade Type	Client	Product	Mismatches	Disclosures
Solicited / Unsolicited	Derivative Knowledge	Local Due Diligence	Risk Mismatch	Alternative Product
Term Sheet	Valid Risk Profile	Accumulator	Knowledge & Experience	Investment Rationale
Portfolio Suitability	Vulnerable Client	COCO Bonds	Tenor Mismatch	Suitability Rationale
Portfolio Churn	Professional Investor	Complex Products	Asset Group Concentration	Risks & Features
Recommended Product	Accredited Investor	Registered Fund	Product Concentration	Monetary Benefits
	PB Client		Issuer Concentration	Deposit Protection
			Underlying Concentration	Mismatch Rationale
			Multiple Mismatch Check	Client Ackn.

Transaction Services

Advisory
Mandate

Discretionary
Services

Asset & Liability
Management

Changing client needs & regulations place demands on Banks to better support their staff in the sales process

Streamlined Risk Disclosures

Client knowledge and experience

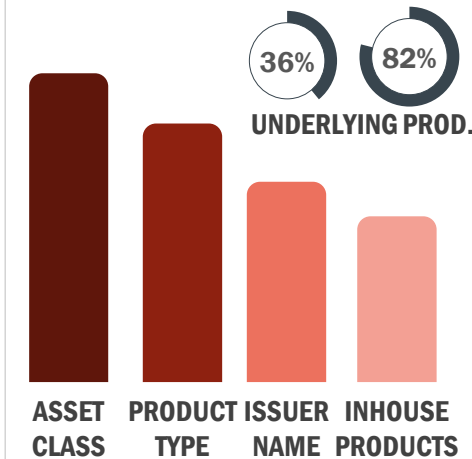
Frequency and size of transactions

Client risk profile

RM explanation 1st trade

Product Type

Asset Concentration



Service Setup

Asset Allocation

Investment horizon

Investment Objectives



The key to success

Define and prioritize enhancements & automation along the value chain

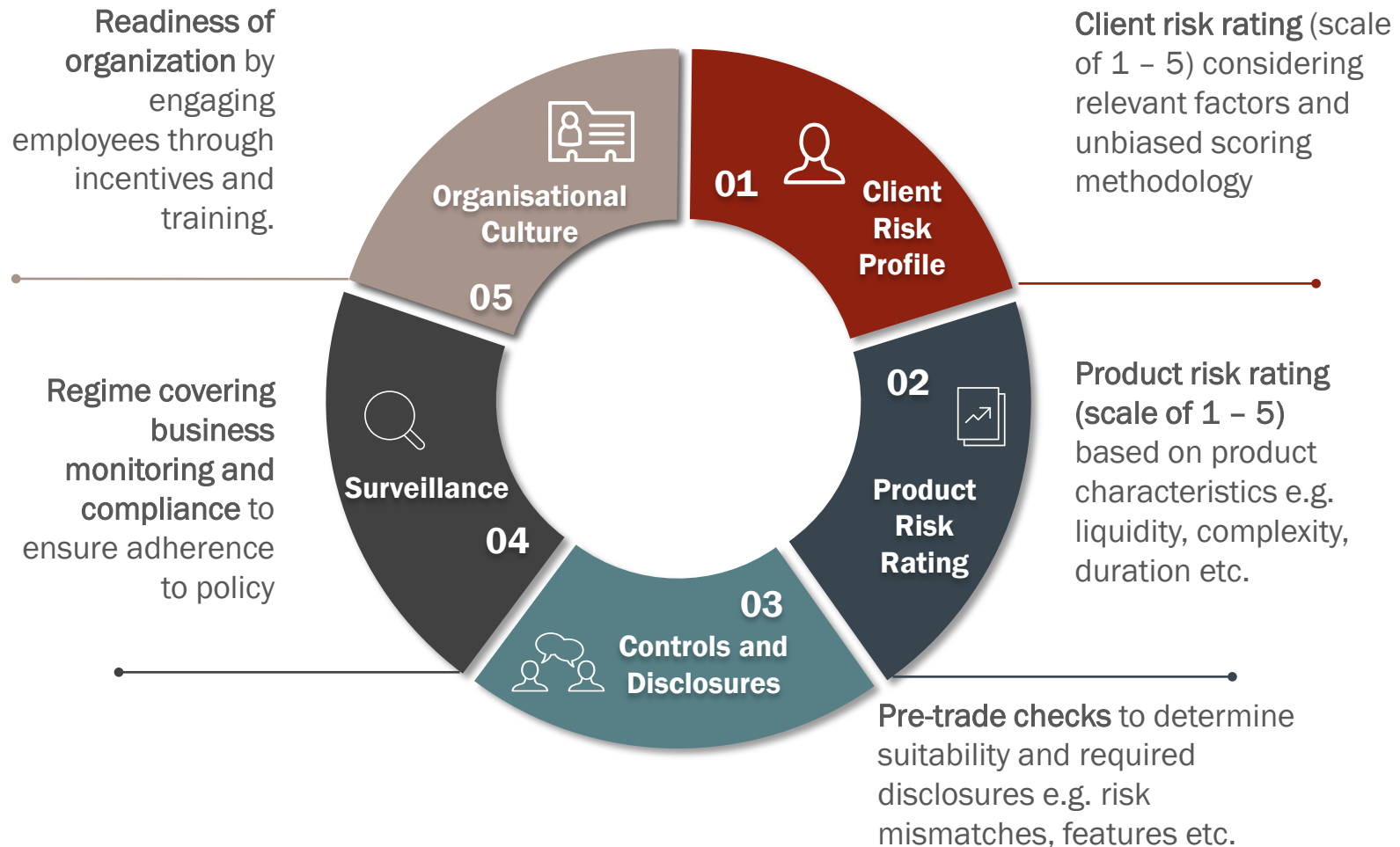
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To deliver good client outcomes it is key to have a robust and aligned suitability framework



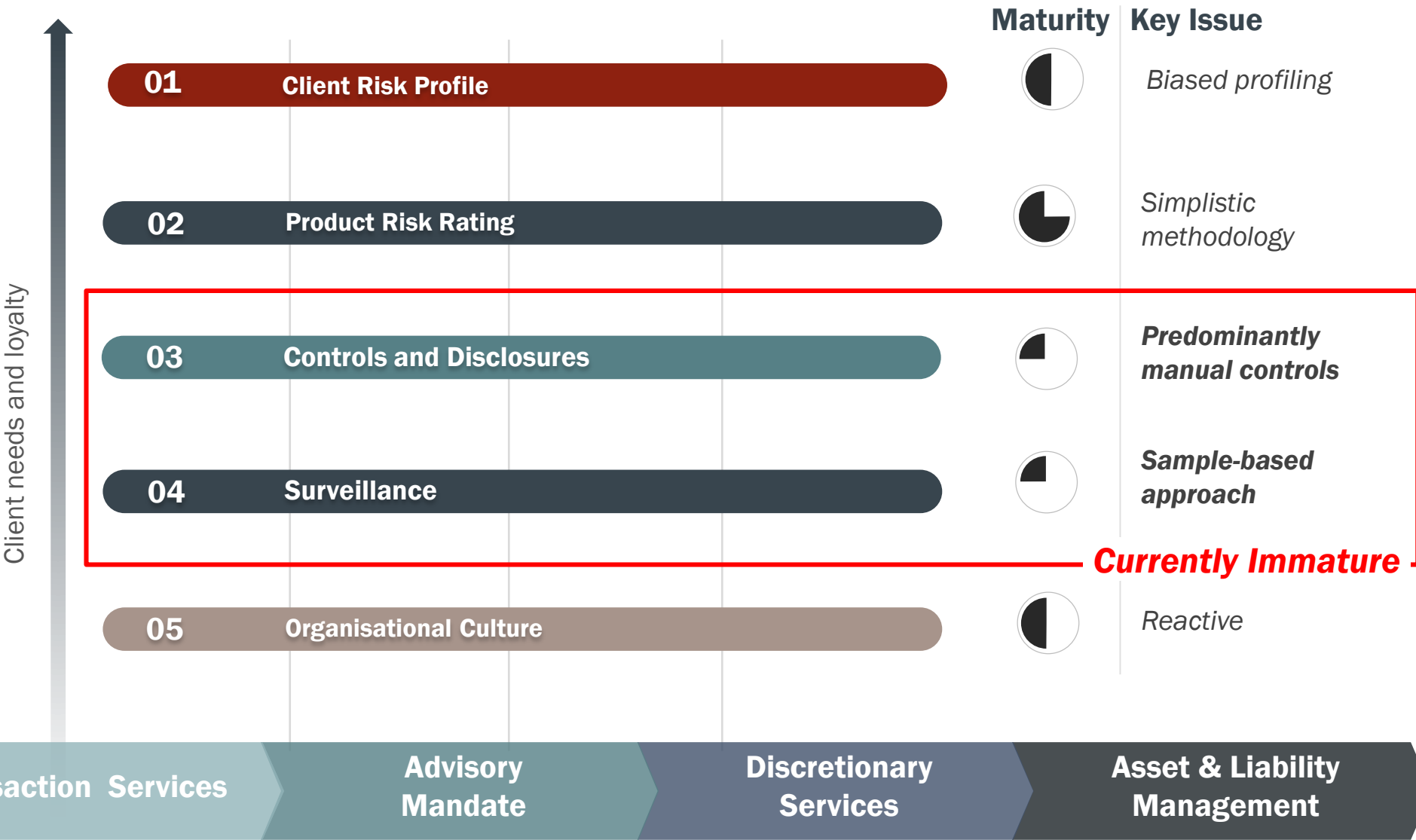
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Controls & disclosures, surveillance are currently immature but rapid adoption of Reg Tech can provide new solutions



The future is creating an ecosystem of RegTech & partners to deliver innovative suitability solutions

Orbium's Suitability RegTech Ecosystem

actico Smarter Decisions

Central suitability rule engine
Suite of compliance solutions

EDGE LAB

Valuation and product risk
> 2 Million instruments covered

NetGuardians

Post-trade suitability and trade
analytics robo-surveillance

indigita

Digital cross-border checks
Smart compliance data
Covering 120+ countries

avalog
essential for banking

Core-banking platform
Inbuilt suitability parameters

Orbium, a global management consultancy
and systems implementation partner to over
40 Private Banks

Banks must recognize and act on key factors to embark on a roadmap to success

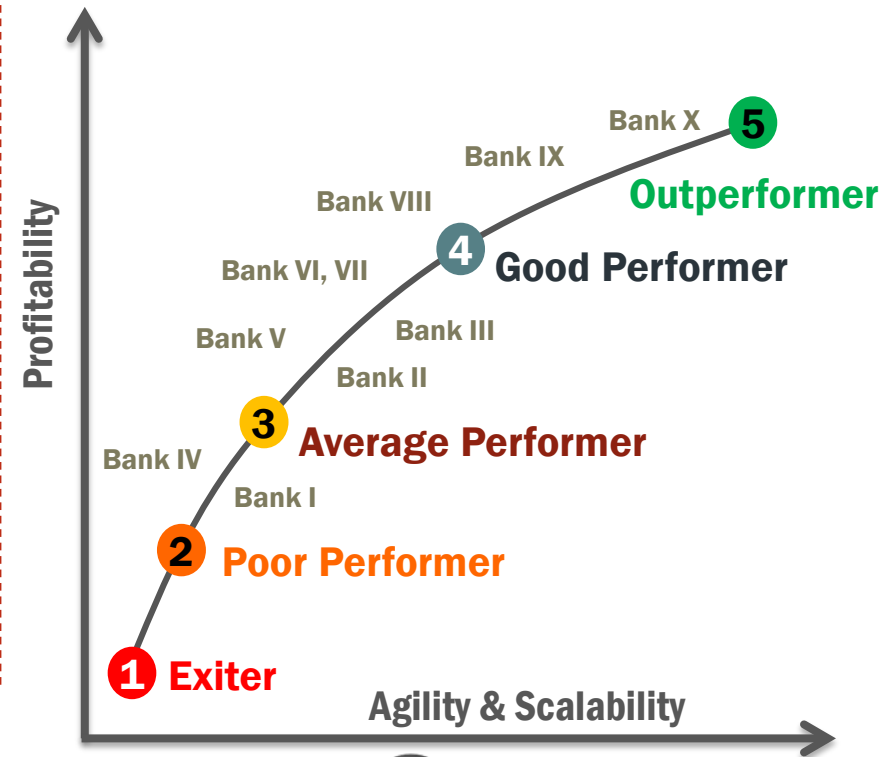
Traditional business models



Future success factors

-  Performance & Change
-  Regulation & Innovation
-  Industrialization
-  Products & Ecosystem

Where are you?



What's next?

Orbium Wealth Management C-Level Survey

- Targeted exclusively at C-level executives
- Selected C-Level executives invited
- Helps participants anticipate the future and prepare for the evolution of the wealth management industry
- To participate, please contact c-level.survey@orbium.com

Questions from the audience?



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