

Asset & Wealth Management Insights

Exploring the impact of FinTech

Insights from PwC's global asset and wealth management practice

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Introduction

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Welcome to the latest edition of Asset & Wealth Management Insights, which looks into the likely impacts of FinTech on this sector. When the first e-commerce businesses started out in the 1990s, few people anticipated the extent to which they would disrupt banking. Yet 20 years later, people rarely walk into a bank branch, preferring to bank online.

Today FinTech, and blockchain technology particularly, appear poised to transform financial services again. After several years of experimentation, these technologies are beginning to be put to practical use. Over the next few years, it is likely that they will lead to substantial changes in asset and wealth managers' businesses – across front, middle and back offices.

Yet asset and wealth managers have done relatively little to aggressively develop these technologies. From our work in the sector, we see them leaving development of blockchain to FinTechs and banks. Our latest FinTech survey (see 'Beyond automated advice' on page 6) confirms this complacency.

Blockchain promises significant opportunities that should not be ignored. Some of the brightest minds in banking are excited about its potential to transform financial services, although its practical uses are still evolving. There are significant savings to be made, many of them in the middle office. Across the FX and securities markets, Santander estimates that blockchain could save as much as \$20 billion a year in infrastructure and operational costs.

For asset and wealth managers, FinTech presents both threats and opportunities. As blockchain lowers costs, it may inspire a new generation of FinTech entrepreneurs – or indeed platforms from other industries – to make a disruptive push into the sector. There have already been moves in the US to use the technology in the private placement markets, and there is a real

threat that leading distributors will use their platforms to start providing a wider variety of investments.

When developing applications for blockchain, possibly the biggest challenge to overcome is taking a collaborative approach to technology. Working together with competitors, customers and suppliers to develop solutions requires a different approach. Consortia are forming to overcome this.

Certainly, the regulators are not putting up barriers. Many see blockchain as increasing transparency and making the financial system easier to oversee. They also want to support innovation to secure their nations' competitive advantage.

In this issue, Asset & Wealth Management Insights explores the likely impact of blockchain and FinTech more broadly. It touches on the likely impact of robo advice in Italy and digitisation in Hong Kong. What's more, it explores the value creation opportunity that digitisation offers private equity.

Clearly, FinTech offers myriad opportunities for asset and wealth managers to do things faster and better. The time to start exploring them is now.



Barry Benjamin
Global Asset & Wealth Management Leader

Revolution or evolution: how will blockchain technology change asset and wealth management?

From our work across the financial services sector, it is clear to us that blockchain applications have the potential to transform the industry. We recently hosted a discussion for the asset and wealth management (AWM) sector to specifically look at the application and potential of distributed ledger technology in its business.

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Blockchain is not just hype – there is real interest in this topic. Views across the panel¹ at our event were varied, but there was also much common ground. Below is a summary of the discussion.

Towards a blockchain breakthrough – tackling challenges

While technical challenges remain, rapid progress and investment in the technology has resulted in many problems already being solved. This progress is partly down to the open-source nature of much of the work in the blockchain arena, which enables technologists and others to build on each other's progress. Eris Industries, for example, provides an open platform through which anyone can build, test and operate blockchain-enabled applications. The R3 consortium of banks and other financial companies, working together on blockchain research and development, has grown quickly and is committed to open-source.

As a result, many of the early technical barriers to widespread adoption of blockchain are now being broken down. The issue of scalability, for example, looks to have been largely addressed. The new key technical challenge is confidentiality. Visibility of data on a blockchain presents a problem for many of the best-known commercial applications, where only parties to a specific transaction should be able to see all of the details of a trade. Selective encryption of data within the ledger is not yet fully solved although a number of technical solutions are now being trialled.

Nor are there any insurmountable regulatory barriers standing in the way of blockchain. While regulators are taking an active interest, their mandate is to achieve their desired outcomes (i.e. stable, transparent markets and compliance with regulation) rather than to dictate specific technical solutions. In fact, many regulators see blockchain as a potential opportunity to deliver greater transparency at reduced cost, which will make the financial system easier to oversee. They are also conscious of the desire of government to support innovation – blockchain represents an opportunity for nation states to secure competitive advantage.

Possibly the biggest challenge to overcome is the impact the technology has on interactions between parties. In order to gain maximum benefit, the different participants in a chain will need to work together to transform their business interactions. Working together with peers, customers and suppliers to develop solutions requires a different approach, and we see consortia forming to work together, but this complicates progress. As several panel members pointed out, the clearing and settlement use case might be delivered sooner if market infrastructure firms decide to drive the change from their central position as suppliers.

Not if but when

The panel largely agreed that mass adoption of blockchain technologies, across a broad range of use cases, is becoming inevitable. But the question remains - when will developmental work reach a tipping point where companies are routinely deploying blockchain-enabled solutions across many of their activities – including, for example, for mass market securities settlement?

Some participants believe deployment throughout mainstream capital markets could be in place within three to five years; others think a little longer. Adoption will be gradual – perhaps beginning in niche asset classes or trading environments – but will accelerate over time.

¹ My sincere thanks to the panel who gave us such a lively and informed discussion. Dr Lee Braine of the Investment Bank CTO Office at Barclays Bank; Simon Taylor, Co-Founder and Blockchain Director of 11:FS; Casey Kuhlman, CEO of Eris Industries; and my colleague Ajit Tripathi, founder of PwC's blockchain practice.

The key factor driving adoption is the ‘size of the prize’. The value on offer from blockchain technologies – and the immense cost pressure so many financial institutions now face – makes it inevitable that the financial services sector will pursue new applications as aggressively as possible. There are a number of estimates of potential savings. One of the most quoted is the Santander estimate that blockchain could reduce the capital markets, FX and securities industry’s infrastructure and operational costs by as much as \$20 billion a year.

Where are the asset and wealth managers?

Given the benefits, it seems surprising that the asset management sector has so far chosen not to engage in the blockchain debate in a meaningful way. Asset and wealth managers have largely preferred to sit on the side lines while the sell-side banks take the lead in exploring potential use cases.

In fact, there are a number of possible explanations for this hesitancy. One is the perception that blockchain applications will largely be in areas such as settlement, which many asset managers have outsourced to custodians and other third parties. Another is the idea among some asset managers that sell-side banks are working together to further their own interests, which may not be aligned to those of the investment community.

It's also fair to point out that asset managers are not facing the same sort of crushing pressure on costs as the banks. To a degree, this may reflect their ability to pass costs on to customers, particularly retail customers, which if true places less pressure on pursuing potential savings.

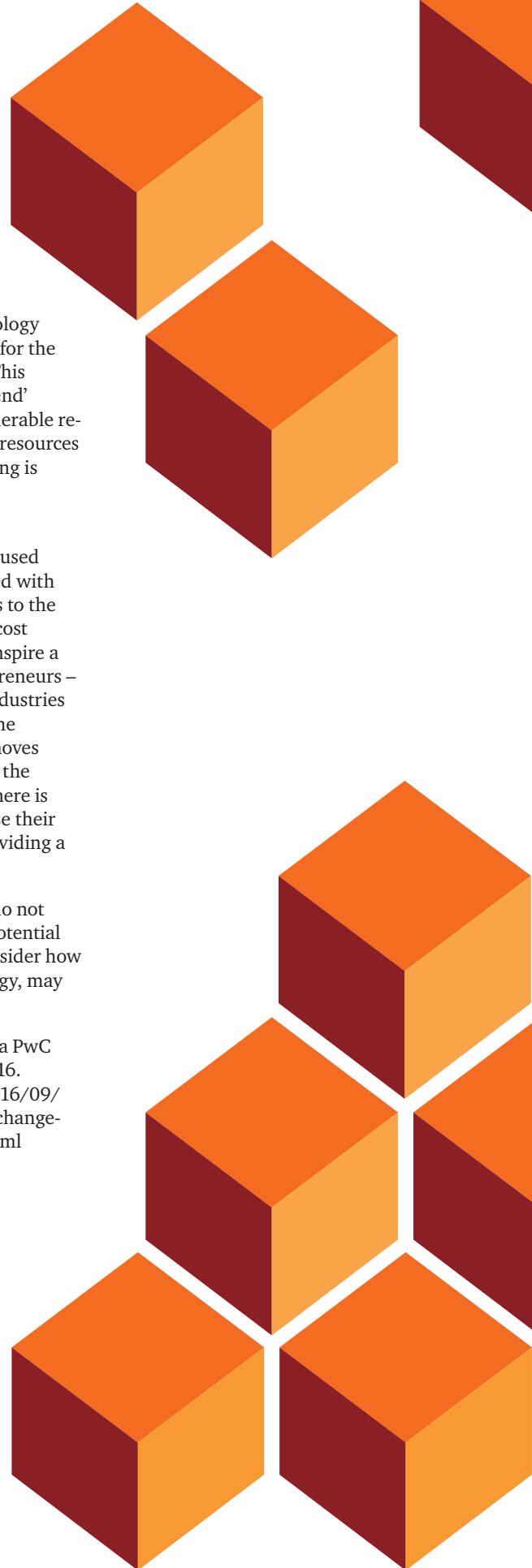
However, it would be a mistake for asset and wealth managers not to consider their blockchain strategies. Even if the strategy is to do nothing for now, there should be governance structures in place to ensure further reviews take place over time. Major technology investments that have a one to three-year timeline need to be reviewed against potential market developments.

If this is not done, then the technology delivered may not be appropriate for the environment it is delivered into. This may cause a significant ‘regret spend’ resulting from the need for considerable re-engineering. Committing modest resources to understanding what is happening is much more affordable.

While most of the questions and conversation in our discussion focused on the potential benefits associated with cost savings, there are also threats to the AWM business model. The lower cost associated with blockchain may inspire a new generation of FinTech entrepreneurs – or indeed platforms from other industries – to make a disruptive push into the sector. There have already been moves in the US to use the technology in the private placement markets, and there is a real threat that P2P firms will use their distribution platforms to start providing a wider variety of investments.

Asset and wealth managers who do not take the time to understand the potential impact of the technology, and consider how it will impact their business strategy, may find themselves at risk.

This article was first published as a PwC FinTech blog on 28 September 2016.
<http://pwc.blogs.com/fintech/2016/09/how-will-blockchain-technology-change-asset-and-wealth-management.html>



Beyond automated advice

Our fifth global FinTech survey found asset and wealth managers to be complacent about the threat from innovations such as blockchain.

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Asset and wealth managers should watch FinTech companies closely and adopt a responsive digital strategy. Otherwise, they face losing part of their business to new entrants.

After leading the way with technology in the 1980s, asset and wealth managers (AWMs) have become dismissive of technology innovations and disruptions to their industry. During the emergence of online brokerages, wire houses gave the upstarts pejorative titles, such as 'discount brokers', holding the belief that these new business models would fail to take off, and the risk they posed to businesses was low.

In reality, these new competitors commoditised trade execution, significantly dropping the price that companies can charge per trade. Eventually, they introduced new pricing models by splitting advice from transactions – full service brokers started to charge on a fee per asset under management (AuM) basis versus fees per trade.

History could repeat itself with the ongoing disruption caused by FinTech companies. Much like online brokerages, robo advisors have been disparaged as less valuable than human professional wealth advisors, and, so far, have been focusing mainly on low balance accounts. But the innovations under the umbrella of robo advisors are becoming more sophisticated and, thus, enable advisors to service higher net worth accounts. In fact, robo advisors create an opportunity for asset managers to target the mass affluent who are looking for cheaper ways to manage their assets.

Participants in PwC's first global FinTech survey view AWM as the most likely field to be disrupted (35%), while 60% of asset and wealth managers think that at least part of their business is at risk to FinTech – lower than most other financial sectors.

By being too complacent, investing mainly in self-serving automation and ignoring the imminent technological revolution, asset and wealth managers might lose touch with their core clients. Additionally, they might miss the opportunity, already tapped by FinTechs, to win the mass affluent market. Keeping abreast with how FinTech is reshaping the industry seems like the most reasonable way forward.

Figure 1: Highlights from PwC's Global FinTech Survey 2016

The majority of asset and wealth managers fears that part of their business is at risk to FinTech companies ...

60%

... but less than a half puts FinTech at the heart of its strategy

45%

Less than one in three industry players offer a mobile application ...

31%

... and a staggering 34% do not deal with FinTechs at all

34%

Source: PwC Global FinTech Survey 2016



90% of the asset and wealth managers we surveyed found data analytics 'very important' or 'important'. Being able to capture, transform and analyse data is now integral to asset managers' ability to compete.

Too relaxed about FinTech disruption

Even though many believe that asset and wealth managers will be disrupted by FinTech, industry players believe that they are immune to potential disturbance from new entrants. Banking and payments industries show how FinTechs can disrupt the financial sector by offering new solutions.

This should be an eye-opener, but AWMs underestimate the threat. The highest proportion of AWM respondents (17%), compared to other industry respondents, believe FinTechs pose no risk whatsoever to their industry. They believe FinTech will have only a limited impact on their businesses. Some 61% of respondents expect increased pressure on margins, while 51% have concerns around data privacy and 50% fear loss of market share.

Not yet ready to address changing needs

AWM customers increasingly use applications and they are pushing to go mobile. Instead of following the wave of digitisation, asset and wealth managers frequently offer little more than a website, believing this should meet their customers' expectations.

They lag other financial sectors in the development of mobile applications: only 31% of AWMs already have one, and just 14% are currently developing one. While most respondents (58%) contend that not more than 20% of their clients use mobile applications to access AWM services, 78% believe that over the next five years more than 40% will do so at least once a month.

Focusing on data analytics and automation

Those asset and wealth managers investing in new technologies are focusing on data analytics and automation of asset allocation.

A clear majority (90%) of the asset and wealth managers we surveyed found data analytics 'very important' or 'important'. Being able to capture, transform and analyse data is now integral to asset managers' ability to compete.

Data analytics also helps manage risks and compliance, and improve trading efficiency.

Automated asset allocation innovations under the umbrella of robo advisors are also becoming more sophisticated. Advisors create the stickiness, but the digital experience and the technology become the enabler to provide an omni-channel experience with the right amount of professional support. This can have a large impact on the economics of the industry as technology can reduce the friction causing high attrition rates and putting the market share of incumbents at risk.

Additionally, blockchain could have a profound effect on post-trade settlement through streamlining, mutualising and cutting costs of the process. By using distributed ledger technology, the need for reconciliation of proprietary databases is eliminated. Also, embedding business logic in the code of a smart contract could impact the AWM value chain in terms of augmenting, streamlining or possibly completely reinventing current processes.

Conclusion

AWMs who want to win in the redesigned market must find the right mix of technological improvements coupled with an adequate pricing structure.

Conversely, turning a blind eye to shifting market expectations and ignoring the quick and imminent rise of innovative products, services and business models can be dangerous. Those who cling to business as usual, focusing on manual operations, pure investment management and siloed client data, should expect their market share to diminish at an increasing pace.

But with threats properly addressed, AWMs who adopt a technology-focused strategy and incorporate FinTech solutions will visibly strengthen their market position. A clear majority of AWMs view the impact of FinTech predominantly as the need to adapt to changing customer needs, and half of the survey participants – more than in any other financial sector – think new entrants can enhance interactions and help build trusted relationships.

Collaboration with FinTechs is crucial and will be the only way for the traditional firms to deliver technological solutions at the speed expected by the market. New entrants create tangible opportunities for incumbents to improve their traditional offerings. Going forward, traditional players need to prioritise these types of investments.

This article is an extract from PwC's Global FinTech Survey 2016.

Beyond automated advice
How FinTech is shaping asset & wealth management

Global FinTech Survey 2016

60% The majority of asset & wealth managers plan to do one or more new things with FinTech

34% Yet many will do one or more things with FinTech competitors

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pwc.com/finTechsurvey

Private equity and digitisation: the hidden equity story

Firms can use the lens of digitisation to pick the right targets, avoid potential losses and maximise portfolio value.

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For private equity funds, the days of buying stakes in companies at a low price and selling high are over. Prices are high across markets, competition is fierce, and opportunities for multiple arbitrage are scarce. More than ever, private equity managers need special insights to find value where others can't. They also need the skills to take a fairly priced asset, implement hands-on management, and create value that will boost their returns.

There is still a largely untapped area that offers extraordinary opportunities for value creation, but most private equity firms – in fact, most investors – aren't fully aware of the potential here and therefore aren't yet asking the right questions: to what extent has the target company digitised its services and products, operations, and back office? How does the level of digitisation compare with that of its competitors? How much more can be done, and what's the best way to do it? These are some of the questions that should be a big part of any private equity investor's due diligence. But except for technology-focused funds, many private equity investors are neglecting digitisation's importance and may need additional expertise in recognising and developing a strong digitisation strategy.

Digitisation has by now made its way into nearly all industries. It isn't just about tech companies, or sales channels, or a little more cost savings on the margins, it's also about creating new products and services, new production methods, and new ways of collaborating with customers and suppliers. It's about the revolution of the industrial sector under the banner known as Industry 4.0, and beyond, though few people associate such sectors as natural resources and chemicals with the latest

strategy&

Private equity and digitization

The hidden equity story

pwc

technologies, digitisation can change every sector of the economy – and it is. All of a company's physical assets and all of its partners along the value chain can become part of an ecosystem in which data moves seamlessly throughout. In a fully digitised company, production and supply chains will be lean and flexible. Marketing will be omni-channel and responsive to customer needs. The company's internal structures will be efficient and integrated. Product and service offerings will be digitised and expanded. The company will have, in sum, much greater potential for growth and profitability.

The advantage of digital knowledge

Understanding this big picture is just one piece of the puzzle. Private equity managers also need to be able to assess precisely where individual target companies and their competitors stand in this ongoing movement. They also must be able to provide hands-on management when needed so that they can help their portfolio companies develop comprehensive digital strategies and build necessary capabilities.

When private equity firms have this knowledge and this ability, their view of potential acquisitions will change, sometimes dramatically. In some cases,



paying a premium is justified because the target company is digitally advanced. Other companies lag so far behind digital leaders that they're not worth buying, regardless of the price.

Still other companies, digital laggards in sectors with no clear leader, have enormous value that can be unlocked. For that, private equity managers must have the capabilities to guide a digital strategy and the implementation of new technologies. With some companies, these technologies can do far more to improve performance than traditional cost-cutting methods can.

Creating value

In the current investment market, it's more important than ever for private equity firms to choose target companies wisely and to develop them to their full potential. But unless firms embed due diligence on digitisation inside their standard commercial due diligence, they increase the risk of missed opportunities and unexpected losses.

In the acquisition phase, due diligence on digitisation will look not only at target companies but also at their competitors. In the development phase, the concepts outlined above give an idea of the many

ways digitisation can create value and prepare companies for a profitable exit. And digitisation is an ongoing process. A proper base for digital development, combined with effective communication, can add an extra layer to the equity story; Would-be acquirers that understand the potential for further growth may be willing to pay a higher multiple.

Experience and specialised skills are needed to take advantage of digitisation's potential in both the acquisition and development phases. Private equity firms that don't have these skills may have to invest to build out their own digital capabilities, or align with strategic partners that know how to assess target companies, support digital transformations and capture the potential value.

With the right capabilities, a firm can use the lens of digitisation to pick the right targets, avoid potential losses, maximise its portfolio's value and build a reputation in the markets for preparing companies for future success.

This article is an extract from a paper also entitled 'Private equity and digitisation: The hidden equity story'.

Private equity and digital transformation

Digitisation is very high up the private equity agenda, and is the most important mega-trend influencing their new investments, according to a survey of 100 European private equity houses published by PwC in November 2016. Survey respondents rated it 1.77 on a scale of 1-5 (with 1 being the most important).

62% of respondents believe it can create sustainable value for a company and 88% have already either finalised the assessment phase or are in the phase of implementation. Private equity houses believe digitisation to mostly boost growth, decrease risk and decrease working capital and Opex.

Robo advisory moves forward in Italy

While robo advice is poised to shake up wealth management in Italy, traditional firms can use it to their advantage.

Mauro Panebianco

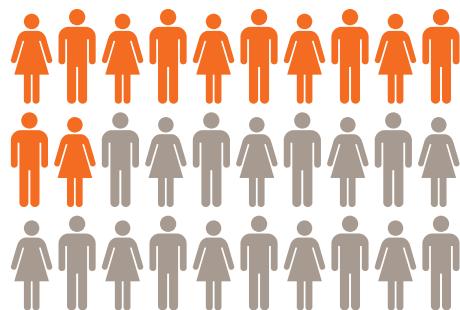
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Wealth management is in the middle of a crucial transition. Strong regulatory, technological and economic forces are pushing industry players to revisit their business models and value propositions.

FinTechs are accelerating this transition by engineering so-called robo advisor investment platforms that use algorithms to support the entire investing process – from setting financial goals to portfolio re-balancing and monitoring. At the same time, they introduce more transparent, traceable, efficient and customer-centric standards along the overall value chain.

Robo advisors provide investors with low-cost wealth management. They seek to disrupt the traditional wealth management model by disintermediating the service with direct-to-consumer platforms. These deliver easier, faster and more user-friendly investment based solutions to both end investors.



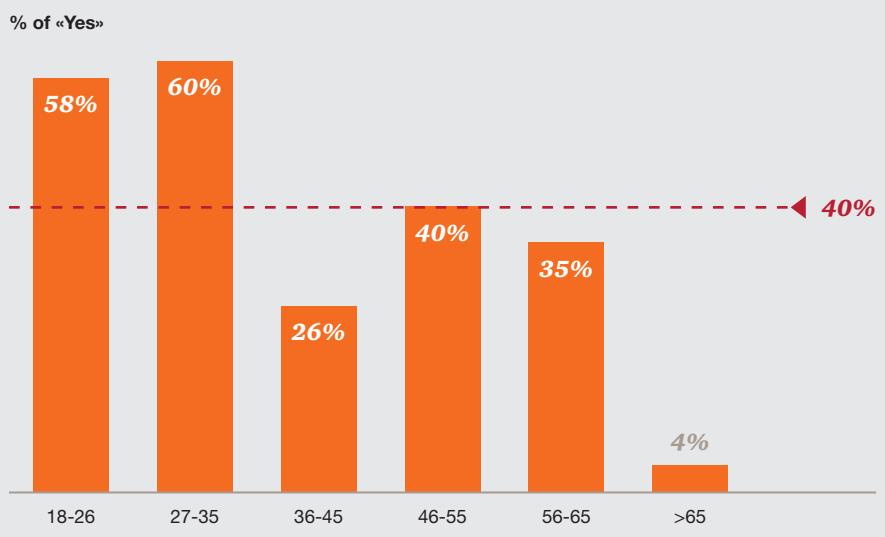
40% of interviewees
were positive about the adoption
of fully automated advisory
services.

Italians ready for digital

Focusing on Italy specifically, PwC has reviewed the market potential for robo advisory. As part of the study, we conducted a customer survey to see if people are ready to accept a fully automated advisory solution. The analysis showed that:

1. The future of advice will be digital: 40% of interviewees were positive about the adoption of fully automated advisory services. We expect this percentage to grow in the future since new generations are more likely to adopt automated advisory services.
2. Retail investors reveal different behaviours and needs. They form three main groups with specific profiles – what we define as 'smart', 'multi-task' and 'traditional'.
3. No 'one-solution-fits-all' may suit the needs of all three customer profiles. Therefore, we would not recommend financial institutions build only one advisory model, unless they are targeting just one customer profile.

Figure 1: Would you receive investment recommendations from an automated advisory platform?



Overall, our research revealed just a quarter of the population to be best served by the traditional financial advisory model, with the balance preferring banks to evolve the advisory model through automation and digitisation.

We discovered three different customer profiles. 40% of interviewees were 'smart', seeking easy and simple digital investment services. 34% were 'multi-task', seeking multi-channel investment services. 26% were 'traditional', preferring face-to-face investment services.

More trend than hype

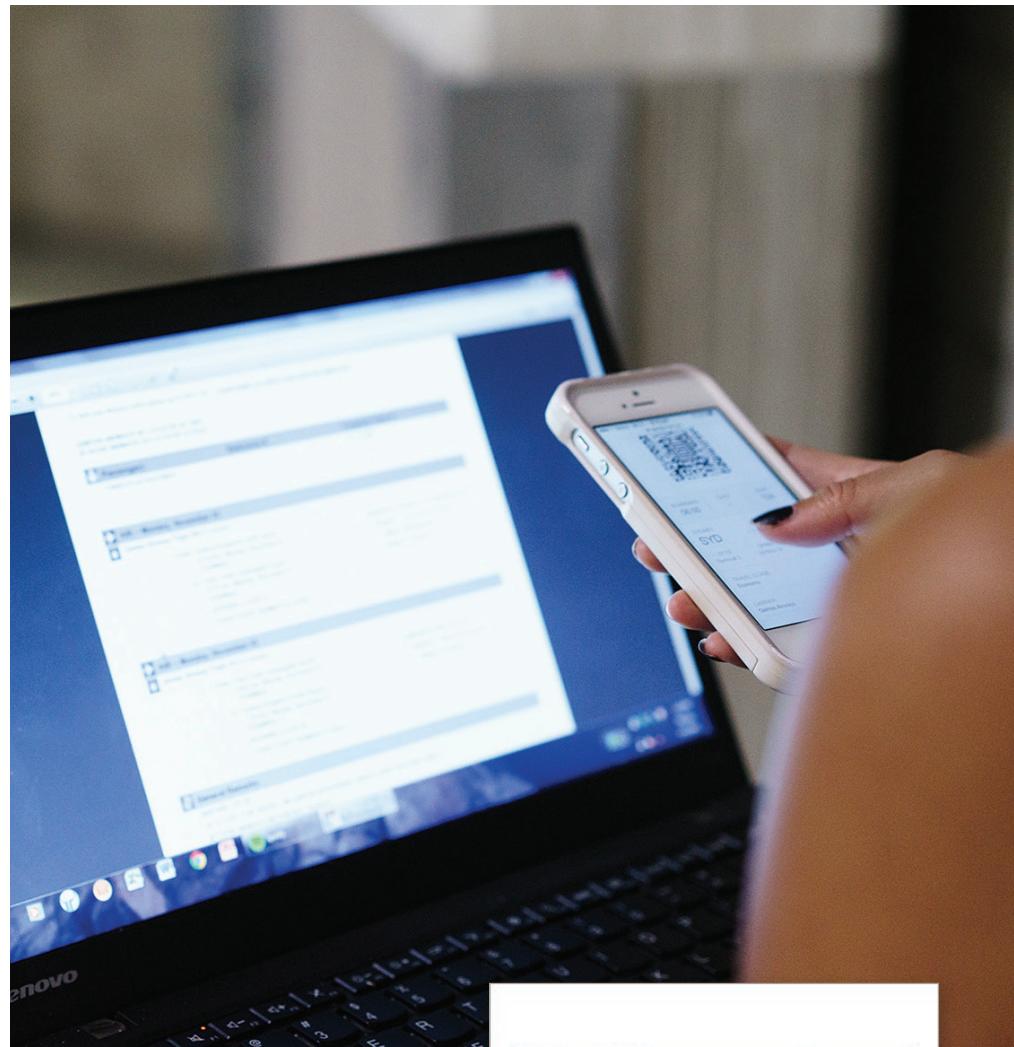
Digital and automated advice will likely become a standard expectation for the affluent and mass-market segments and we have seen only the beginning of what automated advice can become. In particular, the traditional customer segmentation does not suit real customer behaviour any more due to the higher expectations of advisory services and investment performance. There is also greater confidence in digital interaction than human. Robo advice could impact all the investor segments, not just the mass-market and mass-affluent ones. All wealth management firms should consider this phenomenon.

Strategy/service model

As they do so, however, they should consider whether the introduction of robo advice is in line with their own strategies and service models. In fact, there are some banks in the market with strategies which, to meet the demands of their customers, offer high degrees of product and service differentiation. Tailor-made, face-to-face service is a key part of their differentiation. Consequently, their customers may not view robo advice as adding value – even if some of these customers belong to the 'smart' and 'multi-tasking' segments.

Technology

Wealth managers must also consider whether to build the robo advisor in-house, to form a partnership or to buy it from an external provider. Only the big banking groups are willing to invest in an in-house platform. Most of the mid-sized and small players are evaluating partnerships with specialised FinTechs to reduce implementation costs.



Summary

In summary, digital innovation is poised to shake up Italy's traditional advisory model, based on the direct physical relationship between the advisor and the client. Across the EU, robo advisors are beginning to compete with traditional wealth managers for clients. The new MiFID II regulation even works in their favour.

To turn this innovation to their advantage, wealth managers should build diverse advisory models, value propositions and digital customer experiences. When doing so, they should segment customers according to behaviour rather than wealth.

This article is an extract from a paper also entitled 'Robo advisory moves forward in Italy'.

Robo Advisory moves forward in Italy



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Hong Kong's private wealth management landscape

As the world's fifth largest wealth management centre continues to grow, digitisation is becoming increasingly important.

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With Asia becoming the primary engine of private wealth generation globally, Hong Kong has developed into one of the world's pre-eminent wealth management centres. Apart from its resident billionaire population, it offers easy access to the broader China market.

In July 2016, PwC joined with the Private Wealth Management Association to survey 35 firms about the state of Hong Kong's wealth management industry. How big is it? Is it growing? How important is digital technology? These were just some of the questions asked.

Below is a summary of the survey's findings.

Market size and client base

Asia Pacific has been at the forefront of growth in the private wealth management market in recent years. Hong Kong's population of high net worth individuals (HNWIs), with net worth between US\$1 million and US\$30 million, rose by 4.6% in 2014, followed by a further 3.3% increase in 2015. This trend is expected to continue until 2020.¹

According to the Private Banker International Report in 2016, there were 200,000 HNWIs in Hong Kong, collectively holding around US\$1.1 trillion in wealth. In their report, the HNWI population is expected to grow by 14.2% to reach 230,000, while total HNWI wealth is projected to grow by 23.5% to reach US\$1.4 trillion.²

According to Wealth-X, Hong Kong's private wealth management market value grew to US\$600 billion in 2015 to become the fifth largest offshore wealth centre globally.³ Our 2016 survey of 35 private wealth management organisations in Hong Kong indicates total assets under management of over S\$700 billion.

Focusing on China

The China market is growing in importance for the private wealth industry, due to the strong momentum of wealth creation. During 2015, China continued to close the gap with the United States in terms of both the number of billionaires and total wealth. During 2015, China registered an additional 70 billionaires – an increase of 37% year-on-year, while the total wealth of Chinese billionaires grew 53% to US\$675 billion.

The increase in the number and the total wealth of billionaires in China also impacted the client base of private wealth managers (PWMs). Among the 35 PWMs surveyed, almost all have clients/beneficial owners who are domiciled in Greater China.

Shift in private banker attributes

Our survey respondents believe there will be a shift in the relative importance of private banker attributes over the next five years. Risk management and the ability to provide advice and planning as a distinct service will become more important than they are today. Seven attributes are of high importance today and will continue to be of high importance in the next five years. These are:

- Ability to assess client suitability and risk profile
- Communication skills
- Ability to provide advice on clients' overall wealth goals
- Responsiveness to clients' needs/requests
- Ability to retain existing clients
- Ability to gain new clients
- Ability to identify and respond to client needs

1 Private Banker International: Greater China Awards Luncheon 2016

2 Private Banker International: Greater China Awards Luncheon 2016

3 Wealth-X & UBS. "World Ultra Wealth Report 2014" (2014)



Focusing on operational efficiency

When it comes to operational efficiency, 79% of PWMs surveyed said that they have employed strategic or tactical approaches to improve operational efficiencies. 85% of PWMs indicate that the top strategic/tactical approach they use to increase value from operations is 'centralisation of activities through shared internal services'.

Some 42% outsource some activities. Operations and technology are the primary functions outsourced, followed by finance and HR. The top locations to which services are outsourced are Singapore and India.

Onboarding challenges and the road to digitisation

Some 65% of organisations consider 'too many manual process steps' to be a major issue within the client onboarding process. PWMs are taking on average 21-30 business days to onboard a client.

Consequently, a quarter of them cite digitally-driven onboarding as the offering that would add the most value to the client experience. This is supported by the fact that manual processes and complexity and volume of forms were noted as top issues within the onboarding process.

Five Hong Kong firms have already digitised their onboarding process, highlighting an opportunity for other organisations to utilise FinTech to enhance the customer experience.

The need for digitally-driven onboarding is also apparent when examining the increasing budget that PWMs allocate to their anti-money laundering and risk processes. According to a report by Asian Private Banker, 62% of private banks in Asia commit 1-10% of their technology budget to AML and risk solutions. Half of the chief operations officers polled also expect their technology spend to increase by 11-30% within the next year.⁴

Digitalisation & IT enhancements



Driving efficiency plus security

Key challenges

- Digitisation
- Enhancing IT platforms to increase efficiency and to meet regulatory requirements
- Cost effective evolution of the technology platform
- Information security

Digital offerings and product innovation

PWMs believe the future will be less about providing products and more about collaboration and providing innovative solutions to clients to meet their goals and objectives.

78% of PWMs either agree or strongly agree that the ability to provide new technology and digital capabilities to complement face-to-face relationships is important.

Non-financial related services

PWMs are expanding their service offerings. Some 35% of respondents are currently offering non-financial services such as art, real estate and luxury concierge services.

This article summarises a survey conducted in 2016 by the Private Wealth Management Association and PwC.

⁴ Asian Private Banker. "Tech and talent key to tackling AML threat", (July 11, 2015).

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