

Systems & Support for the Wealth Management Business

Ian Thompson - Business Development

Sopra Banking Software

Sopra Banking Software: An international banking software provider

Joint expertise from
3 major players

Sopra Group
Delta Informatique
Callataÿ & Wouters

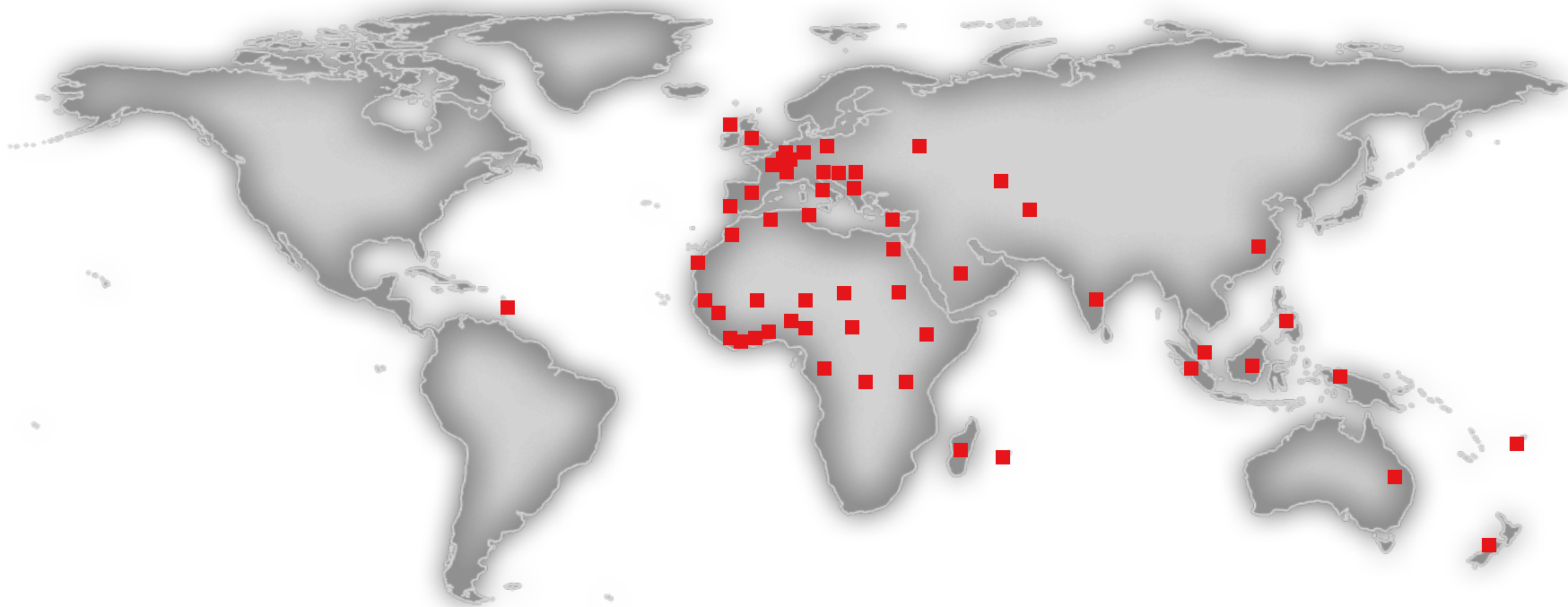
Staff
July 2012

1,500

Revenue
pro forma 2011

200 million €

+400 clients
in
70 countries



Some references



Quote David Maude, « Global Private Banking and Wealth Management: The New Realities »

What are the top 3 key success factors for private wealth?

1. Strongly developed relationships to attract, develop and retain top relationship managers;

The right human resources

2. Critical focus on the right geographies – to drive growth

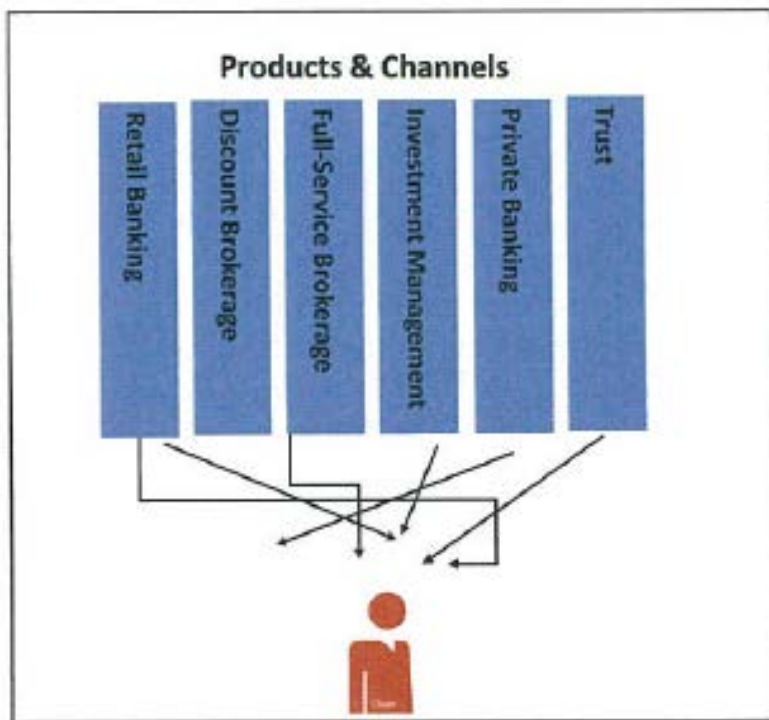
The right segment in the right customer base

3. Operational efficiency and effectiveness – keeping a lid on front office costs while maintaining flexible and scalable infrastructure. Getting the basics right in the eye of the client - e.g. error-free transaction execution.

The right infrastructure

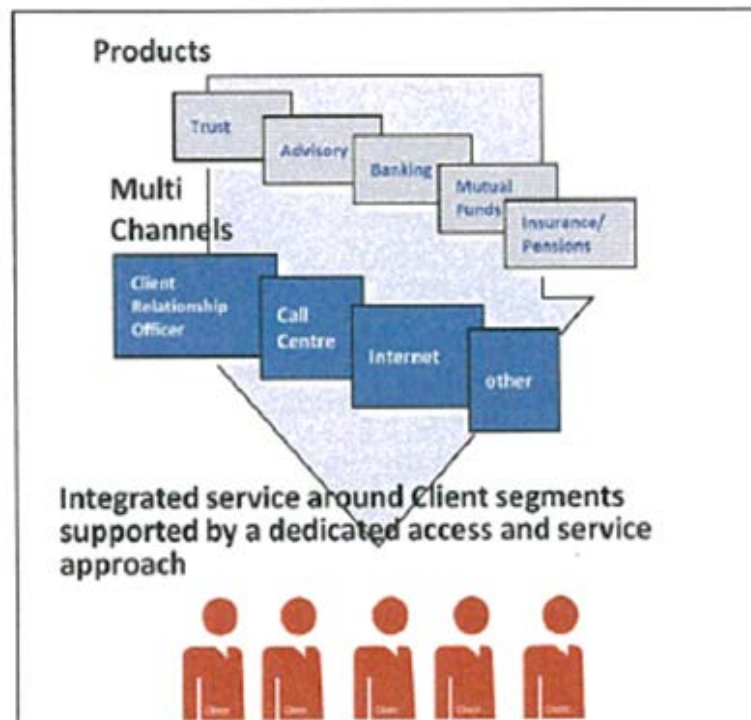
Clients get what they want, Delivered how they want it

Traditional Model Organization - Centric



Clients get what Organization wants to sell them

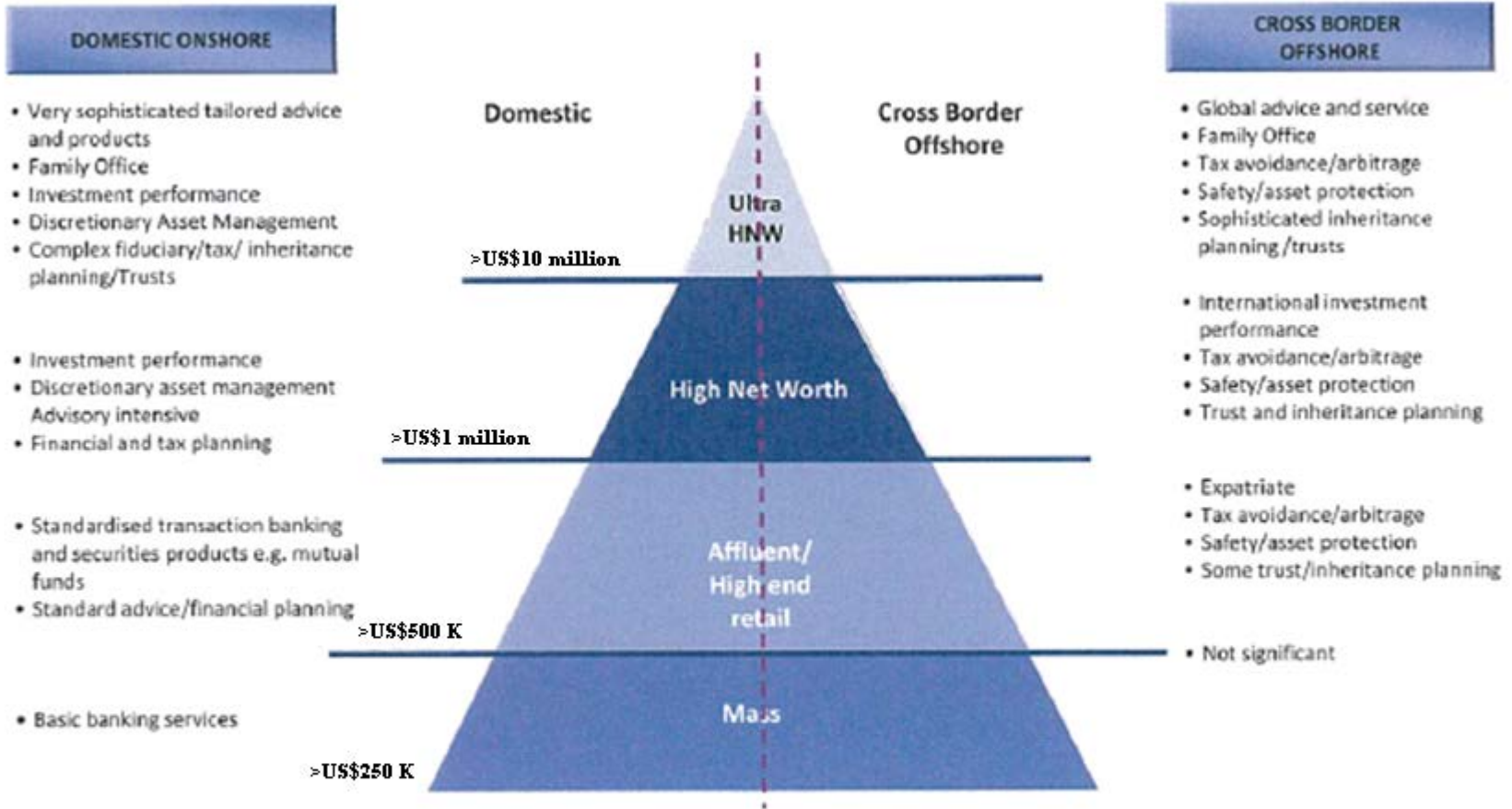
New Model Client - Centric



Clients get what they want, Delivered how they want it at an acceptable price

Source: Bruce Weatherill Executive Consulting Limited

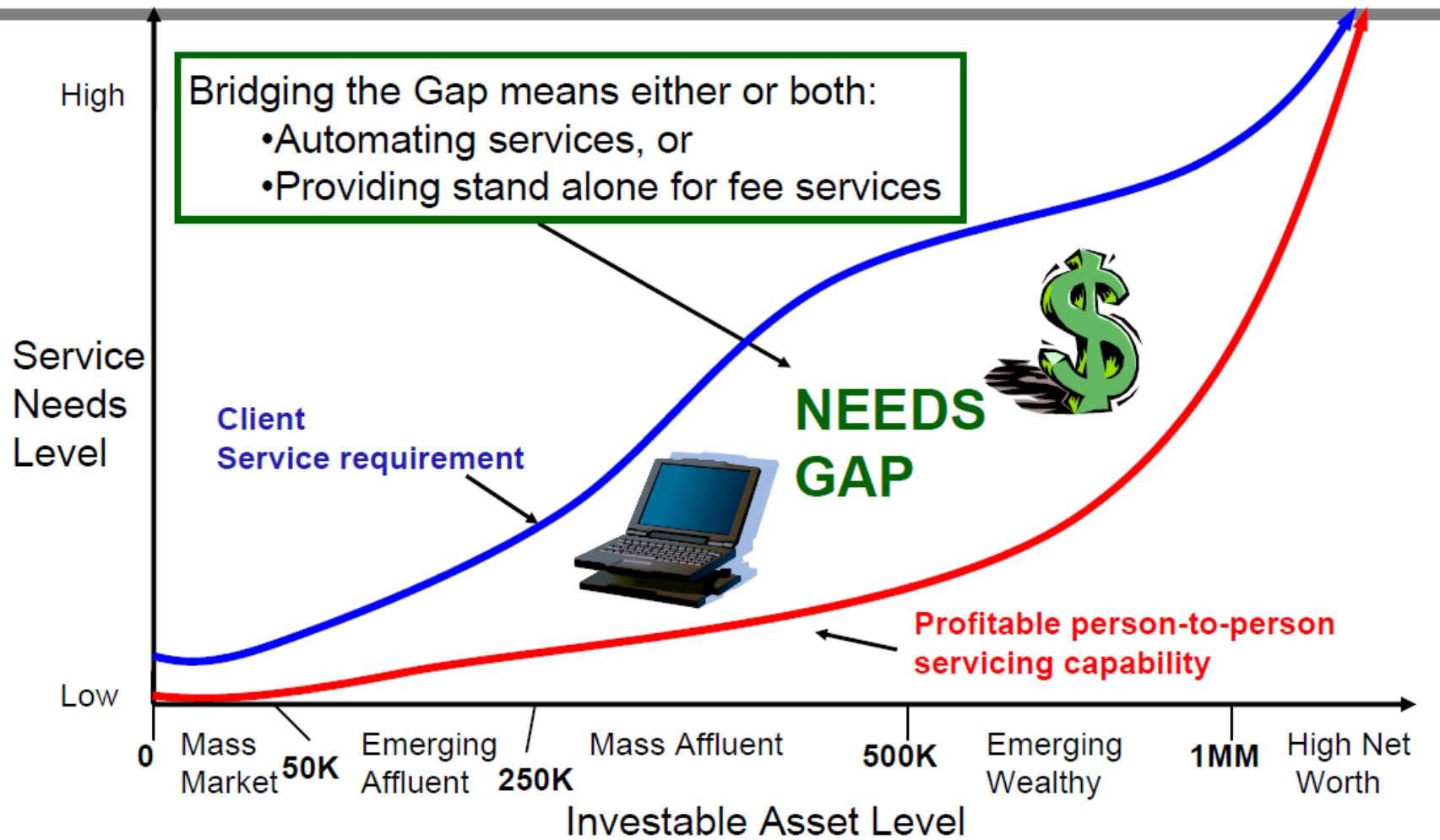
Different customers have different requirements



* Varies from region from bank

Source: Bruce Weatherill Executive Consulting Limited

Client Servicing : Person to person vs Automation



The Top 3

Customers

Return of Investments (yield)
Better customer reports
Secured Transactions

Management

Increased revenue and margins
Skill sets of people
Compliance issues

PB/WM Head

Understanding clients needs
Talent Management
Enhancement of systems
operational efficiency & compliance
Channels for fluent delivering

Issues Faced

Manual processes &
Inadequate systems
Talent & staffing
Adoption of new regulatory and
compliance

Wealth Management Drivers and Challenges

Customers



Mass Affluent/ Retail
High Net Worth

Customers
and
channels



Sales Manager,
Wealth Manager

- Client retention or increase through excellence in service
- Concentrate on Core Business
- Product differentiation and short time to market
- KYC, build client segmentation
- Aggregated client reporting

Product and
operations
management



COO, Head of
Operations

- Product efficiency: processing mass affluent but also individual elite
- Wide functional coverage
- Automating processes, moving processes back into core banking systems
- Self-service e-platforms

Financial
Accounting



CFO

- Lower TCO
- Supporting growth through increasing efficiency
- Scale costs to activity
- Growing corporate reporting

Risk
Management



Risk
Manager

- Growing significance of regulation (MiFID, KYC, AML...)
- Guarantee client confidentiality

IT
Management



CIO

- Product scaling and incremental approach to additional functions or tools
- Cope with limited IT Resources
- Remote access for Wealth Managers

Wealth Management Solution answers to Drivers and Challenges

Differentiators



Customers

Customers and channels



Sales Manager, Wealth Manager

- 360° view of customers assets and operations
- Multi-channel inquiries and updates by Managers and Customers
- Flexible solution, configurable for Mass and Individual
- Comprehensive KYC info

Best practices on Operational Efficiency & Compliance

Product and operations management



COO, Head of Operations

- Efficiency by flexible Model Portfolio, Autom. Order Alloc., Portfolio Constrains, ...
- Wide multi-functional WM and banking functions
- Single Input, efficient controls, integrated STP front to back
- E-channels with customer self servicing

Financial Accounting



CFO

- Integrated Front to Back Office, to reduce TCO (licenses, interfaces costs, ...)
- Complete activity and profitability reporting

Risk Management



Risk Manager

- Built-in compliance (business as usual for editor)
- Segregation of client info access

IT Management



CIO

- Sound future-proof IT solution,
- E-channels for Wealth Managers on front-to-back info

A Wealth Management Solution in a Nutshell

Business solution based on Ready-to-use set of features:

- Specialised Wealth Management
- Combined with standard banking Functions

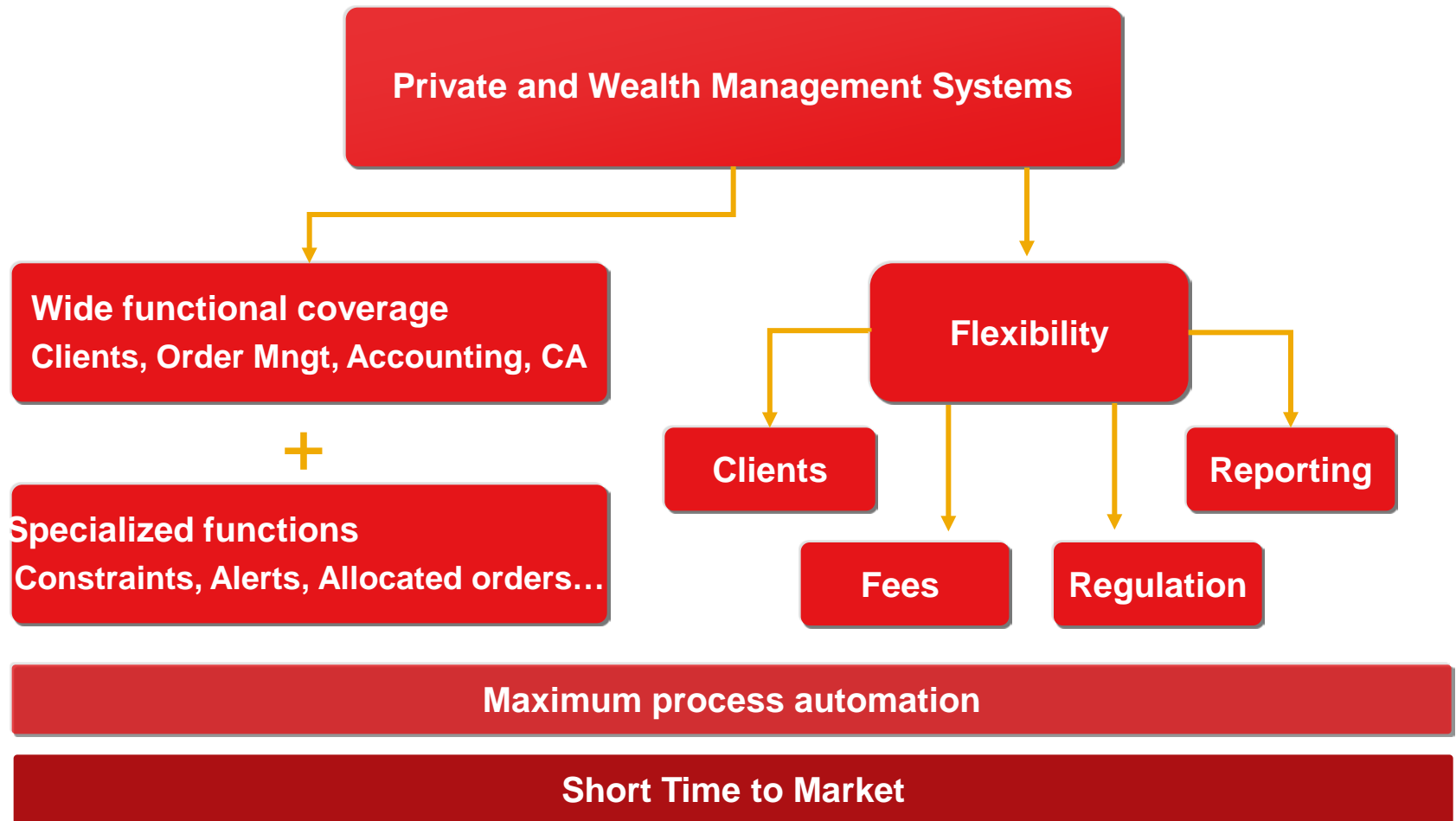
Integrated Front to Back

Focused on right segment in Wealth Management

High flexibility but quick usability

**Customer differentiation and
Best practices in internal processes**

The Right Infrastructure for Wealth Management



High level view of a Wealth Management System

Multichannel Distribution

Customers

Mgt Contract Create

Order Create

Portf. Inquiry

Branch Network

All functions

Reference Data

Business Partners

Client Ref.

Portf. Create & Update

Financial Instruments

Market Data

Operations & Execution

Agreements

Portfolio/ Wealth Mgt

Mgt Contract Create & Update

Model Portf. Investm. Mgt

Portf. Auto. Order Allocation

Order Simulation

Portfformance Calculation. Per

Portf. Valuation & Reporting

Mgt Fee Calc.

Securities

Order Mgt

Security Transfers

Settlement Processing

Corporate Actions Mgt

Deposits

Term Depos.

Credits

Term Adv.

Treasury

FX

Loans Depos.

Payments

Remittances

Standing Orders

Generics

Sec. Record.

Sec. Positions

Cash Recording

Cash Positions

Calculation Serv.

Portf. Constrains

Authorization

Access Segregation

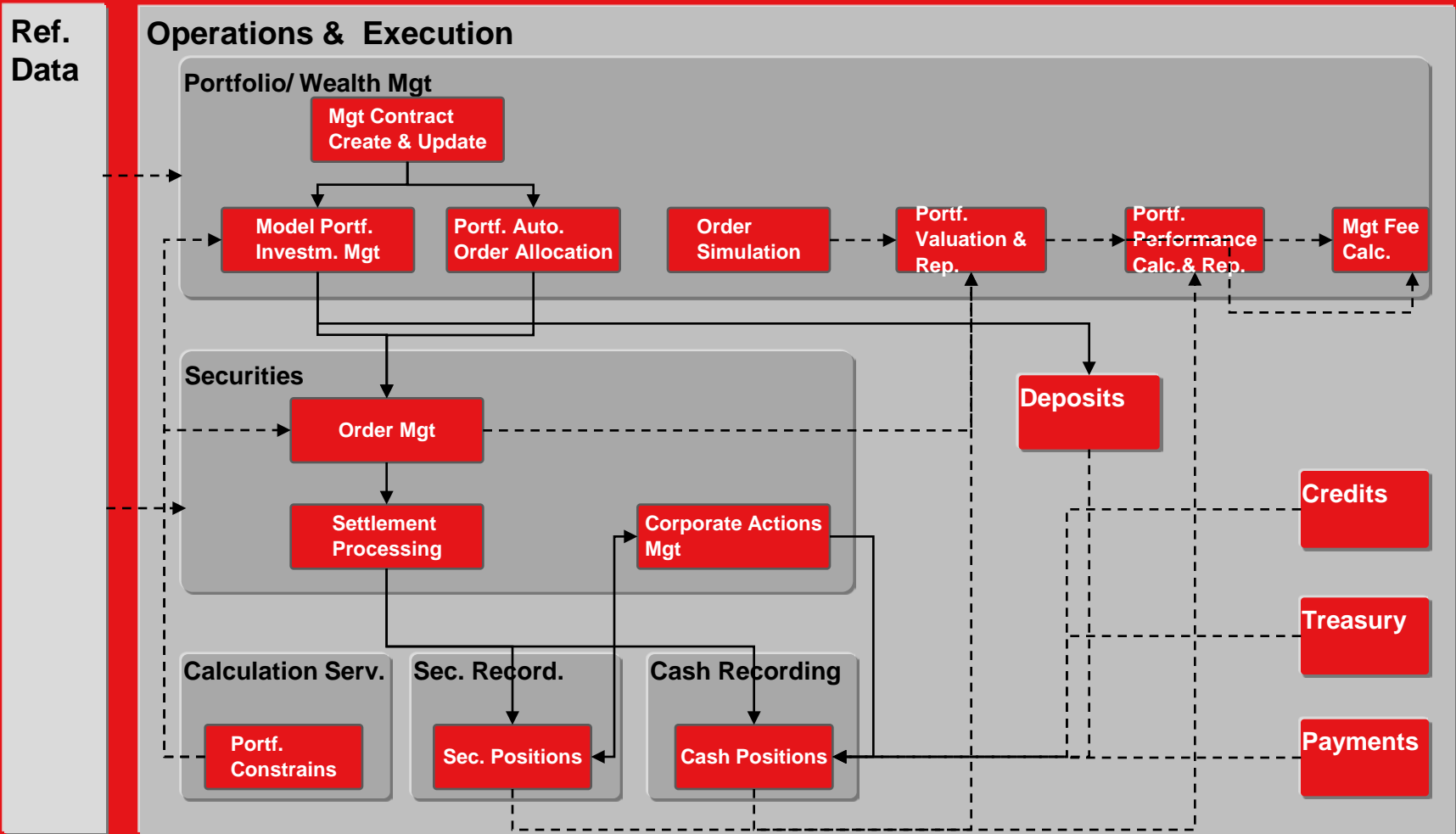
Communication

Paym. Exec.

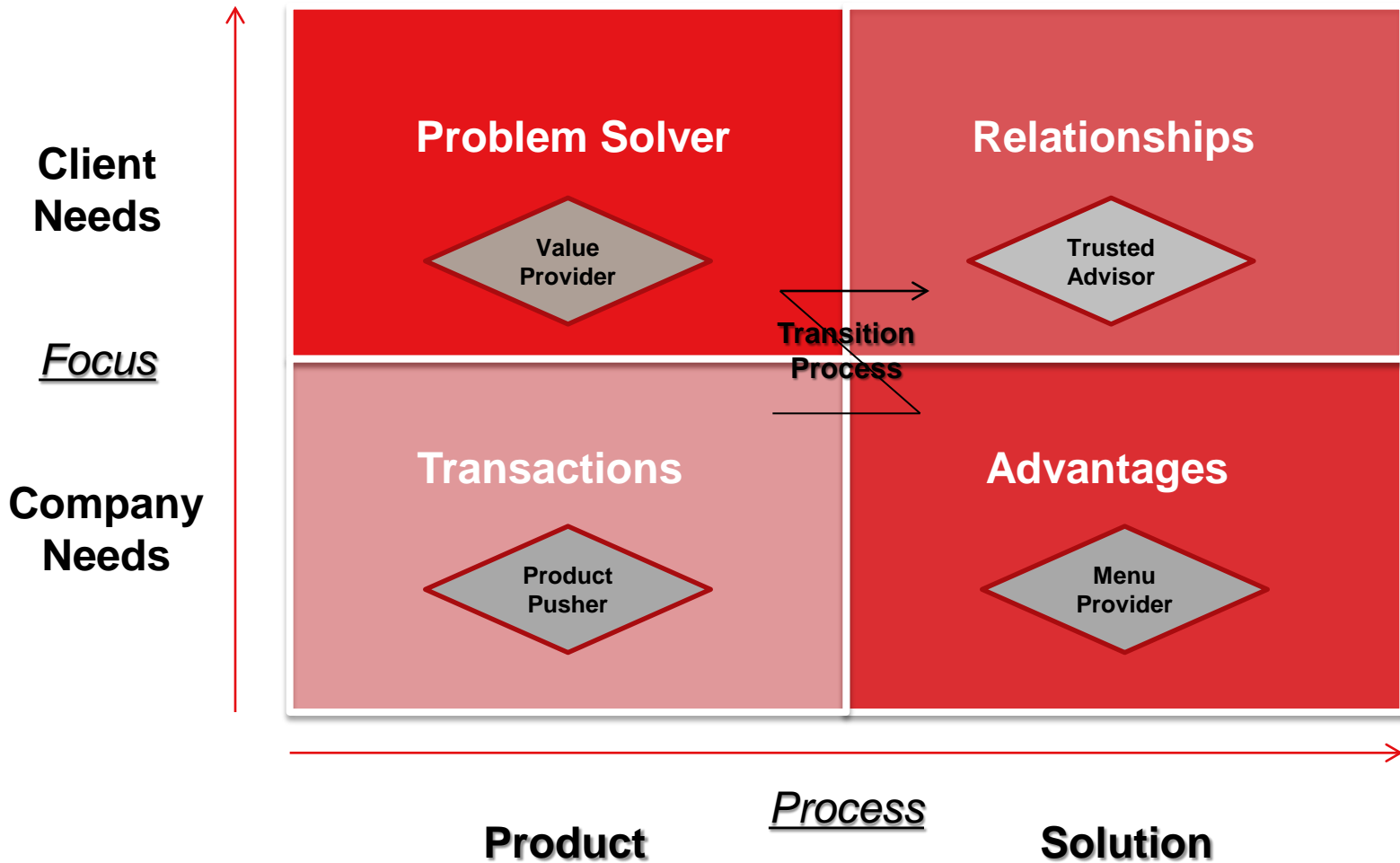
Other Generics

Regulatory Reporting / Central Editing

Wealth Management main Functions interactions to illustrate the Front-to-Back processing

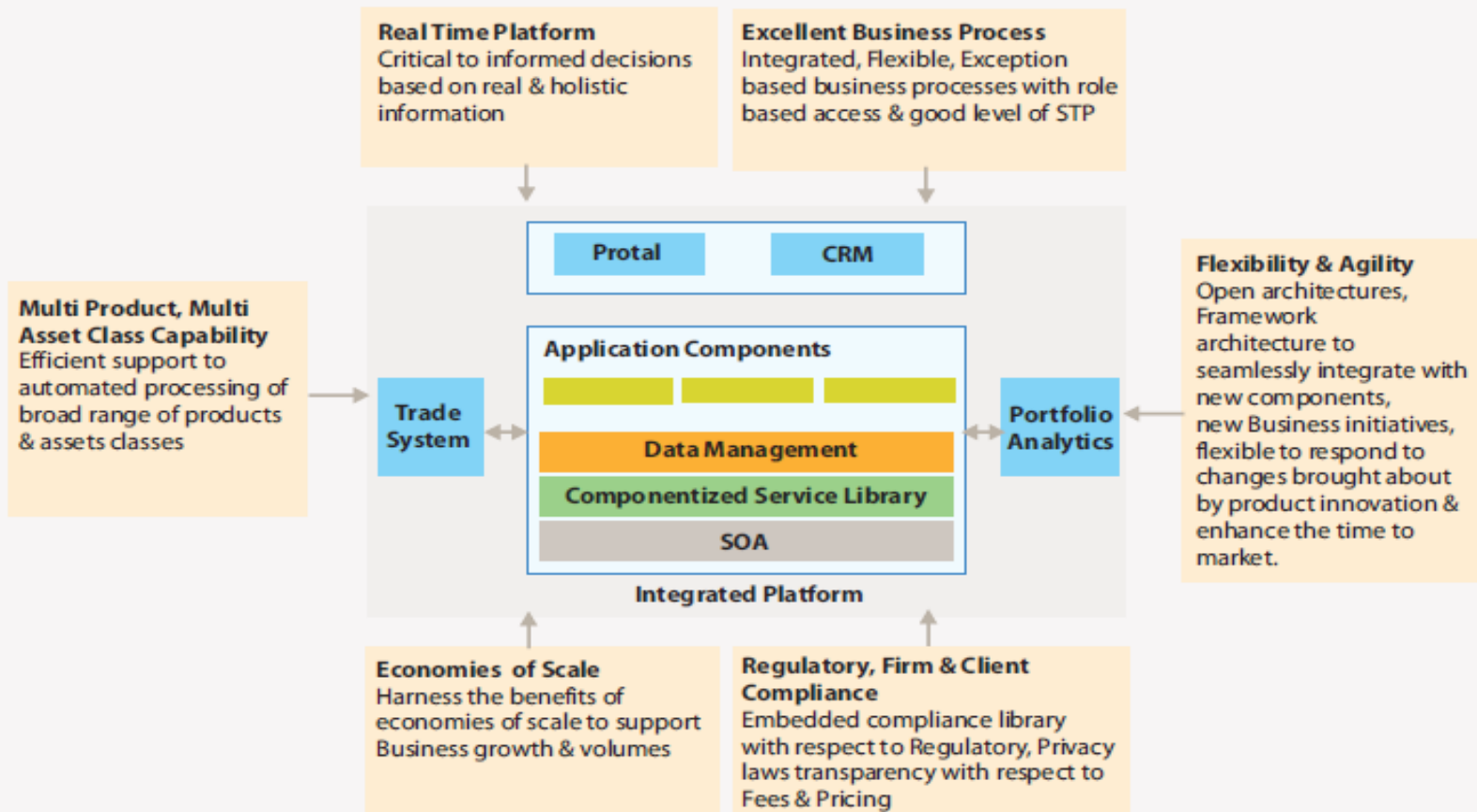


Finding your Position and Business Model



The Right Infrastructure supports Your Business Model

Business architecture of a wealth management platform and key business drivers to retain the competitive advantage





QUESTIONS?



THANK YOU !