



News release

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Asset and Wealth Management sector seems oblivious of FinTech opportunities

PwC's 2016 Global FinTech Survey ranked the asset and wealth management sector as the third most likely to experience the game-changing impact of FinTech startups. In order to succeed in this new landscape, asset and wealth managers need to adapt and engage with FinTechs.

60% of asset and wealth managers think that at least part of their business is at risk to FinTech. When asked about any type of threat, asset and wealth managers were the least concerned of all financial services industry players. They believe FinTech will have only a limited impact on their businesses, with 61% of respondents expecting an increased pressure on margins, followed by concerns around data privacy (51%) and loss of market share (50%).

Julien Courbe, PwC's Global FS Technology Leader, says:

"Banking and payments industries offer palpable examples of FinTechs changing the financial sector by offering new solutions that are visibly disturbing traditional players. This should be an eye-opener for asset and wealth managers as they are next in line, while their FinTech mind-set is still in its infancy. For instance, over a third (34%) do not yet engage with FinTech companies at all, while 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. We strongly believe incorporating FinTech solutions will visibly strengthen their market position."

Data analytics was identified by 90% of the asset and wealth managers as the most important trend for the next five years. Followed by automation of asset allocation as "robo advisors" are putting pressure on traditional advisory services and fees. Unsurprisingly, when it comes to investments asset and wealth managers choose new technologies related to data analytics and automated asset allocation rather than expanding their digital and mobile offerings. Only 31% of asset wealth managers provide their clients with mobile applications, lagging behind all other financial players.



Julien Courbe says:

“With ‘robo advisors’ becoming more sophisticated, they create an opportunity for asset managers to target the mass affluent who are looking for cheaper alternatives to receive advice on how to manage their assets. The key is to find the balance between human and technological interaction to create an omni channel experience at the speed expected by the market.”

Ends

Notes to editor:

1. The report “Beyond Automated Advice: How FinTech is shaping asset & wealth management” is part of the 2016 PwC Global FinTech Survey and can be downloaded here: www.pwc.com/awmtech
2. The 2016 PwC Global FinTech Survey gathered the views of 544 respondents from 46 countries, principally Chief Executive Officers (CEOs), Heads of Innovation, Chief Information Officers (CIOs) and top management involved in digital and technological transformation, distributed among five regions. The asset and wealth management-focused cut is based on the responses of 163 respondents from the asset and wealth management sector around the globe.
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