

Front-Office offer

Methodology

Environment - The big picture

Main trend : lower profitability

- › **7.7% worldwide RoE in CIB (FY 2017)**
- › **Stricter regulatory requirements** for capital, leverage, liquidity and collateral
- › **Higher cost base** due to compliance, risk management and business controls
- › **Legacy technology** has become inflexible and expensive to maintain

Limited perspectives

- › Little or no ROE improvement expected over the next 2-3 years
- › **70% CIB cost-to income ratio**, with no clear trend down
- › **Regulatory pressure** not decreasing anytime soon
- › **Platformification** of markets means higher competition on entire historic segments

2 main reasons for action

- › **Support activity growth**
- › **Protect existing position**
- › In both cases, status quo is not an option, and Front Offices have to engage in change to deliver their stated strategy

Front Office Consulting, by CH&Co.

The large opportunity we see is to create a framework where the investment required to address constraints also serve the opportunities. Own your agenda

A Unique Set-up . . .

1 Members	<ul style="list-style-type: none">› Team of experts who spent a significant part of their careers in FO roles
2 Expertise	<ul style="list-style-type: none">› 3 Supporting Centres of Expertise for concrete, actionable outputs, meaning a fully transversal competency, from trading and distribution to risk and regulatory
3 Background	<ul style="list-style-type: none">› Long history of delivering results for major CIBs, giving us further on-the-ground and up-to-date experience

. . . to deliver pragmatic, FO oriented solutions

<ul style="list-style-type: none">› Business wanted to secure its electronic trading platform ?<ul style="list-style-type: none">✓ CH&Co team implemented full suite of pre-trade checks
<ul style="list-style-type: none">› Business suffered from collateral financing cost ?<ul style="list-style-type: none">✓ CH&Co team helped implement a new generation SDP
<ul style="list-style-type: none">› Client needed to enhance its structured products capabilities ?<ul style="list-style-type: none">✓ CH&Co team helped implement a new generation SDP

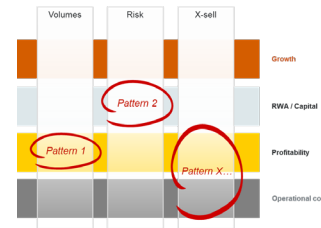
Thanks to our strong Front Office DNA, we understand, communicate and engage with FO and support functions to deliver targeted results

Client centricity

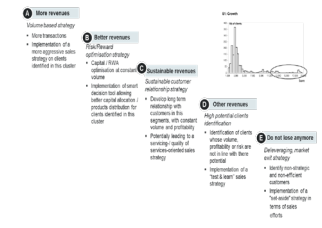
Client & Products

- › Better understand customer needs
- › Profile individuals and groups to market more effectively and increase sales
- › Target unaddressed segments
- › Leverage on cross selling opportunities
- › Develop offer: research, platforms, algos...

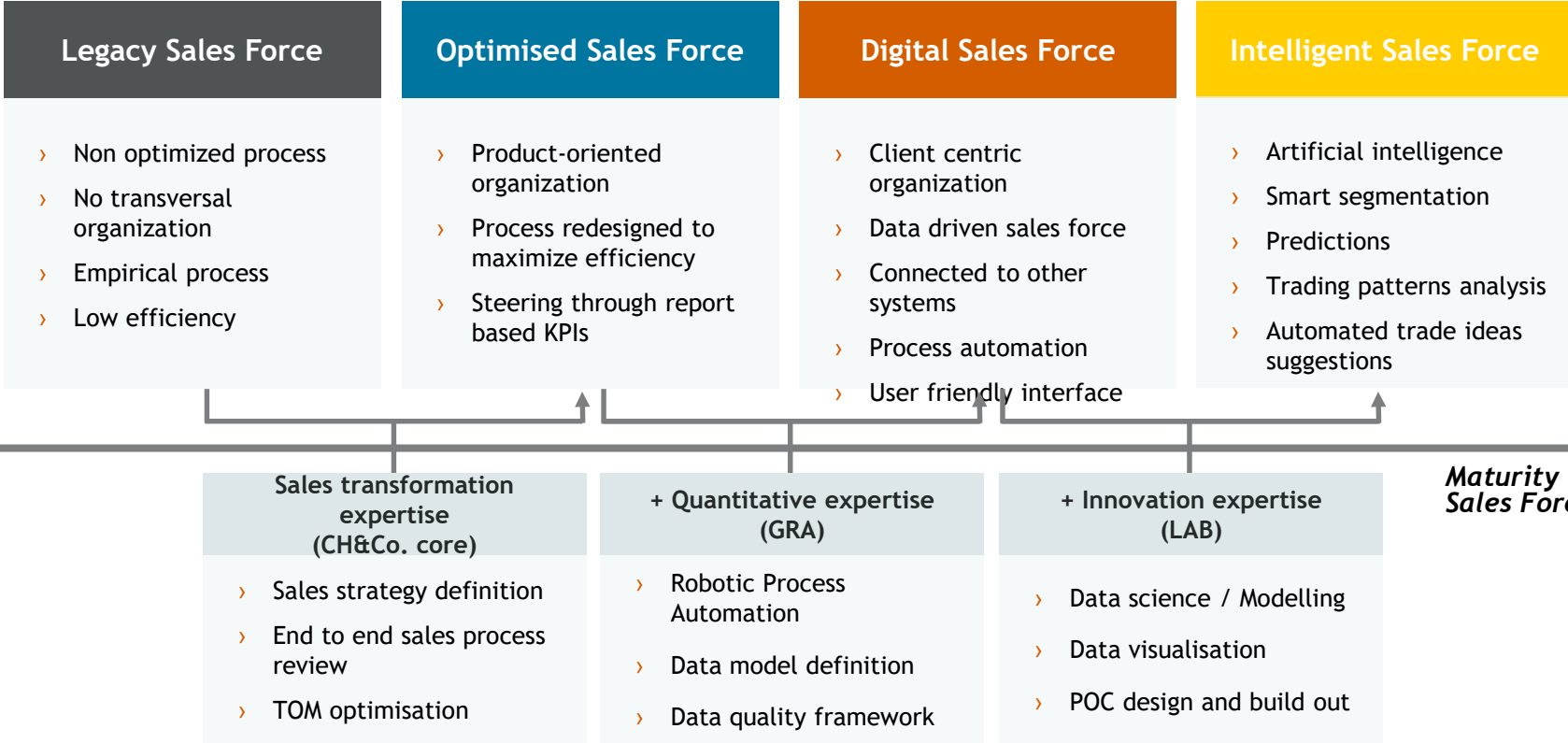
Smart segmentation



Opportunity clusters

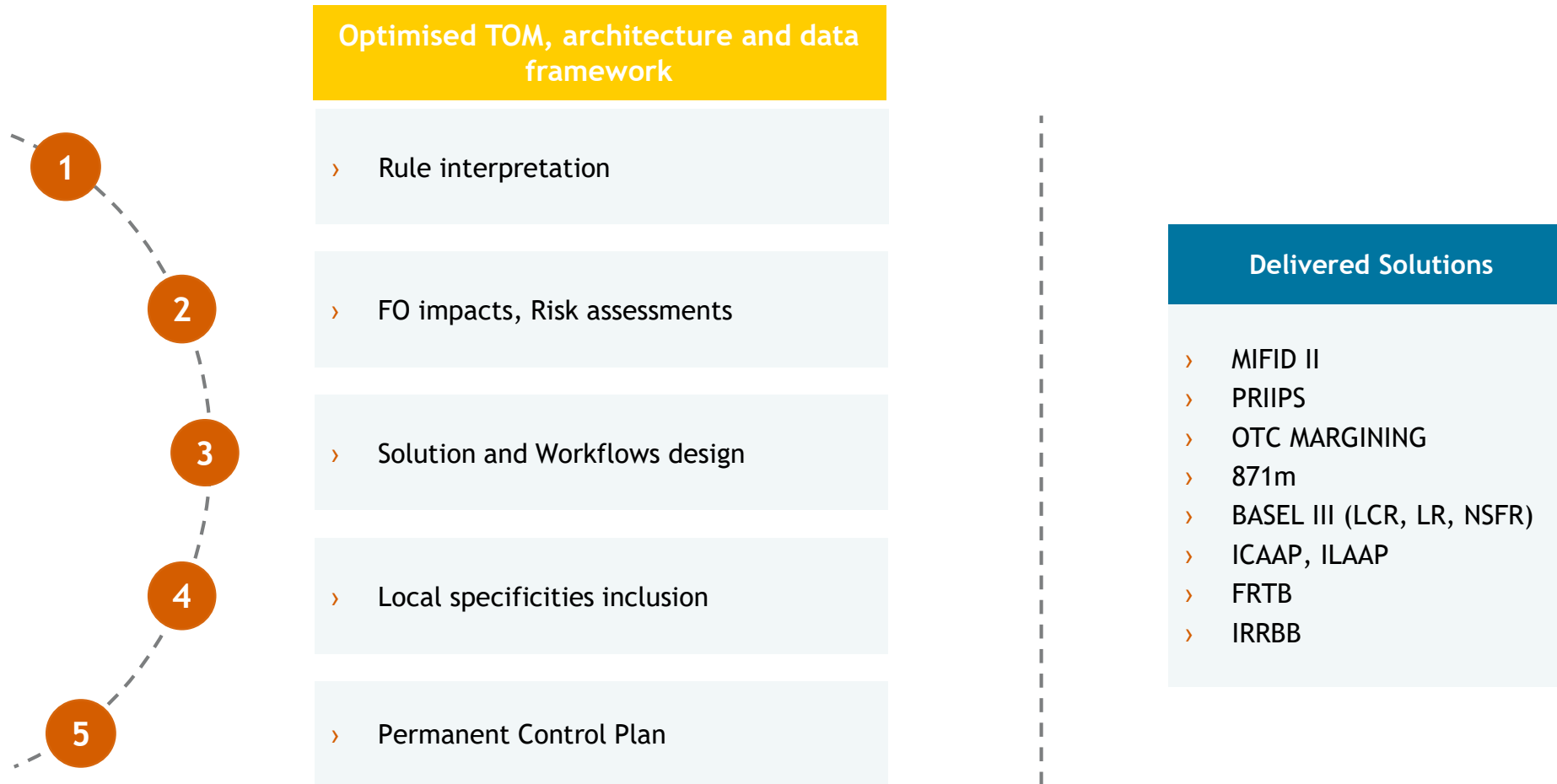


Sales Force



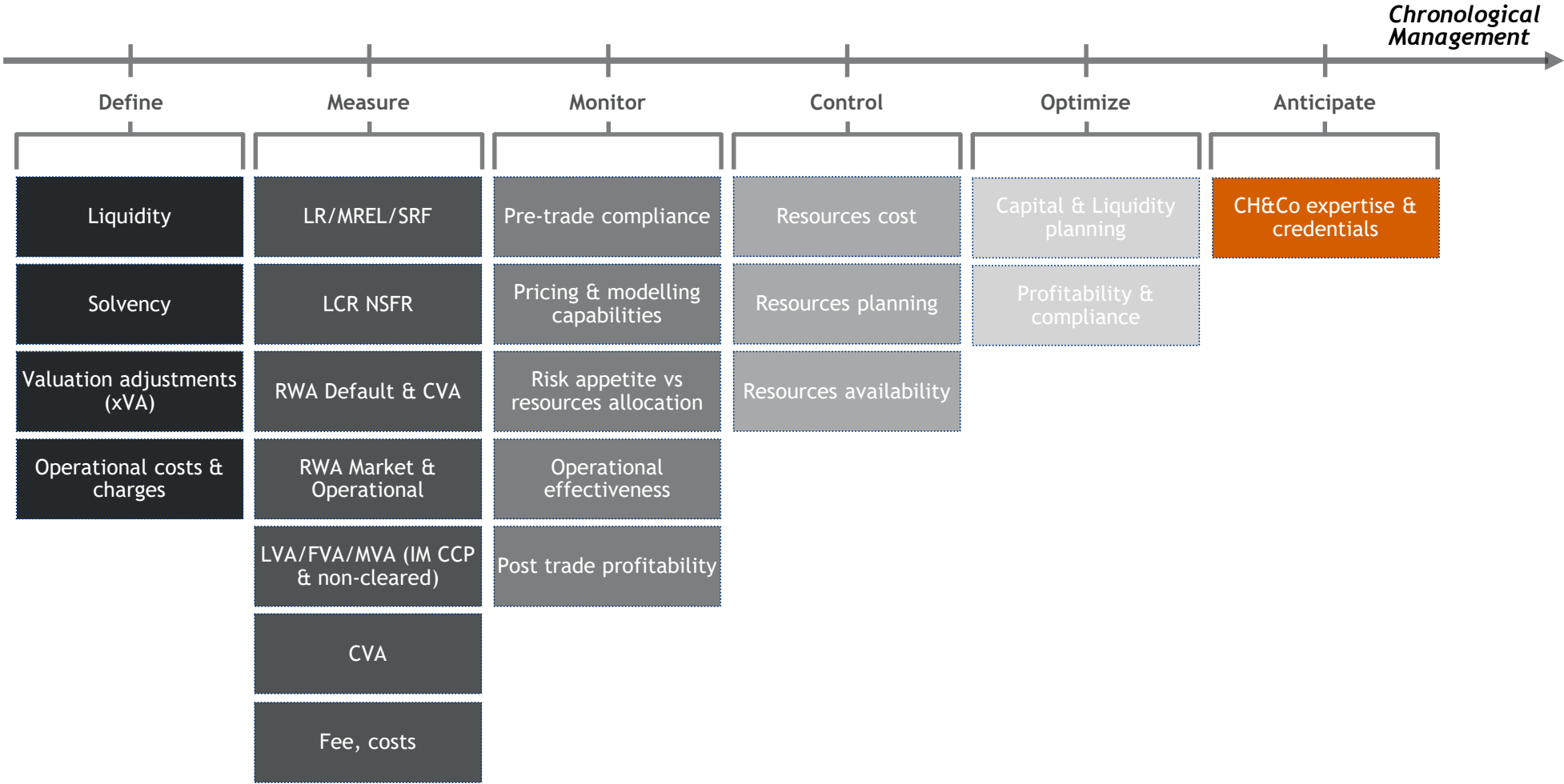
Going through the Client Journey

Regulatory compliance is not sustainable without an eye on performance and efficiency



Scarce resources optimisation

CH&Co framework for optimized scarce resources management



Data value

	Revenue Growth	Deepened Client Understanding	Greater Efficiency	Operational Losses & Risk Mitigation	Acquisition strategy
	<ul style="list-style-type: none"> › More precise targeting of customers and impact of pricing adjustments, with quicker reaction to market dynamics 	<ul style="list-style-type: none"> › Deeper behavioral analysis allowing to uncover underlying needs for customization of offers and products 	<ul style="list-style-type: none"> › Tangible productivity gains and faster decision-making with reliable data available in real time 	<ul style="list-style-type: none"> › Reduction of operational losses thanks to better data quality and automation of manual data management tasks 	<ul style="list-style-type: none"> › Opportunity to setup a framework compliant to regulatory requirements for many regulatory reports (MIFID, SFTR...)
Sample of use cases CH&Co.	<ul style="list-style-type: none"> › Investment strategies ✓ Design and implementation of an electronic platform 	<ul style="list-style-type: none"> › Client Segmentation › 360° Customer view ✓ Client segmentation visualization POC & solution implementation 	<ul style="list-style-type: none"> › Business Intelligence & Analytics › HR metrics and workforce analytics ✓ Highway To Mail 	<ul style="list-style-type: none"> › Cybersecurity ✓ Cyberattack fallback plan strategy 	<ul style="list-style-type: none"> › AML Alert Management ✓ E2E pipeline reporting and dynamic KPI monitoring



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