



Artificial Intelligence (AI) in Wealth Management

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We can leverage our machine learning capabilities to create use cases in Wealth Management

The market size of wealth management is around \$446 billion* in 2020. Given the market size the adoption of AI still less, The global AI in the Fintech market was estimated at USD 7.91 billion in 2020. overall usage of AI is fintech.

The world of wealth management is still driven by manual processes. As per Business insider reports 77% of US and Canada based financial advisors reported losing business because they didn't have the appropriate tools to interact with clients and three-fourths of global wealth managers see digital as priority. Accordingly wealth management firms are continually looking for a more intuitive technology driven experience.

One of the problem is that the Wealth managers have to handle large volume of clients and currently there is demand of cognitive solution that will help them and increase the customer experience and trust.

Considering the above scenario we have created three AI use cases as following

- **S&P 500 index value prediction**
 - **ESG fund value prediction**
 - **Client Attrition Prediction**



Wealth management AI usecases | Digital Advisor Assistant



Wealth mgmt./private banking usecases

- **FA Query:** By how much percentage will S&P 500 index grow by end of next quarter ?
- **Expected calculation:** AI model should use historic daily S&P 500 return and predict next quarter avg. daily absolute return
- **Expected Bot output:** Dear Advisor, S&P 500 is expected to grow '3.21 %' by the end of next quarter

- **FA Query:** Which ESG fund will yield higher absolute return in next 1 Yrs in Swiss market ?
- **Expected calculation:** Model should use historic daily NAV returns and predict probabilistic -average return in next 3 Yrs
- **Expected Bot output:** Dear Advisor, 'Vontobel Fund (CH) - Sustainable Bond CHF Concept' will yield highest absolute return of 20.08 % in Swiss markets in next 1 Yrs.

- **Nudge/alert:** Client defection scoring breach alert [CRM data]
- **Expected calculation:** An alert/nudge with CUST_ID & CUST_NAME and AI calculated predictive DEFECTION PROBABILITY to be delivered to FA.
- **Expected Bot output:** Dear Advisor, Bob (CUST_ID = 12) has breached defection risk score tolerance by 59 points with defection probability of 80%. Kindly action on remediation immd.

Business Driver

- **Lack of predictive market insights/intelligence** digital tools within **financial advisors workstation** during investment advice to build differentiated portfolios benchmarking market returns
- e.g. Model customer portfolio tracking S&P 500 or Swiss Market Index.

- Advisors facing **growing number of product offering options** cutting across wealth markets.
- **Lack of product intelligence/** insights for improved **client portfolio advice decisions.**

- **Rising customer defections**
- **Declining client experience** driving down profitability

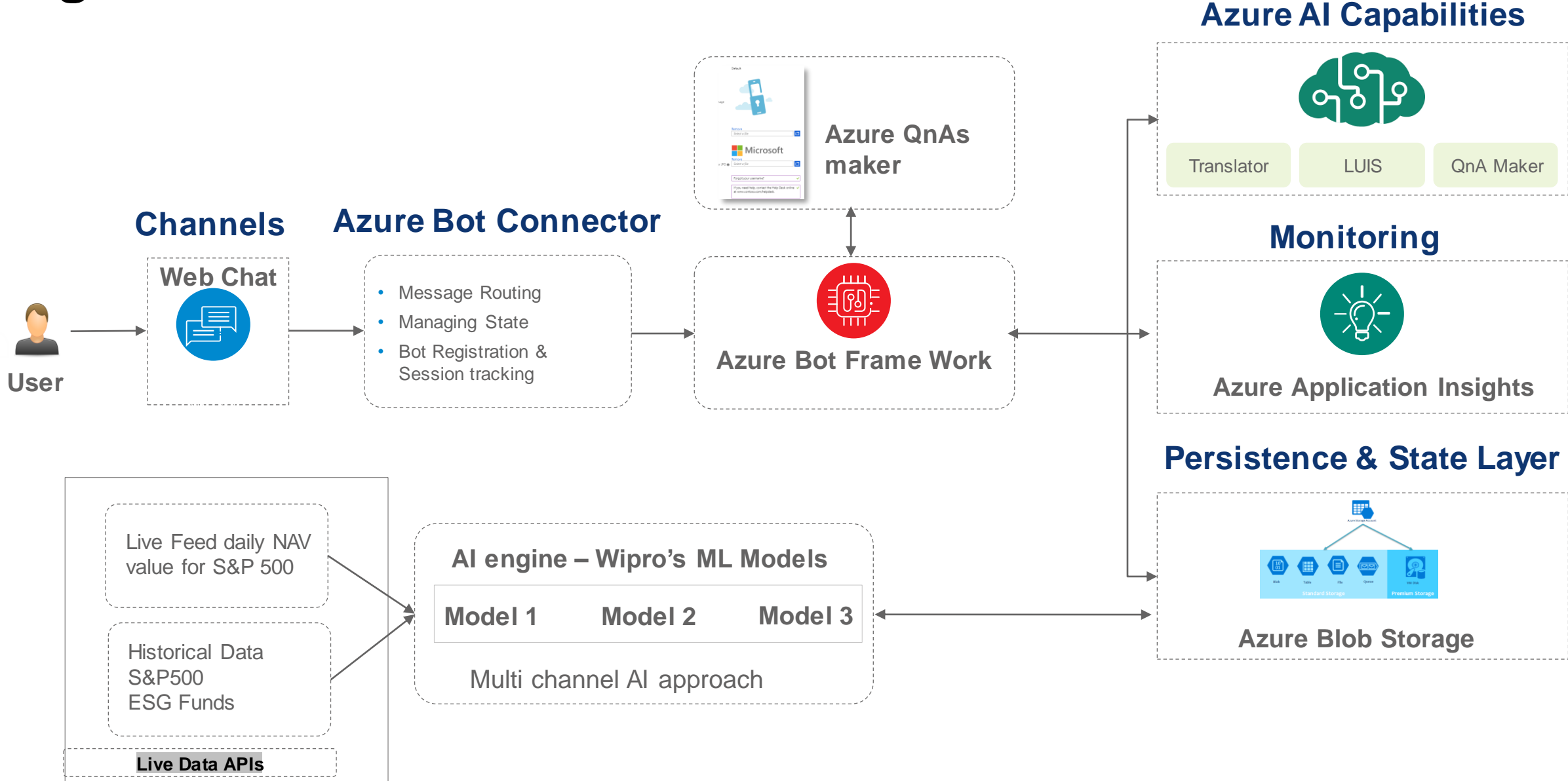
ROI/Business Benefits

- **Enable greater FA productivity**
- Smart technology **driving new transaction advice to customers**
- Improve FA - customer conversations driving AUM growth.

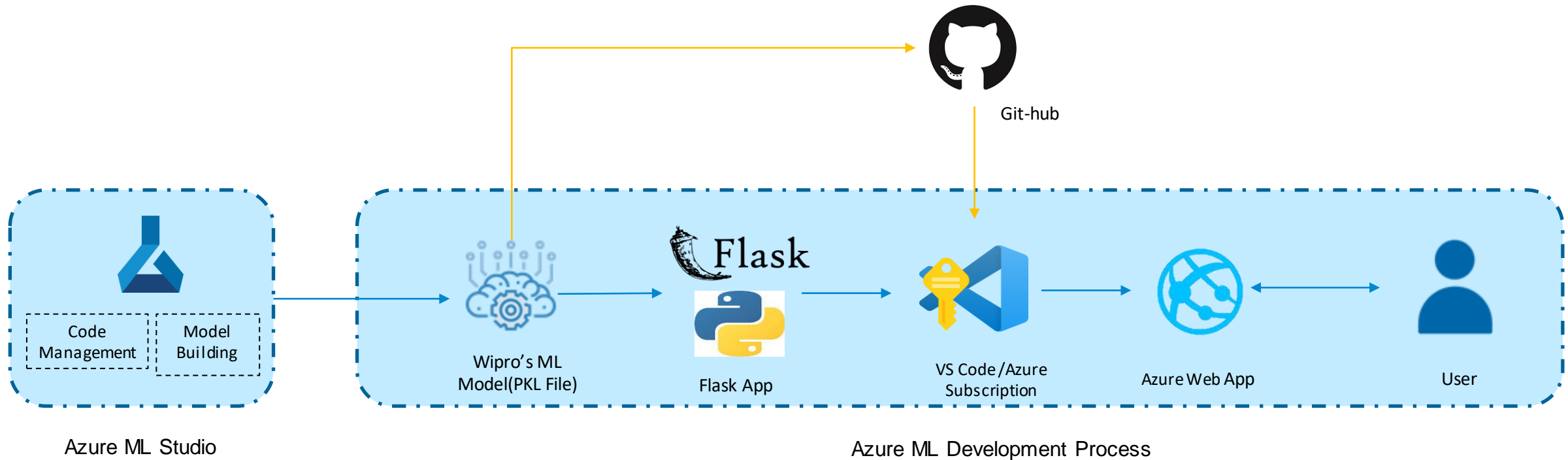
- **Improving advisor journey** during investment advice with predictive ESG product intelligence defining yield impact & returns for successful transaction advice.
- **Enable personalized UHNWI / HNWI client experience** creating differentiation

- **Customer retention** eliminating loss of book of work / AUM decline.
- Enabling proactive remediation of customer pain points driving personalized client experience.
- **Deepen customer relationships** to unlock profitability.

High Level Architecture



Defection Scoring Web App Architecture



- ❑ Azure ML studio used to build regression and classification model for predicting risk score and probability respectively
- ❑ Vs Code connects azure subscription and web app to deploy app

————— Not In Use
————— In Use

Thank You