

## Future of Banking

Changing role of banks as intermediate in Financial Markets: “From Principal to Agent”



# Who is this guy...?!

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## What makes me tick.....



Sustainability & Circular Finance



Match issuer needs with investor demand - doing deals makes me happy!



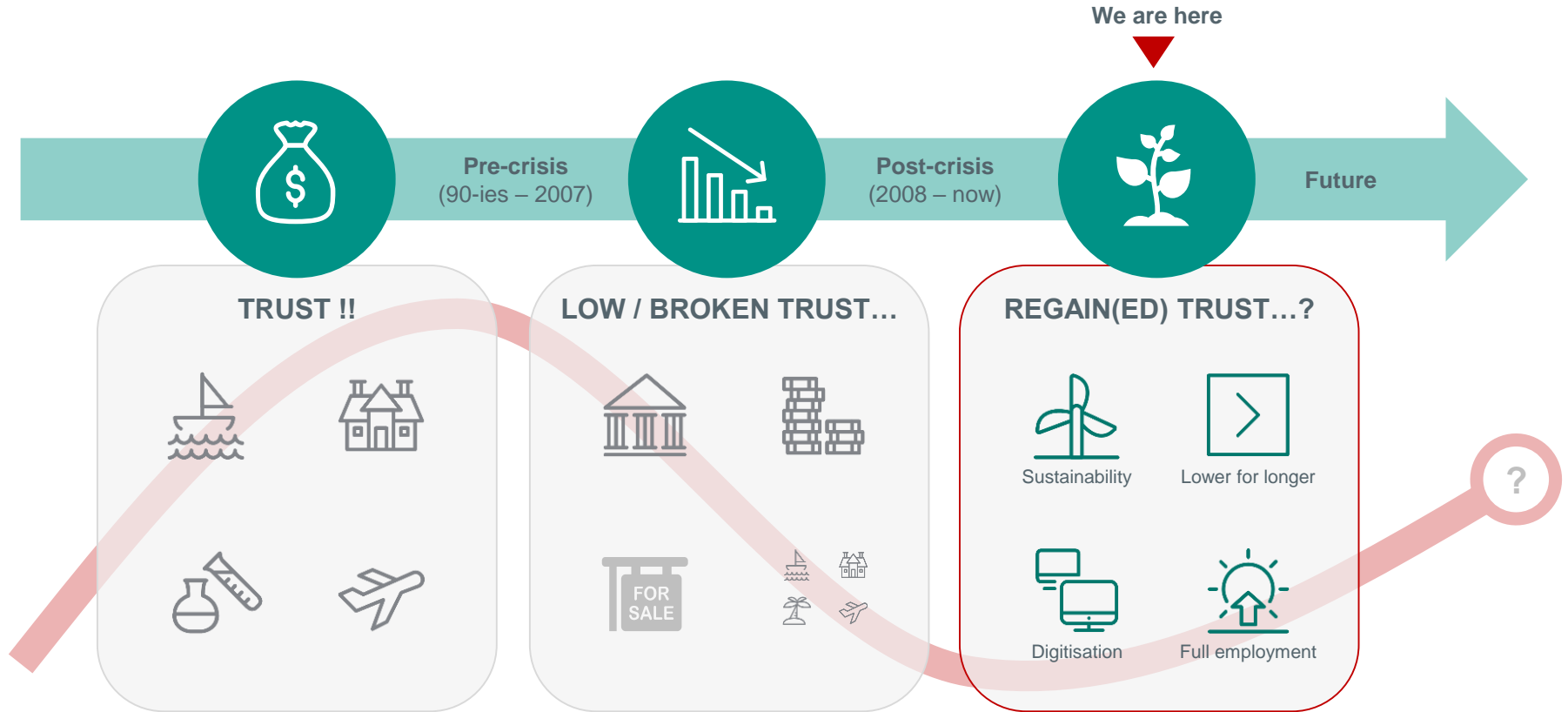
Team, Team, Team!

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**ABN AMRO**

Global head DCM & Debt  
Syndicates

# Introduction



## Three key trends adapting the principal role of banks



## Trend 1: Lower for Longer



## Trend 2: Digitisation



### Trend 3: Sustainability

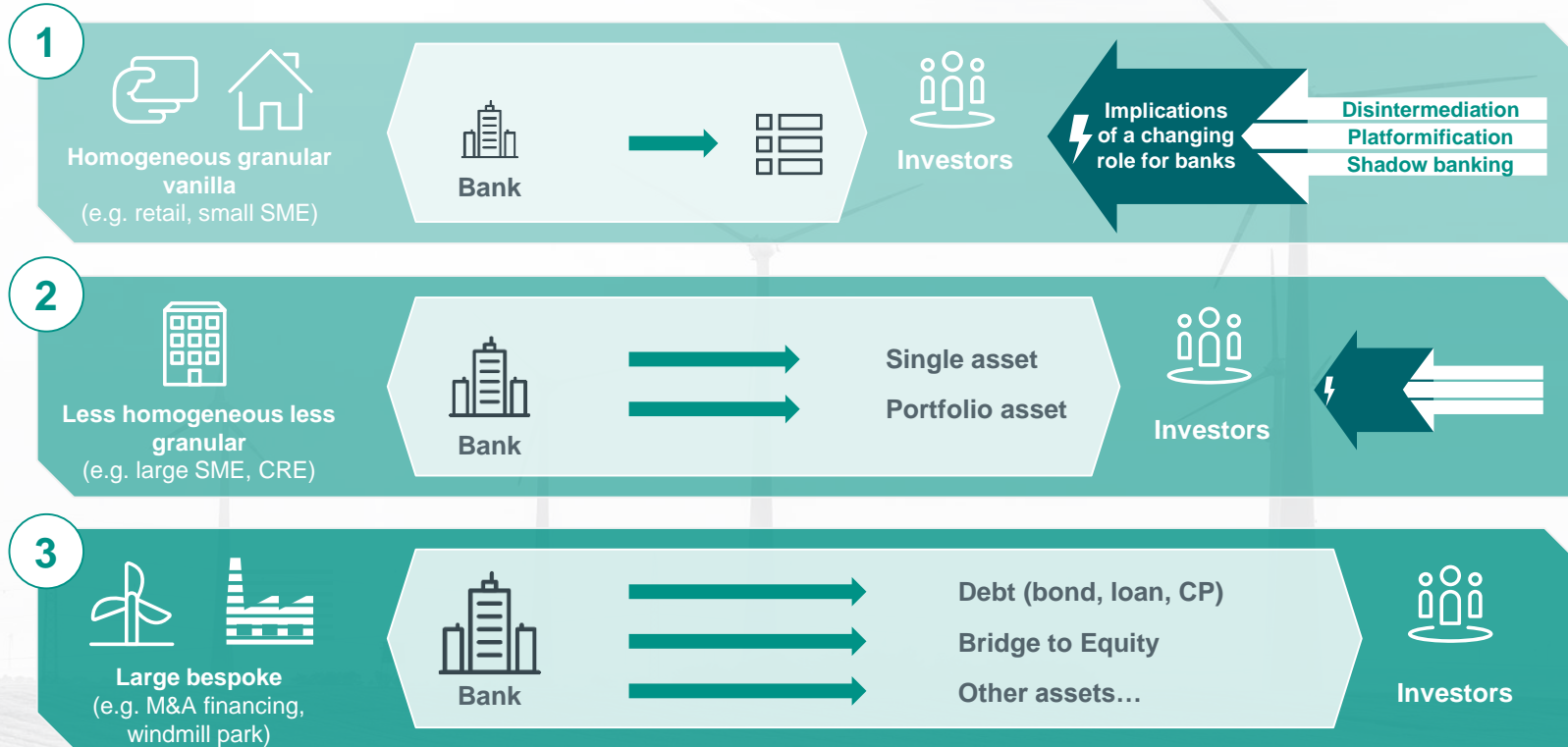


## Changing role of bank

## Moving towards Agent role

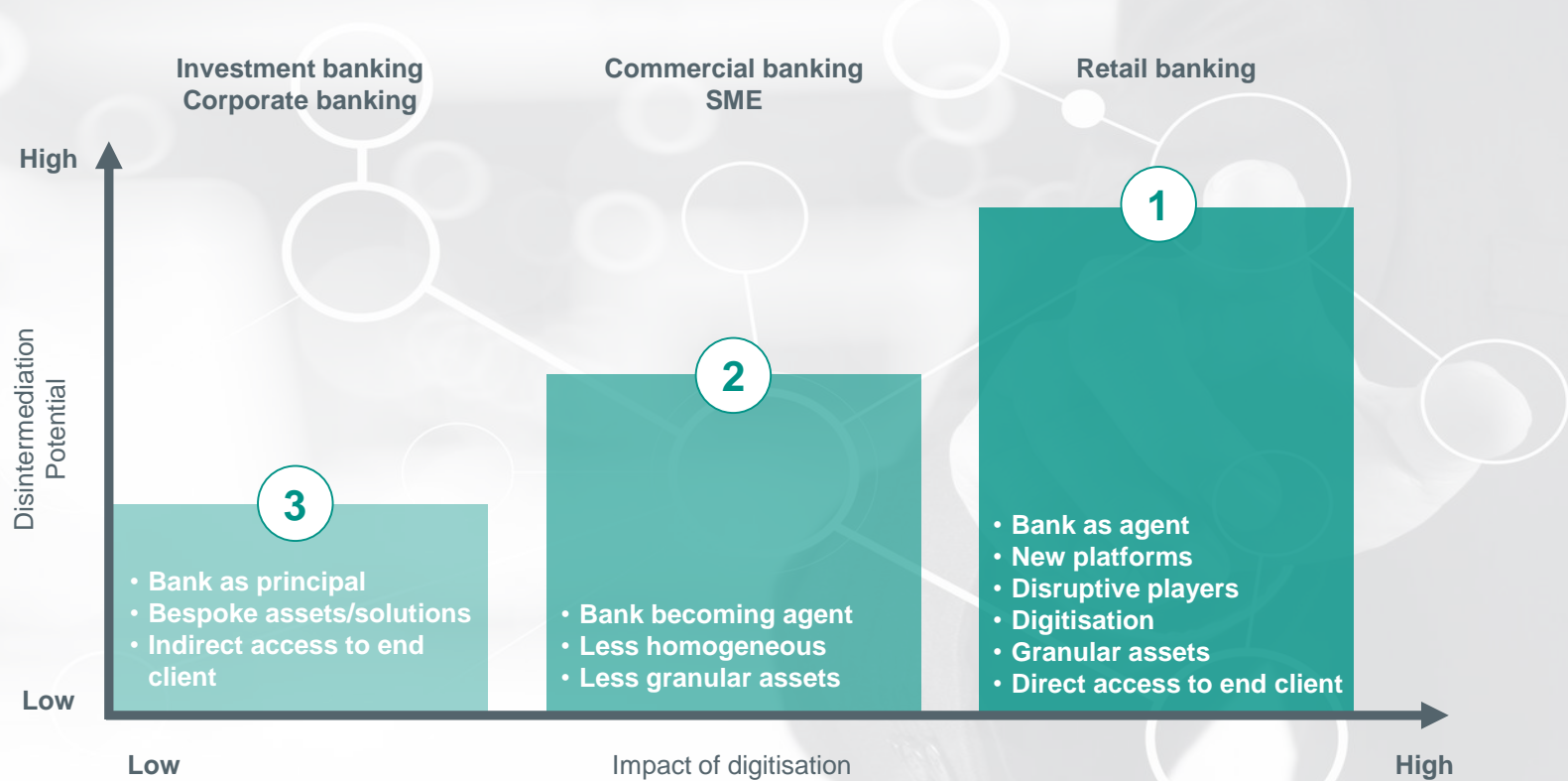


# Trend 1 | Impact of lower for longer on role of bank

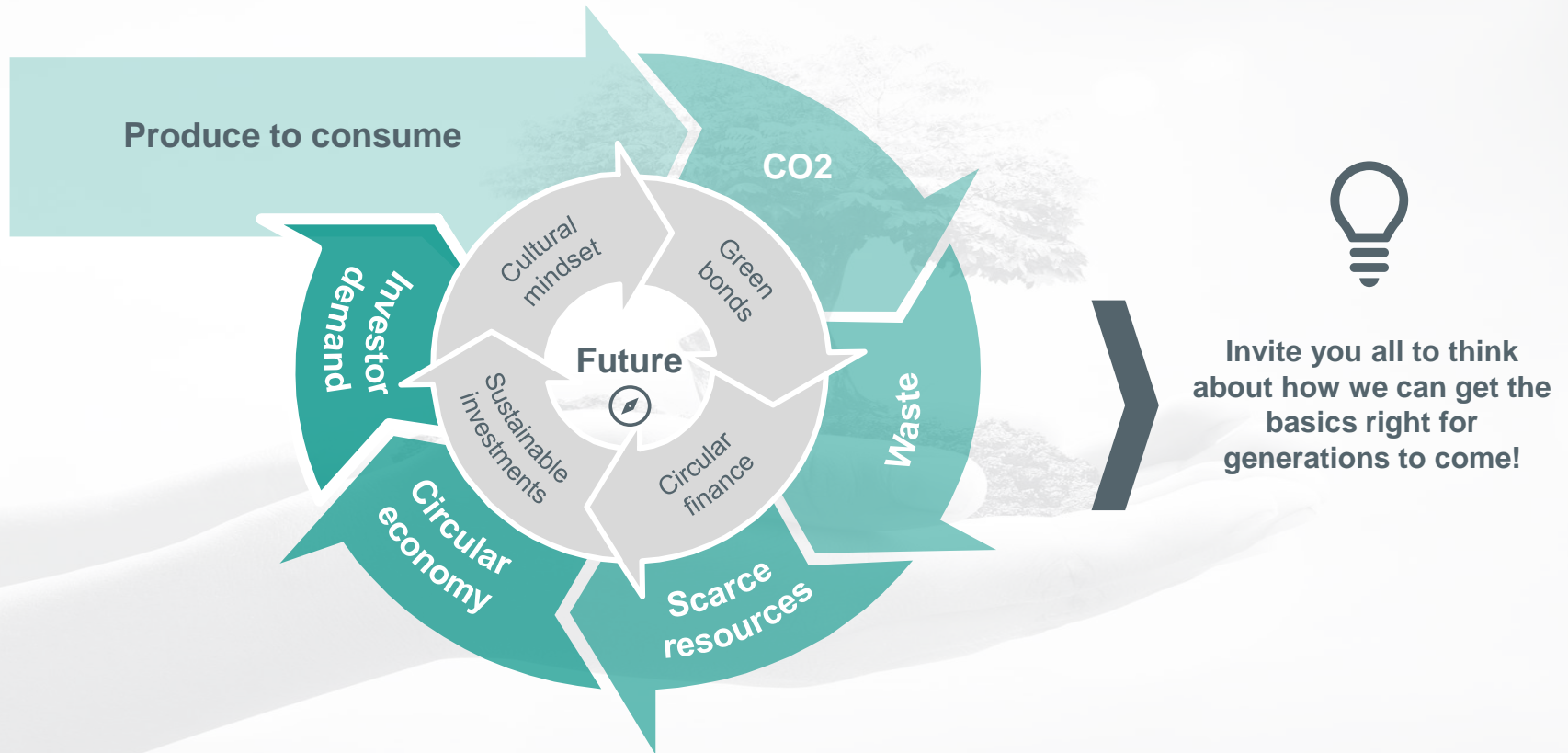


Return on investment

## Trend 2 | Impact of digitisation on role of bank



## Trend 3 | Impact of sustainability on role of bank





## **How do banks adapt to these trends?**

Tailoring OtD theme to dedicated asset classes





# What is Originate to Distribute (OtD)?

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1

**Originate** “Mortgages, Loans, CRE Loans” **to Distribute** “in part or whole” – “and hold some”

2

**Originate** “d” **to** “be” **Distributed**  
– “we changed our mind”

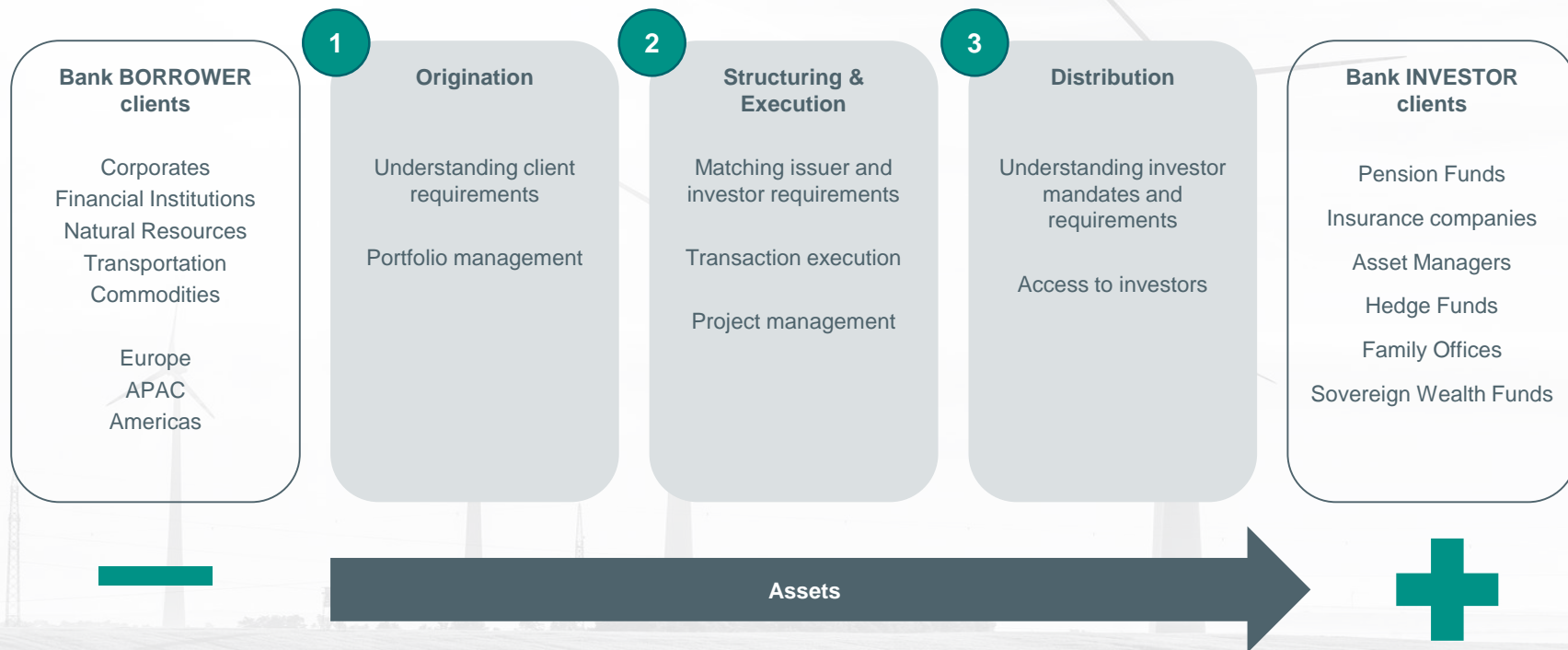
4

**Originate** “a bridge” **to Distribute** “via Capital Markets take out”

3

**Originate** “large underwritings”  
**to** “keep part and” **Distribute**

# Origination to Distribution process



# Illiquidity as an asset class...?

## Real Money investors

- ➔ Insurance companies
- ➔ Pension Funds
- ➔ Asset Managers
- ➔ Hedge Funds
- ➔ Sovereign Wealth Funds



## Banks

- ➔ Commercial Banks
- ➔ Central Banks
- ➔ SSA



## Global Asset Allocation

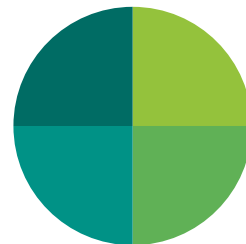
Asset Distribution

- Fixed Income
- Alternatives
- Equities
- Currencies
- Commodities
- Real Estate



Regional Distribution

- US
- Europe
- Emerging countries
- Asia



## Types of Alternatives

### OtD assets

- ➔ CLO's
- ➔ SME Funds
- ➔ Whole Loan Funds
- ➔ Portfolios
  - Inflation
  - Project Finance
  - Residential mortgages
  - CRE mortgages
- ➔ Private Equity
- ➔ And many more...

# Conclusion | Bank as agent

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## Lower for longer

Bank as **agent** to **Institutional Investors**, allowing investors to take part in the more illiquid and higher yielding assets



## Tech Innovation at large

Bank as **agent** to **technology**, embracing and onboarding the natural evolution of technology in finance, opening up to cooperate with partners



## Sustainability

Bank as **agent** to **society**, assisting in the adaptation of financial markets towards a more sustainable world

# Thank you!

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**Mary – good luck!**



**Students – looking forward to your ideas!**



**Let's keep in touch!**