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PARKROYAL on Beach Road, Singapore

# A refiner's perspective on the future of financing the precious metals supply chain

michael mesaric, CEO  
valcambi sa

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# A positive story

- Precious metals refiners efficiently provide key functions:
  - Due Diligence (KYP, KYC, AML) on behalf of regulators and market participants
  - Transportation, storage and logistics
  - Weighing, sampling, assaying
  - Refining, manufacturing
  - Sales, promotional materials and product innovation
  - Financing (short term)
- Refining sits at the heart of the global physical bullion market

# Message from a refiner's crystal ball

- 2018 will prove pivotal for the refining industry
- Rules are set: focus now is implementation and monitoring
- Refiners bear responsibility for supply chain integrity
- Future road map offers opportunity and some dangers

# Message from a refiner's crystal ball

- In this transformative age business models have to change
- Having a Plan B is getting more difficult
- Liquidity can disappear very quickly: shrinking pool
- Refiners must tap new sources of funding beyond banks

# Refining in a transformative age

- Banks pull out of the commodity business altogether or wish to reduce their risks and cut costs
- Lending decisions more formulaic: less relationship driven
- NSFR rules compound the situation
- Who can replace the banks?

# Refining in a transformative age

- Refiners' ability to offer support to customers is narrowing
- Need to map and monitor the entire precious metals supply chain to increase integrity adds to admin and cost overheads
- Appearance of new digitally based eco-systems

# A digital future for physical bullion?

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“Waves of disruption are re-coding the DNA of every industry around the world with a speed and significance that outstrips expectations at every turn”

Gil Forer, Digital and Disruption Leader, Global Markets, EY