

OCBC Approach to Goal Based Advisory

Dennis Tan

Head, Consumer Financial Services (Singapore)

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Agenda

1

Customer Insights

– Financial Goals are more relevant to customers

2

A Change in Approach

– Goal Based Advisory

3

OCBC Approach

– Retirement Planning

4

Looking Ahead

– Capabilities to be built

1. Customer Insights

Understanding the customer life cycle and developing clear segmentation



Infant & Teens



Baby Bonus Card and CDA Savings



Tertiary Students



Frank Card



New to Workforce



360 Account and 365 Credit Card

WAKE UP YOUR MONEY WITH OCBC 360 ACCOUNT
With more ways to earn bonus interest, your money can do more in the OCBC 360 Deposit Account.

Term	Rate
12M	12%
6M	0.5%
3M	0.5%
1M	0%
Overnight	0%

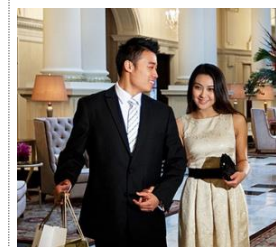
Emerging Affluent



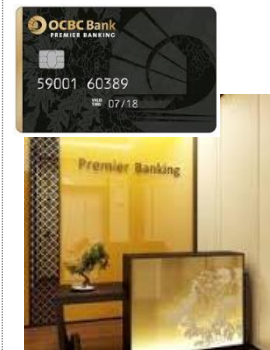
Wealth Management & Mortgage



Affluent and Emerging HNW



Premier Banking



HNW & UHNW



Private Banking



1. Customer Insights

Developing clear segmentation and product support

		WM	GLF	CSL
Premier Segment	Premier Private Client Premier	Discretionary Funds Portfolio Wealth Advisory	Affluent Credit Cards	Premier Mortgages UL Financing Leveraged Financing
Personal Banking Segment	Youth Family Emerging Affluent	FRANK Account Wealth Products	Cards PLUS! FRANK Study Loan	Home Loans Car Loans Reno Loans

1. Customer Insights

Financial Goals are more relevant and tangible to customers



“Wealth is about having cash...investments”

“Having the power to spend”

“More money than what I need”

“Money, house, investments, shares...”

“I’m not sure about wealth...sounds like for rich people”

“I aim to have enough for protection, for retirement, for leaving something for my children”

“I want to have reliable passive income...and then stop working...”

“Finish funding my mortgage...provide for university education...”

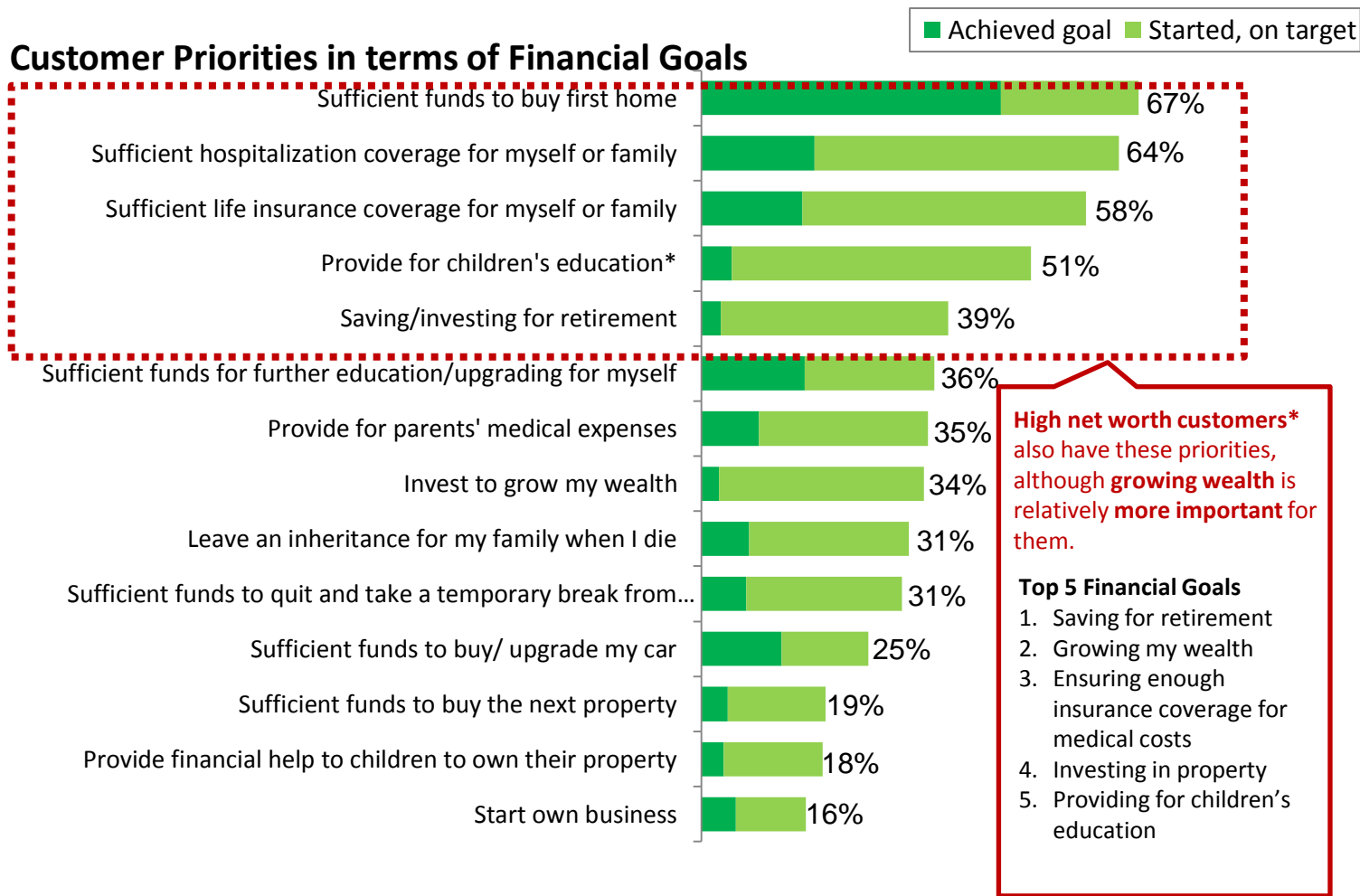
“By 55 I want to be totally debt-free, retire at 62”

Difficult to articulate **wealth** and what it means

Financial goals are more tangible and meaningful

1. Customer Insights

Customers identify with Goal conversations but have varying priorities



Source: OCBC Bank, Customer Experience – Market Research, 2012, 2013

Q: People have different financial concerns and are at different stages on achieving their goals. For each goal, please drop into the box that best describes where you are at

*defined as customers age 25-54 yrs old with liquid assets of S\$200k--\$500k

Base: EA (n=243)/ *EA with children (n=204)

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2. A Change in Approach

Transforming the advisory model

From a risk, affordability and product conversation...

... to goal based conversation

Risk profile
Analysis
To make a suitable recommendation, it is important for us to understand your general attitude towards taking risks with your investments, and your ability to cope with loss.

Risk
Higher returns generally mean that you may take on higher risks. Bearing this in mind, what is the level of loss you are willing to accept?

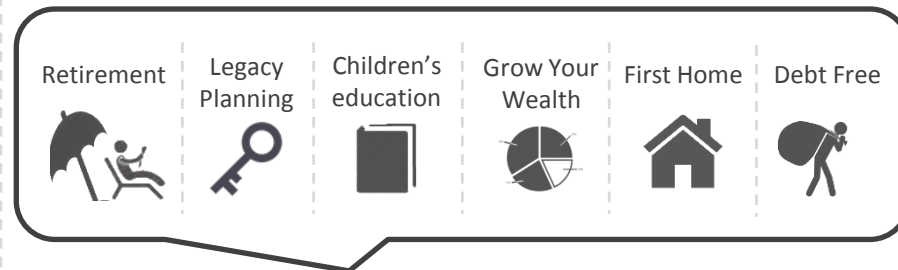
Financial situation
To fully understand you and recommend the right solutions, we need accurate financial information from you. If you provide inaccurate or incomplete information, this may mean that we recommend a product that is not the best one for you.

Affordability
Your monthly cash flow
Tick the boxes if you are likely to invest a lump sum.

Product
Protect yourself and your family
Plan for your future

Goals
Tick goals you want to discuss today

Ways to grow your wealth	Most suitable type of risk profile	Most suitable type of investment
Regular investment By making regular, steady investments over time, you aim to gradually increase the size of your investments.	All risk profiles	Regular
Cautious investment You are looking to grow your money steadily.	All risk profiles	Lump sum
Produce an income You are looking to make your money work harder for you through income-producing investments.	All risk profiles	Lump sum
Capital gains You want to grow your money considerably.	Balanced growth and aggressive	Lump sum



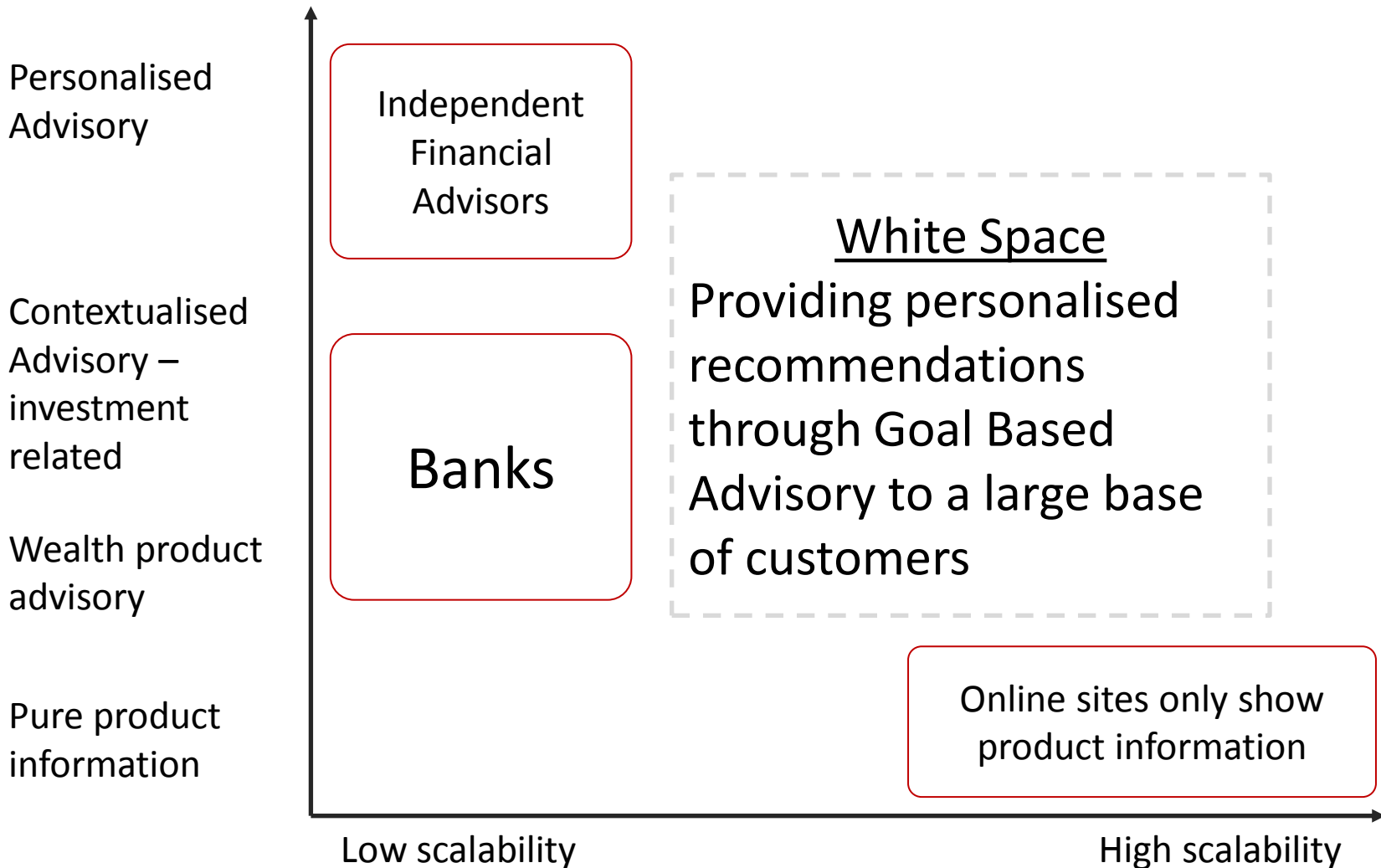
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Portfolio approach



2. A Change in Approach

Opportunity lies in delivering scalable and personalized advisory



2. A Change in Approach

Building for edge through superior advisory

Today

Advice is centered around products

Quality of advice is inconsistent among
RMs and across channels

Scalability issues in dispensation of advice

To-Be

Advice is centered round client's financial
goals (retirement, education, etc)

Deliver consistent quality of advice
among RMs and across channels

Leverage on data analytics and
technology to deliver advice on a large
scale

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3. OCBC Approach

Retirement Planning – Targeted Message



ARE YOUR SAVINGS IDLING AWAY OR FIGHTING INFLATION?



Savings is a good first step for your retirement, but your money should also work harder. And together with property and CPF, you might have the essentials of retirement planning but factors like inflation, rising life expectancy and unforeseen circumstances could leave a gap in your plans.

At OCBC, we'll help you to rethink your retirement plans with our holistic approach to retirement planning.

Visit ocbc.com/Retirement to find out more.

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IS YOUR PROPERTY AN ASSET OR LIABILITY?



Your property investment can be an asset, but that can change when subject to market conditions and regulations. And together with CPF and savings, you might have the essentials of retirement planning but factors like inflation, rising life expectancy and unforeseen circumstances could leave a gap in your plans.

At OCBC, we'll help you to rethink your retirement plans with our holistic approach to retirement planning.

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3. OCBC Approach

Retirement Planning – Advisory Tool

About You

You are 30 years old today	Your gender <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	You want to retire at the age of 62	You are planning for 18 years in retirement
--------------------------------------	-----------------------------------------------------------------------------------------	-----------------------------------------------	-------------------------------------------------------

When you retire, you may

Spend S\$ 2,000 to spend every month	Receive S\$ 400 every month, such as rental or allowance
---------------------------------------------------	-----------------------------------------------------------------------

Your current savings or investment

SRS You have: S\$ 16,000 cash in your SRS account	Property If you plan to sell your property, you expect to receive: S\$ 0	
Regular investment Your monthly/regular investment is S\$ 1,000	Lump sum investment Market value of your existing investment is S\$ 10,000	Cash & Deposits S\$ 30,000

Calculate



3. OCBC Approach

Retirement Planning – Advisory Tool

Based on what you have entered above, when you retire at 62 years old

You would need **\$825,063**

You are projected to have: **\$478,486**

Sales of investment properties	\$0
Lump sum investment	\$25,751
Regular investment	\$399,799
SRS	\$16,258
Cash & Deposits	\$36,678

Your shortfall is **\$346,577**

You can consider investing your Cash & Deposits at

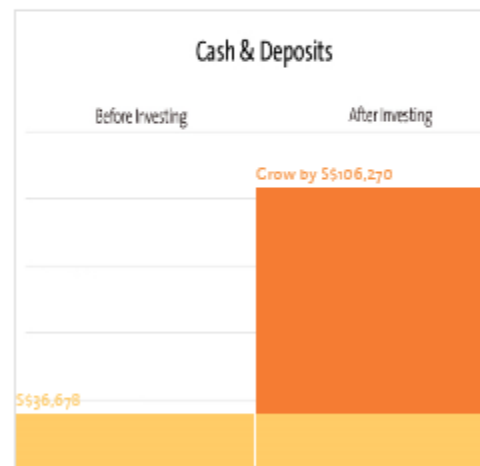
Balanced (5%)

to reduce your shortfall.

After investing,
Your Cash & Deposits may grow by **\$106,270**

Your Shortfall will be reduced to **\$240,306**

[How we calculate these numbers](#)



Present this page at any OCBC Branch for a detailed Financial Analysis and enjoy up to \$80 Cash Rewards when you purchase selected Retirement planning products.

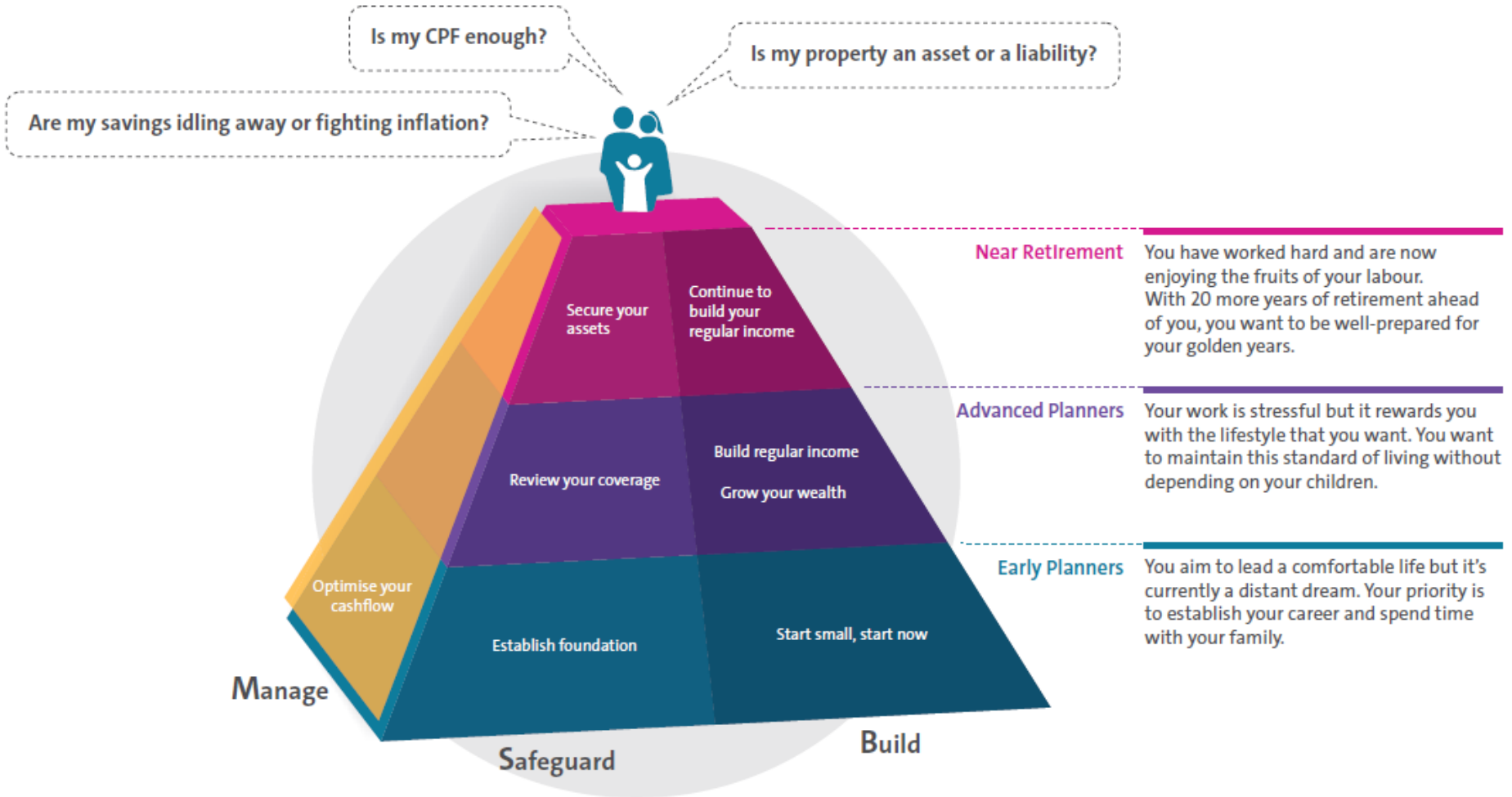
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3. OCBC Approach

Retirement Planning – Relevant Conversation

RETHINK RETIREMENT

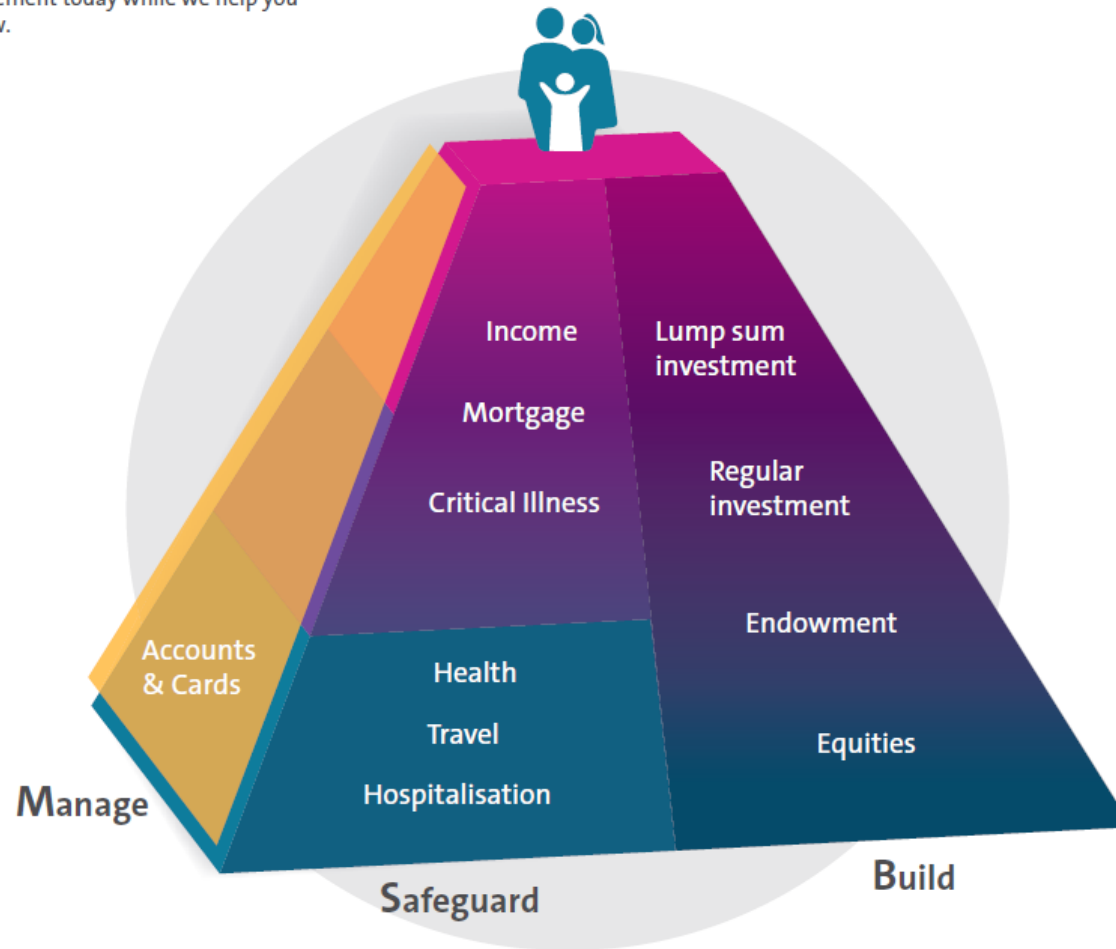


3. OCBC Approach

Retirement Planning – Relevant Conversation

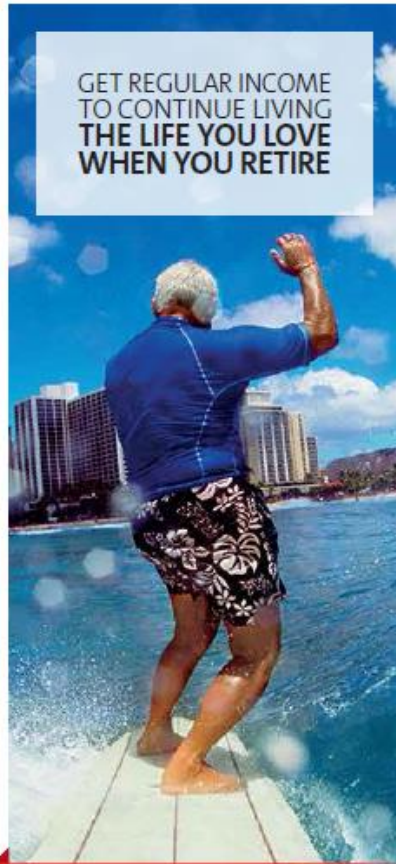
WHAT YOU CAN DO

Plan your desired retirement today while we help you optimise your cashflow.



3. OCBC Approach

Retirement Planning – Relevant Products

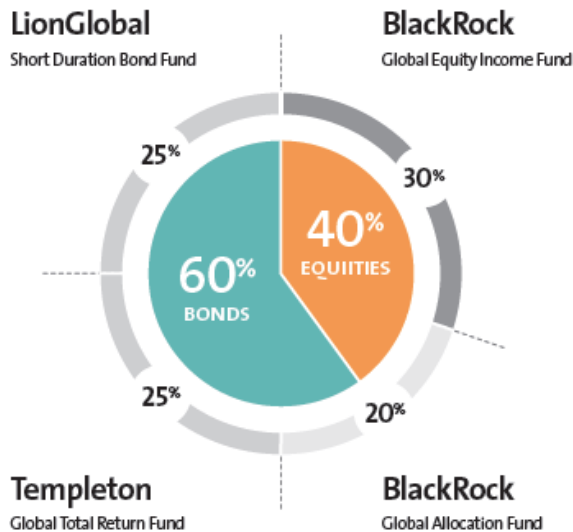


PREMIERLIFE GENERATION



3. OCBC Approach

Retirement Planning – Portfolio Approach



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PREMIERLIFE GENERATION



**SUPPLEMENT YOUR
RETIREMENT
LIFESTYLE
WHILE CREATING
A LEGACY**



3. OCBC Approach

Delivering the enhanced proposition



Training

- › Interactive & Comprehensive case studies, role-play and FAQ
- › On-going branch visits and refreshers by Wealth Advisors

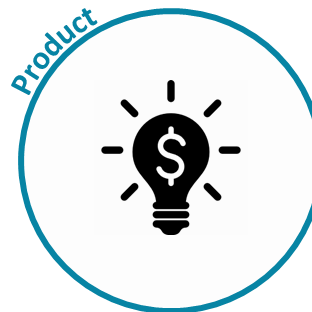
Knowledge

- › Regular updates on related changes/news through internal newsletter, emails and meetings



Simple, DIY Advisory Tools

- › Enable RM to deliver consistent quality of advice
- › Centralised advisory to dispense tailored and relevant advice
- › Leverage on data analytics and technology



Portfolio Approach

- › Based on blend of insurance, investment and financing solutions
- › Comprehensive product shelves to meet the needs of different segments and life goals



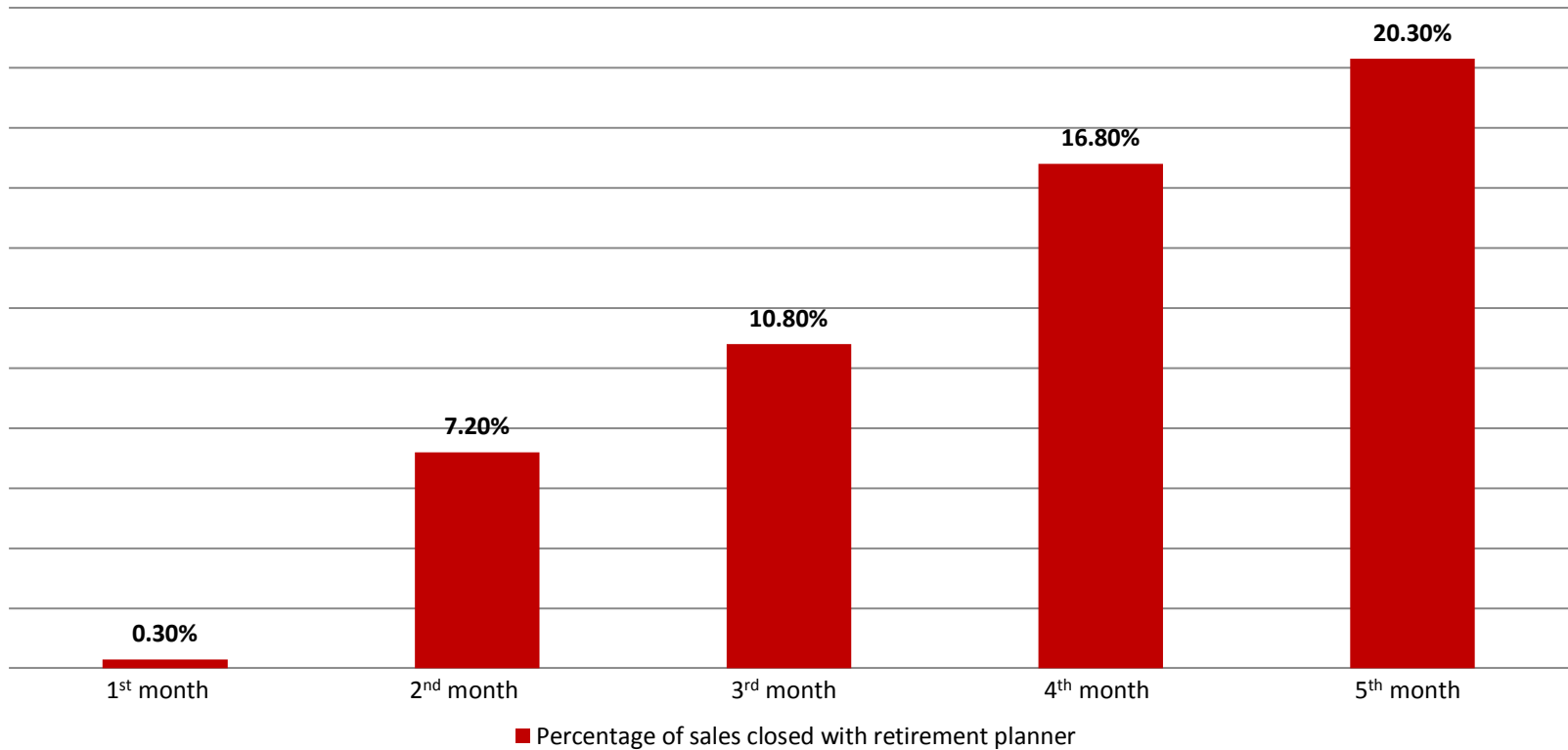
Targeted Approach

- › Targeted marketing campaign to customers with greater propensity to plan for life goals

3. OCBC Approach

Increasing usage of Goal Based Conversations

Percentage of sales closed with retirement planner

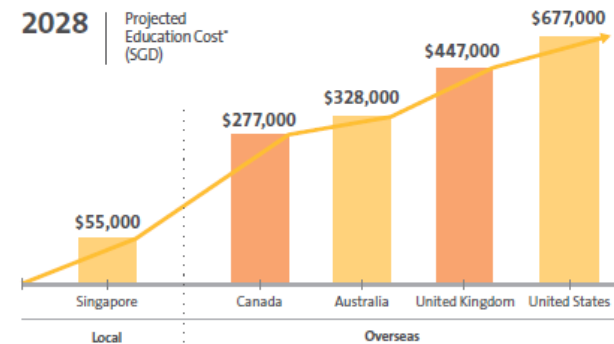


3. OCBC Approach

Education Planning – Targeted Message



Keith's ambition is to be an aeronautical engineer. He's 7 this year and will go to University in 14 years. Here is the cost of getting a general degree in 2028.



3. OCBC Approach

Education Planning – Advisory Tool

STEP 1 SET A GOAL FOR YOUR CHILD'S EDUCATION

It takes just 1 minute to plan your child's future

Please complete all white boxes

Your child's name is

 Your child is years old

Your child will go to university in **21** years

Your child prefers to study in

Type of degree MEDICINE GENERAL

This is how much your child's education will cost* in 21 years:

\$\$

WHAT YOU HAVE PLANNED:

Total amount you have already set aside

This amount will grow at per annum.

This is how much your savings will be in 21 years:

\$\$

WHAT YOU WILL NEED:



This is how much more you will need for your child's education in 21 years:

\$\$

STEP 2 FIND OUT HOW MUCH TO SET ASIDE

Taking the first step, no matter how small, helps you achieve your goals

Tell us your risk profile.

You will need to set aside a lump sum of OR You will need to set aside a monthly amount of for the next 21 years

This is today's value.

These are some options to reach your goal

EDUCATION ENDOWMENT

BLUE CHIP INVESTMENT

UNIT TRUST

SAVINGS/DEPOSIT

TIPS

- Other parents have considered one or more of the above products to fund their child's education.
- Remember to review your plan regularly.

STEP 3 SPEAK TO US NOW

Let us help you review your plan. Present this page at any OCBC branch for a detailed Financial Needs Analysis and enjoy up to **\$500 Cash Rewards***. [Print](#) page.

Visit nearest branch OR

3. OCBC Approach

Education Planning – Relevant Product

PLAN YOUR
**CHILD'S
FUTURE**
WITH MAXEDU CHOICE



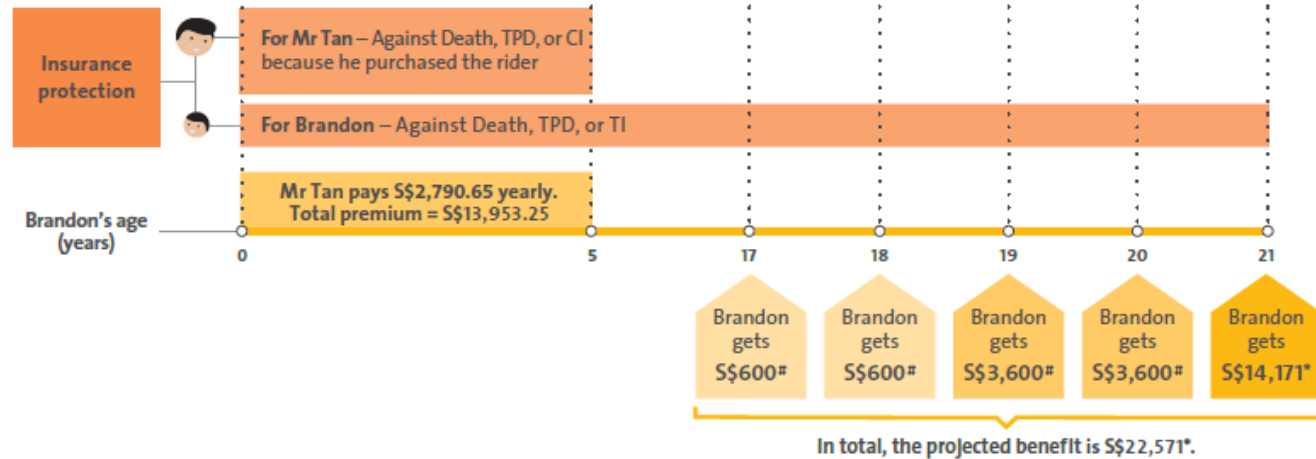
Here's how MaxEdu Choice works:

Mr Tan

- ▶ 35 years old
- ▶ Does not smoke
- ▶ Applies for MaxEdu Choice for Brandon
- ▶ Chooses to receive regular payouts
- ▶ Purchases the rider to waive premiums in the event of Death, TPD, or CI

Brandon
Mr Tan's son

- ▶ 1 month old when Mr Tan applies for MaxEdu Choice for Brandon
- ▶ Receives Insurance coverage of S\$12,000 for Death, TPD or TI
- ▶ Enrols for university at 21 years old



*Guaranteed benefit

#Based on Projected Rate of Return of 4.75%. The bonus rates used for the benefits illustrated above are not guaranteed, the actual benefits payable will vary depending on the future performance of the Participating Fund. For more details on the Participating Fund, please see Product Summary.

Option for lump sum payout:

Alternatively Mr Tan can choose to accumulate all the regular payouts. When Brandon turns 21 years old, he will receive S\$23,029*.

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Looking Ahead
– Capabilities to be built

4. Looking ahead, capabilities to be built



Concept & Research

- › Customer research on other goals and refining the engagement model



Training

- › Strengthen training effectiveness on goal-based conversations
- › On-going branch visits and financial consultants' training



Systems

- › Centralised advisory management system that delivers contextualised advisory
- › Advisory content, tools and proposals on digital platforms



Products

- › Further innovate for products that meet the needs of customers from different segments and with different life goals



Campaigns

- › Ongoing marketing campaigns that are aligned with customers insights and market research

Executive Summary

Enhance product conversation to a goal based conversation

Customers want us to understand them better beyond helping them to grow their wealth

Facilitates consistent quality of advisory among Relationship Managers and channels

Our approach to goal based advisory

An institutionalized goal based conversation

Intensive use of data analytics to identify/track progress to life goals and provide personalized content

Usage of digital platforms for scalability

 Thank You