

FEATURE

TOWKAY TALK: REGIONAL VENTURES WITH A FRIEND

A Conversation with ANZ Singapore



Ms Ng Wee Lee, Head
of Commercial
Banking, ANZ
Singapore

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GO REGIONAL AND EXPLORE. Today's ever-changing business landscape brings forth boundless opportunities, crossing geographical boundaries and springing up at an accelerating rate. Businesses find that the need for quality partnerships and connecting points are essential for the realisation of growth.

As one of the designated ANZ regional hubs in Asia, ANZ Singapore provides integrated solutions for their clients, equipped with their extensive presence in key markets around the globe. The Bank's super-regional strategy complements ANZ's dedication to its clients, fostering strong partnerships as they journey across regions and exciting roads together. Head of Commercial Banking, Ng Wee Lee shares insights to going regional from her experience and collaborations with her clients.

Q: What are the changing relationships between the client and the bank in today's context?

Wee Lee: I believe the relationship between the client and the bank is now closer.

In the past, client and bank would deal with each other at "arm's length". The bank would lend for the client's expansion or working capital needs, the client would abide by lending terms and that was largely all there was to the relationship.

But now with a more complex business landscape, increased opportunities, and an added regional footprint that many businesses possess, the relationship has gone from being transactional to a partnership.

Many clients these days have gone beyond looking merely for advice on financing needs from their banks. They aspire insights into other related matters - for example, they ask, is it a good idea for me to expand my business into the Mekong region; what tax considerations should I take note of in other jurisdictions; what are the differences in financial practices. This is a good thing because it shows that clients and banks are interested in a long-term

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collaborative relationship to grow businesses.

Also with the tough regulatory landscape and focus on risk, I find a greater sense that "we're in this together" because it has become a partnership.

Q: For mid-sized Singapore companies, what are the advantages of banking with a regional bank like ANZ?

Wee Lee: Singapore is a gateway to the region and the disposition of many mid-sized Singapore companies is always outward-looking. In my conversation with numerous CEOs, I discover that is part of their DNA, commercial drive and business aspiration.

To their credit, mid-sized Singapore companies are always dreaming about going regional and many of these dreams have come true for our partners!

If you talk about the practicalities of expanding a business or choosing a new location to base your operations in, the reality is that you have to make your financing work for you. And many companies do have this sorted out – on paper. But when the rubber hits the road, what sometimes trips them up is the diversity of banking practices even within the region. This is where we come in.

ANZ is in 29 markets in Asia Pacific and we have one of the widest on the ground coverage across the region compared to our competitors.

What this means is that we really know what it takes to succeed regionally, in terms of being familiar with regulation, banking practices, even cultural differences across countries. We have expertise and

THE WALK WITH ANZ SINGAPORE INTO REGIONAL GROUNDS.

networks in the markets that are important to many Singapore companies, including China, Vietnam, Cambodia, East Timor, Papua New Guinea, Australia and New Zealand to name a few.

Because of our connections across the region, we can make it easy for Singaporean companies to do business in the ways that are helpful for them.

I constantly emphasize to my team to build a lasting partnership with our clients. I tell them to "offer solutions, alongside our products", because it demonstrates our dedication to go the extra mile with our partners.

And I find that many of our clients greatly appreciate this. I had a client who came to us to help with their working capital requirements when they decided to go into New Zealand. The Christchurch earthquake had just passed and the country was rebuilding.

My client wanted to be involved in constructing workers' dormitories in New Zealand. Given the many uncertainties over interest rates and coupled with the fact that we were straddling two different markets, it took a while to work through the best financing package, but we did. That partnership meant that our client was able to enter into a new market while at the same time adding value through his expertise in the re-construction process.



The ANZ
Vietnam office.

Q: If you are to provide 3 areas of advice to companies wanting to expand on their regionalization strategy, what are they?

Wee Lee: Firstly, I believe that a good expansionary plan is centered around the question “why”. Answering this helps us develop clear strategies. Do you want to expand market reach, or leverage on multiple markets for better efficiency and cost savings, could be some of the reasons. Knowing the purpose gives clarity and stimulus to the plan.

Secondly, spend time understanding the market you’re aiming for and be clear about how your product or service would be a unique proposition in that environment for your business and the people’s benefit. Understand what makes business tick there, what regulations guide companies and banking practices, what implications on business their tax regimes have. Never assume that something that works here will also work elsewhere.

Thirdly, surround yourself with advisors that you trust. We had a client in the engineering field who wanted to tap on the US as a sales

market. They had been looking for top line growth which they hoped would qualify them for a stock market listing. But we advised them not to, given that their product was fairly commoditized in the US, which would make it difficult to sell at a price point sufficient to cover the high cost of bringing their product from Asia to the US. They took our advice and things turn out to their good.

Q: You have been in commercial banking for many years. What made you choose this path and what do you like about commercial banking?

Wee Lee: As a “people person”, I always enjoyed interacting with clients and colleagues. Before coming into commercial banking about 10 years ago, I spent some time in Structured Finance where the transactions were more complex. Many times there would be syndication of the loans which meant multiple banking parties being involved in a single project. That was an exciting phase in my career and I did like the rush of being involved in huge deals.

What is different now but something I like most about being in the Commercial space is dealing with the nuts and bolts of a client’s business. You’re not just talking to professional departments that run a mega enterprise; you’re talking to the owners of the businesses – there is a human dimension to that relationship.

I remember lunching with one of my clients when he shared the high and low points in his entrepreneurial journey that included a betrayal by a business partner. We have many clients who are very open with their struggles. I am glad I was able to be there in their lows but also support them in their successes.

I have learnt life’s lessons from my clients, seen their passion for business, observed their generosity in giving back to society and valued their partnership. This is what I enjoyed most about commercial banking.

Q: We have often heard of dynamic client and bank relationships. What are the factors which make the banking relationships strong and enduring over the years?

Wee Lee: I would say the following three inter-related factors would make relationships enduring – trust, understanding and transparency.

One of my clients half-jokingly apologized to me one year after their

financial results were announced, saying that he had “disappointed” his bankers for turning in a less-than-stellar financial performance that year.

That incident made me realize how important it was to understand the client, his business and his vision for the business. There is bound to be competition and economic down cycles but the most important thing is that we know the person behind

the company knows what to do when things go wrong.

And as bankers, having that understanding and relationship with our clients means that we are prepared to stand with them through thick and thin. This is partnership. This is living in our client’s world. This is the ANZ way.

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