

BRINGING THE SUPER-REGIONAL STRATEGY TO LIFE

In Asia, where relationships traditionally take time to build, ANZ has an established presence that allows us to help you manage the challenges of dealing in new markets.

Alan Huse, ANZ'S Head of Trade & Supply Chain Australia, noted that core to the Bank's super-regional strategy is the increasing connectivity between Australia, NZ, Asia and the Asia Pacific region. "With increasing trade and capital investment flows, from both directions, which move beyond the traditional focus on the resources and commodities sectors, Australian companies are seeking growth opportunities within the rapidly expanding economies of Asia."

ANZ is building off its substantial presence in the region to provide tangible support to its customers through financing international trade, providing risk management services and helping to facilitate introductions to regional business partners.

Through our acquisition of selected Royal Bank of Scotland businesses in Asia, Trade and Supply Chain will derive greater on-the-ground expertise and increased reach in key markets, enhancing our ability to seamlessly connect the trade flows of our customers and provide them with superior solutions. "This is another vital step towards becoming a leading regional trade bank," said Alan.

ASIA IS RAPIDLY GROWING AS THE KEY MARKET FOR AUSTRALIAN BUSINESSES TO EXPAND INTO

OPPORTUNITIES ABOUND

"For many Australian businesses, Asia offers strong opportunities to sell their products and expand supply and manufacturing bases. This regional expansion typically begins with the development of new markets through exporting, or new supplier relationships through importing. Cross-border working capital management naturally entails greater risk and complexity than domestic transactions, but the potential rewards make the effort worthwhile," said Alan.

TRADITIONAL AND CUSTOMISED TECHNIQUES

Most businesses will manage these cross-border flows through the use of traditional trade finance techniques. ANZ's expertise in this area coupled with an on the ground presence in 11 locations in Asia differentiates us from other banks, according to Alan. We can provide an in country, real time view as well as current market assessments of risks and opportunities.

In recent times, commercial arrangements have shifted to more open-account relationships and this is extending to cross-border transactions. ANZ's Trade and Supply Chain offering includes working with clients to manage the risks of open account transactions and helping shorten the working capital conversion cycle, as well as offering specialised liquidity management involving financing of trade payables and receivables.

All of this is managed through ANZ's web-based processing system, online@anz Trade Services, which greatly increases the efficiency of trade documentation management and is a truly global system.



ANZ'S TRADE AND SUPPLY CHAIN TEAM AND PRODUCT SET PROVIDES SUPPORT FOR OUR CLIENTS IMPORT AND EXPORT FLOWS INTO AND OUT OF THE REGION.

ON-THE-GROUND EXPERTISE

Four key attributes support ANZ's credentials for managing working capital across borders:

- > We are capitalised and one of just 8 banks globally which is currently double-A rated¹
- > Our presence in Asia is second to none among Australian banks
- > ANZ is the Best Trade bank in Australasia²
- > ANZ has a Trade and Supply Chain team in 11 countries in Asia

EXTENDING THE REGIONAL SUPPORT

The underlying trade transaction can be the beginning of a broader and deeper business relationship between buyer and seller. A banker with a regional presence, such as ANZ, can help:

- > Provide market intelligence
- > Provide financing and other support to enable the transaction to develop (banking both ends of the transaction)
- > Facilitate introductions to assist with the development of business relationships
- > Provide transactional, risk management and other services to facilitate the transaction

This can be extended further, to include other links in the supply chain. "We have the capacity to understand our end-customers' business and through this, ensure the solution offered to our Australian client accommodates the full supply chain cycle," said Alan.

PARTNERS IN TOUGH TIMES

Alan said, "In uncertain times we need to step up dialogue, really understand our customers' business, their markets and be there to support them."

With recent falls in commodity prices trade volumes have slowed and this has had implications for the entire supply chain. If a buyer is locked into a contracted price and the price plunges, what happens to their ability to pay and subsequently, to the underlying commercial relationship?

"We've been careful to ensure we continually support our clients' core activities and ensure working capital flows through these current periods of uncertainty."

HOW TO CONTACT US

To find out more about how to enhance your trade and supply chain management call our Trade Finance Desk on 1300 ANZ 4 TRADE (1300 269 487), contact your ANZ Relationship Manager or visit anz.com/tradeasia.

¹ Standard & Poors, July 2009

² Trade Finance Magazine 2009

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