

# Helicap Group CEO on the Science and Art of Matching Private Issuers with Private Investors in Southeast Asia



David Wang is the Group CEO and co-founder of Helicap, a five-year-old Singapore-based firm that promotes itself as one of Asia's fastest-growing FinTech platforms. It specialises in private investments in Southeast Asia, helping to deliver private funding for non-banks, SMEs, and start-up companies to a growing pool of accredited and institutional investors, via its regulated subsidiaries. Each investment is curated with the help of an investment team supported by Helicap Group's proprietary risk management framework and delivered to investors via a digitised investment experience. It's MAS-registered RFMC manages a fund through which it invests in these products. Its accredited investors include institutions, private clients accessed through brokers and private banks, and family offices. Helicap has done a cumulative deal volume of more than USD180 million for small, high-growth businesses in Southeast Asia since inception. Hubbis met with Wang recently to learn more about the business model and the expansion plans ahead.

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**Wang first explains** that Helicap is a Singapore-based FinTech firm connecting global investors to private investment opportunities in SE Asia. “Our goal is to operate in what we see as a USD500 billion financing gap that banks are mostly unable or unwilling to serve,” he reports. “For private credit products, we have built an institutional-grade credit analytics technology that

Investments, mostly private credit, and thus far with zero originator defaults,” he says.

Wang and his two other co-founders started Helicap five years ago after decades in banking and investment management with some of the world’s top financial services firms. “We have not looked back since and now employ 20 professionals through our two MAS-regulated subsidiaries,” he states.

**“We are bottom-up investors,” he explains, “so we overcome the key issues around emerging market credit by conducting our due diligence, which includes interviewing the issues themselves and really drilling down into the detail of their business models, their revenues, their customers, the balance sheets, their own shareholders, and so forth.”**

can analyse millions of loan data points from origination platforms and extract meaningful credit rating insights. And we also employ these analytics to help curate private equity deals for start-up or high growth companies in the region.”

### **Licensed to deliver**

He says the product generation is complemented by their fully online platform, Helicap Securities (which holds a capital markets services licence for dealing in capital market products and is regulated by the MAS), curates these private investments to a wide network of accredited investors, including Family Offices, HNWIs, Impact Funds and Institutional Investors. “Since inception, we have disbursed a cumulative volume of over USD180 million in private

Helicap’s subsidiaries has each obtained the Monetary Authority of Singapore fund management registration and the capital market services licence to deal in capital market products. The firm’s original and current backers include Japanese financial services firm, Credit Saison, top VC firms such as East Ventures, Access Ventures, Voveo Capital, and leading Singapore property group Soilbuild Group. Singapore brokerage PhillipCapital has most recently invested SGD5 million as well, seeing the opportunity and also wanting to distribute Helicap products to its own investor base.

### **Buying into the vision**

“Our core Helicap equity partners have bought into our

vision to use FinTech-powered risk management to provide vital liquidity to the region’s top growth companies, thus enabling financial access for millions of underbanked consumers and small and medium enterprises,” Wang comments. “Simultaneously, they see the opportunity for us as the trusted partner to accredited investors, giving them access to unique private investments with attractive risk-adjusted returns and portfolio diversification through uncorrelated exposures.”

### **Tailored exposures**

For investors, Wang explains that a key advantage of the Helicap private debt products is liquidity. Whereas most private debt has five- to 10-year lockups, their products provide a maximum two-year lock-up, Wang reports.

“Investors like the offerings of our senior secured loans, which typically would be around the 10% coupon mark, payable quarterly, and with an average of 12 to 24-month tenure,” he says. “Our typical investors do not want to lock up their capital for many years and wait for all their returns at the end, even if those could be very appealing. Our clients want shorter-term exposures that produce cash flows throughout.”

### **Funding diversification**

And for issuers, he says Helicap provides flexible and customised capital raising solutions that can help fast-growing companies accelerate their expansion given the difficulty in accessing scalable capital from traditional sources.

“Investors are typically looking for alternative investment



**DAVID WANG**  
Helicap

opportunities while issuers such as non-bank financial institutions – the most common issuer type – as well as start-ups and growth companies are looking for a one-stop financing solution to scale their businesses,” he elucidates.

### Matching needs

He expands on these comments, noting that Helicap effectively partners with the issuers and delivers them viable financing options that are tailored to their investors’ needs, effectively in a win-win scenario for both sides to the deal. “We deliver access to institutional and accredited investors in Southeast Asia, and successful fundraising after Helicap’s rigorous due diligence process provides a true endorsement of the issuer’s business model and potential,” he states.

Wang explains that the key is the business model, which makes private debt and equity an accessible asset class by leveraging an institutional-grade credit analytics and risk management technology that can

### Getting Personal with Dhruv Arora

David Z Wang is Singaporean and was in the University Scholars Programme at the National University of Singapore. He followed that with Business and Finance studies at The University of the Southern California, and then began work in Singapore for Morgan Stanley, later moving to Nomura. “I guess you could call me a Southeast Asia specialist, having worked in Singapore for both banks in sales, trading and investment banking,” he reports. “I then left around seven years ago, went into venture capital, and then we started Helicap nearly five years ago.”

He is married with two kids. Spare time is spent with the family, and also indulging his love of soccer – especially Liverpool Football Club – and enjoys travelling.. “I love travel and really anywhere they produce great wine is on my list, whether Europe, Australia or perhaps the US,” he reports.. Wine comes from the land and nature, and vineyards are amongst the most beautiful places on earth.”

process millions of raw data points from loan originators and extract insightful performance metrics.

“What we have that makes us different is that we offer a truly institutional-grade product,” he reports. “We have a very strong team of ex-investment bankers and finance specialists, and we work with the leading law firms and others to deliver a truly professional product and experience.

### Technology-driven

“We use these insights to facilitate our due diligence, structure these private funding investment products, and actively monitor and manage the post-investment exposures,” he says.

The key, he says, is the quality of their proprietary software employed to help analyse the issuer data. “The banks, and especially the local banks in the

region, do not have that level of analytical technology and sophistication,” he states. “Our technology allows us to verify the creditworthiness of these issuers by analysing their own customer base, the returns, their credit default rates and so forth.”

He adds that the proprietary FinTech platform handles everything from onboarding to deal closing, “We have built a digital platform to streamline deal execution and investor management, addressing both the needs of issuers and investors in a seamless and efficient manner,” he says. “This allows companies to gain faster access to capital for their immediate growth needs, while providing investors with a tailored investment experience based on their investment preferences.”

### Diversifying funding sources

Helicap had previously worked



### Key priorities

As Helicap as a group is an avenue that thrives on investors and investments, the first two priorities, Wang explains, are to identify more of the right deals, and more investors that are seeking these types of alternative investment opportunities.

The third priority is to enhance the online platform and achieve full automation. “We need to further improve this so that when any investor joins us online, they have a seamless and optimal experience, including full reporting and visibility,” Wang reports.

His fourth mission is to open the Malaysia office, which will be both a source of issuers and also of new investors. “We are also building a finance and operations hub in Kuala Lumpur, part of our plan to really spread our wings in Southeast Asia. It is an exciting time for us.”

**“They want to find their own deals, make their own decisions, hence we are working with more of them and the individual commitment they can make is more substantial.”**

with Funding Societies to facilitate a SGD 20m private debt facility. “We estimate there are roughly 35,000 NBFIs in Southeast Asia, of which we have filtered the potential candidates down to about 1,000 and of those, we are comfortable deploying capital to around 20 of them at this time,” he reports.

Wang explains that diversification of funding sources is important for the issuers they work with. “The banks operate at the top end of the market, and we operate there as well as just outside that segment, where the banks might not feel comfortable, but where we can analyse and confirm the necessary risk management profile we need to proceed,” he

reports. “And we work in local currency funding, where there is often more of a shortfall from the local banks.”

### Specialists in SE Asia

He addresses the concern that the ASEAN countries are emerging markets (“EM”), apart from Singapore of course. “We are bottom-up investors,” he explains, “so we overcome the key issues around emerging market credit by conducting our due diligence, which includes interviewing the issues themselves and really drilling down into the detail of their business models, their revenues, their customers, the balance sheets, their own shareholders, and so forth. And we also take

great care over forex exposures, and regulatory risks such as whether we can get our capital in and out of any country easily.”

He adds that there are misconceptions over EM credit risks. “For example, you might think that a pool of small motorbike loans in Cambodia would have a high default rate, but actually those machines are used by people for their daily lives and often their livelihoods and they will make sure they keep up the repayments, so the default rate might be surprisingly low at about 2%,” he reports. “That is far better than the lower tiers of US credit card. Moreover, you might be surprised to hear that the small loans market in Cambodia is well organised and regulated, with caps on rates. In the US, card companies can charge 4% a month if they so choose, often making repayments extraordinarily difficult.”

### Building the networks

As to avenues of distribution to

investors, Wang reports that aside from online circulation of deals to accredited investors registered on the platform, they are now working more closely with the private banks who can introduce the concept and their deals to their end clients, who are accredited investors and high net-worth individuals.

“The private banks naturally like to hold on to all the AUM they possibly can, so we sometimes need them on our side to access their clients as well,” he says. “Accordingly, we are in discussions with a private bank in Malaysia, we are looking at a relationship with another bank in Bangkok, and we are looking at working with banks in Indonesia, Hong Kong, China, Korea, and Japan.”

He also observes that outside of the private banks, there is a new wave of investors such as family offices that are increasingly seeking deals away from the private banks and where they

make their own assessment of risks and rewards. “They might be tired of what the banks have offered them, or perhaps sceptical,” he says. “They want to find their own deals, make their own decisions, hence we are working with more of them and the individual commitment they can make is more substantial.”

### Gaining traction, building momentum

His final comment is on his passion for doing what he does. “It is a great privilege to be part of really building this firm from the ground up,” he says. “We have been blessed as we have great loyalty amongst our team, and I genuinely think that who we are and what we represent are appealing for team members, who want to grow with us. We are winning more and more traction with both issuers who see the value of our funding tools and with investors who see the attractions of the products we create.” ■

