

Overall Winner

**Best Treasury Transformation Project**

**Shell Treasury Centre East (Pte) Ltd.**

Rennie Yeo, Deputy Treasurer Asia Pacific  
 Noelle Lee, Finance Manager LNG  
 Yao Wen Hau, Pavilion Treasury



Adil Kazi, Standard Chartered, Noelle Lee, Rennie Yeo and Yao Wen Hau, Shell Treasury Centre East (Pte) Ltd. and Aman Singh Chadha, Citi



Shell Treasury Centre East (Pte) Ltd., is a Singapore-based entity founded in 2000 that manages treasury operations, including foreign exchange and borrowings, for the Shell group of companies.

## Shell integrates acquisition in record time

### The challenge

On June 18<sup>th</sup> 2024, Shell announced an agreement to acquire Pavilion Energy from Carne Investments Pte. Ltd., a subsidiary of Temasek and the deal closed on March 31<sup>st</sup> 2025.

The Pavilion Energy group, headquartered in Singapore, comprises eight entities (seven in Singapore, one in Spain) and more than 100 employees.

Shell's treasury played a central role throughout the acquisition process, particularly in the complex merger control filings. This acquisition is the first to be subjected to the EU Foreign Subsidies Regulation, requiring extensive data collection globally.

The nine-month timeline to deal completion heightened the risk of staff attrition, potentially leading to loss of corporate memory and business knowledge, prompting Shell to prioritise integration from day 1.

Shell evaluated the business model, reviewed key contracts and conducted detailed integration planning, involving multi-disciplinary teams across Singapore, Europe and Shell's global finance operations centres.

Shell's treasury identified several integration challenges:

- Treasury and finance processes (eg cash forecasting, tracking of credit support received and issued) were manual and relied on Excel.
- There was no cash pooling structure. Movement of cash across entities was via inter-company loans and non-trade payable/receivable created material intercompany balances.
- Two entities were funded via complex financing instruments.

The entities maintained a substantial number of financing facilities to support their large-scale business operations. Transitioning these to Shell facilities – at lower cost and without disrupting business continuity – was a significant undertaking.

These included:

- A large number of bank accounts.
- Bank facilities including revolving credit, overdraft, invoice financing and trade finance facilities.
- Parent corporate guarantees (PCGs) issued.
- Bank guarantees/Standby Letter of Credit/PCGs received from trade counterparties.

To mitigate staff attrition risk, enhance cost and operational efficiencies, standardise processes and centrally manage financial exposures, integrating Pavilion Energy into Shell's treasury infrastructure would optimally support Pavilion Energy's treasury operations and funding requirements.

### The solution

The integration of Pavilion Energy is the fastest ever in Shell. Just two months after deal completion, Shell's Enterprise Resource Planning (ERP) system went live across three Pavilion Energy entities, seamlessly integrating LNG, Downstream LNG and shipping portfolios without disrupting operations. Shell's treasury developed a comprehensive plan spanning pre and post deal completion.

The solution pre-engaged banks to secure dispensations on change of control clauses and financial covenants, preventing default/cross-default from day 1. Shell directors approved revised bank mandates, and the entities adopted Shell's treasury policies and control framework on day 1.

Cash management processes transitioned to Shell's cash banks, enabling full integration, automated ERP posting and cash pooling to Shell's treasury, rationalised bank accounts and bank facilities, and extended short-term financing facility from Shell's treasury. Commodities hedging transitioned from margin financing infrastructure with multiple banks to daily margining, supported by Shell's liquidity. Pavilion Energy entities were onboarded onto the group's guarantee facilities and trade finance limits were rationalised. A detailed engagement plan was mapped out, which included pairing each Pavilion Energy employee with a Shell "buddy."

Shell's cash management banks, Citibank N.A. and Standard Chartered Bank, played a pivotal role in prioritising the "know

your customer" process and expediting the opening of bank accounts.

### Best practice and innovation

The exceptional speed and quality of integration of Pavilion Energy set a new internal benchmark, with ERP deployed in just two months, without operational disruption or audit findings. The Shell and Pavilion Energy teams jointly delivered tangible financial and strategic value through significant cost savings, operational efficiencies and process standardisation across the treasury function.

"The integration of Pavilion Energy into Shell is a landmark achievement, being the first major acquisition in the Asia Pacific region to be fully integrated into our systems, infrastructure and ways of working, within a very ambitious timeline," comments Teo Yian Ping, Treasurer – Asia Pacific, Shell.

### Key benefits

- Cost savings.
- Headcount savings.
- Process efficiencies.
- Increased automation.
- Risk mitigation.
- Improved visibility.
- Number of banking partners/bank accounts reduced.
- Manual intervention reduced.
- Increased system connectivity.
- Exceptional implementation (budget/time).

Shell Treasury Centre East stands as a cornerstone of Shell's global financial operations, adeptly spearheading treasury management, cash optimisation and foreign exchange strategies across the Shell group of companies, in the Asia region. For organisations undergoing significant strategic acquisitions, the frictionless and rapid integration of newly acquired companies is not merely beneficial but critically imperative. Citi is proud to serve as a key banking partner, providing instrumental support for Shell's transformative acquisition of Pavilion Energy. Our comprehensive suite of banking solutions, spanning from streamlined new account set up to advanced liquidity optimisation, enable Shell's treasury operations to consistently perform at optimal efficiency. We are dedicated to empowering Shell in solidifying its market leadership and accelerating its strategic growth within the dynamic LNG market. We extend our sincere congratulations to Shell on this remarkable achievement and look forward to continuing our partnership in driving more success together.

**James Park, Asia Solution Sales, Services  
 Citi**

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Shell's acquisition of Pavilion Energy involved integrating eight entities (seven in Singapore and one in Spain). As one of Shell's primary partner banks, our role was crucial from the initiation of accounts to the complete integration, automation, consolidation and streamlining of financial and bank facilities. These steps were vital in enhancing cost and operational efficiencies, harmonising processes and centrally managing risks, thereby optimally supporting Pavilion Energy's treasury and operational needs. The outcome was a highly successful and exceptionally swift integration for Shell.

**Ankur Kanwar, Global Head, Structured Solutions Development, Cash and  
 Head of Transaction Banking, Singapore & ASEAN, Standard Chartered**

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