

Cecil Ng – ex-BNP member

Thanks for taking the time to talk with me.

Questions I will be asked:

1. Walk me through your resume/tell me about yourself

Sure -- I was born and grew up around Seattle, WA, in the US. My parents are from Hong Kong.

After graduating high school in Seattle, I decided to attend NYU Stern. I chose Stern because of the strength of its undergrad business program, and because I was eager to experience life in New York City, and to get a feel for the East Coast. There, I took classes in statistics, financial accounting, and economics, also was part of several groups at Stern, including the Management Consulting Group, the Quantitative Finance Society, and the Stern Accounting Society.

However, after spending about half a year in New York, I found that I preferred West Coast culture more, as well as Seattle's social climate. This, combined with financial considerations – mostly because I thought that the University of Washington was far more cost effective, prompted me to look into transferring back to Seattle, and after a lot of internal debate, I did. It definitely wasn't an easy decision, but ultimately, it's been for the better.

After I returned, I decided to do a double major in physics and economics, and am currently part of several research groups at the U of Washington.

My experience at Stern, even though it convinced me that ultimately New York life wasn't right for me, was invaluable, since it allowed me to interact with people of similar motivation and ambition, and also exposed me to the fast-paced life of financial professionals. That experience, combined with my interest in an analytically rigorous career which also involves a lot of interpersonal interaction, has definitely solidified investment banking into a career goal which is very attractive to me.

2. Why investment banking, and why Hong Kong?

I'm interested in pursuing investment banking because it's a career that offers the opportunity to apply analytical and problem-solving approaches learned during my major, physics, to a field which has a lot more practicality; more "real world," so to speak—a field more distanced from the ivory tower. Physics, to me, is a very interesting subject, at least in an intellectual capacity, but as a career, I'm interested in something a little more applied—finance, I think, is one of those fields which encompasses a good mix of fast-paced work and a requirement for strongly analytical thinking.

Finance is also a field where I can be sure that I will work closely with colleagues who are motivated and intelligent, partly because the competitive nature of the field inherently demands a person to be highly organized and be quick thinkers.

And although the hours are long, I have a strong work ethic, and I'm very excited about the prospect of being involved in work that helps companies to be better off, both strategically and financially.

As for why Hong Kong, several reasons: most of my extended family lives in Hong Kong, and although I've visited several times, I have never actually stayed there for an extended period of time. However, I've loved the city every time I've visited, and I would like to spend a summer there to experience a culture very different to that which I've experienced so far. Also, I enjoy living in large metropolitan areas—even though my overall experience in NYC didn't turn out the way I'd wanted it to, I still miss the fast-paced lifestyle and the feeling of living in a big city. Seattle simply doesn't come close.

There's also another reason—I've only had exposure to the American financial world—I'm interested in seeing how the Asian scene differs, both in culture and in structure.

3. Why did you transfer to UW from Stern?

It was a combination of financial considerations and the fact that I didn't like NYC's culture as much as I did Seattle's—the people were more abrasive, and the overall social climate was just one which I found overall to not be to my taste. Also, I found that I preferred studying closer to home.

4. What are you expecting to do at Kim Eng?

Well, as an investment banking summer analyst, I expect I would spend a lot of my time in Excel and Powerpoint, mostly doing DCF, precedent transaction, and comp valuations, making pitchbooks, performing administrative duties, and doing research on companies. If it's M&A then I might be making merger accretion/dilution models as well.

5. What's in a pitchbook?

It would depend on the type—for bank introduction pitchbooks, it'd mostly be information introducing the bank and explaining recent deals. For sell-side M&A, it'd contain information that pitches the bank as the best option for the client—it'd contain a valuation summary, an overview of the bank, and potential buyers. For buy-side M&A, it'd have similar data as the sell-side M&A pitchbooks but instead with a list of possible acquisition candidates. For management presentations for clients, pitchbooks would include information that pitches the company to investors.

1. Why major in physics and economics?

I have a strong personal interest in physics as an intellectual pursuit, but as a career, I am more interested in pursuing something business related. As I explained earlier about my experience at Stern, I got a lot of exposure to the fast-paced lives of financial professionals, and I find the characteristics of investment banking to be a career path which I can really get behind. It's my hope to eventually be employed by a bank, in, say, an energy and power group, where my scientific background will be useful in dealing with the companies. Also, I believe the analytical and quantitative approach to problems, which is taught in physics, can have great relevance in banking. As for economics, I enjoy the subject because it combines the quantitatively rigorous methods found in the hard sciences with the more qualitative methods found in investment banking—at least at the analyst level. Essentially, I find it an attractive combination of theoretical quantitative modeling and applicability to real-life situations.

For example, um, monte carlo methods—they're extensively used in physics for problems that can't be deterministically solved. For example, using a Variational Monte Carlo method to solve the Schrodinger equation for many-dimensional integrals needed to calculate some aspect of a quantum mechanical system. And these are, obviously, also used in finance for things like calculating the discounted expected value of options with a lot of uncertain variables. Of course, this doesn't relate directly to investment banking, at least to the stuff I would be doing in the capacity of an analyst, but it's an illustration of how the analytical methods and approaches to problems taught in physics can be interdisciplinary.

2. Teamwork?

Sure—one of the research projects I'm currently working on is the development of a computational approach to drug discovery, which, if successful, would greatly reduce the current costs of drug development. When I first joined the group, I felt out of my depth, but I quickly learned how to independently engage, without external pressure such as from my professor, in scientific collaboration and teamwork with collaborators. The project is fundamentally a collaborative project, so learning how to effectively work and communicate with group members was vital to writing code and approaching technical problems in such a way that the finished programs and scripts could be understandable and used by other researchers. Also, because of the modular nature of the project and the inherent logistical differences between these modules (e.g. coding convention, compatibility of data types), this collaboration demanded detailed understanding of other modules' functions. As a result, I've had to work very closely with my collaborators in order to work as efficiently as possible. It definitely wasn't easy at first, but now I've gotten to a point where I can substantively contribute and work efficiently with other members of my research team to make progress.

3. Have you done any financial modeling?

Yes, I have done some DCFs and comps in the Stern group projects.

4. What did you do in the MCG and Acctg groups?

In the Management Consulting Group and Stern Accounting Society, I participated in educational workshops that various corporations hosted, and in consulting and accounting projects in which I learned about the various facets of management consulting and corporate accounting. For example, I participated in the Rosetta Case Workshop, where my group was assigned a case in which we had to identify optimal business strategies for a specific firm. Our specific case was Google—we were tasked with developing a business strategy given Google's remarkably quick expansion. I also met consultants from the Rosetta Consulting Practice and learned about their work at the firm, and learned about past Rosetta projects. The Quantitative Finance Society also had similar workshops, although they were normally presented by Stern staff instead of professionals in the corporate world, and were mostly focused on more technical aspects (for example, options basics, and topics like trading strategies, risk management).

5. What classes are you taking?

I'm taking Organic Chemistry, Electricity and Magnetism, a seminar in contemporary physics, and quite a few research credits.

I'm not taking any economics classes this quarter because of scheduling considerations –since I am doing a double major in three years, I have to plan my schedule very carefully, and in order to graduate on time, there are quarters where I'll have to take either only science classes or economics classes. This quarter happens to be one of the former.

6. What extracurricular activities?

I'm involved in a couple scientific research labs, including research on aging, and research on developing a computational approach to drug development. I used to be involved with the university's stock trading financial club, but I found it to be not very interesting. Also, I play the violin, and I play competitive badminton. Have you applied in the US?

Yes, I have. It was only recently that I considered Hong Kong as an option for the summer, and by this time most of the applications were closed, so I contacted my aunt and asked her whether she knew of any banking opportunities, and she directed me to you.

7. Strengths/Weaknesses

My biggest strength is that I'm generally a very assertive person, but I do my best to be frank with people while remaining tactful. However, as you might imagine, it can also serve as my biggest weakness—even though I do my best to talk to people with the necessary tact, sometimes I fail in doing so, and so come off as overly blunt.

Questions to ask:

- 1.) Can you tell me how you got started in investment banking, and how you got to where you are at Kim Eng? My aunt mentioned that you two used to work together, I believe at BNP, but I don't know much more beyond that.
- 2.) Have you worked in any US cities like New York or LA? If so, what's been your personal experience of the differences between that and working in Hong Kong?
- 3.) What is the structure of the summer internship program? How long is it, and also, how many interns do you normally take?
- 4.) One last question –what's the next step for me after this phone call?