

## **MEDIA RELEASE**

### **ACCA & OCBC URGE CORPORATES & SMEs TO PLACE STRONGER EMPHASIS ON GOOD CASH MANAGEMENT PRACTICES**

*Recent economic downturn has renewed call for re-assessment of the role of proper cash management practices in promoting cost savings and operational efficiencies*

Kuala Lumpur, 21 July 2010 – The need for corporations and SMEs to have in place proper cash management practices has never been more pronounced than in recent times according to Oversea-Chinese Banking Corporation Limited (OCBC Ltd) Deputy Head of Cash Management Mr Ricky Lim.

Speaking at the inaugural “The Power of Cash Management” seminar jointly hosted by ACCA (The Association of Chartered Certified Accountants) and OCBC Bank (Malaysia) Berhad here today, he said the recent global economic slowdown highlighted why companies cannot afford to ignore cash management solutions in order to survive, remain profitable and even thrive.

“The time is ripe for companies to recognise cash management solutions as not just a ‘nice-to-have’ but a ‘must-have’ business tool that helps promote cost savings and operational efficiencies.

“It is crucial that companies monitor their cash flow effectively in order to ensure survival of their business. Idle funds could very well be sitting in different accounts at different banks due to inefficient cash management practices. So, companies need to look at their current financial operations and ask whether they are keenly aware of their total cash positions and forecasts of their cash positions,” he said.

Sharing the same sentiment, Datuk Mohd Nasir Ahmad, President ACCA Malaysia Advisory Committee, said: “The condition of a company's cash flow is considered one of the most important indicators of its financial health. A well-managed flow of cash – like a strong heart – is usually indicative of a healthy business, while poorly managed cash flow, or a weak heart, can cause problems that affect the entire business.

“It is a common mistake for people to think in terms of profits at the expense of cash. The reality is that we don’t spend profits in a business – we spend cash. Profitable companies go broke because they had all their money tied up in assets and couldn’t pay their expenses. That shows how critical working capital is to business health,” Datuk Mohd Nasir said.

According to Lim, a bank could support a company’s cash flow management by providing a deeper understanding of its transactional needs and the typical challenges faced in their industry, utilizing the right solutions not just for current business operations but that are also scalable to support the company’s future growth in a cost-efficient way.

“The Power of Cash Management” seminar also covered topics such as latest trends of cash management practices in Malaysia and Singapore, the importance of implementing effective cash management solutions in managing cash flow and some simple guidelines on how to implement cash management solutions and partner bank selection. The seminar also featured several case studies focusing on the implementation of cash management solutions for a number of household corporate names in Malaysia.

ACCA and OCBC Bank recently formed a synergistic partnership to enable accountants to master the latest developments in practical cash management in an effort to equip them as even more well-rounded advisors to companies and organisations.

The partnership continues with another seminar in Penang tomorrow (22 July 2010).

Datuk Mohd Nasir explained that the collaboration is part of a professional development effort to ensure accountants are constantly updated on the options and solutions available in the ever-evolving field of cash management.

“We are seeing that organisations are increasingly relying on the expertise of accountants – at all levels of their business – to help them navigate through both good and bad times. With ACCA members acting as trusted advisers to companies across Asia and the world, we fully appreciate the role they can play in strengthening companies’ sustainability and survival under any economic conditions. Therefore it is important for our members to have the latest information and solutions in cash management so they are able to advise their organisations more effectively,” he said.

He added that ACCA is pleased to be collaborating with an awarding-winning bank such as OCBC on this initiative.

OCBC Bank was the winner of *the Asiamoney poll for the Best Foreign Cash Management Bank in all 3 categories of small, medium and large sized corporates for 2 consecutive years.*

In addition to Lim and Datuk Mohd Nasir Ahmad, Director & CEO of OCBC Bank Mr Jeffrey Chew also addressed the seminar.

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## **About OCBC Bank**

OCBC Bank, established in 1912, is the second largest financial services group in Southeast Asia by assets. It is among the world's highest rated banks, with a long term credit rating of Aa1 from Moody's. OCBC Bank and its subsidiaries offer a broad array of specialist financial services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of more than 500 branches and representative offices in 15 countries and territories, including 382 branches and offices in Indonesia operated by its subsidiary, Bank OCBC NISP.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia by assets, and its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

OCBC Bank offers Islamic banking products and services in Malaysia through its wholly-owned subsidiary, OCBC Al-Amin Bank Berhad.

For more information, please visit [www.ocbc.com.my](http://www.ocbc.com.my)

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## **About ACCA**

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 140,000 members and 404,000 students throughout their careers, providing services through a network of 83 offices and centres. Our global infrastructure means that exams and support are delivered – and reputation and influence developed – at a local level, directly benefiting stakeholders wherever they are based, or plan to move to, in pursuit of new career opportunities.

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