

OCBC EMBARKS ON SEMINARS TO REVIEW NEW TRADE FINANCE GUIDELINES WITH BUSINESS PARTNERS

Seminars aim to equip businesses with knowledge of the latest issues pertaining to UCP600

Kuala Lumpur, 28 August 2008 – OCBC Bank (Malaysia) Berhad is running a series of seminars nationwide to help businesses involved in the documentary credit industry to take full advantage of the provisions of UCP600 (Uniform Customs and Practice for Documentary Credits). UCP600 is a set of trade finance guidelines implemented in July last year.

According to the Bank's Head of Global Trade Finance, Ms Chuang Boon Kheng, the seminars aim to quell the effects of a lack of sufficient comprehension of the trade guidelines.

"The provision that allows for financing of deferred payment credits, for example, has not yet been practised, at least in this region. Through these seminars, we hope to share with our customers the impact and benefits of these latest trade finance guidelines.

"Businesses need to be kept abreast of how they might use the guidelines more proactively for their own benefit. Toward this end, we would like to clarify and reinforce the provisions of UCP600," she said.

The seminars will be carried out by region beginning with the Klang Valley which received an overwhelming response by customers yesterday, followed by Penang (3 September), Johor Bahru (10 September) and Kota Kinabalu (25 September).

They will feature Mr Soh Chee Seng, a veteran with over 30 years of experience in trade finance, who was a member of the task force on international standard banking practice for the examination of documentary credits and new UCP drafting group commissioned by the ICC Banking Commission.

Mr Soh's talk will, among others, touch on the standard international banking practice of accepting insurance documents that contain references to any exclusion which reduces confusion and differences of opinion; the ruling that the legacy word "clean" need not appear on transport documents even if a letter of credit contains the requirement for it to be certified "clean on board"; and introduction of the word "honour" in the documentary world to clearly

define the obligation of the issuer and mitigate any dispute in the interpretation of the issuer's obligation toward the beneficiary of the letter of credit.

"OCBC Bank believes that companies should take advantage of the implementation of UCP600 and equip their executives in procurement, sales and marketing, as well as export or shipping departments in order that they might be more familiar with the many activities surrounding documentary credit.

"More often than not, companies only send their finance or accounts staff to attend courses or seminars relating to UCP600. However, other areas of a company also have a key role to play. For example, the sales and marketing department which negotiates and agrees trade terms with a buyer should also be familiar with the development and provisions of the rules," Chuang added.

The UCP is the work of ICC, an international organisation founded in 1919. It is formulated entirely by experts in the private sector and remains the most successful set of private rules for trade ever developed, now in its sixth revision.

For more information, the public may call OCBC Bank's Global Trade Finance unit at 03-2783 3236 (Mr Chuah Chin Keat) or 03-2783 3227 (Mr Thian Soon Onn).

About OCBC Bank

Singapore's longest established local bank, OCBC Bank currently has assets of S\$181 billion and a network of more than 460 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes more than 350 branches and offices in Indonesia operated by OCBC Bank's subsidiary, PT Bank NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to treasury and stock-broking services to meet the needs of its customers across communities.

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