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OCBC Bank scores a first in Electronic World Trade System

Singapore: March 23, 2000 -- Oversea-Chinese Banking Corporation Limited (OCBC Bank) became the first Singapore organisation to join bolero.net, the international electronic trade community. This agreement was signed today by Mr Alex Au, Vice-Chairman and Chief Executive Officer, OCBC Bank and Mr Barry Morse, Chief Executive Officer of bolero.net. With this alliance, OCBC Bank is the only local Singapore bank to be accredited to a globally-recognised Internet-based world trade system.

bolero.net, created by the world's logistics and financial services communities, provides a unique and global technical and legal infrastructure that complements the functionality of many business-to-business e-commerce initiatives. It offers customers a common, open system by which businesses can exchange trade documents and data via the Internet. Acting as a neutral third party, bolero.net ensures secure delivery and receipt of the information and provides a legal structure that binds all users.

With this partnership, OCBC Bank customers can look forward to a paperless and secure communication network, which has significant effect on efficiency, customer service and profits. For example, with reduced turnaround trade processing time and legalised electronic trade documentation, the Bank's corporate customers are able to speed up their operations and reduce administrative costs.

"Our participation in bolero.net is part of our larger plan to provide a complete range of e-solutions for our corporate customers. Businesses worldwide can use it to improve productivity and to increase sales as the network eliminates the need for physical or paper-based documents and enables faster turnaround times for trade processing. In this manner, resources may be freed for other business activities."

"In line with this, we have strategically created a new department, eSolutions, to develop the next generation electronic and internet-based products and services for our corporate clients," elaborated Mr Alex Au.

With its core messaging platform outsourced to the S.W.I.F.T. organisation, bolero.net is now winning support amongst multi-national corporations. These include Cargill, the world's largest commodity trading group, Otto Versand, the world's largest mail order company and Mitsui & Co the fifth largest company in the world. Already tipped by senior industry analysts as being the initiative most likely to win the battle as the online trade standard, bolero.net is set to create a huge new market for competing logistic and financial services.

Mr Barry Morse said, "Every day a new e-commerce initiative appears. The position is challenging for organisations trying to develop an optimal e-commerce investment strategy for the future.

"The bolero.net community is the world's first, genuine, neutral cross market and global initiative to introduce a secure and legal basis for the execution of world trade on the internet. Online settlement and fulfillment services need global standards to achieve levels of Straight Through Processing and automation. The bolero.net solution meets the markets needs."

A further boost to this strategic alliance is the support the Bank has from the Singapore Trade Development Board (TDB).

"TDB encourages such linkups with global initiatives as they not only contribute towards our vision of "paperless trading" but through such private sector efforts, we are able to boost Singapore's position as a global trade and logistics hub," said Mr David Chin, Deputy Chief Executive Officer of TDB.

The Bank's new product capabilities developed with the bolero.net system are targeted for roll out in the second half of this year. These products will enable the Bank's corporate customers to transact in a totally paperless environment for all traditional banking instruments such as payments, letters of credit issuance and transaction confirmations.

Backgrounder

What bolero.net offers

bolero.net provides the infrastructure to facilitate and increase international transactions by providing a global e-business platform for importers, exporters, shipping organizations, and financial institutions. In the process, bolero.net promises to reduce, if not eliminate, the paperwork and hardcopy documentation currently a part of international trade.

bolero.net is owned by the TT (Through Transport) Club, which serves as the investment vehicle for the world's container fleet carriers, ports and terminals and logistics companies; and the international banking community through S.W.I.F.T (the Society for Worldwide Interbank Financial Telecommunications).

Open system

Unlike existing proprietary electronic systems, bolero.net is committed to providing a completely open system that runs over the Internet. This means that a market has been opened up for technology companies to develop "bolero.net enabled" interfaces. Alternatively, major customers themselves can develop their own interfaces to connect to the Bolero System.

Security

bolero.net aims to match and actually exceed the comfort factor that businesses currently have when conducting trade transactions by paper.

The development of an extremely rigorous security regime has therefore been an integral part of the development of the Bolero System. Security features include:

- making off-line checks on users before they are given the go-ahead to start using the system,
- controlling access to the web-services and mailboxes through a system of private 'keys',
- encrypting messages, once they are sent, ensuring that each message is 'digitally signed' by the user,

- validating that each message is the original so that no party can make changes to it and verifying that messages are sent and received at the other end, therefore eliminating disputes about whether a document was sent or not.

However, even the most stringent security procedures count for little, if there are any doubts about who maintains the service.

As a result, the core messaging platform has been outsourced to S.W.I.F.T. - an organisation that processes over \$2 trillion in financial instructions a day.

Unique legal framework - The Rule Book

bolero.net has developed a unique legal framework for international trade which stemmed from the largest ever study into e-commerce conducted in 18 different jurisdictions. The result is the Bolero Rule Book, which every member organisation must sign and which allows any dispute to be resolved in the same way as it would with paper documentation.

bolero.net also has gone to great lengths to address concerns over doing business via the Internet. It employs a system for allowing messages and documentation to pass between parties to a transaction in a totally secure environment. The system also answers the needs of organisations for authentication, non-repudiation, data integrity, and encryption. Finally, bolero.net will offer significant responsibility and liability coverage to protect users against any loss attributed to security breaches or failure of the system to relay and handle messages and documents

About OCBC Bank

OCBC Bank is Singapore's second largest local bank with a market capitalisation of S\$12.98 billion as at 10 March 2000. Founded in 1932, OCBC Bank operates as a commercial bank with a broad array of products and services provided through a network of local and foreign branches employing some 6,000 employees. This network of 49 overseas branches and representative offices spans 13 countries, including 25 branches in Malaysia and one of the most extensive networks among ASEAN banks in Greater China.

OCBC Bank was recently named "Best Bank in Singapore" by US-based financial publication, Global Finance. In Singapore, it has 45 branches and nineteen 24-hour banking centres strategically located across the island.

Apart from its mainstay banking business, the Bank is also engaged in various other financial related activities including finance companies operations, stock-broking, investment management and bancassurance. The Bank's website is <http://www.ocbc.com.sg>

About eSolutions Department

As part of the Bank's overall internet strategy, a new department, eSolutions, was established within Business Banking Division. eSolutions is responsible for rolling out the next generation of web-based cash management, documentary trade & FX applications/products to

Business Banking's corporate clients. The product suite will include electronic account information reporting, payments, trade Letter of Credit initiation & FX. The "eSolutions" unit will be working closely with other business units within the Bank to structure integrated end to end cash management & e-commerce solutions for the Bank's clients, covering collections, e-procurement, account/liquidity management, payments and payroll.

Headed by Mr Ching Wei Hong who brings with him over 17 years of pioneering experience in the field of treasury and corporate cash management, the unit currently has a team of 15 staff.