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TCT and the success of OCBC

Report by Zheng Yinghao

It is hard to believe that the establishment of a modern banking institution could be traced to the destiny and efforts of two Chinese bankers, and that a bank formed from the merger of three small banks would become the epitome of success for Chinese banks. Even more inconceivable is that this clan based bank would later move on to become one of global top 500 renowned banks, playing a central role in global finance.

Written by Dr. Goh Chor Boon et al and translated by Dr. Chan Chiu Ming et al, "Building Bridges, Carving Niches: An Enduring Legacy" chronicles the rise of OCBC from its humble beginnings to its distinguished status as a global bank. Throughout the book, the pivotal role of TCT in the success of the bank is also documented.

TCT joined the CCB as a clerk at the age of 17. Although he was only 25 when the three banks merged to form OCBC, TCT was already destined for success. Due to his close associations with Tan Kah Kee, TCT was given the responsibility of persuading Tan Kah Kee to keep his businesses going so that the creditor banks could recoup some of the bad debts owed to them. True enough, TCT did not disappoint them. This episode provided the opportunity for TCT to distinguish himself and paved the way for his success later. TCT's deft handling of the matter also caught the attention of the colonial government.

OCBC headquarters moved to India during World War Two

Nevertheless, TCT's more significant contributions to the OCBC took place during the World War Two, when he arranged to systematically transfer the bank's assets and records to the finance department in England and the Midland Bank to protect them against the invading Japanese. At the same time, he was officially appointed as the bank's external administrator-general, tasked with re-establishing the OCBC's headquarters in Chungking.

Risking his life, TCT made his way from Singapore through Indonesia and Australia before reaching Calcutta, India. After a thorough assessment of the circumstances, he promptly decided to shift the OCBC headquarters to India out of safety reasons. As such, considerable credit could be given to TCT for ensuring that the OCBC was able to resume business swiftly after the war and suffer minimal losses.

Banks are more often known for issuing new notes, rather than destroying them. However, in the face of advancing Japanese forces in late January 1942, TCT was tasked by the British to burn vast amounts of new notes to prevent them from falling into enemy's hands.

A thinking strategist

Notably, TCT was likely to be the first local banker to go into politics. From 1945, as a member of the Singapore Advisory Council, he helped the BMA in the post war reconstruction of Singapore. In 1951, he was appointed by the British government as Deputy President of the Legislative Council. This effectively made him the Deputy Governor of Singapore.

According to banker Yap Pheng Geck, "TCT assesses each and every issue thoroughly. He would look at a problem from all angles and come to conclusions only after long and thorough deliberations."

To his success, the modest TCT attributed it chiefly to luck. He said, "Luck creates opportunities and brings new friends who are willing to give you support."

TCT was adept at using his own stories and interjecting them with humour to motivate his employees. He once told the story of a bank manager and a loan applicant:

The bank manager said to the loan applicant: "If you are able to guess which of my eyes is blind, I will give you the loan."

Without hesitation, the loan applicant replied, "Your left eye!"

"You're right. But how did you guess that?"

"Because your left eye looks kinder."

Now 96 years old, TCT, who retired from OCBC 21 years ago, was instrumental in steering OCBC to stability through difficult times. Throughout his career, he had chalked up impressive achievements. On the other hand, the OCBC, having emerged from countless setbacks to become an epitome of success, is just like a reborn phoenix. Incidentally or symbolically, a hotel under OCBC is also called Phoenix Hotel.

Overseas migrants

In using a junk for both its old and new logos, the OCBC shows that its shareholders, employees and competitors had all sailed from China and planted their roots here in Singapore. Following the trends of globalisation, the OCBC has also set up offices in different parts of the world. Its slogan 'Solid As A Rock' symbolizes the unwavering strength and stability of OCBC.

Merger of three Hokkien banks to form OCBC

Formed 70 years ago in October 1932 with the merger of Ho Hong Bank, CCB and OCB during the time of the Great Depression, the OCBC, in setting a precedent, shows that the modern day mergers in the local banking scene are not entirely new.

When the amalgamated bank officially opened for business in 1933, it was already the largest and most powerful local Chinese bank, with 17 branches in Malaysia, Indonesia, Myanmar, China and Hong Kong.

OCBC and the rubber industry in Singapore and Malaya

The story of OCBC cannot be isolated from the Great Depression and Tan Kah Kee, the Chinese business leader in Singapore in the 1930s, as well as the rubber industry in Singapore and Malaya.

Tan Kah Kee, the most influential tycoon in the local Chinese society then, suffered huge losses when rubber prices plummeted during the Great Depression. It was the collapse of his business empire which prompted the three small banks, of which he was a major customer, to come together to form the OCBC.

Inconceivably, the OCBC used to operate more like an agricultural bank in its early years. In fact, the bank's predecessors suffered precisely because they had issued too many loans to owners of rubber and pineapple plantations.

Interestingly, a few of the major shareholders of OCBC such as Lee Choon Seng, Tan Ean Kiam and Lim Nee Soon, were all owners of rubber plantations. Even Lee Kong Chian, who later became the bank's largest shareholder, was also a well-known rubber king. Till date, his family controlled Nam Aik Rubber Company still holds a major stake in the OCBC.