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## **TAN CHIN TUAN REMEMBERED**

### **A patriarch of blue chips**

#### **He will be remembered for his OCBC legacy and his philanthropy**

By CONRAD RAJ

(SINGAPORE) He was best known for his stewardship of the Oversea-Chinese Banking Corporation. But Tan Chin Tuan, who died on Sunday at age 98, also exercised influence over some of Singapore's bluest chips at one time.

They included Great Eastern Life Assurance, Fraser & Neave, Asia Pacific Breweries - then known as Malayan Breweries - Straits Trading Co, Robinsons and Wearne Brothers.

OCBC at one time also controlled almost 30 per cent of the stock of The Straits Times (1975), which later merged with the Chinese dailies to form Singapore Press Holdings.

These companies were often regarded as the bellwethers of the Singapore economy.

Mr Tan was born into wealth in 1908. His China-born father, Tan Cheng Siong, was a prominent Hokkien businessman who owned several sawmills and a rubber plantation in Johor. He served on the board of the Oversea-Chinese Bank and when its general manager died suddenly, he took over the post.

Mr Tan's career in banking began when See Boo Ih, a friend of his father and then managing director of the Chinese Commercial Bank (CCB), invited him to join the bank on finishing his commercial studies in bookkeeping and related subjects.

Mr Tan had wanted to do law in Britain, but his plans were put paid when his father died of a heart attack when he was in the Junior Cambridge class (equivalent to O levels now).

Mr Tan, known to his friends as TCT, joined CCB in March 1925 at the age of 17 as a clerk. He quickly rose through the ranks and within five years became an assistant manager.

The Japanese invasion of Manchuria in September 1931 caused a financial crisis among the local banks and resulted in the merger in 1932 of the three Hokkien banks here - CCB, Ho Hong and the Oversea-Chinese Bank - into what we know today as OCBC Bank.

When the merger was completed the following year, Mr Tan was made manager of OCBC Properties and its new incorporated subsidiary Eastern Realty Company.

In February 1942, two weeks before the Japanese took over Singapore, Mr Tan was made joint managing director, in conjunction with the more senior Tan Ean Kiam.

He returned in 1945 from India, where he re-established OCBC during the war, and became its sole managing director.

While many of his critics considered him conservative, his shrewdness and foresight got him to acquire many blue chips on the cheap from frightened British shareholders in the 1950s and 60s.

He had earlier acquired control of Raffles Hotel.

During the 30 or so years under Mr Tan's control, these companies produced annual returns on average of between 12.4 per cent for Malayan Breweries and 19 per cent for GEL - an achievement most fund managers would envy.

Someone with 1,000 GEL shares when Mr Tan became a director would have seen the holding grow to 16,700 shares when he retired as executive chairman.

His purchases for OCBC made it one of the biggest landlords in Singapore. However, in the 1980s, he became bearish on local property, advising many, including this reporter, that it would be better to rent than to buy property then. Fortunately, I did not heed his advice.

Mr Tan made shrewd investments on the personal front. As a result, he was said to be worth more than \$500 million. A recent court judgment estimated the value of just a couple of his companies at \$304 million, 'a large proportion of which is cash'.

OCBC, during his tenure often paid its middle management less than the industry average.

Once a group of newly promoted staff complained to him that their promotions had not been accompanied by any pay rise. A stern rejoinder that they could leave the bank if they were not happy quickly ended their threat to work-to-rule.

While thrifty, Mr Tan could also be very generous. In 2002, he gave \$2.5 million to his alma mater, the Anglo-Chinese School. Earlier this year, he donated \$29 million to the National University of Singapore.

He was OCBC's youngest as well as its oldest managing director. And by the time he retired as managing director of the bank in 1983, it was one of the best capitalised banks in the world - just like its slogan, 'Solid as a rock'.