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**SPEECH BY SENIOR MINISTER MR. LEE KUAN YEW**  
**AT THE OPENING OF THE UNITED OVERSEAS BANK (UOB)**  
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In the early 1950s, when I was a new young lawyer with Laycock and Ong, I had to attend to UCB's (United Chinese Bank) simpler work. I met Wee Keng Chiang, then the Chairman and Managing Director of the United Chinese Bank. He was a tall, slim, energetic, highly intelligent and very sociable man. When I visited him in his home in Kuching in the middle 1950s, he entertained me lavishly. He said the secret to his health and energy was daily swimming and champagne.

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The UCB was incorporated in 1935 and was then a small bank in rented premises at Bonham Building, where the Plaza 2 presently stands. It was staffed by Hokkiens and its customers were Hokkiens. Three British banks then dominated Singapore banking. The Chinese banks had customers only from businessmen of their dialect groups.

UCB's links of founder Wee Kheng Chiang, was from his hometown in Kuching. It concentrated on financing the trade between Sarawak and Singapore. The Overseas Chinese Banking Corporation (OCBC), founded earlier, was the largest Chinese bank, also served Hokkiens. The UOB serviced the Teochews. The Lee Wah Bank, the Cantonese.

After self-government in 1959, the situation began to change. The British banks gradually lost the privileges they enjoyed under British rule, and the local banks competed on more equal terms.

In the 1960s, Wee Kheng Chiang made his son, Wee Cho Yaw, Managing Director, while he remained Chairman. Cho Yaw had been a commodity trader but quickly learned the business of banking. He seized every opportunity to expand UCB's business.

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In 1971, the UOB had a breakthrough. It bought a majority interest in Chung Khiaw Bank from the Slater Walker Group and the Aw family. This doubled UOB's shareholders' funds and also brought 16 branches in Malaysia. Two years later, in 1973, UOB acquired Lee Wah Bank. UOB continued with its acquisition of smaller local banks by buying substantial stakes in Far Eastern

Bank in 1984 and Industrial and Commercial Bank in 1987, resulting in the UOB group having the largest domestic branch network.

Between 1970 and 1994, UOB achieved the second fastest growth in assets after the Development Bank of Singapore (DBS) group. But in the last 10 years 1984 - 1994, the UOB group expansion has been the most rapid. Of course, the “big four” Singapore banks have all grown in tandem with Singapore’s growth. But the drive of the Chairman, Wee Cho Yaw, has pushed UOB to top all local banks in profits for 1994.

The present UOB Plaza encapsulates UOB’s growth. It started from rented premises at Bonham Building, an old decrepit three storey building, then a nest for poor local law firms. In 1963, when the owner was prepared to sell, UOB bought it. It was redeveloped into the 30-storey UOB building in the early 70s and is now the retrofitted UOB Plaza 2.

After the UOB Building was built in 1974, the bank quietly bought up land along Boat Quay and Chulia Street. These purchases took more than a decade, as it involved many different owners.

Because of Wee Cho Yaw's foresight, his confidence in Singapore's development especially its Central Business District (CBD), he invested in the best sites along the Singapore River which abuts on Raffles Place. The result is UOB Plaza, one of the most impressive buildings in the CBD.

To overcome the constraints of a small population, UOB has established an international network. In 1965, it changed its name from United Chinese Bank to the United Overseas Bank to get a branch licence to operate in Hong Kong because Hong Kong already has a bank operating under this same name. Now it has 60 branches and offices worldwide.

To maintain this pace of growth, UOB will have to continue to increase its capital, and second, make better use of new information technology to improve its operations and to provide higher value-added quality services and products to its customers. Equally important, UOB will have to recruit some of the best and ablest of our young and nurture them to meet the competition that is likely to intensify. Sooner rather than later, there will be an agreement in the World Trade Organisation (WTO) to further open up the banking sector to foreign banks subject only to a transitory period. Major international banks recruit talent worldwide. To compete against them, Singapore banks must do the same. Otherwise, the history of the next 35 years will see the foreign banks return to

dominant positions , only the next time, they will be more American and Japanese rather than British banks.

Finally, let me thank the Chairman, Mr. Wee Cho Yaw, and the UOB, for their generous \$2 million donation to the People's Action Party (PAP) Community Foundation. They have given another \$8 million to various worthy causes in Singapore and Malaysia. I hope other successful business corporations in Singapore will follow the example that Mr. Wee Cho Yaw and the UOB have set.

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