Overseas Chinese capital and the China connection

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Branches in China and Hong Kong

The Chinese banks of Singapore looked north as well as south. Ho Hong opened its Hong Kong branch in 1923 and branches in Batavia and Shanghai by 1927, when it had nine branches in all. OCBC dates its presence in China to 1925, when a predecessor bank opened a branch in Xiamen, the port of the Hokkien homeland. Having survived the war, the branch made OCBC in the 1950s one of very few foreign banks with branches in the People's Republic.[1] The two sources disagree on how few: OCBC's own milestones call it the only one, while another account counts four.

These branches served the same purpose as the dialect bank at home. They followed the migrants' ties to their home districts and the trade between the Nanyang and southern China. They also carried a risk that Huff emphasises. Hong Kong and China remained on silver, so that operations there involved a significant exchange risk for banks whose capital was in Straits dollars.[2] The losses of 1931 showed how large that risk could be.

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Remittances and the banks

The Chinese banks also competed for the remittance business. Chapter V of Part A described the *qiaopi*, the letters with enclosed money that migrants sent to their families, and the remittance houses that carried them. Until 1937 banks and postal services handled less than a fifth of the *qiaopi* trade, although competition from banks had grown from the 1920s.[3] The remittance houses kept their advantage because they offered what banks could not: delivery to a village, a letter written for an illiterate sender and the return of a reply.

Remittances also linked the banks to politics in China. In August 1928 the Ho Hong Bank became receiving agent for short-term rehabilitation bonds issued by the Ministry of Finance of the Nationalist government. After the outbreak of war with Japan in 1937, the relief funds organised by Tan Kah Kee collected large sums from the Chinese of Southeast Asia. One fund raised ten million Straits dollars in 1937.[4] The banks of the community were the natural channel for such transfers, which tied their reputation to the cause of China in a way that the colonial authorities watched with growing unease.

New entrants in the 1930s

The merger of 1932 did not end the founding of Chinese banks. On 6 August 1935 a group of Hokkien businessmen led by Wee Kheng Chiang, a Sarawak-born merchant, founded the United Chinese Bank with a paid-up capital of $1 million. It opened for business in October 1935 in the Bonham Building at Boat Quay and served mainly Hokkien traders with short-term loans.[5] It was renamed United Overseas Bank in 1965 and is today one of the three large Singapore banks. Its founding shows that even within the Hokkien community there was room for a bank built around a different circle of leaders.

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The state banking system of China also arrived. The Bank of China opened its Singapore branch in Cecil Street in 1936.[6] Its presence gave the Nationalist government a direct channel to the remittances and savings of the Nanyang Chinese and placed a bank of a sovereign state alongside the community banks. Chapter II of Part I examines the modern relationship between Singapore and Chinese capital.

War and dispersal

The Japanese occupation interrupted the China connection. All local banks in Singapore closed briefly at the start of the occupation. Most of them, OCBC included, had resumed operations by April 1942. OCBC moved its head office to Bombay for the duration of the war and re-registered in Singapore afterwards.[7] Chapter I of Part C examines the occupation and its monetary consequences.

Notes

1. Wikipedia, "Ho Hong Bank" (accessed November 2026): Hong Kong branch formally opened on 1 October 1923; by 3 May 1927 branches in Batavia and Shanghai, nine branches in total; OCBC, "Milestones" (ocbc.com, accessed November 2026): "We first established our presence in China in 1925 with the opening of a branch in Xiamen"; Wikipedia, "OCBC Bank" (accessed November 2026): the Xiamen branch survived the war; in the 1950s OCBC was one of only four foreign banks with branches in China; OCBC, "Milestones" (accessed November 2026): "OCBC Bank was also the only foreign bank to have branches in China in the 1950s". ↩
2. W. G. Huff, "Currency Boards and Chinese Banking Development", 2003, p. 10: "the currencies of Hong Kong and China remained on silver and operations there carried significant exchange-rate risk". ↩
3. Wikipedia, "Qiaopi" (accessed November 2026): from the 1920s competition from banks and postal services grew; banks and postal services handled less than 20 per cent of qiaopi until 1937; OCBC helped facilitate the trade during the Second World War. ↩

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4. Wikipedia, "Ho Hong Bank" (accessed November 2026): in August 1928 the bank became receiving agent for the Nationalist Government's Ministry of Finance Rehabilitation Short Term Bonds; Wikipedia, "Tan Kah Kee" (accessed November 2026): he raised relief funds for China during the Second Sino-Japanese War; one of the funds "alone managed to raise ten million Straits dollars in 1937". ↩
5. Wikipedia, "United Overseas Bank" (accessed November 2026): founded on 6 August 1935 by Wee Kheng Chiang and six partners with paid-up capital of S$1 million as United Chinese Bank; Hoklo founders; mainly served Hokkien businesspeople with short-term loans; opened in October 1935 in the Bonham Building, Boat Quay; renamed United Overseas Bank on 23 January 1965. ↩
6. Bank of China Singapore Branch, "About us – History" (boc.cn/sg, accessed November 2026): the branch "started its operation at Cecil Street" in 1936 and moved into a 17-storey building at 4 Battery Road in 1953. ↩
7. Wikipedia, "OCBC Bank" (accessed November 2026): all local banks closed briefly early in the Japanese Occupation, most including OCBC resuming by April 1942; the head office moved to Bombay during the war and re-registered in Singapore after the war. ↩

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