The Chinese bank as a community institution

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Founders as community leaders

The directors of the Chinese banks were also the leaders of the community. Lim Peng Siang was President of the Singapore Chinese Chamber of Commerce from 1913 to 1916, with the exception of 1914, and a member of the Chinese Advisory Board from 1921 to 1941. Tan Cheng Siong of the Oversea-Chinese Bank was a Justice of the Peace, a member of the Chamber of Commerce and a member of the Chinese Advisory Board. Hokkien merchants met at clubs such as the Goh Loo Club and the Ee Hoe Hean Club, where they exchanged news of China and arranged business. Tan Chin Tuan was introduced there to the bankers who later employed him.[1]

This overlap gave the banks their deposits. It also created the conflicts of interest that the failures of 1913 and 1931 exposed. A director who was the leader of the community could not easily be refused a loan. A depositor who trusted him personally seldom asked how the bank was run. The colonial ordinance of 1914 addressed one aspect of the problem by restricting unsecured loans to directors. The

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deeper problem, the concentration of a community's savings on the fortunes of a few leading families, was resolved only by the growth of the banks beyond the circle of their founders.

Encouraging the banking habit

The Chinese banks brought banking to people whom the European banks did not reach. Huff argues that they tapped a market of Chinese savers, businessmen and entrepreneurs that European banks could not serve and encouraged the banking habit in the wider community. They also lent to a wider range of businesses, including manufacturing, which the European banks largely ignored in favour of trade finance and high-quality mortgages.[2] In this respect the Chinese banks performed a developmental function that went beyond the service of their own dialect group.

They also took on fiduciary roles. From May 1919 the Ho Hong Bank acted as executor and trustee.[3] For Chinese families, the administration of an estate by a bank whose directors were known in the community offered a middle course between a family executor, who might be partial, and an English trust company, which might not understand Chinese family customs. Chapter III of Part A described the legal difficulties of Chinese ancestral trusts. Part E shows how the trust business of the modern financial centre grew from such beginnings.

Education and philanthropy

The leaders of the Chinese banks financed schools and charities on a large scale. Tan Kah Kee founded The Chinese High School in Singapore in 1919 and Xiamen University in 1921. Lee Kong Chian chaired the board of The Chinese High School from 1934 to 1957 and set up the Lee Foundation in 1952, with branches in Malaya from 1960 and in Hong Kong from 1965.[4] Philanthropy reinforced the standing on which the banks depended. A banker who funded the community's schools was a banker whom its members trusted with their savings.

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The pattern continues to shape the relationship between Singapore's banks and the wealthy families that founded or controlled them. Families that built banks also built foundations, which still hold significant stakes and finance education, culture and research. Chapter III of Part E examines the family office and the philanthropic structures through which such wealth is held today.

From community bank to national champion

The dialect bank did not survive as a type. Its customers moved beyond the dialect community, its managers adopted the methods of Western banking and the state eventually regulated it like any other bank. The institution that emerged from the merger of 1932 is today one of the largest banks in Southeast Asia. At the end of 2025 OCBC reported total assets of S$675.69 billion and a net profit of S$7.42 billion.[5] The scale is the result of later developments, which Parts C, D and E examine. The foundations, however, were laid in the interwar years: a bank owned by Singapore Chinese capital, oriented towards the region and led by men whose standing in the community gave depositors confidence.

Common misconception

OCBC is sometimes described as a bank founded in 1932. In fact the corporation of 1932 was the product of a rescue merger of three Hokkien banks founded in 1912, 1917 and 1919, two of which were in serious difficulty after the losses of 1931. It is equally misleading to describe the dialect banks as closed clubs. Their capital and leadership came from one speech group, but they took deposits from a wider Chinese public, in Kwong Yik's case also from Malay and Chettiar customers, lent to manufacturers as well as traders and opened agencies as far afield as London and New York.

Notes

1. Wikipedia, "Lim Peng Siang" (accessed November 2026): President of the Singapore Chinese Chamber of Commerce from 1913 to 1916, except 1914,

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when he was vice-president; member of the Chinese Advisory Board from 1921 to 1941; declined a Legislative Council seat several times; ISEAS, "Biographical Notes: Tan Chin Tuan (1908–2005)", 2023, p. 1: Tan Cheng Siong served as Justice of the Peace and was a member of the Chinese Chamber of Commerce and the Chinese Advisory Board; ISEAS, "Biographical Notes: Tan Chin Tuan (1908–2005)", 2023, p. 1: the Goh Loo Club and the Ee Hoe Hean Club were venues where Hokkien merchants met, exchanged news of China and explored business; Tan Chin Tuan was introduced there to Tan Ean Kiam and to the managing director of the Chinese Commercial Bank, who later employed him. ↩

2. W. G. Huff, "Currency Boards and Chinese Banking Development", 2003, pp. 4 and 8: Chinese banks "tapped a market of Chinese savers, businessmen and entrepreneurs that European banks did not reach" and in Malaya "encouraged the 'banking habit' and attracted additional finance"; W. G. Huff, "Currency Boards and Chinese Banking Development", 2003, pp. 7–9: European banks' main interest remained the financing of foreign trade, plus some mortgage lending on high-quality property; Chinese banks "financed a wide range of activities, including manufacturing". ↩

3. Wikipedia, "Ho Hong Bank" (accessed November 2026): from May 1919 the bank began acting as executors and trustees. ↩

4. Wikipedia, "Tan Kah Kee" (accessed November 2026): founded The Chinese High School (now Hwa Chong Institution) in 1919 and Xiamen University in 1921; Wikipedia, "Lee Kong Chian" (accessed November 2026): chairman of the Board of The Chinese High School from 1934 to 1957; set up the Lee Foundation in Singapore in 1952, a Malaya branch in 1960 and Lee Foundation Limited in Hong Kong in 1965. ↩

5. OCBC, *Annual Report 2025*, "Financial highlights" (ocbc.com, accessed November 2026): total assets $675.69 billion; net profit $7.42 billion. ↩

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