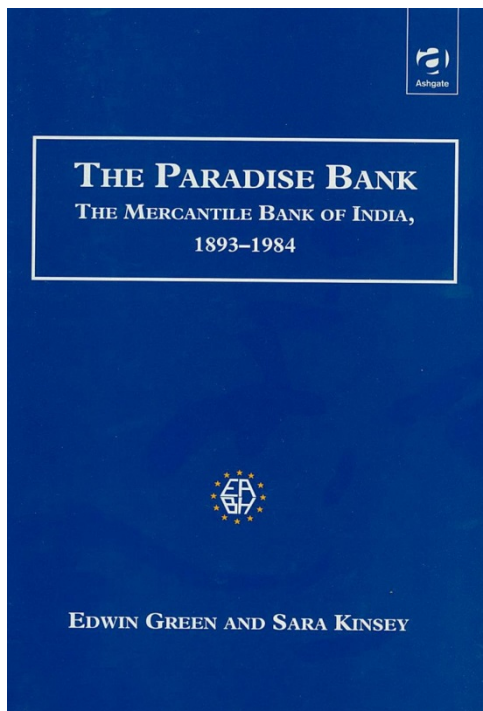


The Paradise Bank



The Mercantile Bank of India was one of a small bank of British-managed banks which dominated Anglo-Eastern finance for most of the twentieth century. Founded in London in 1893, the Mercantile inherited the business branches, staff and even the distinctive cable address – PARADISE – of the old Chartered Mercantile Bank of India, London and China.

In the early years of this century the Mercantile bank re-established a strong but quietly successful business in the East, primarily on the Indian sub-continent, but also in South-East Asia and on the China coast. It also gained from the acquisition of other banks in Calcutta (1906) and Mauritius (1916) and benefited from its durable connections with leading trade

houses such as Yule Catto. After the First World War, the Mercantile played a prominent part in banking development in Malaya, especially on the east coast. In addition to maintaining its support for the trade of the Indian sub-continent, the bank also enjoyed astonishing success in pre-war Shanghai.

Like its major rivals - the Hong Kong Bank, Chartered Bank and the National Bank of India – the Mercantile Bank endured losses and hardship during the Second World War. In the post-war world it needed both to adapt to massive political change throughout the East and to diversify into new markets and new types of business. In 1959 the Mercantile became a subsidiary of the Hong Kong Bank, and this book explores the complex, high-level negotiations in London and the East which preceded the acquisition.

Thereafter the Mercantile's business was gradually integrated into the larger group, and in the 1960's and 1970s, there was an increasing exchange of business, staff and systems between the bank and its parent company. Although the Mercantile Bank was fully absorbed in 1984 by the Hong Kong Bank (now part of the HSBC Group), its history, business and personnel remained an important thread in the traditions of the enlarged group.