

RBS and Japan

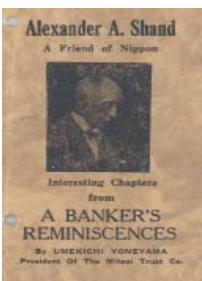
A history of friendship and trade



above left, photograph taken at a dinner in London in honour of Korekiyo Takahashi, attended by many of his friends from Parr's Bank, 1905

above right, newspaper illustration of the rush at the counter in London Bartholomew Lane branch of Parr's Bank to obtain prospectuses for a Japanese government loan, 1905

middle, decorative dish presented to Westminster Bank by the Japanese government in 1927, in gratitude for the bank's efforts to raise international reconstruction loans after the earthquake of 1923



bottom left, booklet published by the *Japan Times* concerning the life of the British banker Alexander Shand, who began the Group's long friendship with Japan

bottom right, booklet about Japan in Westminster Bank's 'These Are Your Markets' series, giving corporate customers information about trading overseas, 1960s

The Royal Bank of Scotland Group's historical ties with Japan stretch all the way back to 1859, when the Netherlands Trading Society - eventually to become ABN AMRO, and then RBS - was the first foreign company to be granted Imperial consent to open branches in Japan. It opened a branch in Nagasaki, followed by more in other Japanese cities. By the late 1870s, however, competition was making trading activities less profitable, and NTS withdrew from Japan.

By 1920, however, NTS had evolved from a trading company into a bank, and it looked once again to Japan, opening a branch in Kobe. Its presence in the country was temporarily withdrawn during the 1940s, but by 1950 it was back again, and has continued to trade in Japan ever since.

For our British constituents, the ties with Japan began in the late nineteenth century with Alexander Shand, a Scottish-trained banker who spent the 1860s and 1870s in Japan. He worked for the Japanese finance ministry, advising on banking systems, conducting lecture courses, and writing textbooks for Japanese bankers.

Shand returned to London in 1877, but he maintained his friendships in Japan, and his ties there remained important to him for the rest of his life. In 1927, the *Japan Times* published a booklet about Shand and his life, entitled *A Friend of Nippon*.

One of the most significant and lasting friendships that Shand formed in Japan was with his message boy, Korekiyo Takahashi. Takahashi grew up to become an important banker, then Japanese finance minister, and eventually Prime Minister. He was a key figure not only in Japan's history, but in relations between Japan and Great Britain.

In the early 1900s, Korekiyo Takahashi was instrumental in securing foreign loans for the Japanese government, and one of the contacts that ensured his success in these projects was Shand, who had, after returning to London, joined Alliance Bank (later Parr's Bank), which was eventually to become part of RBS. Between 1899 and

1910 Parr's Bank led consortia raising loans of £80,000,000 for the Imperial Japanese Government.

In 1905, Korekiyo Takahashi spent some months in London arranging a loan. Before his return to Japan, his London friends held a dinner at the Savoy Hotel in his honour. Shand was among eight men from Parr's Bank who attended, and the bank's chairman was seated at the table next to Takahashi, the guest of honour.

Shand retired in 1918, but the bank continued its friendship with Japan. After the earthquake of 1923, Westminster Bank (as it was then known) led international efforts to raise reconstruction loans for the Japanese government. In recognition of its contribution, in 1927 the Japanese government presented Westminster Bank with an elegant decorative dish, and appointed the bank's general manager John Rae to the Order of the Rising Sun.

In the 1950s and 1960s, increased opportunities for cross-border transactions prompted many banks to become more involved in foreign markets. At first, this involvement was indirect – supporting customers with international interests – but soon the banks saw the benefit of having their own permanent presence overseas.

In 1971 NatWest, the successor of Westminster Bank, opened a Tokyo Office, which just over a year later was raised to the status of full branch. The Royal Bank of Scotland itself appointed its first full-time representative in Japan in 1985.

Today's RBS Group brings together the traditions of a number of banks and their long-standing friendships with Japan. Building on these solid foundations, it provides bespoke financial solutions to a range of institutional and corporate customers.

For more information about The Royal Bank of Scotland Group's heritage, contact Group Archives at archives@rbs.co.uk.

The Royal Bank of Scotland Group plc
Registered in Scotland No. 45551
Registered office: 36 St Andrew Square, Edinburgh, EH2 2YB

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