

Bank of England liabilities and assets: 1696 onwards

Many series of banking statistics do not extend very far back in time, because over the years most of the older records of banking houses have been destroyed. The main ledgers of the Bank of England, however, are virtually complete from the Bank's foundation in 1694: it is thus possible to produce, for the use of monetary historians, a consistent series of the Bank's liabilities and assets extending back over 270 years. Figures for the earliest years have not been published before.

Figures published previously

Although the Bank had been founded four years earlier, it was not until 1698 that the accounts had settled to a regular pattern. In 1696, however, the Bank furnished some figures to Parliament from which a balance sheet, dated 10th November 1696, was produced.

Balance Sheet as at 10th November 1696¹

Liabilities				Assets			
	£	s	d		£	s	d
Capital	1,200,000	-	-	Loan to the State	1,200,000	-	-
Profit and loss account	125,315	2	11	Half-year's remuneration due on above	50,000	-	-
Sealed 'bills' outstanding ²	893,800	-	-	Tallies on Parliamentary funds with interest	1,784,576	16	5
Interest on the same	17,876	-	-	Mortgages, pawns, other securities and cash ³	266,610	17	-
Notes for running cash ²	764,196	10	6				
Borrowed in Holland	300,000	-	-				
	£3,301,187	13	5		£3,301,187	13	5

Some tables giving particulars of the note circulation were published in 1819, in connection with the "Secret Committee on the Expediency of the Bank resuming Cash Payments"; but no further figures were then published, so far as is known, until 1832. In that year a Parliamentary Committee, which sat " . . . to inquire into the Expediency of renewing the Charter of the Bank . . . ", were supplied with figures extracted from the Bank's general ledgers by William Smee, then Chief Accountant. These figures were later extended in scope and time, and published as an appendix to the Report of the Committee on Commercial Distress 1848, and, later, to that of the Committee on the Bank Acts 1857. They comprised notes in circulation, rest (*i.e.* the balance on profit and loss account), deposits, securities, and the Bank's holdings of coin and bullion, for each half year from February 1778 to August 1847. Sir John Clapham, in *The Bank of England: A History*, Volume I, Appendix C (Cambridge, 1944), republished Smee's figures for notes in circulation, rest, and coin and bullion, and added drawing accounts; and carried the figures back to 1720.

¹ *Journals of the House of Commons*, XI page 614.

² A type of Bank paper. Sealed bills were drawn to order and usually interest bearing; notes for running cash were printed in blank and the amounts filled in later.

³ Details are given in Table A on the following page.

The Bank Act 1833 required an account of notes in circulation, deposits, securities, and coin and bullion to be supplied weekly to the Chancellor of the Exchequer, and the average of the preceding three months to be published monthly in *The London Gazette*. This "Average State of the Bank Accounts" was not published after 16th August 1844. Regular weekly publication of figures commenced on 7th September 1844 in the form known as the Bank Return, in accordance with the Bank Charter Act of that year.

The present series

Table B, at the end of this note, illustrates the series from 1696 to 1845 that is now available; it shows the years 1696-98 and roughly every fifth year from 1700 to 1845. The full series of annual figures from 1696 to 1845 – many of which have not previously been published – is given in an appendix. This appendix, which is available on request from the Bank's Economic Intelligence Department, also includes, for convenience, figures for the years after 1845 (though these have already been published in *The London Gazette*); and thus presents a consistent series extending over 270 years.

In addition, Bankers' balances at the Bank, which have always been of particular interest to monetary historians, have been extracted from the Bank's books as far back as they are available. A quarterly series from April 1819 to April 1828, and weekly thereafter, is included in the appendix mentioned above.

The series in Table B has been compiled from the Bank's ledgers: the figures for 1845 are as given in the Bank Return, but with the Issue and Banking Departments consolidated into one account for comparison with earlier years. The dates in each year to which the figures relate are:

1696-1697	14th March 1696 ¹ and 25th June 1697, the only balance sheets available
1698-1764	End-August balance sheet
1766-1844 ²	End-February balance sheet
1845	Bank Return for the last Saturday in February.

The figures from 1696 to 1777 are mostly new; up to 1710 they are comparable with those published in J. K. Horsefield's *British Monetary Experiments 1650-1710* (London, 1960). Sir John Clapham's figures for the period 1720-77, referred to earlier, are reconcilable in so far as notes in circulation, rest, and coin and bullion are concerned, his figures for drawing accounts being included among those for deposits as a whole.

For the years 1778-1844, Smee's figures are already available. The figures now presented for these years, however, have been made consistent both with those before 1778 and with those published for the years after 1844; in consequence, they do not agree entirely with those produced by Smee. His series, however, has proved a most useful guide and, where there is evidence that he was in a better position to judge the implication of a particular account or set of figures, his opinion has usually been accepted.

Two points should perhaps be made about the series of notes in the Bank. First, in the earliest years 'notes' include various forms of paper money issued by the Bank, some of which were in existence only for a very short time. Moreover, before 1806 'cash' in the

Table A

Details of mortgages, pawns, other securities and cash: 10th November 1696

	£	s	d
Cash	35,664	1	10
Goldsmiths' notes	9,636	14	1
Private loans, mortgages, etc.	42,160	–	8
Tickets on "Million Adventure" ^a	1,320	–	–
Bills discounted not received	16,746	16	4
Chamberlain of London's certificates discounted	1,644	10	–
Money due from Holland ^b	30,176	1	9
Cash remitted more than drawn ^c	27,507	12	4
Unpaid o/a Capital Stock of £1,200,000; may be called and therefore reckoned as cash	101,755	–	–
	<u>£266,610</u>	<u>17</u>	<u>–</u>

a A Lottery Loan issued just before the foundation of the Bank.

b The amount by which tallies deposited fell short of the Credit of £300,000.

c Due from the Government on account of payments made in Holland.

¹ Until 1752 the calendar year began on 25th March. The first balance sheet in the Bank's ledgers is headed 14th March 1695 but by modern reckoning this is 14th March 1696 *i.e.* some nineteen months after the Bank first opened for business on 1st August 1694.

² No balance sheets are available for 1765 and 1774.

balance sheets did not distinguish between coin and notes. In his figures Smee assumed that £9,000-10,000 of total holdings of cash was in the form of coin and the remainder in notes; and the same assumption has been adopted in the present figures for 1699 to 1806. To this extent the figures are uncertain. Before 1699 the records are more obscure and no estimate can be made of notes in the Bank: thus for 1696-98 the figures for coin and bullion contain an unknown amount of notes.

Secondly, the figures for 1845 show a sharp fall in notes in the Bank. This followed the setting-up of the Issue Department on 31st August 1844, when all notes at Head Office and the branches were transferred to a special account. From this account notes to the value of £6,813,660 were transferred to the Banking Department in payment for securities, coin and bullion transferred to the Issue Department; the remainder were excluded from the Bank Return. As a result, notes held by the Bank dropped from over £31 million in February 1844 to under £9 million in February 1845.

Table B
Bank of England liabilities and assets

Date	Notes		Liabilities			
	In circulation	In the Bank	Capital	Rest	Deposits	7-day and other bills
	£	£	£	£	£	£
1696 Mar. 14	2,011,032	—	720,000	41,073	409,873	—
1697 June 25	1,937,400	—	1,200,000	—	325,320	—
1698 End-Aug.	1,742,504	—	2,201,172	108,890	161,184	—
1700 " "	1,616,839	92,000	2,201,172	94,767	118,030	—
1705 " "	1,896,957	105,000	2,201,172	71,864	253,203	—
1710 " "	598,230	190,000	5,058,547	143,511	215,339	—
1715 " "	828,451	267,000	5,559,996	214,620	510,652	—
1720 " "	2,493,968	543,000	5,559,996	145,062	1,638,821	—
1725 " "	3,237,477	83,000	8,959,996	283,003	2,185,735	23,117
1730 " "	4,381,000	255,000	8,959,996	297,661	2,724,338	36,075
1735 " "	4,635,755	80,000	8,959,996	283,822	3,704,402	103,001
1740 " "	4,349,366	157,000	8,959,996	307,652	3,906,527	94,832
1745 " "	3,343,182	88,000	9,800,000	346,071	3,093,657	122,174
1750 " "	4,134,529	81,000	10,780,000	357,514	2,865,402	183,969
1755 " "	3,933,276	103,000	10,780,000	284,580	3,269,256	182,007
1760 " "	4,809,102	127,000	10,780,000	297,447	3,104,315	127,182
1764 " "	5,957,440	209,000	10,780,000	511,910	2,645,513	253,245
1766 End-Feb. ^a	5,276,330	228,000	10,780,000	483,864	2,178,321	341,250
1770 " "	4,928,926	258,000	10,780,000	613,661	2,970,514	308,293
1775 " "	8,505,360	235,000	10,780,000	857,893	2,634,283	630,572
1780 " "	8,032,060	362,000	10,780,000	1,347,409	3,154,893	378,734
1785 " "	5,619,759	1,032,000	11,642,400	2,321,061	3,226,263	303,330
1790 " "	9,342,717	755,000	11,642,400	2,701,308	3,734,143	697,825
1795 " "	13,451,356	1,058,000	11,642,400	2,948,527	4,154,422	566,161
1800 " "	16,122,102	2,410,000	11,642,400	3,661,150	4,265,575	722,367
1805 " "	16,856,156	1,907,000	11,642,400	4,590,404	8,992,049	1,015,015
1810 " "	20,120,486	6,659,984	11,642,400	5,403,074	5,934,314	899,118
1815 " "	26,091,322	10,976,256	11,642,400	7,631,516	7,267,252	1,170,329
1820 " "	22,082,909	10,051,647	14,553,000	3,520,879	3,347,555	1,401,207
1825 " "	18,435,881	7,362,345	14,553,000	2,807,888	10,168,784	2,317,878
1830 " "	17,757,290	21,951,205	14,553,000	2,579,391	10,763,010	2,293,440
1835 " "	16,826,704	27,259,148	14,553,000	2,748,917	10,823,023	1,501,975
1840 " "	15,720,413	30,149,023	14,553,000	2,878,073	7,801,320	828,525
1844 " "	20,108,508	31,503,129	14,553,000	3,184,874	12,529,165	1,039,860
1845 Feb. 22	19,790,305	8,889,215	14,553,000	3,252,281	15,179,555	985,035

^a No balance sheet is available for 1765.

Assets

Total	Government debt	Other Government securities	Other securities	Coin and bullion	Notes in the Bank	Date
£	£	£	£	£	£	
3,181,978	1,200,000	1,566,262	157,358	258,358	—	1696 Mar. 14
3,462,720	1,200,000	1,874,226	112,609	275,885	—	1697 June 25
4,213,750	1,200,000	2,404,014	180,449	429,287	—	1698 End-Aug.
4,122,808	1,200,000	2,310,502	311,474	208,832	92,000	1700 " "
4,528,196	1,200,000	1,685,296	800,755	737,145	105,000	1705 " "
6,205,627	3,375,028	1,763,767	771,170	105,662	190,000	1710 " "
7,380,719	3,375,028	1,769,385	1,054,679	914,627	267,000	1715 " "
10,380,847	5,375,028	624,836	2,837,274	1,000,709	543,000	1720 " "
14,772,328	9,375,028	3,254,354	862,515	1,197,431	83,000	1725 " "
16,654,070	10,100,000	3,114,345	977,648	2,207,077	255,000	1730 " "
17,766,976	10,100,000	3,178,500	672,687	3,735,789	80,000	1735 " "
17,775,373	9,100,000	3,054,899	562,482	4,900,992	157,000	1740 " "
16,793,084	10,700,000	4,816,021	381,105	807,958	88,000	1745 " "
18,402,414	11,686,800	3,944,309	731,218	1,959,087	81,000	1750 " "
18,552,119	11,686,800	2,348,537	624,681	3,789,101	103,000	1755 " "
19,245,046	11,686,800	3,768,488	1,034,217	2,628,541	127,000	1760 " "
20,357,108	11,686,800	4,310,900	2,397,037	1,753,371	209,000	1764 " "
19,287,765	11,686,800	2,989,835	2,512,142	1,870,988	228,000	1766 End-Feb. ^a
19,859,394	11,686,800	3,310,903	3,130,388	1,473,303	258,000	1770 " "
23,643,108	11,686,800	3,608,655	1,169,978	6,942,675	235,000	1775 " "
24,055,096	11,686,800	7,518,806	902,204	3,585,286	362,000	1780 " "
24,144,813	11,686,800	3,769,651	4,870,156	2,786,206	1,032,000	1785 " "
28,873,393	11,686,800	6,016,979	1,725,742	8,688,872	755,000	1790 " "
33,820,866	11,686,800	11,327,186	3,568,634	6,180,246	1,058,000	1795 " "
38,823,594	11,686,800	11,092,165	7,490,361	6,144,248	2,410,000	1800 " "
45,003,024	11,686,800	13,740,648	11,784,778	5,883,798	1,907,000	1805 " "
50,659,376	11,686,800	7,795,929	21,015,251	3,501,412	6,659,984	1810 " "
64,779,075	11,686,800	23,071,314	16,991,890	2,052,815	10,976,256	1815 " "
54,957,197	14,686,800	20,965,990	4,289,502	4,963,258	10,051,647	1820 " "
55,645,776	14,686,800	19,447,588	5,369,943	8,779,100	7,362,345	1825 " "
69,897,336	14,686,800	20,038,890	3,998,461	9,221,980	21,951,205	1830 " "
73,712,767	11,015,100	21,308,405	7,870,670	6,259,444	27,259,148	1835 " "
71,930,354	11,015,100	17,325,586	9,045,136	4,395,509	30,149,023	1840 " "
82,918,536	11,015,100	18,348,420	5,837,936	16,213,951	31,503,129	1844 " "
62,649,391	11,015,100	16,507,279	10,784,494	15,453,303	8,889,215	1845 Feb. 22