

1836

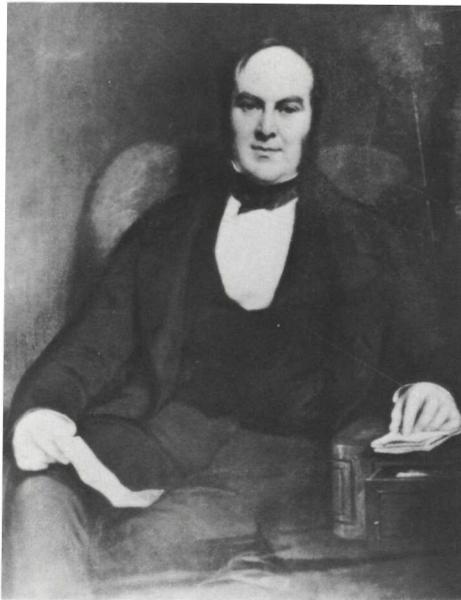
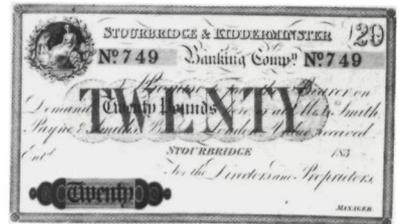
# MIDLAND Bankers for 150 Years

1986

In 1986 Midland Bank celebrates 150 years of uninterrupted banking business. Formed in Birmingham in August 1836, Midland is now the centrepiece of one of the world's leading financial groups with a huge range of locations and services. Midland has progressed from a small country bank to an international group, with distinctive traditions in its business, its staff, and in the ever-changing world of branch banking.



In the 18th and 19th centuries many hundreds of banks issued their own notes – a profitable way of attracting funds from customers and other banks. These examples of notes were issued by country banks which later became part of Midland.



Charles Geach, founder and first Manager of the Birmingham and Midland Bank in 1836. Portrait by J Partridge, c 1850.

**Birmingham**

July 16, 1836.

PROSPECTUS  
OF THE  
BIRMINGHAM EXCHANGE BANK.

ANY Gentlemen who are of opinion that the Public Accumulation requires the establishment of another Joint Stock Company Bank, in the town of Birmingham, have

*Resolved*—

1.—That a Joint Stock Company Bank, shall be established, to be called THE BIRMINGHAM EXCHANGE BANK, for the transaction of the usual business of Bankers in Birmingham, and such other neighbouring towns as the Directors shall think proper, under the following conditions:—

1.—That the Capital shall be £200,000, in 20,000 Shares of £10 each.

2.—That the allotment of shares shall be made by the Provisional Committee.

3.—That within twenty-one days after the allotment of shares each shareholder shall pay down a deposit of £2 per share, but no further call shall be made until after three months notice.

4.—That the concerns shall be under the management of Directors, to be chosen annually by the Shareholders, and that a general meeting be called as early as possible after the allotment of shares, for the purpose of choosing the Directors. Every holder of a hundred shares to be entitled as a Director.

5.—That no person shall hold more than ten shares, and that holders of ten shares, shall have one vote, but twenty-five shares (or a vote of fifty shares) three votes, 50 shares four votes, 100 shares five votes, and so on shares and upwards in 50 votes.

6.—That a proper deed of settlement shall be prepared under the instructions of the Directors, containing all usual provisions, and especially providing that if any part of the paid-up capital ever and above the guarantee fund shall ever be lost, the shareholders, by the resolution of a general meeting, shall have power to dissolve the Company.

Applications for shares to be made to the Provisional Committee, under cover, to Mr. WALKER, solicitor, Church-street, Birmingham.

FRANCIS FINCH,  
Chairman of the Provisional Committee.

THE Provisional Committee of the Birmingham Exchange Bank are desirous of hearing of Purchasing subscribers and contributors to the above Establishment. Persons who have such premises to let as they are requested to address communications, stating particulars and price, to Mr. WALKER, Solicitor, Church-street.

Preliminary announcement of the formation of Midland. The proposed title 'Birmingham Exchange Bank' was dropped in favour of 'Birmingham and Midland Bank' before the Bank opened. *Birmingham Journal*, 16 July 1836.



Midland's head office at New Street, Birmingham, designed by Edward Holmes in 1867. The building was the bank's main office until the amalgamation with the Central Bank of London in 1891.

## Midland's origins

In August 1836, 150 years ago, Midland welcomed its first customers to its banking office in Union Street, Birmingham. The new bank was the inspiration of its first manager, Charles Geach, a 28-year old Cornishman who left a secure job at the Bank of England to take up the challenge of commercial banking. Birmingham was already a stronghold of business and banking, and Geach soon won the support of the town's leading manufacturers and merchants.

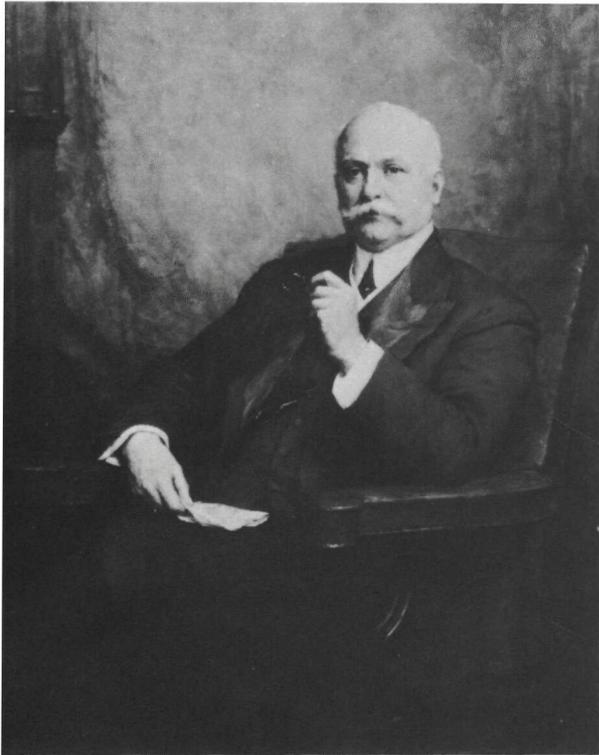
In its early years Midland was one of several hundred 'joint stock' banks (ie banking companies owned by shareholders) which had been formed since the 1820s. Midland's survival and success in this first phase owed much to its shareholders, who brought business as well as investment to the new bank; they included businessmen from Birmingham's fast-growing metal trades, export merchants and craftsmen as well as private investors. This support was crucial at a time when many new banks failed to survive financial upheavals in the 1840s and 1850s.

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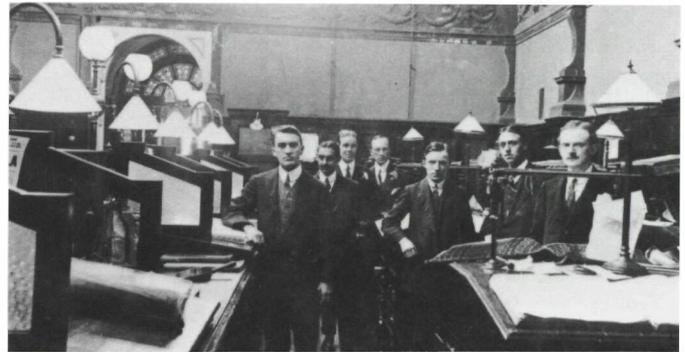
## Banking in Victorian and Edwardian England

For more than 50 years Midland concentrated on building up and strengthening its Birmingham business. Geach, who had become an MP and an industrialist in his own right, died suddenly in 1854. Under his protégé and successor Henry Edmunds, the bank consolidated its local position by acquiring old-established banks at Stourbridge (in 1851) and Bewdley (1862). By the 1880s Midland was taking over other banks in the midlands but it was not until it bought the Central Bank of London in 1891 that the bank became a fully-fledged London clearing bank.

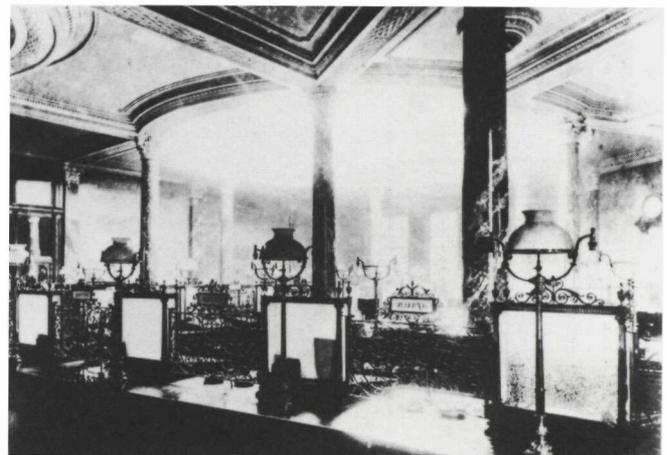
Between the 1890s and the end of the First World War, Midland Bank was one of the pacesetters of the 'amalgamation movement' in banking. By 1898 it had already taken over 19 other banks, and by acquiring the City Bank that year it became the fourth largest bank in the United Kingdom. Another 11 banks had been amalgamated by 1919, making Midland the largest bank in the world in terms of its deposits of nearly £400 million.



*Sir Edward Holden, Midland's Managing Director between 1898 and 1919 and Chairman from 1908 to 1919, was the outstanding banker of his generation. The massive expansion of the bank under his command laid the foundations of the modern Midland. Portrait by W W Oules, 1911.*



*Behind the counter: this photograph of the staff of Peckham branch (then part of the London Joint Stock Bank) was taken in about 1910.*



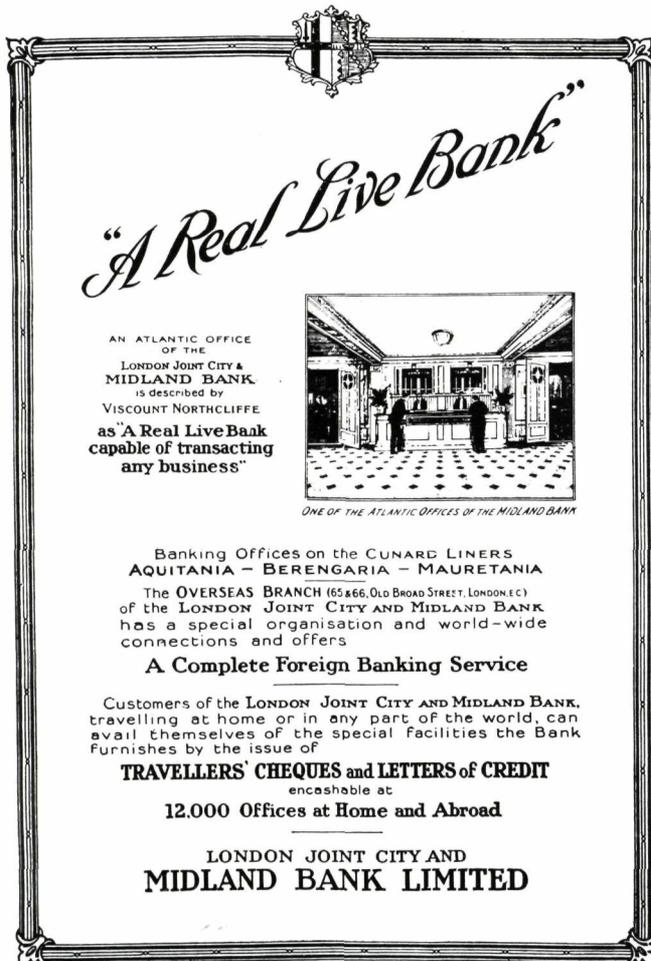
*The City Bank in Threadneedle Street carried on an exceptionally large foreign business. Midland acquired the City Bank in 1898 and then established a 'Foreign Banks Department' and the Foreign Exchange Department – the forerunners of its Overseas Branch and later International Division.*

## Edward Holden and Midland Bank

The bank's astonishing growth was masterminded by Sir Edward Holden, Midland's Managing Director from 1898 to 1908 and Chairman and Managing Director from 1908 until his death in 1919. At that time it was extremely rare for a professional banker to receive the accolade of the chairmanship of his own bank. Holden had joined Midland in 1881 after a long apprenticeship in a Lancashire bank, and in the 1890s he earned a reputation as the most formidable and determined negotiator in banking. He was also a firm advocate of extending the bank's branch network and by 1919 Midland customers had access to over 1400 branches.

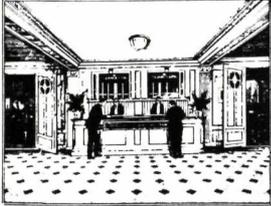
Within Holden's lifetime Midland was the first of the major British banks to become a 'group' of companies providing a range of banking and financial services. Its wholly-owned Trust Company was formed as early as 1909, initially for executor or trustee work but now with a wide variety of investment activities. Subsidiary banks were acquired in Scotland and Ireland – the Belfast Bank in 1917, the Clydesdale Bank in 1920 and the North of Scotland Bank in 1924 – and these old-established companies were the basis for the group's strong position in these important markets. Meanwhile the bank's international business was rapidly expanding. In 1905 Holden had established a Foreign Exchange Department, which was the first of its kind in commercial banking. After the 1914-18 war links with international banks made Midland's Overseas Branch one of the busiest in London.

Between the two world wars banking was dominated by a small group of clearing banks (the 'Big Five'). These banks, including Midland, had agreed not to attempt further amalgamations without Treasury approval. In these conditions Midland expanded its business by opening new branches (the bank operated over 2100 branches by 1939), by rationalizing and mechanizing its systems, and by introducing new services, particularly for small savings. Under the leadership of Reginald McKenna, Chairman between 1919 and 1943, much greater attention was also paid to advertising and to the design of the bank's buildings. Midland's new headquarters in Poultry, designed by Sir Edwin Lutyens and opened in 1930, reflected these growing responsibilities.



**"A Real Live Bank"**

AN ATLANTIC OFFICE OF THE LONDON JOINT CITY & MIDLAND BANK is described by VISCOUNT NORTHCLIFFE as "A Real Live Bank capable of transacting any business"



ONE OF THE ATLANTIC OFFICES OF THE MIDLAND BANK

Banking Offices on the CUNARD LINERS AQUITANIA - BERENGARIA - MAURETANIA  
The OVERSEAS BRANCH (65 & 66, OLD BROAD STREET, LONDON, E.C.) of the LONDON JOINT CITY AND MIDLAND BANK has a special organisation and world-wide connections and offers

**A Complete Foreign Banking Service**

Customers of the LONDON JOINT CITY AND MIDLAND BANK, travelling at home or in any part of the world, can avail themselves of the special facilities the Bank furnishes by the issue of

**TRAVELLERS' CHEQUES and LETTERS of CREDIT**  
encashable at  
**12,000 Offices at Home and Abroad**

**LONDON JOINT CITY AND MIDLAND BANK LIMITED**

Midland's 'Atlantic Offices' on the Cunard liners were an unusual innovation in 1920. This advertisement contrasted with bankers' traditional preference for advertising only their balance sheets.



Midland joined the other British banks in distributing war bonds, defence bonds and other government savings during the 1939-45 war. Poultry and Princes Street branch is seen here acting as a selling centre in March 1943.



Thinking about a NEW KITCHEN?

Not wondering, no doubt, what you are going to use for money. A Personal Loan from the Midland Bank may help you, as it has helped many thousands of other people. This is one of the services pioneered by the Midland Bank. A descriptive booklet is available at all our branches.

**Midland Bank Personal Loans**

THE GO-ANYWHERE BANK FOR GO-ANYWHERE PEOPLE LIKE YOU!  
MIDLAND BANK LIMITED - HEAD OFFICE: POULTRY, LONDON, E.C. 4

Midland's Personal Loans were an innovation in British banking when they were introduced in September 1958. Unlike traditional bank borrowing, which was geared to securities, Personal Loans were made available on the personal responsibility of customers.

## Midland in war and post-war

The disruption and damage suffered during the Second World War, followed by the long period of credit restrictions in the 1940s and 1950s, brought a halt to the expansion of Midland's branch network. Only when the credit squeeze ended in 1958 was the bank able to resume the development of its branches. Midland also responded with innovations in its services; Personal Loans and Personal Cheque Accounts were the first of their kind in British banking when they were introduced in 1958, followed by special term loans for agriculture and small business in the following year.

## Modern Midland

The Midland group was progressively enlarged between 1958 and 1972 to include instalment finance, merchant banking, insurance and travel services. Banking opportunities were not neglected, as for example in the acquisition of Northern Bank in 1965. Midland's international business was also transformed, allowing the bank to open overseas branches and in the last ten years to establish or acquire subsidiaries in France, Germany, Switzerland, Australia, Canada and North America.



*The main facade of Midland's head office at Poultry, London. The building was steel-framed with Portland stone elevations. The Poultry section was completed in 1930.*



*Midland's coat of arms was granted in 1952. The 'blazon' featured the coats of arms of the Cities of London and Birmingham and the motto VIS UNITA FORTIOR—strength united is yet stronger. The supporters were the dragon (also from the arms of the City of London) and the griffin, traditionally the guardian of treasure.*



*The Group Treasury's dealing room, which by the mid 1980s was handling transactions valued at between US\$10 billion and \$15 billion each day.*



*Midland's first 'shopper's branch' was opened at Leamington Spa, 33 Parade branch, in April 1983. Informality and accessibility were the keynotes of the design, allowing the branch to give a larger range of service to customers.*

In its traditional home territory, Midland has contributed to the unprecedented change in the scope and scale of modern banking. The relaxation of official controls on bank competition in 1971 has been followed by a staggering growth in the volume of bank deposits and the number of bank customers. This expansion, far outpacing the rate of inflation, has been made possible by Midland's reorganization of its management structure and the modernization of its branch network. The bank's modern systems, relying on advanced technology, have been quickly integrated with the traditional role of branch banking. Not least Midland has consolidated its reputation for innovation in a wide range of services for personal and business customers. The introduction of Save and Borrow Accounts (1982), High Interest Cheque Accounts (1984), Griffin Savers (1984) and the immensely successful Free Banking initiative in 1984 has given Midland a range of services which would have been inconceivable in the last century or even twenty years ago.