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CELEBRATING

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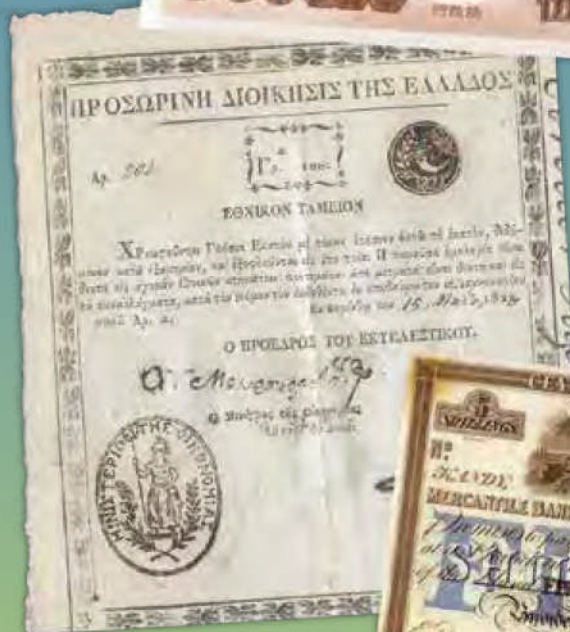
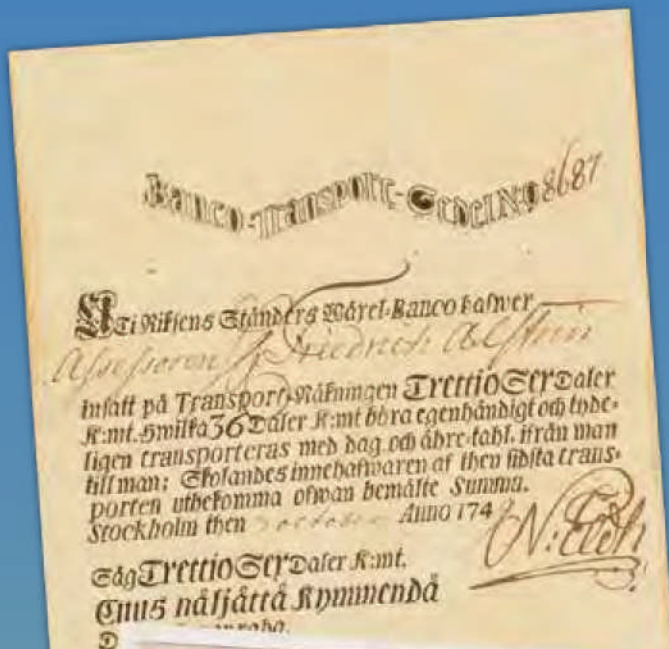
YEARS

THE FIRST BANKNOTES OF THE BANK OF FINLAND

TAIWAN'S TRIPLE
STIMULUS VOUCHERS

PROVISIONAL
ADMINISTRATION OF
GREECE – THE BONDS OF
THE 1821 GREEK WAR OF
INDEPENDENCE

CHARTERED MERCANTILE
BANK OF INDIA, LONDON &
CHINA, CEYLON BRANCH
1857-1884



CHARTERED MERCANTILE BANK OF INDIA, LONDON & CHINA, CEYLON BRANCH 1857-1884

Dr. Kavan Ratnatunga (12165-R)



Figure 1. The Ceylon Branch in Colombo issued notes before receiving Royal charter on 1857 September 15th. This note was printed by Batho & Co, London the name is below the engraving. The value in Sinhala and Tamil, hand stamped vertical on left and right of engraving. An extremely rare banknote. The image is from the Spink auction in 2011.



Figure 2

The Chartered Mercantile Bank of India, London & China, Ceylon Branch (TCMBILC-CB) continued its existence after the Ceylon Currency Board in took over in 1885; nearly all of its outstanding circulation was paid either by itself or by the Board. Therefore issued notes are extremely rare. This paper is based on specimens in the HSBC archive in London and few notes sold at Spink auctions, with images now posted on my website notes.lakdiva.org.

In 1844 ordinance No. 23 enabled commercial private banks to issue banknotes in Ceylon. In 1853 The Mercantile Bank of Bombay was founded in India. In 1854 they opened a branch in Colombo. In 1857 they renamed as The Mercantile Bank of India, London & China.

All Ceylon Government Treasury Pounds Sterling currency notes issued since 1827 were recalled by a minute of Governor Sir Henry Ward on 1855 December 28th, effective 1856 January 1st. Only private bank notes from The Chartered Mercantile Bank of India, London & China, The Oriental Bank Corporation and the short lived The Asiatic Banking

Corporation (1864-1866) were legal tender in Ceylon for the 29 years from 1856 to the end of 1884.

Ignoring the dates of issue which are not well known for this series, but including the City branch of issue, 23 banknote types are recognized from TCMBILC-CB. Only 12 of them are cataloged in the Krause Standard Catalog of Paper Money (specialized issues) of which only 6 had the colored overprints. None are included in *The Banknote Book*. However, banknotes of the same banks in the mid-19th century, for example in Hong Kong are listed as regular issues in *SCWPM* and *The Banknote Book*. Most even use the same engraving and layout as on these banknotes.

FIGURE 1:

The Ceylon Branch in Colombo issued notes before receiving Royal charter on 1857 September 15th. This note, is counter stamped **ISSUED AT KANDY**. Note the absence of the word Chartered in the name. The note has value **FIVE** in a large pale blue underprint with smaller **SHILLINGS** over it, low center. It was printed by **Batho & C^o, London** the name



Figure 3

is below the engraving. The value in Sinhala and Tamil, hand stamped vertical on left and right of engraving. An extremely rare banknote. The image is from the Spink auction in 2011.

The engraving has helmeted Britannia seated facing forward, spear pointed up in her right hand shield with Union Jack in her left hand with crown on top, anchor, two packages and steam boat with sails down with mountain behind to her left; a sailing ship, package, bale, sleeping Lion, Caduceus, and a Coconut palm, to her right.

The legality statement of the note states that the Bank, *Promises to pay bearer on demand ... in the Currency of the Island value received.* Note, not in Gold, Silver or Copper, as was usual previously. It is signed *By Order of Directors.* Entered in the ledger

and hand signed with two manuscript signatures by Accountant and Manager.

FIGURE 2:

The initial notes of TCMBILC-CB issued by the branches in Ceylon continued to be printed by Batho & C°. The words **THE CHARTERED** added above the engraving but were still signed *By Order of the Directors.* Value in Sinhala and Tamil is missing and may have been hand stamped at time of issue. Back is Blank. Note Size 5¾ x 4½ inches (148 x 112 mm).

FIGURE 3:

TCMBILC-CB Ten Shillings. Remainder has serial number, but is unsigned. The value in English was only in Sterling Pounds and Shillings. Value in

Sinhala and Tamil in Sterling as well as in Rupees using the conversion 1 pound = 10 rupees is now printed along border. Back of banknote, has name of Bank within a leafy decoration. Note Size 7¾ x 4 3/8 inches (196 x 111 mm).

The Rupee equivalent was given as in that era most local transactions in Ceylon were done in Indian Rupees and not Pounds Sterling.

In 1864, there was a change in printer to **Perkins Bacon & C°, London** and also the design. The Royal Court of Arms replaced the engraving. The banknotes were now signed *By order of the Court of Directors*, as they held the charter. The note size was 6¾ x 4½ inches (172 x 114 mm) excluding the counterfoil. The notes have the value over stamped in color, on a background composed of circles or ellipses, which is not seen on proofs on card.

TCMBILC-CB issued notes with denominations 10s, £1, £5, £10, and £50 from Colombo branch, and 10s, £1, £5 from Kandy branch. With only ___18__ printed, the date on the note was entered by hand when issued. They could be redeemed only at the branch of issue.

FIGURE 4

TCMBILC-CB 10 Shillings, Kandy, also issued in Colombo. Brown note with Green overstamp TEN within 5 circles. Back of note has value **TEN SHILLINGS** within a decoration.

FIGURE 5:

TCMBILC-CB, 1 Pound. Colombo. Also issued in Kandy. Blue note with Red overstamp ONE within 5 circles. Back of note has numeric value 1 in either side within decorations.



Figure 4



Figure 5



Figure 6

FIGURE 6:

TCMBILC-CB 5 Pounds Kandy. The highest denomination for Kandy. Was also issued in Colombo. Green note with Red overstamp **FIVE** within 5 circles. Back of note has numeric value 5 on either side within decoration.



Figure 7

FIGURE 7:

TCMBILC-CB, 10 Pounds. Colombo. Black Note with Green overstamp **TEN POUNDS** within 7 circles. Back of Note has numeric Value £10 on either side within a Decoration. Note difference from rest of series to clearly distinguish it from 10 Shillings. Proof on card without overstamp is known.

FIGURE 8:

TCMBILC-CB, 50 Pounds. Colombo. Black with Dark Blue overstamp **FIFTY** within 5 circles. Back of note, numeric value 50 on either side within a decoration. The Highest Sterling denomination known.

On the upper left of the 5 Pound banknote Sinhala text value in rupees පනහි (*panahi*) has been miswritten instead as පකහි (*pakahi*). Sinhala obscene slang for 'prick'. Similarly in the 10 Pound banknote Sinhala value එකපයයි (*ekasiyayai*) was miswritten instead as වකපයි (*vakaipi*), Sinhala obscene slang for 'curved-prick'. These undetected interventions on two denominations, probably indicate a disgruntled employer asked to translate to Sinhala, having some unchecked fun at the expense of the English management of the bank. These Sinhala 'mistakes' on both banknotes were corrected for the next Rupee issue in 1870.

Decimal currency was adopted in 1869 and Rupee banknotes were



Figure 8

issued dated from 1870 to 1880, with the date of issue printed on the notes. Dates 1st January 1870, 1st July 1870, 1st November 1873, 1st January 1877 and 1st July 1880 are known. There was no change in size of note, and the colors for notes of the same value, or different branches of issue from before or after decimal currency was adopted. The banknotes were now redeemable on demand at the branch of issue or at the Bank's branch in Colombo.

The Bank issued notes with denominations Rs5, Rs10, Rs50, Rs100, Rs500, Rs1000 from Colombo branch, and Rs 5, Rs10, Rs50 from Kandy branch, and Rs 5, Rs10, Rs100, from Galle branch, which had opened in 1863, but banknote issues are only

known dated 1880. The value in only Rupees is stated in English, Sinhala and Tamil. Banknotes were now redeemable on demand at the branch of issue or at the Bank's branch in Colombo.

Issued notes of the Rs 5 and Rs 10 and Proofs on Card, printed in Black and without the colored value on circles over stamped, are known for these Rupee banknotes.

FIGURE 9:

TCMBILC-CB, 5 Rupees, Colombo 1870. Also issued in 1877, 1880 and from Kandy 1870, 1873 and Galle 1880. Brown note with Green over stamp



Figure 9



Figure 10

FIVE within 5 circles, Back of note value FIVE RUPEES within a decoration.

FIGURE 10:

TCMBILC-CB, 10 Rupees, Kandy 1870. Also issued in Colombo 1870, and Galle 1880. Blue Note with a Red overstamp TEN within 5 circles. Back of note has numeric value 10 on either side within Decorations.

FIGURE 11:

TCMBILC-CB, 50 Rupees, Kandy, 1870. Also issued in Colombo 1870. Green note with Red overstamp FIFTY within 5 circles, Back of note has numeric value 50 on either side within decoration. The highest denomination known for Kandy.

FIGURE 12:

TCMBILC-CB, 100 Rupees, Galle 1880. Also issued in Colombo 1870. Black note with Green overstamp ONE HUNDRED within 5 ellipses, Back of note: numeric value 100 on either side within a decoration. The highest denomination known for Galle.

FIGURE 13:

TCMBILC-CB, 500 Rupees, Colombo, 1870 Black note with Dark Blue overstamp FIVE HUNDRED within 5 ellipses, Back of note has numeric value 500 on either side within decoration.

FIGURE 14:

TCMBILC-CB, 1000 Rupees, Colombo 1870. Black note with Green overstamp ONE THOUSAND within 5 ellipses, Back of note has numeric value 1000 on either side within decoration. Highest denomination issued.



Figure 11



Figure 13



Figure 12

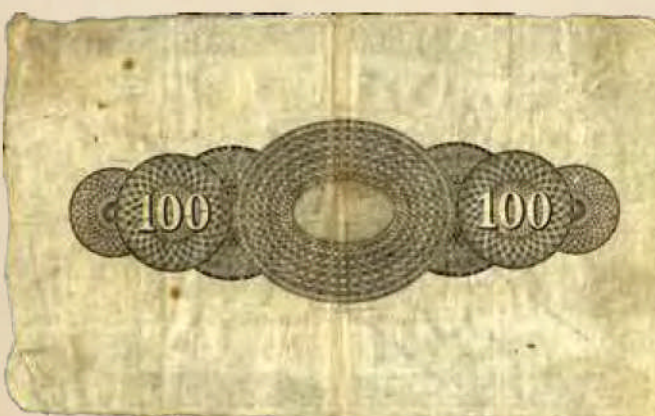


Figure 14





Figure 15

FIGURE 15:

TCMBILC-CB Watermark **CHARTERED MERCANTILE** downward arc above, **OF INDIA LONDON & CHINA** upward arc below, forming an ellipse with unclear word **BANK** in the middle. Seen only on higher denomination notes issued since 1870.

The Coffee blight crisis bankrupted private banks. Notes of all of them were withdrawn by Government Act #32 of 1884 December. In 1892 the Bank lost its Royal charter. In 1893 reconstructed as Mercantile Bank of India. In 1959 Mercantile Bank was taken over by Hong Kong Bank Group.

Joe Cribb in his book *Money in the Bank* published by Spink, London, in 1987, says the HSBC “Banks Money Collection, there is a rich array of notes issued for Ceylon by the Chartered Mercantile Bank

of India, London and China.” from the merger. He illustrates 2 specimens and 2 used notes of a different branch to that shown in this paper and the 5 Shilling which he reports was printed in 1858 January and may never have been issued.

I thank Joe Cribb for introducing me to the HSBC archive and also for his detailed improvements to the text in this paper. I thank Claire Twinn, Global Functions Archives Manager, HSBC Holdings PLC, London for sending me high resolution scans of TCMBILC-CB banknotes types in from the HSBC Collection. Reproduced with the permission of HSBC Holdings plc (HSBC Archives) in notes.lakdiva.org website.

For more details and higher resolution images, please visit website <http://notes.lakdiva.org/british/mbilc>.