

The bank benefits from being in the right place at the right time and continues to expand in all areas; the headcount now approaches 500 staff.

The fastest expansion seems to be in our newest offering, the Master Charitable Trust, which is our donor-advised fund. It gives customers the benefits of having their own charitable foundation, but without the administrative burdens and without the same trustee imperative to diversify investments.

My last letter made three bold promises about information technology. We deployed contactless Visa cards on schedule, and have been rolling these out to customers on the replacement schedule for a few months now. Our Lowndes Street branch has been trialling paperless working for several weeks, and this arrives across the whole bank in January. Finally we set expectations for delivering a mobile app to customers in the first quarter of 2016. We are testing it on staff in February and are cautiously hopeful of achieving this target as well.

Last year's letter observed that our highest vulnerability to external cyber-fraud is our customers' computers (and emails generated on them). Once the app is available, please use it for secure payment instructions. Farrers recently produced some guidance on the subject of cyber-security for private clients: <http://www.farrer.co.uk/News/Briefings/A-collective-approach-to-cyber-security--preventing-and-responding-to-a-breach/>. Please also be alert to criminal tricksters. There is an update on the frauds we are seeing on the front page of our website under the title "fraud prevention".

Another IT burden is complying with the Foreign Account Tax Compliance Act (FATCA) and now the Common Reporting Standards (CRS). Tax reporting has become especially complicated and sometimes prone to error in our industry.

Here is another alternative book recommendation: *Capitalism's Toxic Assumptions*, Eve Poole. There are alternatives to the unacceptable face of capitalism – our own charitable trust, the Golden Bottle Trust has deployed 20% of its endowment into (non-toxic) social investments. This portfolio ranges from debt, through equity, to venture capital. It is non-correlated with the mainstream investments, facilitates worthwhile social works, and we hope to preserve most if not all the capital over time, despite occasional setbacks.

The Economist recently carried an article on family businesses and succession. It concluded "a family business is not a business you inherit from your parents, it is a business you borrow from your children".

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