

In October we announced the sale of our investment management business to Cazenove Capital Management, owned by Schroders Plc. Sadly this decision involves loosening relationships with some customers and staff, but on the other hand it also allows us to focus all our efforts into improving and expanding our banking service. All portfolio managers and willing investors transfer on the weekend of 17th February.

We are very proud of the service and performance our investment managers delivered, but customers investing through Cazenove in the future will have access to a range and depth of investment resources we could never match. Banking customers will benefit from a stronger balance sheet and single minded determination to eliminate waste, become more productive and provide an excellent service.

One service improvement in the course of this year has been the provision of our mobile banking app. Reviews from customers have been wholly positive. Naturally it will evolve over time. At present our attention is focussed on replacing our 10-year old on-line banking system. This will enable secure communication with the bank, the option of electronic statements and other benefits.

Such technology is particularly expensive in a bank committed to remaining small enough to relate to its customers individually as the cost is borne by a relatively small number of customers. It is in this light that we are reviewing our bank charges, with a view to a modest increase in the level of charges, and a widening of the net of customers who contribute. We will write further on this later in the year.

Whilst we are committed to remaining relatively small, we remain very much open to prospective customers who wish to borrow from and/or deposit money with us. Regulation pushes us to prefer large sums to small sums, as they all bear the same regulatory overhead. Our vision for the foreseeable future is for more of the same: controlled growth and excellent customer service.

Criminals have increasingly sophisticated methods of impersonating customers to steal money by sending the bank valid payment instructions. Please look out for our regular fraud warnings.

2016 saw a number of pundits upended by democratic votes, but we should not have been surprised. Robert Gascoyne-Cecil, 3rd Marquess of Salisbury wrote to Robert Bulwer-Lytton, 1st Earl of Lytton on 15 June 1877:

No lesson seems to be so deeply inculcated by the experience of life as that you should never trust experts. If you believe doctors, nothing is wholesome: if you believe the theologians, nothing is innocent: if you believe the soldiers, nothing is safe. They all require their strong wine diluted by a very large admixture of insipid common sense.