

We present our balance sheet overleaf. Deposits have not grown since interest rates normalised, lending growth is well controlled, and our capital exceeds £½ billion for the first time. The balance sheet is both strong and liquid. Our audited report and accounts are posted on our website.

Diana Brightmore-Armour and the management team are doing an excellent job of running the day-to-day business of the bank. Customer satisfaction scores are high, staff engagement scores are high, the IT transformation programme is delivering modernisation and operational improvement, and the partners are happy too.

Messrs. Hoare Trustees was formed by an Act of Parliament in 1926 and, before the popularity of offshore trusts, it accounted for about a third of the activity at 37 Fleet St. In April this year we sold our trusts and estates business to Ludlow Trust Company, a firm specialising in this work. Customers who held trust accounts with us should enjoy the services of the same staff members and the same commercial arrangements – as was the case when we sold the wealth management business and the tax business.

The rationale for all these disposals is the same: we wish to focus all our energies on making the core banking business as good as we can. We could perhaps develop specialist skillsets in other areas, but we think this is best left to existing specialists and prefer to focus on excellence in our niche.

We did, however, elect to keep one high-performing part of the trustee business and to invest in it. This is the Master Charitable Trust (MCT), a donor-advised fund which gives customers the benefits of a charitable trust without the administrative burden. Customers have donated £½ billion out of MCT over the last decade (with a similar sum awaiting instructions), and we hope to expand this activity which sits well with our purpose ‘to be good bankers and good citizens’.

Apple Pay was finally delivered in March, and we hope customers find our mobile banking services convenient.

Like many organisations, we are awash with data, but as yet it is not all suited to the deployment of artificial intelligence (AI). We are working to ready ourselves and to agree ethical principles for the brave new world. We believe our future lies in humans equipped with AI to deliver personal services, not in automation *per se*.

My last letter asked customers not to give out security codes to random callers, ever. I should also point out that, if they do and that security code is used to authorise a payment, we would normally regard any fraud arising as having been authorised by the customer and therefore the customer’s responsibility.

My Winter Letter ended with Marcus Aurelius’ advice on remaining sane. This time, I close with a question from Aeschylus in *Perrhaibides*: ‘Where are my many promised gifts and spoils of war? Where are my gold and silver cups?’

Alexander Hoare  
July 2024

C. Hoare & Co. and Subsidiaries  
Consolidated Balance Sheet

|  | <b>As at 31 March</b> |
|--|-----------------------|
|  | <b>2024</b>           |
|  | <b>£000</b>           |
| <b>Assets</b>                            |                       |
| Cash and balances at central banks       | 1,345,322             |
| Items in course of collection from banks | 266                   |
| Derivative financial instruments         | 117,813               |
| Financial assets <sup>1</sup>            | 5,229,721             |
| Intangible assets                        | 17,363                |
| Property and equipment                   | 50,064                |
| Heritage assets                          | 15,098                |
| Deferred tax asset                       | 27                    |
| Other assets                             | 4,519                 |
| Prepayments and accrued income           | 21,268                |
| <b>Total assets</b>                      | <b>6,801,461</b>      |
| <b>Liabilities</b>                       |                       |
| Deposits by banks                        | 109,543               |
| Customer accounts                        | 6,096,719             |
| Derivative financial instruments         | 6,764                 |
| Deferred tax liability                   | 11,331                |
| Other liabilities                        | 4,901                 |
| Accruals and deferred income             | 60,428                |
| Post retirement benefit liability        | 107                   |
| <b>Total liabilities</b>                 | <b>6,289,793</b>      |
| Called up share capital                  | 120                   |
| Reserves                                 | 511,548               |
| <b>Total liabilities and equity</b>      | <b>6,801,461</b>      |
| <b>Memorandum items:</b>                 |                       |
| Contingent liabilities                   | 14,448                |
| Commitments                              | 355,329               |

<sup>1</sup>Financial Assets comprise: Loans and advances to banks: £123,470k, Loans and advances to customers: £2,116,584k and Debt and equity securities: £2,989,667k.