

My last winter letter said we aim to be ‘good bankers and good citizens’ and went on to explain our banking proposition. This letter outlines our efforts to be good citizens at the same time.

This year saw the celebration of the tercentenary of Westminster Hospital, founded in 1719 by ‘Good Henry’ Hoare. The partners of the bank have a very long record of creating hospitals, schools (e.g. Christ’s Hospital), and hundreds of churches. We have also been bankers to notable philanthropists including Elihu Yale and James Smithson, who each have significant legacies in the US, and we have run very many accounts for charitable appeals.

In recent decades we have been in the habit of giving around 10% of the bank’s profits to the Golden Bottle Trust (£3.5m this year). The trustees, who are the partners, then have a serious obligation to give and/or invest the money as best they can.

Some of the giving is done individually, but most of it collectively. Each year we decide areas in which we wish to be active and identify three causes where we think some three-year funding will be well used. Recently we have focused on refugees, prisons, social mobility and the environment. We are very pleased with our relationships with RefuAid and The Fore.

100% of the Golden Bottle Trust’s endowment is now dedicated to social impact investing. This is done through Snowball (a multi-asset impact investment fund we co-founded), through discretionary impact mandates with Cazenove and Tribe, and by running a portfolio of catalytic direct equity and debt investments.

We also support colleagues and cousins who are active in charity. Nearly half our colleagues give under Give As You Earn, and we double-match whatever they choose to give. In 2018/19 this generated £282k for charities. Colleagues also choose a ‘charity of the year’, and raised £48k in 2019 to support Mind, the mental health charity.

For customers with more than £¼ m to give, we run a donor-advised fund, the Master Charitable Trust, which gives all the benefits of having your own charitable trust, but without the worries of trusteeship, tax reclaims and the need to diversify investments. We have been pleased to see it grow above £144m in size after channelling donations of £69m.

One intangible asset we enjoy is our convening power. We find like-minded people are willing to come to 37 Fleet Street and discuss shared philanthropic interests, and we routinely do this to try to share expertise and problems. Our Head of Philanthropy, Rennie Hoare, is very active in this field.

At the time of writing, the bank is exploring the possibility of becoming ‘net carbon neutral’; we have already reduced our carbon emissions by 35% over the last 5 years.

There are multiple benefits to being ‘good bankers and good citizens’. One is to demonstrate that it is possible to run a decent bank without descending to the unacceptable faces of capitalism; another is that it has worked rather well for us for over 300 years.

Alexander Hoare
January 2020