

Experienced banker exudes sangfroid

Interview

Henry Hoare

Senior partner, C Hoare & Co

The family-owned bank is cautious and has seen it all before, write **Megan Murphy** and **Patrick Jenkins**

Henry Hoare, the 77-year-old senior partner of one of the City's oldest and most exclusive private banks, has more perspective than most on the crisis that nearly brought the global financial system to its knees last year.

"Roughly speaking, the banking world makes the same mistake every 15 or 20 years," Mr Hoare says, settling back into an armchair in the plush upstairs salon of C Hoare & Co, the bank that has been in his family for 337 years. "It always has, and I suspect it always will. It looks a little different each time, but it's the same."

Such an approach to the world's booms and busts has seen Hoare emerge as

one of the surprising winners amid the fall-out from the credit crunch. The bank has attracted £500m in deposits in recent months from wealthy customers in search of a haven, bringing its total deposits up to £2bn.

Much of this money, Mr Hoare says, has been pulled from rivals that have grappled with the effect of the financial turmoil on their independence and perceived solidity, such as Royal Bank of Scotland's Coutts unit.

"Quite a lot of people don't like banking with a bank that is partially owned by the government," Mr Hoare said.

In spite of the wooden tellers' counter that greets visitor's to Hoare's premises on Fleet Street, it is not the sort of place that attracts much foot traffic. Of its 10,000 customers, many are families that have banked with Hoare for centuries, while new clients must be the recipient of an introduction.

Leather-bound ledgers dating back to the 17th century line the shelves of an internal museum, recording the transactions of past

luminaries such as Samuel Pepys and Lord Byron.

That is not to say that the bank remains mired in history. Jeremy Marshall, the former head of Credit Suisse's private bank in the UK, this week became the first non-family member to become chief executive in a

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bid to build up fee-earning businesses such as asset management and investment and tax advice.

The bank's seven partners, all direct descendants of founder Richard Hoare, see growing appetite for a firm that has avoided the pitfalls of excessive lending and exotic structured products.

"The risks which classically brought the other banks down, we simply wouldn't take, because we know that we are personally on the line,"

said Mr Hoare. "I've got £2bn personal liability for those deposits."

Mr Hoare, who is this year celebrating his 50th anniversary at the bank, generally spends about three days a week at work, travelling in from his London home in Chelsea on the No. 11 bus.

Most of that time is spent on what he terms "ordinary banking," sifting through transactions and advances and trying to ferret out any transfers that do not seem quite right.

He also serves on various Hoare committees, carrying out audit and compliance functions.

A keen forester, he also spends a fair amount of time at Stourhead, the Hoare family's 2,500-acre ancestral estate in Wiltshire that is part-owned by the National Trust.

"The family tradition is to continue, obviously doing less and less," Mr Hoare says. "It was my idea to retire as chairman at 70. I thought in this day and age, it looked a bit odd."