

In March, we held a beautiful service of thanksgiving in St Paul's Cathedral for our 350th anniversary, a very memorable occasion for the 1300 people who made it in spite of various strike actions.

My Winter Letter mentioned Edward Chancellor's book, *The Price of Time*, which clearly predicted there would be painful consequences arising from the suppression of interest rates below natural levels, and suddenly this spring a number of banks failed.

Long-term family ownership with unlimited liability has served us and our customers well. Our full report and accounts are available on our website, and there are no nasty losses hidden under obscure accounting conventions arising from normalising interest rates.

After a decade of strong growth our balance sheet has contracted a little. This pattern is seen across UK banks and can be put down partly to monetary policy, but we also couldn't help noticing our customers paying nearly £1bn in tax in January alone!

Up until now we have voluntarily acted in good faith towards our customers, avoided causing them foreseeable harm, and supported them to pursue their financial objectives. The FCA has seen fit to subject the industry to a new set of rules on this, called Consumer Duty, from the end of July.

Our mobile app now has rich functionality, giving customers the ability to view and manage standing orders and direct debits, make foreign-exchange transactions between currency accounts, stop a card, and view a PIN – and there is more in the pipeline. We encourage you to try the convenience of doing routine banking on your smart phones.

I am pleased to say that we are in the final stages of testing to enable customers to download transactions in the Xero accounting package. Delivering Apple Pay has been challenging, but it should be coming in the new year, with Google Pay a little sooner.

This letter starts at St Paul's Cathedral and ends at Westminster Abbey with our customer, Samuel Pepys, at an earlier Carolean coronation. On Tuesday 23rd April 1661, Pepys wrote: 'Now, after all this, I can say that, besides the pleasure of the sight of these glorious things, I may now shut my eyes against any other objects, nor for the future trouble myself to see things of state and show, as being sure never to see the like again in this world'.

Alexander Hoare
July 2023

C. Hoare & Co. and Subsidiaries
Consolidated Balance Sheet

As at 31 March
2023
£000

Assets	
Cash and balances at central banks	1,452,949
Items in course of collection from banks	240
Derivative financial instruments	126,976
Financial assets ¹	5,164,686
Intangible assets	16,765
Property and equipment	51,008
Heritage assets	15,040
Deferred tax asset	496
Other assets	3,849
Prepayments and accrued income	17,071
Post retirement benefit asset	3,859
Total assets	6,852,939
Liabilities	
Deposits by banks	122,958
Customer accounts	6,214,358
Derivative financial instruments	3,158
Deferred tax liability	12,342
Other liabilities	3,072
Accruals and deferred income	39,719
Provision for other liabilities	-
Total liabilities	6,395,607
Called up share capital	120
Reserves	457,212
Total liabilities and equity	6,852,939
Memorandum items:	
Contingent liabilities	15,290
Commitments	384,870

¹Financial Assets comprise: Loans and advances to banks: £248,662k, Loans and advances to customers: £1,966,972k and Debt and equity securities: £2,949,052k.