

BOLAND PKS 1900-2000: FROM TRUST COMPANY TO COMMERCIAL BANK. A HISTORY OF CHANGING FINANCIAL IDENTITIES OVER A CENTURY

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1. Introduction

The history of Boland PKS represents a case study of the process through which trust companies and boards of executors in South Africa established themselves as an integral and respected part of the local financial and social structure of the communities in which they operated. It also represents a case study of the pressures to which the changing South African financial environment of the 20th century subjected these local trust companies and of the way they reacted to absorb and counter these pressures. Their reactions and counter-measures were a mix of attempts, on the one hand, to hold on to and promote, and on the other hand, to get rid of and discard their pasts. The history of Boland PKS represents a case study of the trials and tribulations, the successes and failures of this process.

2. The origin and establishment of trusts in South Africa to 1900

The roots of executorial activities and trusts in South Africa can be traced back to the period of Dutch East India Company rule and the Dutch custom of using curators or orphan-masters, organised into Orphan Chambers, to administer and control the interests of orphans. In the Netherlands the jurisdiction of orphan-masters also included the supervision of people with physical and mental disabilities. Apart from the administration of their material possessions they were also responsible for the education of their wards.¹

Because many of the inhabitants of the Cape refreshment station immigrated to the Cape as small family units or individuals, they lacked the extended family structure that could support the survivors upon the death of the bread-winner. The church therefore initially took on the responsibility of caring for the widows and orphans through its charity board or poor-relief fund. In 1673 an Orphan Chamber modelled on the Dutch example was established and in 1674 the funds of the Cape orphans administered by the charity board or poor-relief fund were transferred to the Orphan Chamber.² The establishment of an Orphan Chamber at the Cape originated primarily from a need for an institution to administer intestate estates and the business of minors or heirs absent from the Colony. Most of the functions of the Orphan Chamber developed from this original need. The Orphan Chamber had to administer intestate estates as well as those of minors, widows and people absent from the Colony; the registration of the estates of the deceased; the

¹ (Parkhurst Collection) 56. Opening speech of the State President, JJ Fouche, delivered at the annual meeting of the Association of Trust Companies in South Africa, 6.5.1971, pp.3-4.

² CG Botha: Collected Works III. Cape Archives and Records, p.131; GG Visagie: Regspleging en reg aan die Kaap van 1652-1806, pp. 56-57, 59.

registration of minors' property; ensuring the claimants in estates received their rightful share; making certain that orphans received a Christian education; keeping up to date records of death notices of people that died in the Colony; and keeping up to date the record of the resolutions and transactions of the Chamber. The Orphan Chamber also gradually started administering all testate estates from which they were not specifically excluded. The Orphan Chamber also served as a source of credit in the Colony by investing the funds under their control – especially in mortgage bonds against fixed property. The Chamber even occasionally supplied loans to the government.³

The Orphan Chamber retained its original practices almost unchanged for more than 150 years until the introduction of the British legal system at the Cape in 1828. In 1833 the Orphan Chamber fell victim to the new legal system when it was abolished according to Ordinance 104 and its functions transferred in amended form to the Master of the Supreme Court.⁴

The abolition of the Orphan Chamber and the stipulation that in future all estates had to be administered by an executor under the supervision of the Master of the Supreme Court, along with the rapidly growing economy of the Cape Colony and the consequent need for specialised financial services, soon brought about a need for corporate institutions with legal trustee status. The continuity of such institutions would provide the necessary security essential for the handling of trust services – something which could not be provided by an individual in a one-man concern. The problem of the shortage of people with the necessary know-how and time to take over the tasks of the Orphan Chamber would also be solved by such institutions. Against this background the first trust company in South Africa, the South African Association for the Administration and Settlement of Estates, was founded on 22 April 1834 by 22 inhabitants of Cape Town. Hereby a new concept, namely that of the corporate trustee in the form of a trust company or board of executors, and a new profession, the professional trustee, emerged.⁵

The demand for trust services ensured the growth of the trust company movement as reflected in the establishment of numerous trust companies after 1834. In the period 1834-1899 approximately 30 trust companies and boards of executors, the majority under mainly English control, were established primarily in urban areas like Cape Town, Port Elizabeth, Kimberley and Johannesburg.⁶ The trust company movement also found favour in the rural areas of the Eastern and Western Cape. In 1856 the Graaff-Reinet Board of Executors was founded while the first boards of executors in the Western Cape

³ CG Botha: Collected Works III. Cape Archives and Records, pp.131-132; GG Visagie: Regspiegeling en reg aan die Kaap van 1652 tot 1806, pp.57, 59.

⁴ CG Botha: Collected Works III. Cape Archives and Records, p.132; GG Visagie: Regspiegeling en reg aan die Kaap van 1652 tot 1806, pp.57-58, 60, 110-111.

⁵ (SA) J English (ed.): The First Trust Company in the World. The South African Association for the Administration and Settlement of Estates founded 22nd April 1834. A commemorative review of the formation and growth of the Trust Company Movement, pp. 1, 3; (SA) Minutes of the Association of Trust Companies in South Africa 1961-1962 (The Trust Companies of South Africa, pp. 4, 5 – a brochure tabled during annual meeting, 9.5.1962).

⁶ JHA van de Venter: Die ontstaan, ontwikkeling en aktiwiteite van algemene banke in Suid-Afrika, p.21; (CAD) Limited Companies inventory 1/26, n.p.

were established in Paarl and Malmesbury.⁷ The Malmesbury Board of Executors and Trust Company Limited was established in 1864⁸ and the Paarl Fire Assurance and Trust Company Limited in 1874.⁹ The latter company was liquidated in 1895 and its assets¹⁰ taken over by the newly established Paarl Board of Executors Limited.¹¹ These companies held several advantages for their shareholders and clients. The local nature of these companies made it unnecessary to travel to Cape Town to obtain trust services such as the administration of estates. The shareholders were also able to keep an eye on the companies and if something went wrong they had immediate access to the directors to rectify matters. Shareholder and supporters were also reassured by the knowledge that the companies could fall back on uncalled share capital in case of an emergency.¹²

The personal nature of their primary function, namely the administration of estates of deceased persons or persons who could not administer their own affairs, coupled with their ability to meet the financial needs of the basically primary economic community in which they functioned, established trust companies and boards of executors as an integral and respected part of the financial and social structure of the communities in which they operated by the end of the 19th century.

3. The origins of Boland PKS: result of a heightened Afrikaner ethnic economic consciousness stimulated by the Anglo-Boer War

A new category gradually developed within the broader trust company movement, especially after 1900, namely that of rural trust companies with a predominantly Afrikaans character. Although the trust companies founded in Paarl and Malmesbury in the 19th century can possibly be considered as early forerunners of this category, it was the establishment of the Paarl African Trust Company Limited (PAT) and African Mutual Trust and Assurance Company Limited (AMT) in 1900 in Paarl and Malmesbury¹³ respectively which established this category of trust companies as the result of a growing resistance against an English-dominated political and economic imperialism.

The origins of PAT and AMT are to be found in the Anglo-Boer War and its influence on the inhabitants of the Cape Colony. After the Jameson Raid of 1896 the political scene in the Cape Colony was increasingly characterised by English-Afrikaans divisions. The

⁷ (SA) J English (ed.): The First Trust Company in the World. The South African Association for the Administration and Settlement of Estates founded 22nd April 1834. A commemorative review of the formation and growth of the Trust Company Movement, pp.4-5.

⁸ (BBA) Minute book Malmesbury Board of Executors and Trust Company Limited 1864-1866 (General meeting of shareholders, 4.10.1864, n.p.)

⁹ (SBA) GMO 3/1/31. GM-LO, 1.5.1895, p.10 no.19.

¹⁰ (SA) Minute book of the Paarl Board of Executors Limited no.1, 8.4.1895-27.3.1901 (Board meetings, 1.5.1895, 26.9.1895, 30.10.1895 n.p.).

¹¹ (SA) Minute book Paarl Board of Executors Limited, 8.4.1895-27.3.1901 (Board meeting 1.5.1895, n.p.); (CAD) LC 215 no. C66 Paarl Board of Executors Limited: Memorandum of Association of the Paarl Board of Executors Limited, 18.4.1895, n.p.

¹² De Zuid-Afrikaan, 3.5.1899: Executeurs Kamer.

¹³ (CAD) LC 229 no. C312 Paarl African Trust Company Limited: Memorandum of Association of the Paarl African Trust Company Limited, 13.10.1900, pp.1-2; (BBA) Minute book African Mutual Trust and Assurance Company Limited, 18.7.1900-18.6.1908 (Founders' Meeting, 18.7.1900, pp.1-2).

majority of English speakers organised themselves into a “Progressive Party”, which strove for the retention of their supremacy in South Africa. Their chief opposition was JH Hofmeyr’s Afrikanerbond, which campaigned for justice and the just treatment of the Free State and Transvaal Republics as well as a more liberal South African outlook. The above-mentioned division was not a clear-cut English-/Afrikaans-speaking division as some Afrikaans speakers joined the ranks of the “Progressives”, while some moderate English speakers, although not members, supported the Bond because they resented the pro-British imperialist stance of the “Progressives”. This broad Afrikanerbond grouping was referred to as the “Afrikaander Party”.¹⁴

The outbreak of the Anglo-Boer War intensified the above-mentioned political divisions and divided the inhabitants of the Cape Colony into loyalists (supporters of Britain’s war effort against the Boer Republics and by implication of British imperialism) and republican supporters (critics of the British war effort whose sympathy lay with the Boer Republics and by implication with Afrikaner republicanism). The gradual development of a common ethnic awareness among Afrikaans speakers after 1870¹⁵ was accelerated by the Anglo-Boer War and manifested itself in a more intimate and emotional identification among Afrikaans speakers of the Cape Colony with their ethnic counterparts in the Boer Republics.¹⁶ The heightened ethnic consciousness among pro-republican Afrikaans speakers expressed itself in the Cape Colony in a growing awareness, promotion and formulation of their interests on an ethnic basis. This development was evident in the political and cultural but even more in the economic sphere.

In the economic sphere the division between loyalists and supporters of the Boer Republics in the Cape Colony took the shape of an economic boycott movement by the latter against the former.¹⁷ The above-mentioned initiative entailed Afrikaners with republican sympathies withdrawing their support from shopkeepers, butchers, auctioneers, speculators, newspaper editors and people in various other business categories who sympathised with the British war effort and were therefore stigmatised as loyalists.¹⁸ The withdrawal of support from the loyalist-controlled businesses underlined the lack of pro-republican Afrikaner controlled alternatives.¹⁹ The boycott initiative and moves towards the creation of pro-republican Afrikaner-controlled alternatives therefore developed in tandem. These alternatives manifested themselves in various ways on a variety of economic terrains. On the trust company terrain initiatives were launched in 1900 in the Western Cape to further pro-republican Afrikaner involvement in the field of trusts through the establishment of trust companies and boards of executors with a predominantly Afrikaans character and dedicated to the service of the Afrikaans community. The three initiatives in this regard in Paarl, Cape Town and Malmesbury

¹⁴ MAS Grundlingh: The Parliament of the Cape of Good Hope, with Special Reference to Party Politics, 1872-1910 (Archives Yearbook for South African History, 1969, II, pp.249, 253, 255).

¹⁵ H. Giliomee: The Beginnings of Afrikaner Nationalism, 1870-1915 (South African Historical Journal, 19, November 1987, pp.127, 128).

¹⁶ JH Snyman: Die Afrikaner in Kaapland, 1899-1902, p.94.

¹⁷ De Kolonist, 19.7.1900: Hoofartikel; De Kolonist, 6.9.1900: Paarl Dag na Dag – Een andere Boycott.

¹⁸ JH Snyman: Die Afrikaner in Kaapland, 1899-1902, pp. 336-338, 341, 348.

¹⁹ The South African News. Weekly Edition, 29.8.1900: Side Lights.

constitute the origins of PAT and AMT, the forerunners of Boland PKS, and are discussed below.

The Paarl initiative: The establishment of PAT

As the differences between the “Progressive Party” and the “Afrikaander Party” only crystallised fully after the Jameson Raid of December 1895, the political differences at the time of the establishment of the Paarl Board of Executors in 1895 were not yet a decisive factor in the economic sphere and the founders and supporters of the company were, in general, politically like-minded. By 1900 the political situation in the Cape Colony had changed completely and the Paarl community was almost equally divided between loyalists and supporters of the Boer Republics.²⁰ The core of loyalist support in the Paarl community was in the town itself, while a large percentage of those living in the outlying areas of the Paarl district were supporters of the Boer Republics.²¹

The division between loyalists and supporters of the Boer Republics also manifested itself in the Paarl Board of Executors. The increasingly progressive and loyalist sentiments of the company came clearly to the fore on the loyalist-dominated board elected in May 1900,²² including prominent Afrikaans loyalists such as JH Blignaut, JJ Moll, JP Retief, CJ Briers²³ and JF Pentz.²⁴ To crown it all, the chief executive officer of the company, namely the secretary, JI de Villiers, was also a loyalist. “Afrikaander Party” and republican supporters of the company were aggrieved at the fact that, although they had supported the company from the time of its establishment and remained the largest investors and providers of business to the company, this was not reflected in their representation on the board of directors.²⁵ Under these circumstances the aggrieved supporters and shareholders of the Paarl Board of Executors moved to establish another trust company in Paarl.

On 7 August 1900 an advertisement appeared in **De Zuid-Afrikaan** inviting all interested parties to attend a meeting at the offices of Cornelis Moll,²⁶ Paarl agent and correspondent for **De Zuid-Afrikaan**²⁷ and secretary of the Paarl branch of the Afrikanerbond,²⁸ to discuss the desirability of a new board of executors. The outcome of the meeting was the placement of the prospectus of the new company, “De Paarlsche Afrikaansche Trust Maatschappij” (PAT), on 4 September in **De Zuid-Afrikaan** and the **South African News**. The prospectus pointed out that PAT would be established in terms of the provisions of the Companies Act of 1892 as a company with limited liability. The

²⁰ De Kolonist, 22.5.1900: Ingezonden Stukken – Het Bonds Congres; De Zuid-Afrikaan, 22.12.1900: De Paarlsche elektie.

²¹ De Kolonist, 31.3.1900: Hoofartikel.

²² (SA) Minute book Paarl Board of Executors Limited, 5.4.1895- 3.6.1959 (Annual General Meeting, 2.5.1900, n.p.)

²³ De Kolonist, 31.3.1900: Loyale Vergadering te Paarl.

²⁴ De Zuid-Afrikaan, 31.12.1900: Paarl. Nominatie van kandidaten.

²⁵ De Zuid-Afrikaan, 8.9.1900: Paarl. Nieuws uit de Paarl.

²⁶ DeZuid-Afrikaan, 7.8.1900: “Vergadering, Paarl ...”

²⁷ De Kolonist, 16.6.1900: Paarl Dag na Dag.

²⁸ De Zuid-Afrikaan, 19.6.1900: Het Bondscongres.

capital of the company was fixed at £50 000 divided into 50 000 shares of £1 each. The initial share issue would be limited to 32 000 shares, while the rest would be reserved for later issues. According to the prospectus the aims of the company were to undertake general business associated with estates such as administration of insolvent and deceased estates, buying and selling fixed property and general agency work.²⁹

The provisional directors all had very strong Afrikanerbond / “Afrikaander Party” and republican sympathies. This made it difficult to refute the allegation by **De Kolonist** that PAT was an anti-loyalist boycott move.³⁰ The fact that the provisional directors were all from Paarl and its environs also confirmed **De Kolonist**’s observation that PAT was a local Paarl initiative.³¹ The fact that the founders of PAT were also able to recruit the services of JH Hofmeyr and CG Auret, accountant and clerk at the Paarl Board of Executors respectively, was a further indication to **De Kolonist** of the extent of the boycott.³² In contrast to **De Kolonist**, **De Zuid-Afrikaan** singled out PAT’s directors and officials as the most important factor accounting for the eagerness with which the company’s shares were taken up.³³ **De Kolonist**’s negative reaction was dismissed as a case of sour grapes.³⁴

At the official founders’ meeting of the company on 13 October 1900 in Paarl³⁵ the memorandum and articles of association were adopted and a board of directors appointed.³⁶ PAT’s existence became official two days later on 15 October 1900 with the approval and registration of the company’s memorandum and articles of association by the Registrar of Deeds in Cape Town.³⁷

The Malmesbury initiative: the establishment of AMT

The second initiative to establish a rural Afrikaans trust company in the Western Cape in 1900 – in this case in Malmesbury – can be traced back to the establishment of “De Westelijke Onderlinge Brand-Assurantie Maatschappij, Beperkt” (Western Mutual Fire Assurance Company Limited) (WM) in 1896. WM was founded in Malmesbury on 5 November 1896.³⁸ The company had capital of £10 000 divided into 10 000 shares of £1 each and undertook all forms of fire insurance in the Cape Colony. Of the first board of nine directors seven were farmers, which makes it clear that the interests of the farming community had a high priority. The predominantly wheat-producing regions of the Swartland (Malmesbury and the surrounding districts) were particularly strongly

²⁹ De Zuid-Afrikaan, 4.9.1900: Prospectus van de Paarlse Afrikaansche Trust Maatschappij (Beperkt).

³⁰ De Kolonist, 6.9.1900: Paarl Dag na Dag – Een andere boycott.

³¹ De Kolonist, 11.9.1900: Paarl Dag na Dag – Algemeen Nieuws.

³² De Kolonist, 6.9.1900: Paarl Dag na Dag – Een andere boycott.

³³ De Zuid-Afrikaan, 4.9.1900: Paarl. Nieuws uit de Paarl.

³⁴ De Zuid-Afrikaan, 8.9.1900: Paarl. Nieuws uit de Paarl.

³⁵ (BBA) Minute book PAT, 1900-1926 no. 1 (PAT notice to shareholders, 4.10.1900)

³⁶ Ibid., (Meeting of PAT shareholders, 13.10.1900, n.p.).

³⁷ (CAD) LC 229 no. C312 PAT: Memorandum of Association of the Paarl African Trust Company Limited, 15.10.1900, p.1.

³⁸ (BBA) Minute book Western Mutual Fire Assurance Company Limited, 5.11.1896-17.9.1900 (General Meeting of shareholders, 5.11.1896, n.p.).

represented as is also evident from the transfer of the head office of the company to Malmesbury.³⁹

That the establishment of the WM was a popular initiative is clear from the fact that at the time of registration more than 7000 of its 10 000 shares had been taken up – and according to **De Zuid-Afrikaan** the balance could easily have been taken up in the towns of Malmesbury and Paarl if the board or directors did not prefer to allocate shares to farmers. **De Zuid-Afrikaan** also praised highly the local nature of the company as a counterpart for the increasing presence of foreign companies on this terrain.⁴⁰ The sentiment favouring distinctively Afrikaans enterprises that emerged so strongly during the Anglo-Boer War was thus already evident, although in 1896 the sentiment probably had a more inclusive ethnic-political meaning.

The WM gradually extended its activities and by 1900 had established 14 agencies across the Western Cape.⁴¹ In December 1896 shareholders were informed that the company's insurance activities were to be extended to include insurance cover for buildings and other movables, in addition to wheat-stacks. The company also instituted a credit-provision function in its decision to invest company funds against first farm mortgages.⁴² This function met a definite need as is clear from the fact that by March 1897, three months after the decision was taken, the company had to turn down several requests for mortgages due to a lack of funds.⁴³

The company showed sound financial growth. In September 1897 it was decided to expand the company's capital by issuing an additional 10 000 shares of £1 each.⁴⁴ The growth of the company also compelled the board of directors to make adjustments to its staff and accommodation. By 1900 there were, in addition to the secretary, also an assistant secretary and junior clerk, who were responsible for administration.⁴⁵ At the beginning of 1898 the board decided to buy a site and erect offices for the company, and in May 1900 it was decided to add a second storey to the existing offices.⁴⁶

In just over three years the WM had developed into a successful financial institution. Although the company's insurance services were in great demand, shareholders requested from time to time that it should offer other services. The demand for trust services in particular was especially great.⁴⁷ Against the background of the movement to establish more Afrikaans institutions in all business spheres, the above demand led to an initiative

³⁹ (CAD) LC218 no. C165 WO: (Memorandum of Association of the Western Mutual Fire Assurance Company Limited, 2.11.1896, n.p.); *De Zuid-Afrikaan*, 5.12.1896; *De Westelijke Onderlinge Brandassurantie Maatschappij Beperkt*; (BBA) Minute book WM, 5.11.1896-17.9.1900 (General Meeting of shareholders, 5.11.1896, n.p.).

⁴⁰ *De Zuid-Afrikaan*, 7.11.1896: Hoofartikel.

⁴¹ (BBA) Minute book WM, 5.11.1896-17.9.1900 (Board meetings, 26.1.1897, n.p.; 13.10.1897, n.p.; 11.10.1898, n.p.; 8.11.1898, n.p.; 11.4.1899, n.p.; 17.7.1900, n.p.)

⁴² *Ibid.*, (Board meeting, 17.12.1896, n.p.).

⁴³ *Ibid.*, (Board meeting, 16.3.1897, n.p.).

⁴⁴ *Ibid.*, (Extraordinary general meeting of shareholders, 7.9.1897, n.p.)

⁴⁵ *Ibid.*, (Board meetings, 10.8.1898, n.p.; 20.12.1898 n.p.)

⁴⁶ *Ibid.*, (Board meetings, 11.1.1898, n.p.; 8.5.1900, n.p.)

⁴⁷ *De Zuid-Afrikaan*, 7.8.1900: *Westelijke Assurantie Maatschappij*.

to expand the company by adding a trust division. The impetus behind this initiative – driven predominantly from the Malmesbury area – came from AC Koch, APW Immelman and FF Werdmüller from Malmesbury and DJA van der Spuy from Paarl.⁴⁸ The political environment within which these people acted as well as their political loyalties⁴⁹ corresponded to the situation in which the founders of PAT found themselves in Paarl. In Malmesbury events such as the relief of Mafeking⁵⁰ and the proclamation of martial law⁵¹ clearly demonstrated the division – verging on bitterness – between loyalists and republicans. In contrast to the situation in Paarl, where the two groups were more or less equal in terms of size, in Malmesbury the republicans were dominant as is demonstrated by the fact that the loyalists did not nominate a candidate in the by-election for the Legislative Assembly held in the constituency in 1900.⁵² Like Paarl, Malmesbury also had an established board of executors, namely the Malmesbury Board of Executors and Trust Company Limited. As opposed to the situation in Paarl, there is no evidence that the initiative to expand the WM's services was directly intended as a boycott of the existing Malmesbury Board of Executors. **De Kolonist** referred to the Malmesbury initiative as an “indirect” Afrikanerbond boycott. The “indirect” probably referred to the fact that the company's services were intended for the whole of the Western Cape and thus did not single out a specific company as its opposition.

At a special board meeting of WM on 17 July 1900 the board approved the principle of amalgamation with a prospective company, namely The African Mutual Trust and Assurance Company, with an envisaged capital of £100 000 divided into shares of £1 each.⁵³ The name of the envisaged company implied that it would offer both insurance and trust services and the old company would disappear in the process.

With the assurance that the board of directors of WM was favourably disposed to the principle of amalgamation, AC Koch, APW Immelman, DJA van der Spuy and FF Werdmüller took the initiative for the establishment of AMT. During a meeting on 18 July 1900 at Malmesbury the above-mentioned people, who were all closely involved with WM, adopted a resolution to establish AMT with a capital of £100 000 divided into shares of £1 each. The head office of the company would be in Malmesbury and branch offices would be opened as required. AC Koch was appointed provisional chairman, with DJA van der Spuy as managing director and secretary.⁵⁴

The third attempt to establish an Afrikaans trust company in the Western Cape at this point came to the attention of the initiators of AMT. On 25 July 1900 AC Koch and DJA van der Spuy had a meeting with people who planned to establish a trust company in Cape Town. These two interest groups could not, however, reach agreement on the establishment of a joint company as they could not agree on the site of the head office.

⁴⁸ (BBA) Minute book AMT, 18.7.1900 – 18.6.1908 (Founders' meeting, 18.7.1900, p.1).

⁴⁹ *De Kolonist*, 31.3.1900: Vergadering van Loyalen te Malmesbury; *De Kolonist*, 6.11.1900: Hoofartikel.

⁵⁰ *De Zuid-Afrikaan*, 26.5.1900: Gemengd Nieuws.

⁵¹ *De Kolonist*, 15.1.1901: Malmesbury onder de Krijgswet.

⁵² *De Zuid-Afrikaan*, 13.12.1900: De verkiezing te Malmesbury.

⁵³ (BBA) Minute book WM, 5.11.1896 – 17.9.1900 (Special board meeting, 17.7.1900, n.p.)

⁵⁴ (BBA) Minute book AMT, 18.7.1900 – 18.6.1908 (Founders' meeting, 18.7.1900, pp.1-2).

The initiators of AMT insisted on Malmesbury, while the second group preferred Cape Town.⁵⁵

At the fourth annual general meeting of WM on 8 August 1900 the proposals for the expansion of the company were approved by the shareholders.⁵⁶ The initiators of AMT, who had in the meantime drawn up a memorandum and articles of association for AMT, could now proceed to finalise the AMT-WM agreement and have it signed by both parties.⁵⁷ In terms of the agreement WM went into voluntary liquidation. AMT would continue providing fire insurance, while the company's trust division would provide all forms of trust services. The date determined for the transfer of the responsibility for running the business from WM to AMT was 1 October 1900, from which date AMT would conduct business under its own name.⁵⁸

Final approval for the WM-AMT agreement was obtained at two special meetings of shareholders on 17 September and 1 October 1900. The resolutions adopted on those occasions by the overwhelming majority of shareholders ratified the AMT-WM agreement, consented to the liquidation of WM, and appointed the directors of the company as liquidators mandated to implement the resolutions. This finally made AMT a *fait accompli*.⁵⁹

Similar attempts to those between the Malmesbury (AMT) and the Cape initiatives to establish one trust company were also undertaken between the Malmesbury (AMT) and Paarl (PAT) initiatives. At a board meeting of AMT on 2 October 1900 the chairman, AC Koch, reported that a meeting had taken place between delegates of the two groups with a view to amalgamation and to discuss AMT's offer to PAT. In terms of the offer an AMT branch office would be opened in Paarl, directors from PAT shareholders would be appointed to the AMT board and PAT's manager would be employed by AMT. Any auctioneering business generated by the Paarl branch would be shared between the auctioneering firms of DF Marais and AB de Villiers of Paarl. The auctioneering firm of Van der Spuy and Immelman would not conduct any business in Paarl.⁶⁰ Although it has not been possible to trace any direct response from PAT to the AMT offer, notices of this company's foundation meeting on 13 October had already been posted on 4 October to PAT shareholders – a clear indication that the PAT promoters had decided to proceed as an independent company.

The result of the initiatives in the second half of 1900 to establish Afrikaans trust companies with a rural character thus crystallised in the establishment of AMT and PAT. Although the impetus behind the flourishing of Afrikaans businesses during the Anglo-Boer War was political in nature, the political sentiments and emotions of a stormy and

⁵⁵ (BBA) Minute book AMT, 18.7.1900 – 18.6.1908 (Founders' meeting, 28.7.1900, p.3).

⁵⁶ (BBA) Minute book WM, 5.11.1896 – 17.9.1900 (Annual General Meeting, 8.8.1900, n.p.).

⁵⁷ (BBA) Minute book WM, 5.11.1896 – 17.9.1900 (Board meeting, 8.8.1900, n.p.).

⁵⁸ (CAD) LC 228 no. C302A WM (Memorandum of agreement between WM and AMT, 20.8.1900).

⁵⁹ (BBA) Minute book WM, 5.11.1896 – 17.9.1900 (Special extraordinary meeting of shareholders, 17.9.1900, n.p.); (CAD) LC228 no. C302A WM (Western Mutual Fire Assurance Co., Limited. Special Resolutions, 17.9.1900 and 2.10.1900).

⁶⁰ (BBA) Minute book AMT, 18.7.1900 – 18.6.1908 (Board meeting, 2.10.1900, p.11).

stressful period of war were not in themselves sufficient to ensure financial success for an enterprise. The head manager of Standard Bank in South Africa during the war, Lewis Michell, referred to the growth of “Africander” companies with a nationalist character that conducted their business exclusively with and for the benefit of Afrikaners and expressed the view that “the feeling is perhaps not an unnatural one, but we are still of the opinion that, in the long run, all such enterprises, to be successful, must be based on ordinary commercial principles, and be conducted with the requisite prudence.”⁶¹ Only time would tell whether PAT and AMT would master Michell’s conditions for success.

4. PAT and AMT: the establishment phase 1900 - 1902

In spite of the unsettled wartime conditions and a macro-economic environment that was not conducive to the establishment of new companies, both PAT and AMT succeeded in surviving the Anglo-Boer War. Apart from their primary function, namely the administration of estates, they also performed any form of agency business. Although PAT did not act as an insurance company, they acted as agents for other insurance companies selling insurance for movable and immovable property. PAT also performed a banking function by accepting fixed deposits and by extending loans against first mortgages or other forms of security.⁶² In all its fields of business, namely the administration of estates,⁶³ the auctioning⁶⁴ and insuring⁶⁵ of movable and immovable property as well as its above-mentioned banking function,⁶⁶ PAT established itself as a leader and respected competitor in the local financial environment. Further proof in this regard was the announcement at PAT’s second annual general meeting of shareholders in November 1902 that the company had already received £66 814 in fixed deposits, had placed £113 851 on first bonds and other loans, paid a 10 percent dividend and had a reserve fund of £4 000.⁶⁷

Although its administrative and management structure differed slightly from that of PAT because of its branch and agency system,⁶⁸ its business development corresponded with that of PAT. Due to its WM heritage the insurance activities of the company contributed the lion’s share to the company’s profits in its initial stages, but as early as the 1902 financial year the growth potential of its trust related activities were demonstrated by a 24 percent contribution to the annual profit.⁶⁹ This ensured the success of AMT’s transition from a fire insurance company to a company that also catered for trust services. In 1902 therefore AMT could declare a 6 percent dividend, while the company had a reserve of

⁶¹ (SBA) GMO 3/1/38 (26.6.1901 – 22.1.1902), GM-LO no.37/1901, 4.9.1901, p.4 no.9.

⁶² De Zuid-Afrikaan, 27.10.1900: De Paarlse Afrikaansche Trust Maatschappij, Beperkt.

⁶³ De Zuid-Afrikaan, 8.1.1901: Paarl. Nieuws uit de Paarl.

⁶⁴ (BBA) Notuleboek PAT, 10.1900 – 2.1905 (Direksievergadering, 25.10.1900, gp.).

⁶⁵ De Zuid-Afrikaan, 16.4.1901: Paarl; (BBA) Notuleboek PAT, 10.1900 – 2.1905 (Direksievergadering, 8.11.1900, gp.).

⁶⁶ (BBA) Notuleboek PAT, 1900 – 1926 (Algemene vergadering van aandeelhouders, 11.4.1901, gp.); (SBA) INSP 1/1/254, Paarl 1902 – 1928, Inspection Report on Paarl Branch, 22.12.1903 part I, pp.6 – 7.

⁶⁷ (BBA) Minute book PAT, 10.1900 – 2.1905 (Annual general meeting of shareholders, 5.11.1902, n.p.).

⁶⁸ (KAB) LC 228 no. C302 AMT (Memorandum and Articles of Association of the African Mutual Trust and Assurance Company Limited: Articles of Association, p.14).

⁶⁹ (BBA) Balance Sheets AMT, 14.8.1901 – 27.9.1902 (Wins- en verliesrekenings, 30.6.1902 en 30.6.1903).

£7 000 and had administered £152 036 in funds.⁷⁰ The Standard Bank inspection report's reference to AMT as a "Respectable, influential Company ... doing a good and carefully managed business",⁷¹ was probably the best proof that the company had succeeded in its relatively short existence in establishing itself as a respected financial institution in the Western Cape.

5. The Trust Company men: development of a distinctive rural trust company tradition

In the broader history of the trust movement the first half of the 20th century saw the flourishing of new companies, with an additional approximately 70 trust companies and boards of executors registered during the period.⁷² Within this period in the early decades of the 20th century, the years 1914-1922 represent a peak as far as the establishment of specifically rural Afrikaans trust companies and boards of executors is concerned as 26 companies were established in only 9 years.⁷³ Although there is no simple explanation for this flourishing of new companies, the proven record of established Afrikaans trust companies such as PAT and AMT as highly beneficial investment instruments – in terms of their competitive interest rates and dividends to shareholders – combined with their local nature and personal service, served as role models to encourage the establishment of trust companies and boards of executors.⁷⁴ Further proof of the development of a clearly distinguishable trust company identity and tradition in the South African financial world was the establishment of The Association of Trust Companies in the Union of South Africa in October 1932 in Cape Town⁷⁵ with the aim of forming a united front to look after the interests of trust companies on a national basis. Forty-two of the 43 active trust companies in the Union accepted membership of the Association.⁷⁶

Although rural and urban trust companies stemmed from a common trust tradition, belonged to the same category of financial institutions and shared many characteristics, there were also enough differences to distinguish a separate rural trust company tradition

⁷⁰ (BBA) Balance Sheets AMT, 14.8.1901 – 27.9.1902 (Annual Report 1902, Financial statement for year ending, 30.6.1902, n.p.).

⁷¹ (SBA) INSP 1/1/244, Malmesbury 1901 – 1928, Inspection Report Malmesbury Branch, 16.1.1904 part III, p.1.

⁷² (CAD) LC 15/25/1- LC 15/25/10: Inventory of companies registered in terms of Act No.23 of 1861, Act No. 25 of 1892 and Act No. 46 of 1926; JHA van de Venter: Die Ontstaan, Ontwikkeling en Aktiwiteite van Algemene Banke in SA, pp.21-23.

⁷³ (CAD) LC 1/26: Inventory of companies registered in terms of Act No. 23 of 1861 and Act No.25 of 1892; (CAD) LC 15/25/1 – LC 15/25/10: Inventory of companies registered in terms of Act No.23 of 1861 and Act No 25 of 1892 and Act No 46 of 1926; JHA van de Venter: Die Ontstaan , Ontwikkeling en Aktiwiteite van Algemene Banke in SA, pp.21-23.

⁷⁴ Het Noord Westen, 30.7.1918: Calvinia Eksekuteurskamer; Het Noord Westen, 13.8.1918: Noord-westelike Eksekuteurs Kamer Beperk; South Western Echo, 4.9.1920: Caledon and SW Districts Board of Executors Ltd.

⁷⁵ (SA) Minute book Association of Trust Companies in the Union of South Africa, 15.8.1932 – 14.12.1936 (Meeting of representatives of trust companies in the Union, 10.10.1932, pp.2-3.)

⁷⁶ (SA) Minute book Association of Trust Companies in the Union of South Africa, 15.8.1932 – 14.12.1936 (Meeting of Sub-committee of Executive Committee of the Association of Trust Companies in the Union of South Africa, 1.11.1932, n.p.); Ibid. (Constitution of The Association of Trust Companies in the Union of South Africa, p.2).

within the broader trust movement. AMT and PAT as they developed in the period 1900-1942 were prime examples of this latter category. The tradition and identity they represented was the result of the initiatives of farming communities who, in their capacity as founders, shareholders and supporters, established companies on a district or regional basis to provide the financial services needed for the basically primary economy in which they functioned.

With regard to services, rural trust companies, similar to their urban counterparts, provided the full scope of estate administration and related trust services, accounting for an important part of their business. While urban trust companies did not cater for auctioneering business, they formed an important part of rural trust company business. Rural trust companies were to a much larger extent than urban companies involved in acting as agents for insurance companies. Some rural companies were even insurance companies in their own right. However, the most marked difference in services performed between rural and urban trust companies was in the way the former companies became involved in banking business by accepting fixed deposits and investing these funds in mortgages on fixed property in the district or region in which the company operated. While deposit business constituted approximately five percent of the turnover of urban trust companies, the figure for rural companies were between 40-50 percent.⁷⁷

Rural trust companies were extremely successful in this regard and in districts where they operated banks found it extremely hard to come by deposit and mortgage business. The popularity of trust companies in this regard can be ascribed to a number of reasons. Apart from the higher interest rates they paid, they were also more willing to release the clients fixed deposit before the expiry date if the depositor urgently needed the money or at least to advance the money to him against the security of his deposit at a more favourable rate than the banks. Lastly the knowledge that money deposited at trust companies would be available in the form of mortgages and loans to supply the credit needs of that district or region motivated depositors to support the trust companies in this regard. Farmers also preferred mortgages from trust companies to bank loans because they considered this to be a more permanent credit arrangement. Contrary to banking practice, trust companies were willing to transfer a mortgage bond from one estate to the next (for instance, from father to son in case of the death of the former) without calling in the loan.⁷⁸ Mortgage bonds held by trust companies were therefore in many cases transferred from one generation to the next. A practice which corresponded with the view held by many farmers that, due to the relatively low interest rates of the mortgage bonds, was that it was more profitable to use excess capital to develop their farms than to redeem their bonds.⁷⁹

In contrast with trust companies in urban areas like Cape Town and Port Elizabeth, the average rural trust company operated with a small working capital⁸⁰ and only a few staff members. Trust companies placed a high premium on the integrity, diligence and self-

⁷⁷ SC – 842: Report of Select Committee on Bank Bill. Minutes of evidence, pp.16-17, 119, 128.

⁷⁸ Ibid., pp.20, 132-133; (SBA) INSP 1/1/254, Paarl 1902 – 1928, Inspection Report on Paarl Branch, 18.9.1909, p.7.

⁷⁹ (SBA) INSP 1/1/369, T-Z 1937, Inspection Report on Worcester Branch, 22.7.1937, pp.11, 13.

⁸⁰ (SBA) GMO 3/1/78, GM-LO, 5.3.1926, pp. 664 – 667.

sacrificing service provided by their staff and also used this as a selling point to attract business. The personification of this tradition was the company secretary or manager who, in contrast to bank managers who were subject to periodic transfers between branches, was inseparably linked to his company – in most case for the full duration of his working career. The position of trust that trust companies developed with their clients was to a large extent attributable to the conservatism, consistency and versatility of the company secretary or manager and was the major influence responsible for creating the perception that trust companies were everlasting institutions (from generation to generation) whose staff would be available *ad infinitum*.⁸¹

Rural trust companies were also characterised by their influential boards of directors which included the moneyed farmers, politicians and professional people of the district or region. The stature and influence of the directors in the district and the knowledge that their combined potential was available to the company ensured that the inhabitants of the district supported the companies as clients and shareholders. Directors did not hesitate to use their influence to the advantage of their companies.⁸² The recruitment of the farming community as shareholders, strict control over the allocation of shares and the transfer of shares from one generation to the next (father to son), not only ensured that the companies remained under the control of people that had the welfare of the institutions at heart, but the client base of the companies was also guaranteed.⁸³

The business philosophy and ethic of trust companies and boards of executors were based on the principle of service rather than excessive profit. The interests of the clients were the companies' primary concern because it was to them that the shareholders owed their profits and the staff their jobs.⁸⁴ The use of chairmen of the boards of trust companies at annual general meetings to refer to the growth in the total funds under administration as a measure of the success of companies was a manifestation of this business approach. The above-mentioned approach and the basic business conservatism it implied were also responsible for the emphasis in trust companies on building strong reserve funds and declaring conservative dividends. This conservatism was also evident in their attachment to secure and traditional investments such as mortgage bonds, secured debentures, fixed deposits, prime stocks and sometimes preference shares in selected companies.⁸⁵

The local nature of trust companies and their emphasis on service almost inevitably led to their being intimately involved in the social structure of their communities. Through the handling of estate and trust business, they were responsible for the orderly transfer of wealth from one generation to the next and in this way contributed to the preservation of the social order according to the wishes of their clients. The social conscience of rural

⁸¹ SC – 842: Report of the Select Committee on Bank Bill. Minutes of evidence, pp. 19, 20, 135, 143; (SA) Association of Trust Companies in the Union of South Africa, 4.1.1937 – 11.12.1939 (Annual meeting, 12.12.1938, minute no. 104, gp.).

⁸² (SBA) INSP 1/1/341, Mi-Ot 1933-1935, Inspection Report on Paarl Branch, 11.6.1934, p.13.

⁸³ (SBA) INSP 1/1/347, N-R 1938, Inspection Report on Paarl Branch, 19.7.1938, p.11; (SBA) INSP 1/1/342 Ou-Q 1933-1935, Inspection Report on Paarl Branch, 14.11.1935, p.7.

⁸⁴ (SA) Association of Trust Companies in the Union of South Africa, 1.16.1968 – 1.24.1969 (Annual meeting, 6.5.1971: Chairman's address, pp.2, 6).

⁸⁵ Ibid., p.4.

trust companies was also demonstrated through the many donations to local schools, libraries and hospitals,⁸⁶ their willingness to postpone board meetings that coincided with agricultural shows⁸⁷ and the closure of their offices on days of symbolic importance to the societies in which they operated.⁸⁸ Rural trust companies were more than just financial institutions. As the product of their communities the “Boards” were intimately involved in the weal and woe of the communities which they served.

6. THE 1942 BANK ACT: Death knell or challenge to trust companies and boards of executors?

In the period up to 1942 trust companies and boards of executors defined themselves in terms of the trust aspects of their activities. The fact that in the implementation of their trust functions they increasingly infringed on the banking terrain and the fact that in the case of rural trust companies banking activities generated an important part of their income did not influence their perception of themselves as being trust companies first and foremost.⁸⁹ The **Currency and Bank Act of 1920**⁹⁰ which regulated banking in South Africa probably strengthened this attitude as trust companies and boards of executors were excluded from its regulations. Trust companies were therefore, except for specific trust legislation, only subject to the **Companies Act of 1926**.⁹¹ Although this act contained stipulations regarding the registration, management, liquidation and financial statements of companies there were no limiting capital regulations similar to those that banks had to adhere to according to the **1920 Bank Act**. Trust companies could therefore administer their funds without being subject to the regulations and control that banks were being subjected to.

In the late 1920s early 1930s a number of factors contributed to change this regulation-free existence of trust companies regarding their capital and financial management. The major influences in this regard were lobbying, by banks like Standard Bank, to make the monetary authorities of the state aware of the regulation-free practice of banking activities by trust companies,⁹² the realisation and recognition by the state of the considerable role of trust companies as financial institutions and managers of significant amounts of capital and public funds,⁹³ the formation of The Association of Trust Companies in the Union of South Africa and their attempts to promote and publicise the activities of trust companies⁹⁴ and the national and international tendency, intensified by

⁸⁶ (BBA) Minute book AMT, 26.7.1917 – 20.9.1923 (Board meeting, 20.11.1919, p. 178; 18.3.1920, p. 211); (BBA) Minute book PAT, 1900 – 1926 (Annual general meeting, 1.11.1922, gp.).

⁸⁷ (BBA) Minute book PAT, 27.12.1929 – 7.12.1933 (Board meeting, 14.1.1932, p.103).

⁸⁸ (BBA) Minute book PAT, 2.9.1943 – 16.9.1948 (Board meeting, 4.10.1945, p.121).

⁸⁹ SC – 842 Report of the Select Committee on the Bank Bill, pp. 18, 142, 144.

⁹⁰ Act No. 31 of 1920: Currency and Bank Act, 1920.

⁹¹ Act No. 46 of 1926: Companies Act, 1926.

⁹² (SBA) GMO 3/1/78 (4.12.1925 – 26.3.1926), GM-LO, “Special”, 5.3.1926, pp.3 – 6, 655 – 657, 664 – 667.

⁹³ (SA) Minute book Association of Trust Companies in the Union of South Africa, 15.8.1932 – 14.12.1936 (Annual meeting, 27.11.1933, Chairman’s Report, pp.2,3).

⁹⁴ (SA) Minute book Association of Trust Companies in the Union of South Africa, 15.8.1932 – 14.12.1936 (Annual meeting, 27.11.1933, Report General Committee, pp.2, 3).

the experience of the Great Depression of the early 1930s, of greater state control and intervention in national economic development and activities.⁹⁵

Against this background the Minister of Finance proposed draft legislation towards the end of 1940 with the aim of consolidating existing bank legislation and making provision for a minimum degree of supervision and regulation, not only of banks, but also of other deposit-receiving institutions which were not effectively controlled by special legislation or other administrative regulations.⁹⁶ The last-mentioned category included trust companies and boards of executors. Draft legislation was published in the **Government Gazette** in 1941⁹⁷ and the **Bank Act of 1942** was approved in its final form on 20 April 1942.⁹⁸ The act took effect on 1 January 1943.⁹⁹

The main aim of the Bank Act was to ensure a larger degree of assurance and safety for depositors and savers in general. For this purpose the Bank Bill distinguished four banking categories, namely commercial banks, people's banks, loan banks and deposit-receiving institutions. All banks were placed under the supervision and control of the Registrar of Banks. Apart from general stipulations applicable to all banks, each category was also subject to specific regulations. Trust companies and boards of executors were classified as deposit-receiving institutions. A deposit-receiving institution was defined as an institution which receive deposits from the public but which is not a commercial, people's or loan bank.¹⁰⁰

Trust companies and boards of executors did not accept their inclusion under the Bank Bill lying down, and lobbied against their inclusion throughout the legislative process.¹⁰¹ Trust companies did not view themselves as banking institutions because deposit business was only one of the wide variety of services to the public they performed. Under pressure of specifically the urban trust companies, which did not advertise or actively canvassed deposit business and only held deposits on a small scale,¹⁰² the legislator exempted those deposit-receiving institutions whose paid-in capital, warranty deposits and reserve funds exceeded the deposits they held from the public.¹⁰³ Trust companies and boards of executors also requested that, because of their distinctiveness, they should, as in the case of building societies and insurance companies, fall under separate legislation that makes provision for their specific activities and needs. Although the monetary authorities supported this argument, they saw the inclusion of trust companies

⁹⁵ A L Muller: *Die Ekonomiese Ontwikkeling van Suid-Afrika*, p.224.

⁹⁶ SC – 842: Report of the Select Committee on the Bank Bill, pp. 161-162.

⁹⁷ (SA) Minute book Association of Trust Companies in the Union of South Africa, 19.12.1939 – 14.12.1942 (Executive Committee, 29.9.1941, minute no. 154).

⁹⁸ Bill No. 38 of 1942: Bank Bill, 1942.

⁹⁹ (SA) Minute book Association of Trust Companies in the Union of South Africa, 19.12.1939 – 14.12.1942 (Executive Committee, 29.10.1942, minute no.167. Letter from Registrar of Banks – Secretary Association of Trust Companies in the Union of South Africa, 21.10.1942).

¹⁰⁰ Bill No. 38 of 1942: Bank Bill, 1942, pp.277, 279.

¹⁰¹ (SA) Minute book Association of Trust Companies in the Union of South Africa, 19.12.1939 – 14.12.1942 (Executive Committee, 29.9.1941, minute no.154; 9.2.1942, minute no. 161, p.2; 16.2.1942, minute no.162, p.1).

¹⁰² SC – 842: Report of the Select Committee in the Bank Bill, pp.17 – 19.

¹⁰³ Bill No. 38 of 1942: Bank Bill, 1942, p. 279.

under the Bank Bill as an opportunity to get to know more about their activities so that separate legislation could possibly be introduced for them at a later stage. The authorities were also of the opinion that the Bank Bill only introduced minimum supervision and control and that separate legislation would probably lead to more rather than less control.¹⁰⁴

The main objections of the trust companies to the Bank Bill focused on the financial statements they had to supply to the Registrar of Banks and the financial and capital requirements deposit-receiving institutions had to adhere to. Trust companies and specifically the smaller rural companies with their small and sometimes inadequately qualified staff foresaw problems with the preparation of the quarterly financial statements. Because of their diverse commitments and variety of activities, application of the legal requirements in this regard would only be possible with extra staff and an expansion of their existing records.¹⁰⁵

Deposit-receiving institutions had to comply with two types of financial and capital requirements. Firstly the sum of their paid-in capital, warranty deposits and unimpaired reserve funds had to be equal to at least ten percent of their total liabilities to the public.¹⁰⁶ According to the Bank Bill, the liabilities of trust companies to the public consisted of the deposits they held from the public. Deposit-receiving institutions were accommodated by allowing them to subtract from their liabilities to the public a sum equal to the liquid assets they held.¹⁰⁷ The practical implication of the above-mentioned capital requirement was that trust companies and boards of executors in future would no longer be able to take in unlimited deposits from the public. Their capacity in this regard would in future be determined by the growth in their own capital – a factor which could inhibit the growth of the companies.

The second financial requirement of the Bank Bill was with regard to the maintenance of liquid assets by deposit-receiving institutions. Liquid assets were defined as assets which represented cash or could readily be converted into cash. Deposit-receiving institutions had to maintain liquid assets amounting to at least 30 percent of their immediately repayable deposits, 20 percent of their deposits repayable within six months or a shorter period and 10 percent of their deposits repayable after six months or longer.¹⁰⁸ With these requirements the monetary authorities wanted to ensure that institutions would be able to handle any normal or abnormal withdrawal of deposits.¹⁰⁹

The fact that the list of allowable liquid assets according to the Bank Bill excluded fixed property and mortgage bonds, the main investments of rural trust companies, held serious implications for these institutions with their extensive deposit business. Despite extensive

¹⁰⁴ SC – 842: Report of the Select Committee on the Bank Bill, pp.136, 160.177.

¹⁰⁵ Ibid., pp.135, 142-143.

¹⁰⁶ Bill No. 38 of 1942: Bank Bill, 1942, p.303.

¹⁰⁷ Ibid., p. 305.

¹⁰⁸ Ibid.

¹⁰⁹ SC – 842: Report of the Select Committee on the Bank Bill, pp.162-163.

lobbying by trust companies to get investments in property and mortgage bonds accepted as liquid assets, the monetary authorities stuck to their guns.¹¹⁰

Because specifically rural trust companies invested their funds almost exclusively in more profitable mortgage bonds on farm property, very few of these institutions had sufficient liquid assets available to fulfil the legal requirements. Trust companies therefore foresaw that they would be forced to call in mortgage bonds on farms to obtain sufficient funds to comply to the legal requirements with regard to liquid assets. Because liquid assets were less profitable, trust companies would no longer be able to afford the advantage they held over banks by paying higher interest rates on deposits and charging lower rates on loans. Trust companies maintained that the above-mentioned scenario would chase their clients into the arms of their main competitors, namely the banks, and that these clients would eventually also take their trust business to the banks which would mean the end of the existence of trust companies.¹¹¹ Only time would tell whether the liquid asset requirements would have such a drastic influence. What was certain was that the above-mentioned requirements would place the profitability of rural trust companies under serious pressure. The **Bank Act of 1942** brought an end to the unregulated practice of bank business by trust companies and boards of executors and irretrievably linked them with the fortunes of banks in South Africa.

7. PAT 1942-c.1960: growing itself to death

How did PAT cope with its new statutory identity of deposit-receiving institution and its legal implications after 1942? In coming to grips with the **Bank Act of 1942** and the tendency of increasing financial and statutory control and supervision, trust companies in general had to balance the requirements of the act with the fast-growing industrialising South African economy and the growth potential this held for financial institutions in general.¹¹² PAT's success was thus to be determined by its ability to reconcile financial growth with monetary and financial control.

In comparison to the first 42 years of its existence the organic growth of PAT after 1942 was spectacular. Between 1949 and 1956 it founded a branch system and established three new branches.¹¹³ Although the growth and success of the new branches were mainly due to and depended on the deposit and mortgage bond business they generated, the chairman of PAT in 1958 still interpreted the growth and success of the branches as a sign of the need for trust services in the Western Cape.¹¹⁴ This interpretation and the Board's decision in 1956 to concentrate on estate business and supply a more specialised service to their clients in this regard¹¹⁵ was an indication that PAT was still thinking more

¹¹⁰ Ibid., pp.22-24, 162-163, 181.

¹¹¹ Ibid., pp.20, 23, 121, 133 – 135.

¹¹² JA Lombard en JJ Stadler: *Die Ekonomiese Stelsel van Suid-Afrika*, p.315; DH Houghton: *The South African Economy*, p.120.

¹¹³ (BBA) Minute book PAT, 20.9.1948 – 16.8.1951 (Board meetings, 3.11.1949, p.78; 24.11.1949, p.81); (BBA) Minute book PAT, 17.6.1954 – 13.10.1955 (Board meeting, 11.8.1955, pp.97-98); (BBA) Minute book PAT, 1951 – 1969 (Annual meeting, 1956: Chairman's Report, 13.12.1956, p.40)

¹¹⁴ (BBA) Minute book PAT, 1951-1969 (Annual meeting, 1958: Chairman's Report, 11.12.1958, p.57).

¹¹⁵ (BBA) Minute book PAT, 1951-1969 (Annual meeting 1956: Chairman's Report, 13.12.1956, p.40).

in trust than in banking terms. As far as new services were concerned, PAT expanded on both its trust and banking side. In 1954 and 1955 PAT founded two subsidiary auctioneering companies, one catering for general auctioneering and agency work¹¹⁶ and the other for stock-fair business.¹¹⁷ In 1957 PAT extended its bank business by adding a savings bank department.¹¹⁸ In contrast to the two subsidiary companies which initially suffered considerable losses,¹¹⁹ the savings bank department was an immediate success and already represented 11 percent of PAT's funds under administration in 1959.¹²⁰ The company's organic growth also necessitated an increase in staff from 4 in 1944 to 14 in 1958¹²¹ as well as an extension of the physical accommodation of the company, which took the shape of a new building for the company in 1955.¹²²

The organic growth of PAT was also manifested in the enormous financial growth of the company. However, as was also the case with the many other rural trust companies, the forecasts by the trust company lobby during the 1942 Bank Bill legislative process, about the possible affects of the financial and capital requirements of the Bill on trust companies, came true. The financial management of PAT after 1942 were dominated by continuous attempts by its board and management to let the growth of the company's own capital and funds keep track with their liabilities to the public in the form of deposits – which by now had become the life-blood of the company. These attempts took place against a completely changed post-Second World War economic and financial environment that was far removed from the relatively simple pre-War period and which was characterised by a greater frequency of capitalist trade cycles, changing supply and demand for investment funds,¹²³ more frequent interest rate changes,¹²⁴ inflationary property values¹²⁵ and changing investment patterns,¹²⁶ with a tendency among investors towards urban and industrial investments.¹²⁷

Like almost all rural trust companies PAT did not comply with the liquid asset requirements of the Bank Bill in 1942 because of the investment of the bulk of its funds in farm mortgages. PAT rectified this situation by increasing its liquid assets to £40 000 in 1944¹²⁸ and £204 930 in 1954.¹²⁹ PAT's investment in liquid assets represented a

¹¹⁶ (BBA) Minute book PAT, 23.8.1951 – 26.5.1954 (Board meeting, 25.3.1954, p. 269); (SAB) RB27 vol.1. Boland Bank Beperk. Algemeen, 18.10.1943 – 3.9.1971 (JD Rossouw – Registrateur van Banke, 2.11.1954, p.1).

¹¹⁷ (BBA) Minute book PAT, 1951 – 1969 (Annual meeting, 1955: Chairman's Report, 8.12.1955, p.33).

¹¹⁸ (BBA) Minute book PAT, 25.10.1955 – 5.9.1957 (Board meeting, 7.2.1957, p.96).

¹¹⁹ (BBA) Minute book PAT, 1951 – 1969 (Annual meeting, 1957: Chairman's Report, 12.12.1957, p.47).

¹²⁰ (BBA) Minute book PAT, 1951 – 1969 (Annual meeting, 1959: Chairman's Report, 10.12.1959, p.62).

¹²¹ (BBA) Minute book PAT, 2.9.1943 – 16.9.1948 (Board meeting, 21.9.1944, p.58); (BBA) Minute book PAT 12.9.1957 – 2.7.1959 (Board meeting, 8.10.1958, p.87).

¹²² (SAB) Registrar of Banks RB27 Vol.1. Boland Bank Ltd. General. 18.10.1943 – 3.9.1971 (JD Rossouw – Registrar of Banks, 2.6.1955).

¹²³ (BBA) Minute book PAT 1926 – 1950 (Annual meeting 1943: Chairman's Report, 3.11.1943, p.83);

(BBA) Minute book 1951 – 1969 (Annual meeting 1951: Chairman's Report, 5.12.1951, p.3).

¹²⁴ (BBA) Minute book PAT 1926 – 1950 (Annual meeting 1944: Chairman's Report, 1.11.1944, p.89)

¹²⁵ (BBA) Minute book PAT 1926 – 1950 (Annual meeting 1946: Chairman's Report, 6.11.1946, p.105).

¹²⁶ (BBA) Minute book PAT 1951 – 1969 (Annual meeting 1951: Chairman's Report, 5.12.1951, p.3);

(BBA) Minute book PAT 1951 – 1969 (Annual meeting 1959: Chairman's Report, 10.12.1959, p.62).

¹²⁷ (BBA) Minute book PAT 1951 – 1969 (Annual meeting 1960: Chairman's Report, 22.12.1960, p.68).

¹²⁸ (BBA) Minute book PAT 1926 – 1950 (Annual meeting 1944: Chairman's Report, 1.11.1944, p.92).

considerable loss in income to the company if one considers the fact that the interest on these investments was in the region of three percent,¹³⁰ whereas 6 percent or more could be earned on farm mortgages¹³¹ and PAT paid 5 percent on fixed deposits.¹³² Many rural trust companies over-invested in liquid assets whereby they compounded the negative effects of these low-income investments on their profits. The reason for the over-investment was the Bank Bill stipulation that liquid assets could be subtracted from companies' liabilities to the public when their capital requirements were calculated. Liquid asset investments were therefore used by rural trust companies to make good the shortfalls in their own capital – a business practice that eventually contributed to their downfall.

The battle of rural trust companies to keep the growth in their own capital in line with the growth in their liabilities to the public, according to Bank Bill requirements, also haunted PAT. From its inception in 1900 PAT operated with a paid-in capital of only £7 500. While the results the company achieved with such a small capital were used over the years as a selling point to emphasise the excellence of the company,¹³³ this now became its biggest liability. To counter this liability PAT had to expand its capital base after 1942. Despite the increase in the capital and reserve funds of the company through share issues in 1948,¹³⁴ 1951¹³⁵ and 1955,¹³⁶ the ratio between its own capital and its liabilities to the public in the form of deposits continued to weaken. The company's own funds as a percentage of its liabilities to the public decreased from an average of 16,7 percent for the period up to 1942 to a crisis low of 9,7 percent on 1958, when the company could for the first time not comply with the Bank Bill requirements in this regard.¹³⁷

PAT had reached a point where it was growing itself to death. As an immediate step to make good the shortfall in capital, PAT transformed all its short-term investments into liquid assets. The result was that in July 1958 they held £113 000 more in liquid assets than the legal requirement. This action absorbed the company's float and placed it in such a position that it could hardly accept any further deposits. Because of its unfavourable capital position new deposits would immediately have to be invested in liquid assets with the resulting loss in interest income for the company. Because of the lack of funds PAT could not grant any new loans or mortgage bonds, while loans and bonds already granted could only be paid out if already existing loans and bonds were repaid. Because it was

¹²⁹ (BBA) Minute book PAT 1951 – 1969 (Annual Report 1954: PAT Balance Sheet as at 30.9.1954 np).

¹³⁰ (BBA) Minute book PAT 1926 – 1950 (Annual meeting 1950: Chairman's Report, 6.12.1950,p.140);

(BBA) Minute book PAT 1951 – 1969 (Annual meeting 1953: Chairman's Report, 3.12.1953,p.16).

¹³¹ (BBA) Minute book PAT 17.6.1954 – 13.10.1955 (Board meeting, 12.8.1954, p.15).

¹³² Ibid., (Board meeting, 26.8.1954, p.19).

¹³³ (BBA) Minute book PAT 1926 – 1950 (Annual meeting 1943: Chairman's Report, 3.11.1943,p.84).

¹³⁴ (BBA) Minute book PAT 1926 – 1950 (General meeting of shareholders, 25.3.1948,pp.118-119).

¹³⁵ (BBA) Minute book PAT 1951 – 1969 (Extraordinary general meeting of shareholders, 5.12.1951,pp.6-7).

¹³⁶ (BBA) Minute book PAT 1951 – 1969 (Annual meeting 1955: Chairman's Report, 8.12.1955, pp.32-33).

¹³⁷ (SAB) RB 27/3 vol.1. Paarl Trust Ltd. 1943 – 1960 (Memorandum re capital requirements under the Bank Bill of 1942 of the Paarl African Trust Company, nd., np.).

not expected that the last-mentioned source would yield much capital, PAT even had to consider for a while cancelling the granting of loans and bonds.¹³⁸

Although the Registrar of Banks forced PAT to issue 10 000 shares¹³⁹ to strengthen its shaky capital position, this was still just a short-term solution to a long-term structural problem that would return if PAT kept up its growth rate. What was needed was drastic innovative solutions to the chronic capital shortage and other problems PAT and other rural trust companies faced if they hoped to remain viable financial institutions in an increasingly competitive financial environment.

8. The doctor's prescription: amalgamate or evaporate. A confrontation between the past and the future

The solution for rural trust companies was suggested by none other than the Registrar of Banks himself. At a conference of rural trust companies of the Western Cape held at Robertson in October 1959 the Registrar referred to some of the shortcomings and problem areas of the institutions. He highlighted the tendency to over-reservation through the building of large reserve funds instead of utilising the money more effectively to the benefit of the shareholders. He criticised their attitude of rather being reserve fund builders than dividend declarers and urged them to strive for maximum earnings without violating the principle of safety. The fact that rural trust companies owned 65 percent more liquid assets as prescribed by law was an indication that they had overdone the principle of safety first. The large number of small rural trust companies competing for the same business was also unhealthy and led to costly competition through which they defeated their own ends. He likened them to 15 dogs fighting over one bone and seriously urged them to combine their forces for the sake of survival.¹⁴⁰ Three years later he echoed his sentiments at the annual conference of The Association of Trust Companies in Cape Town when he said: "Times are changing and the small localised type of institution should be a cause for disquiet and grave concern".¹⁴¹ In this statement he encapsulated the dilemma of rural trust companies and boards of executors and also envisaged the only way forward for these institutions.

Although trust companies realised the truth in the words of the Registrar, acceptance of and reconciliation with the practical implications of what he said took some time. At the Robertson meeting a committee of five members was appointed by the attending trust companies with the task of investigating the suggestions made by the Registrar and

¹³⁸ (SAB) RB/ 3 vol. 1. Paarl Trust Ltd. 1943 – 1960 (Memorandum re capital requirements under the Bank Bill of 1942 of the Paarl African Trust Company, np., nd.); (SAB) RB 27/2 vol. 1. Banks. Boland Board of Executors Ltd. Memorandum of Association and Statute, 11.1944 – 15.9.1969 (JD Rossouw – Registrar of Banks, 6.10.1958 – Copy of minutes of Extraordinary General Meeting of Shareholders of PAT held on 25.9.1958 attached to letter).

¹³⁹ (SAB) RB 27/3 vol. 1. Paarl Trust Ltd. 1943 – 1960 (Registrar of Banks – The Secretary, Paarl African Trust Company Ltd., 8.8.1958); Ibid., (Internal memo Registrar of Banks, 6.8.1958).

¹⁴⁰ *Die Burger*, 26.10.1959: Trustinstellinge in die Boland Is 15 Honde om Een Been.

¹⁴¹ (BBA) Balance Sheets AMT 14.8.1901 – 27.9.1962 (Annual report 1962: Chairman's report, 27.9.1962, np.).

drawing up a report to present to the boards of the attending trust companies.¹⁴² Whether the report ever materialised is unknown. A year and a half, however, elapsed between the Registrar's speech and the first practical attempt made by trust companies to seek closer co-operation between them as suggested by the Registrar.

In March 1961 AMT, PAT and Caledon Voogdy convened a meeting to discuss closer co-operation. The reason for the delay was partly explained by the manager of PAT. He referred to the fact that the idea of co-operation was not new but that it was only now that the companies were in trouble, because they had difficulty in complying with the statutory capital requirements and all three of them had to issue new shares that there was a greater willingness to work together where previous attempts had failed. Although possible schemes for co-operation were discussed, there was a strong sentiment among the representatives that co-operation must not mean the end of the individual identities of the companies because this "would be an injustice to the founders of the Boards and would damage the goodwill which was built up in the various districts over the years."¹⁴³ Nothing came of the co-operation schemes proposed at this meeting, which suggests that the strong emphasis on the retention of individual identities and the need for co-operation which held the possibility of the loss of identity were more difficult to reconcile than initially anticipated – despite the incentive created by the dire position of the companies.

The company that kept on pursuing the issue was AMT. In the second half of 1961 they initiated plans for an amalgamation with the Malmesbury Board of Executors¹⁴⁴ and although the boards of the two companies reached complete agreement on the amalgamation, the plan fell through because of opposition from among the shareholders of the Malmesbury Board of Executors.¹⁴⁵ At this point another factor emerged which underlined the necessity for closer co-operation between rural trust companies and which made the companies with foresight realise that they no longer had the luxury of choice in the matter. In 1961 the Minister of Finance appointed a Technical Committee to investigate existing bank and building society legislation with the aim of revising the legislation.¹⁴⁶ The report of the Technical Committee which was released in the second half of 1962 indicated that the proposed changes to existing bank legislation were going to impact seriously on the activities of deposit-receiving institutions. The proposed changes would, among other things, have the effect of reducing the profitability of a large portion of the investments of rural trust companies and therefore also their interest rate profit margin.¹⁴⁷ This scenario probably contributed to the success in 1963 of AMT's second amalgamation attempt, namely with PAT. The amalgamation resulted in the formation of the Boland Board of Executors Limited (BBE),¹⁴⁸ which was classified as a

¹⁴² (BBA) Minute book AMT 18.12.1958 – 19.12.1963 (Board meeting, 19.11.1959, p.82)

¹⁴³ (SAB) RB 1A. Banks. African Mutual Trust and Assurance Co. Ltd. General. 1943 – 1966 (Minutes of meeting of AMT, Caledon Voogdy and PAT..., 21.3.1961).

¹⁴⁴ (BBA) Minute book AMT 18.12.1958 – 19.12.1963 (Board meeting, 21.6.1962).

¹⁴⁵ (BBA) Balance Sheets AMT 14.8.1901 – 27.9.1962 (Annual report:1962. Chairman's report, 27.9.1962).

¹⁴⁶ (SAB) RB 1A. Banks. African Mutual Trust and Assurance Co. Ltd. General. 1943 – 1966 (Registrar of Banks – Manager and Secretary AMT, 9.3.1961).

¹⁴⁷ (BBA) Balance Sheets AMT 14.8.1901 – 27.9.1962 (Annual report:1962. Chairman's report, 27.9.1962).

¹⁴⁸ (BBA) Minute book PAT 1951 – 1969 (Extraordinary general meeting of shareholders, 12.6.1963).

general bank according to the **Bank Act of 1965**.¹⁴⁹ The amalgamation agreement made provision for the continued existence of AMT as a wholly-owned subsidiary company of BBE, doing insurance business.¹⁵⁰

The PAT/AMT amalgamation set in train a process of amalgamation which continued in the following two decades, eventually comprising a group of 17 institutions, which has been doing business since 1971 as Boland Bank Ltd.¹⁵¹ In the process the majority of the Afrikaans rural trust companies of the Western and Eastern Cape were incorporated. To accommodate the sensitivity around the individual identities and trademarks and the goodwill built up around those identities over the years the subsidiary companies of BBE initially operated under their original trademarks. To be able to advertise more effectively and promote internal unity the board of BBE requested all the operating subsidiaries to use the BBE name with an indication of the location in brackets for example: BBE (Malmesbury) Limited instead of The Malmesbury Board of Executors Limited.¹⁵² At the same time the scribe emblem was accepted as the emblem for the whole group of companies.¹⁵³ As a further attempt at consolidation in this regard the name Boland Bank Limited was accepted for the whole group in 1971, thereby also acknowledging symbolically the domination of its banking activities over its trust services. The foundation for its status as a fully-fledged commercial bank and further confirmation of the domination of its banking activities was laid through an agreement with Stellenbosch District Bank Limited in which BBE obtained a third of their issued share capital and also access to their commercial bank services (cheque book facilities).¹⁵⁴

9. The establishment of Boland PKS: haunted by the ghosts of the past

As one of the top ten bank groups in South Africa, in 1990 Boland Bank had assets totalling R3 billion, deposits of R2, 8 billion, a staff of 2 200 and a network of 84 service points.¹⁵⁵ During an initially uncertain period in the early 1990s Boland Bank's independent existence was threatened by its old trust company weakness, namely capital shortages, which made the bank prone to hostile take-overs. After staving off an aggressive hostile take-over bid by the Amalgamated Banks of South Africa,¹⁵⁶ advocate Christo Wiese, chairman of Pepkor (a large retail corporation in South Africa), gained a controlling share in the bank.¹⁵⁷ Under Wiese's leadership the bank embarked upon a new era characterised by an active striving for links with other financial institutions,

¹⁴⁹ PJ Nieuwenhuizen (ed): *Die Geskiedenis van Nedbank 1888 – 1980* vol. I, pp.450 – 451.

¹⁵⁰ (SAB) RB 1A. Banks. African Mutual Trust and Assurance Co. Ltd. 1943 – 1966 (Office memo 14.2.1963, p. 1).

¹⁵¹ (BBA) Minute book PAT 1970- 1988 (Extraordinary general meeting of shareholders, 5.8.1971).

¹⁵² (BBA) Minute book PAT 11.8.1969 – 16.4.1970 (Board meeting, 11.12.1969).

¹⁵³ (BBA) Minute book BBE from 20.8.1970 (Annual general meeting, 1971: Chairman's report, 29.7.1971).

¹⁵⁴ *Ibid.*, (Annual general meeting, 1970: Chairman's report, 20.8.1970).

¹⁵⁵ Boland Bank Limited Annual Report 1990, pp.1-2.

¹⁵⁶ *Die Burger*, 17.7.1992: Boland sê nee vir Absa; D. Basson en P.Marais: Die stryd om Boland Bank (Finansies en Tegniek, 31.7.1992, pp.12 –13).

¹⁵⁷ *Die Burger*, 4.11.1994: Wiese op eie met Boland Bank.

nationally as well as abroad, and a closer relationship with Pepkor, Wiese's traditional retail power base.¹⁵⁸

In 1996 the bank reached an important milestone in its recent history in the amalgamation between Boland Bank and NBS Holdings (Natal Building Society) to form a new bank group with assets of R26,5 billion.¹⁵⁹ Despite the concerns in some financial circles about the compatibility of Boland Bank with its traditionally conservative management culture and Western Cape rural Afrikaans client base, and NBS, with its more modern approach to banking, its strongly English orientation and Natal/Gauteng client base, the fusion produced the fourth largest bank group in South Africa and laid the foundation for a dynamic and innovative new provider of financial services.¹⁶⁰

The NBS-Boland Bank amalgamation was followed in June 1997 by discussions between this group and the BOE (Board of Executors) in Cape Town with a view to creating an influential financial service group consisting of the Board of Executors, Samgro (Boland Bank's controlling company, of which Christo Wiese is the controlling shareholder) and Pepkor.¹⁶¹ These discussions led in April 1998 to a restructuring of the respective interests into two listed entities, namely BOE Corporation, the pyramid controlling company, and BOE Ltd (the new name of the Board of Executors Limited), the operating company, with financial service activities that are fully owned and strategic investments. After this restructuring BOE had a market capitalisation of about R31 billion, the third largest on the stock exchange's banking sector, while the BOE group as a whole owned assets of about R77 billion.¹⁶²

As part of the banking interests of the BOE Corporation Boland Bank changed its name and corporate identity in April 1998 to emphasise its changed focus from general commercial banking to the financial needs of the commercial small business sector (owner-manager type of businesses). In its changed name, Boland PKS, the title "bank" was removed from the name to stress the move from the traditional banking environment to a broader financial services market. PKS is an abbreviation for People, Knowledge and Systems – the cornerstones of the business. To meet the requirements of its new focus group, namely the medium to small businesses in the commercial market, Boland PKS has established a unique business environment by combining commercial centres with distance banking.¹⁶³ Like its predecessors PAT and AMT a century ago, it is also establishing a new tradition in the world of finance, namely that of a bank that conducts its business like a business. Extended banking hours,¹⁶⁴ banking services available to business clients on the Internet, a unique new service that fetches deposits and delivers

¹⁵⁸ *Die Burger*, 29.7.1994: Wiese lei Boland Bank nou ook, p.12.

¹⁵⁹ *Die Burger*, 4.12.1996: Boland Bank verkry 25% van NBS; *Die Burger*, 18.12.1996: Christo Wiese gee nuwe rigting aan SA bankreus.

¹⁶⁰ *Die Burger*, 5.12.1996: NBS kry dalk kruisaandeelhouing in Boland Bank.

¹⁶¹ *Die Burger*, 2.6.1997: NBS Boland dalk binnekort selfs groter, p.10.

¹⁶² *Die Burger*, 1.4.1998: BOE groepeerstrukturering, pp.20 – 21.

¹⁶³ BOE Corporation Limited Annual Reports, 30 September 1998,p20; *Die Burger*, 4.4.2000: BOE verkoop Pepgro belang aan Wiese.

¹⁶⁴ *Die Burger*, 16.1.1997: Boland Bank en Sasbo skik oor ure, p.14.

withdrawals to a client's premises, and the provision of financial services at retail outlets are some of the features of the new tradition.¹⁶⁵

On the way to its centenary Boland PKS is, however, still haunted by the ghosts of the past. In the year 2000 Boland PKS, although light years removed from its AMT/PAT beginnings in 1900, is experiencing this reality in their quest for a new identity. Although focusing on medium to small businesses in the commercial market, they have to carry on servicing their traditional individual retail clients, an activity which has over the years earned it the nickname of the "farmers' bank". This is currently forcing Boland PKS to provide its services through three types of outlets, namely commercial centres (100% commercial clients), commercial branches (80% commercial clients, 20% traditional retail clients) and branch offices (80% traditional retail clients, 20% commercial clients)¹⁶⁶, preventing it from concentrating exclusively on its new niche market. The implications of this for Boland PKS with regard to its profits and ability to reposition itself in the financial world of the new millennium are obvious.

In the decades after 1900 PAT and AMT satisfied Michell's requirements for success in the financial world. Only time will show whether Boland PKS, with its new focus and as an affiliate of the BOE Corporation, will be able to master its past and match the success and ability to survive of its predecessors.

¹⁶⁵ *Die Burger*, 17.4.1998: Boland Bank het rewolusionêre planne; *Die Burger*, 20.2.1997: Pick 'n Pay skakel in by bankmark, p.16.

¹⁶⁶ Interview with Mr M.Fourie, Boland PKS Group Secretary, 21.6.2000.