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## Dunedin Savings Bank

On September 12 the Dunedin Savings Bank will celebrate its centenary. This will be an occasion of importance to many more people than the Bank and its clients, for the history of this institution is one of continuous service to the community and of a never-increasing tide of benefactions to worthy causes.

The move to found the Bank came from a group of public-spirited citizens who had nothing to gain from the venture but the knowledge that they were encouraging thrift in the community and providing a service for people with only modest amounts to deposit. Their names read something like an extract from a "Who's Who" of early Otago history. These were the men who were gazetted in December, 1863, as Trustees of the proposed institution : John Bathgate, John Cargill, Richard S. Cantrell, Thomas Dick, George Duncan, Thomas Forsaith, John Gillies, George Hepburn, John Jones, John Logan, Frederick Moss, Arthur Morris, William Mills, Richard Martin, George McLean, James Rattray, Frederick Richardson, William Reynolds, Alfred R. C. Strode and Charles Street.

At a preliminary meeting in the Custom House on June 28, 1864, Mr. Chetham Strode was appointed the Bank's first Vice-President. At that time the Act of 1858 required that the Governor of New Zealand should be *ex officio* President of all savings banks. A cash credit for £100 was opened with the Bank of Otago on a promissory note which was signed by all the Trustees. At this same meeting it was decided to seek a manager. In the following month, after 12 applications had been considered, the choice fell on Edmund Smith.

Smith was a pioneer in the truest sense of the word. Son of a missionary who had been drowned some years before, the 18-year-old youth came out to Otago in the *John Wickliffe* to seek his fortune. After a number of years during which he variously worked as a drover, a shepherd and a small farmer, building his own house, carrying his stores on his back to Kuri Bush, bringing in produce to sell in the same way, he obtained employment in Dunedin. At the time of his appointment to manage the new Bank he was factor to the Presbyterian Church Board of Property.

Arrangements were made to open the Bank for two hours every Monday evening in a small room which had been rented from the proprietor of Farley's Buildings in Princes street, on the site of the present-day Stewart Dawson building. The Trustees were rostered for duty and two of them attended each Monday night to receive deposits. Experiences elsewhere had shown that a rush to take advantage of the facilities of a new savings bank was rare indeed, but on that first night of September 12, 1864, there were 75 accounts opened. This number had risen to 143 a week later and by the end of the year 489 depositors had almost £8,000 to their credit.

Within four years the affairs of the Bank had flourished to such an extent that more commodious premises had to be obtained in Princes street, next to the present Bank of New Zealand. By 1874, when £54,000 stood at the credit of depositors, the Trustees had resolved to put up their own building. This was erected by Larnach at a cost of £3,000 in High street, and there the Bank remained, with additions and alterations, including a third storey, indicating its progress until the present Dowling street site was chosen and purchased in 1927. This building cost £25,000 and comprised number of shops and offices. A little more than 10 years later the bank had completely remodelled the building and the present fine premises were officially opened in 1938.

Disposal of surplus profits posed something of a problem in the early years of the Bank as the Trustees were seriously restricted by the terms of the 1858 Act. In 1878, however, the Trustees were able to steer through Parliament a new bill which gave them limited rights to make donations to

charitable institutions. The first of many grants, totalling to-day more than £220,000, was made in 1879. The amount was £7,515, paid by £7,510 in mortgages and a cheque for £5, and it was handed to the Otago Benevolent Institution.

Progress continued to be steady rather than spectacular as economic problems and fluctuating land values influenced trading. There was what might to-day be called a takeover bid by the Government in 1896 and 1897 but, after much discussion and some argument, the move was resisted and the Bank carried on.

The first World War proved a remarkable stimulus to thrift, and rapid expansion in the Bank's activities followed. Throughout these years, as in the years that had passed, the Bank was frequently referred to as "Smith's Bank". The reason was that when Edmund Smith retired in 1895 the Trustees had no hesitation in appointing his son, Frederick Smith, to succeed him. The younger Smith remained in this position until 1920, which meant that father and son had served the Bank for a total of 56 years—and served it well and faithfully.

The first three Vice-Presidents also had long periods of honorary service, Chetham Strode being succeeded by W. H. Reynolds who in turn was followed by Keith Ramsay and G. L. Denniston. As it turned out Denniston was to become the first Dunedin man to be appointed President in name as well as in practice. In 1923 amendments to the legislation governing conduct of savings banks did away with the provision about Vice regal presidency.

The publicly-acknowledged philanthropic side of Bank activity was not the only way in which the Trustees were able to assist the people of Otago. During two major wars and periods of economic depression the Trustees were constantly motivated by a spirit of understanding and sympathy towards those who, for reasons often beyond their control, found themselves in difficulties. The Bank's generous and constructive policy was never more apparent than when the Mortgage Relief Act of the late 30's was invoked by less than one per cent. of the mortgagors who were on the books of the Bank. And in the treatment of employees who served with the Forces, the Bank set a fine example.

Expansion naturally meant the establishment of branches. The first, at South Dunedin, was opened in 1925 and immediately proved its worth. The North Dunedin branch followed. Then the slump and the war caused postponement of further efforts in this direction until the thriving Mosgiel branch began its operations, to be followed by the new George Street branch, Green Island and Mornington.

The history of the Bank has a close link with the history and progress of the city, not only through commercial transactions and gifts and the stimulus to save, but through the many men of goodwill who have given their services as Trustees. They have come from a wide range of occupations, but have had in common the desire to serve the community in which they lived.

A number of them have been Members of Parliament, several have been Mayors of Dunedin, many have served on public bodies. Some have been the heads of flourishing businesses but still found time to attend to the increasing demands on their time made by the affairs of the Bank.

The magnitude of the Bank's present-day operations in no way hides the fact that this is, in the best sense, "the people's bank". Founded by Dunedin men, encouraging Dunedin industry and enterprise, pouring back into Dunedin the profits made by its activities, the Dunedin Savings Bank is an asset to the community which for 100 years has set a high standard of integrity, and now looks forward to its second century in the service of its city and province.