

The Advertiser

SATURDAY, APRIL 29, 1893.

E.S. & A.C. BANK.

THE RECONSTRUCTION SCHEME.

SANCTIONED BY OFFICIAL RECEIVER.

LONDON, April 28.

In the reconstruction scheme of the English, Scottish, and Australian Chartered Bank the creditors have no option but to accept the 4½ per cent. debentures which it is proposed to issue to the amount of £2,500,000. The depositors will, however, have the privilege of nominating two directors. The debentures will be redeemable at 5 per cent. premium at the pleasure of the bank, and will constitute a first charge on the entire assets of the bank.

Fresh deposits may be converted into debentures, but current creditors will be entitled to advances equal to 25 per cent. of their claims. A fourth of the surplus profits will be divided into two portions, one to constitute a special reserve fund and the other a fund for the redemption of the deposit stock which it is intended to issue to the amount of £2,500,000 bearing interest at 4½ per cent.

Mr. Stewart, the Official Receiver, has given his sanction to the scheme, which is also approved by the newspapers generally.

LONDON, April 28, 12.55 p.m.

The scheme of reconstruction will be finally considered by the shareholders on Tuesday.

Melbourne, April 28.

Mr. Urquhart, the manager of the E.S. and A.C. Bank, had a telegram from England to-day from the court of directors, stating the reconstruction scheme in detail. It is proposed that there shall be 4,500 shares of £50 each, £10 pounds of which will be credited and £5 payable forthwith. A further amount of £7 10s. per share can be asked for in three equal instalments, extending over 18 months. The balance of £12 10s. per share will remain as an uncalled liability, and the total paid-up capital will be £1,012,500. The creditors of the old bank will be asked to receive 4 per cent. debenture stocks in round sums of £10 and upwards to the amount of £2,500,000, which would represent half the liabilities of the bank. The stock would form a first floating charge on the new bank's entire assets. As to the remaining liabilities the balance of £2,500,000 it is proposed that they should be converted into perpetual deposit stock at 4½ per cent. The interest would be made payable out of the yearly profits. Both kinds of stock would be inscribed in London on the colonies and would be transferable in sums of £1 and upwards by means of ordinary transfer deeds. It is also provided that the bank may issue debenture stock for new deposits which would rank *pari passu* with the previous debenture stock. The interest would be limited to 4 per cent. The bank will reserve a right to pay off debentures and deposit stocks at three months' notice at 5 per cent. per annum and *pari passu*. The old bank will give the new bank £700,000 excess assets, which on realisation of value will be placed to the permanent reserve fund, and that fund will not be available for the balancing of accounts although payment of dividends, neither will the amount be reckoned as assets of the new bank. For the purpose of ascertaining the amount of profits available for dividend the holders of perpetual stock will receive power to appoint two directors to look after their interests. After the payment of 4½ per cent. on the perpetual stock 25 per cent. of the surplus will be carried to a special reserve fund for the equalisation of interest and the redemption of stock. Preliminary meetings to consider this scheme will be held in London on May 2, and in Edinburgh on May 3.

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MONDAY, MAY 1, 1893.

THE E.S. & A.C. BANK.

AN EXPLANATORY CIRCULAR.

LONDON, April 30.

Mr. C. J. Hegan, chairman of directors of the E.S. & A.C. Bank, has issued a circular bearing on the scheme of reconstruction, in which he states that it is expected the debenture stock will rank as a first class security.

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WEDNESDAY, MAY 3, 1893.

E.S. AND A.C. BANK.

THE SCHEME OF RECONSTRUCTION.

UNANIMOUSLY CARRIED.

LONDON, May 2.

At a meeting of shareholders in the English, Scottish, and Australian Chartered Bank held yesterday, a resolution declaring their entire approval of the scheme of reconstruction was unanimously carried.

Mr. C. J. Stewart, the official receiver, described the scheme as an honest attempt to restore the bank to a sound basis.

LONDON, May 2, 1.5 p.m.

At a meeting of shareholders in the English, Scottish, and Australian Chartered Bank to-day Mr. C. J. Stewart, the official receiver, announced that Australian overdrafts and advances would involve a loss of £500,000.

LONDON, May 2, 3.55 p.m.

The depositors of the E.S. & A.C. Bank to-day approved of the scheme of reconstruction.

The Register.

ADELPHI: THURSDAY, MAY 4, 1893.

THE ENGLISH, SCOTTISH, AND AUSTRALIAN CHARTERED BANK.

REPORT BY THE OFFICIAL RECEIVER.

THE OVERDRAFTS.

LONDON, May 3.

Three of the leading Australian Banks have completed arrangements for discharging to the colonies gold to the value of three-quarters of a million sterling. It is considered not unlikely that this will be followed by the dispatch of a further amount of half a million sterling.

In consequence of this action it is probable that there will be an advance in the Bank rate of discount.

Mr. C. Stewart, the Official Receiver, in reporting upon the English, Scottish, and Australian Chartered Bank, mentions that according to the statement of the Directors, the overdrafts are spread over 5,130 accounts, but the majority of them are very small in amount. In all ninety-eight accounts are overdrafts to the extent of £10,000 and over. In two cases very large overdrafts have been advanced, against which the Bank holds very valuable securities, but in regard to them there has been a serious looking-up of capital. Each of these two accounts the confidentially arrived at by Mr. Stewart is that the Directors have exercised due prudence in making advances.

Mr. Whinney, accountant, who has been called in to examine the books of the Bank, has reported that the accounts are correct.

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THURSDAY, MAY 4, 1893.

CABLE MESSAGES.

E.S. AND A.C. BANK.

MEETING OF SHAREHOLDERS.

MOTION FOR VOLUNTARILY WINDING UP CARRIED.

LONDON, May 2, 1.5 p.m.

At a meeting of shareholders in the English, Scottish, and Australian Chartered Bank to-day Mr. C. J. Stewart, the official receiver, announced that Australian overdrafts and advances would involve a loss of £500,000.

LONDON, May 2, 3.55 p.m.

The depositors of the E.S. & A.C. Bank to-day approved of the scheme of reconstruction.

(The above telegrams appeared in a portion of yesterday's issue.)

LONDON, May 2, 8.20 p.m.

At the meeting of shareholders in the E.S. and A.C. held to-day, Mr. C. J. Stewart, the official receiver, stated that the Australian overdrafts and advances amounted to £5,111,000. He further stated that the value placed on the bank premises was not over-estimated, and that the cost of winding up would be only the actual cost incurred in accordance with the Board of Trade Regulations.

Mr. Brewer moved, and Sir Henry Cartwright seconded, that the bank be wound up voluntarily with a view to reconstruction. The motion was carried.

MEETING OF DEPOSITORS.

LONDON, May 2.

At a meeting of the depositors in the E.S. and A.C. Bank, held to-day, Mr. Pember, who presided, stated that the scheme for reconstruction would remove the danger to which the bank had previously been subject owing to the short deposit system. The depositors asked that in carrying out the reconstruction scheme provision should be made for limiting the increase of deposit stock.

The general manager of the E.S. & A.C. Bank received a telegram this morning confirming the report that the reconstruction scheme had been unanimously adopted by both shareholders and depositors in London.

The Register.

ADELPHI: FRIDAY, MAY 5, 1893.

THE ENGLISH, SCOTTISH, AND AUSTRALIAN CHARTERED BANK.

THE EDINBURGH MEETING.

Party persons attended the meeting of depositors in the English, Scottish, and Australian Chartered Bank held in Edinburgh to consider the scheme of reconstruction prepared by the Directors. Mr. C. Stewart, the Official Receiver, and Mr. Young, the Accountant, spoke in support of the scheme. Mr. A. S. Blair, a Writer to the Signet, objected to the scheme because it proposed to carry through a composition paying creditors upon security of unknown value and not in cash. The details of the scheme he stigmatised as being radically bad. Others objected to the scheme as being unfair in that it would involve depositors in a loss of three-quarters of a million sterling, whereas the shareholders would lose nothing.

The motion adjourning the meeting for ten days was carried by 9 votes to 3; the majority of those present not voting.

THE E.S. AND A.C. AND THE L.C. BANKS.

The Times suggests that if the English, Scottish, and Australian Chartered Bank and the London Chartered Bank of Australia were to amalgamate reconstruction of these Banks would perhaps have successful result.

Mr. Blair, of Edinburgh, who represents the small Scotch depositors in the English, Scottish, and Australian Chartered Bank, estimates that, if the Bank were to liquidate, assets to the value of £4,000,000 would be available to meet a liability of £3,343,000.