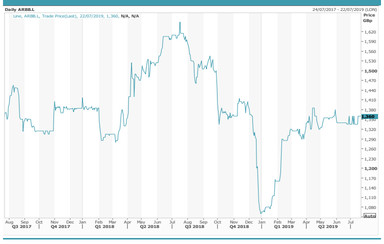
Financials



Source: Refinitiv

Market data

EPIC/TKR	ARBB/ARBN
Price (p)	1,360/1110
12m High (p)	1,640
12m Low (p)	1,065
Shares (m)	15.4
Mkt Cap (£m)	208
Loan to Value (2020E)	80%
Free Float*	42%
Market	AIM/NEX

**As defined by AIM Rule 26*

Description

Arbuthnot Banking Group (ABG) has a well-funded and capitalised private bank, and has been growing commercial banking very strongly. It holds a 9.85% stake in Secure Trust Bank (STB).

Company information

Chair/CEO	Sir Henry Angest
COO/CEO Arb. Latham	Andrew Salmon
Group FD, Deputy CEO Arb. Latham	James Cobb

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www.arbuthnotgroup.com

Key shareholders

Sir Henry Angest	56.1%
Liontrust	6.5%
Miton AM	4.4%
Slater Investments	4.0%
R Paston	3.6%
M&G IM	3.5%

Diary

Oct'19	3Q trading update
Feb'20	Pre-close trading update

Analyst

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ARBUTHNOT BANKING GROUP

1H'19 results: diversified, low-risk growth continues

The 17 July 1H'19 *results* showed the further progress made in profitably deploying the capital ABG generated from the partial sales of its stake in STB. Loans grew 16% to £1,275m, and deposits increased 18% to £1,829m, driving net interest income up 15%. Other new businesses continue to show strong growth. Commercial Banking generated profits of £3m (1H'18 loss: £0.8m). The group is well-funded (loans 70% of deposits) and has surplus group capital of ca.£70m (core equity Tier 1 surplus in excess of £30m). In July, ABG announced the acquisition of two mortgage portfolios for £258m; this shows the company's flexibility to take value-added acquisition opportunities.

- **1H'19 results:** The key financial highlights were i) PBT of £2.9m (1H'18: £1.2m), underlying PBT of £3.4m (£2.7m), ii) operating income up 14% to £35.6m, iii) costs up 7%, and iv) impairments of £1.3m (2H'18: £2.5m, 1H'18: £0.2m). EPS fell to 16.6p from 21.7p, with the change in treatment of STB.
- **Outlook:** Our 2019 PBT estimates are broadly unchanged, with the part-year benefit from the mortgage acquisition offsetting the higher cost of recently issued Tier 2 capital. Our 2020 estimates have been raised by over 10%, as the benefits are factored in for a greater part of the year and more than offset the Tier 2 cost.
- **Valuation:** The average of our approaches is now £17.93 (previously £17.42), 1.4x 2020E NAV. The rise reflects higher dividends, equity and divisional profits with the 2020 earnings upgrade, and increases all our valuation approaches. Despite the 2019 YTD rally, the share price is still around the 1H'19 NAV (1,321p).
- **Risks:** As with any bank, the key risk is credit. ABG's existing business should see below-market volatility, and so the main risk lies in new lending. We believe management is cognizant of the risk, and has historically been very conservative. Other risks include reputation, regulation and compliance.
- **Investment summary:** ABG offers strong-franchise and continuing-business (normalised) profit growth. Its balance sheet strength gives it wide-ranging options to develop organic and inorganic opportunities. The latter are likely to increase in uncertain times. Management has been innovative, but also very conservative, in managing risk. Having a profitable, well-funded, well-capitalised and strongly- growing bank priced close to book value is an anomaly.

Financial summary and valuation

Year-end Dec (£000)	2015	2016	2017	2018	2019E*	2020E*
Operating income	34,604	41,450	54,616	67,905	77,574	90,340
Total costs	-35,926	-46,111	-54,721	-64,982	-71,595	-79,157
Cost : income ratio	104%	111%	100%	96%	92%	88%
Total impairments	-1,284	-474	-394	-2,731	-2,877	-2,965
Reported PBT	-2,606	179	2,534	6,780	7,299	12,000
Adjusted PBT	2,982	4,009	3,186	7,416	9,299	14,000
Statutory EPS (p)	86.3	1,127.2	43.9	-134.5	40.3	65.9
Adjusted EPS (p)	13.5	17.1	47.5	40.3	50.9	76.5
Loans/deposits	82%	76%	75%	71%	79%	80%
Equity/assets	5.5%	18.5%	12.8%	9.0%	7.7%	7.2%
P/adjusted earnings (x)	100.7	79.5	28.6	33.7	26.7	17.8
P/BV (x)	1.70	0.90	0.89	1.06	1.06	1.04

** IFRS9 basis; Source: Hardman & Co Research*

1H'19 results summary

Financial highlights

PBT more than doubled, driven by 13% income growth and 11% cost growth

- PBT came in at £2.9m, more than double the level of 1H'18 (£1.2m). Underlying PBT was up by more than a quarter to £3.4m (1H'18: £2.7m). Net interest income was up 15% to £29m, and net fees increased by 7% to £6.9m. Expenses grew by 7% to £33.8m. Impairments were £1.3m (2H'18: £2.5m).
- EPS came in at 16.6p (1H'18: 21.7p), with the fall due to the de-recognition of the STB associate, recorded in discontinued operations.

Dividend up 7%

- The interim dividend per share was 16p, up 7% (1H'18: 15p).
- Net assets per share were 1,321p (1H'18: 1,540p), with the fall again reflecting the change in treatment of STB.

Operational highlights

Loans up 16%

- Customer loans increased 16% to £1,275m, in line with the growth reported for FY'18 (17%). Commercial division loans rose to £474m (1H'18: £346m, FY'18 £443m).

Deposits up 18%

- Customer deposits increased 18% to £1,829m (1H'18: £1,391m, FY'18: £1,714m), again with growth in the Commercial Banking division (£669m, vs. 1H'18: £471m, FY'18: £567m) and ca.£80m growth in the Private Banking division. Private bankers have been actively recruiting new clients (up 13% on 1H'18).

AUM down 2% on a year ago but up 4% on year-end (positive but still below market growth)

- Assets under management (AUM) were £1,029m (1H'18: £1,044m, FY'18: £985m). The rise in 1H'19 vs. FY'18 partially reflects a new management team and associated focus in this area, although full benefits from these initiatives are not expected to be seen for 12-18 months.

New business streams coming on line

- Arbuthnot Asset-Based Lending, which was launched in May 2018, increased its customer balances by 559% on 1H'18, to stand at £58m at end-1H'19. This is up 130% from year-end 2018. It has achieved monthly breakeven since April 2019.
- The Specialist Lending division wrote its first loan in the second quarter of the year and, despite being in a soft-launch phase, it has a growing pipeline of deals on which to concentrate, as it moves into full production in the second half of the year.
- Arbuthnot Direct provides deposit products direct to the retail market. It completed its initial test phase on plan and now has a one-year offering (close to best buy but not at the top of the table), as the group is seeking to extend the duration of funding, given the mortgage book acquisition (detailed on page 5 of this note).
- ABG announced the purchase of a £266m residential mortgage portfolio at 97.2% par value, which is expected to complete on 8 August 2019.
- Capital-raising activities have secured £39.5m of regulatory capital, with a further partial sale of the STB stake and £25m Tier 2 debt.
- As discussed at the full-year results, the property fund is now being closed.

Strategy: diversified growth

Private Banking (PB)

Business being re-focused, with less priority on lending (volumes down), and more on client acquisition (+13%) and deposit gathering. Wealth management initiatives likely to see payback in 2H'19, after hires made this year.

On 11 July 2018, ABG announced a new management structure within Arbuthnot Latham, with Andrew Salmon becoming CEO and James Cobb/Stephen Fletcher becoming deputy CEOs. We understand that one of their plans is to give greater product focus within the teams; for example, lending will now become specialised in one team, freeing up customer relationship managers to focus more on growing deposits and AUM. PB profits were up on 2H'18 but down on 1H'18:

- There continues to be competition from mainstream banks in very low loan-to-value (LTV) residential mortgages. This has been a core element of ABG's historical lending, but pricing has now become so fine that ABG considers it unprofitable. Also, ABG has been moving away from higher-margin, higher-capital lending (such as development finance) into lower-margin business, which produces a better return on capital. Additionally, private bankers have been focused on new client acquisition (up 13%) and deposit gathering. Loan origination thus fell by 32%, and the loan book shrank by 4% on end-2018.

- The cost of funds has shown a modest improvement, with a higher proportion of low-cost call money. Management views such funds as attractive financially, but they are mobile and so significantly discounted for liquidity purposes.

- PB impairment provisions are lumpy and irregular, and do not have the same macroeconomic sensitivity as mainstream banking. In 1H'19, they were £824k, vs. £122k in 1H'18 and £1.8m in 2H'18. We understand that the 1H'19 charges were driven by a few incidents, rather than by an overall decline in asset quality. We expect, at some stage, a material release of the 2H'18 provisions, which included a specific situation being litigated but where the customer continued to make full interest payments due.

- The wealth management side of the business is starting to see the initial payback from management changes and new hires, especially in wealth planning. These are unlikely to be at full speed until mid- to late-2020 (i.e. ca.18 months from hiring). AUM have historically grown ca.25% p.a., on average (2009-17), which should see further fee generation. Since the year-end, AUM have risen by 4%.

Private Bank – key financial data (2017-20E)

Year-end Dec (£000)	2017	2018	2019E	2020E
Interest income	31,528	33,763	32,101	32,422
Net fees and comms.	12,977	11,494	11,494	12,643
Operating income	44,505	45,257	43,595	45,065
Other income	-	2		
Operating expenses, direct	-14,420	-15,601	-16,163	-16,486
Operating expenses, indirect	-21,848	-21,891	-21,891	-22,548
Impairment	-308	-1,966	-1,500	-750
PBT	7,929	5,801	4,041	5,281

Source: Hardman & Co Research

The changes to our PB forecasts reflect a number of moving parts:

- We understand that there has been a refinement in the allocation of certain assets and their income (including some treasury assets formerly in the PB). We have also trimmed some costs to reflect this.

- Loans excluding the mortgage book were down £25m in 1H'19, making our flat assumption for FY'19 rather optimistic. Accordingly, we have reduced our forecast to £620m, with NII reduced by £2m (2020: £3m hit) to reflect the lower volumes.

- Fees and comms have been kept flat (we had previously estimated a £0.5m rise). We assume that some payback in wealth management investment will see a rise in fees in 2020.
- Our 2019 forecast for impairments has been increased from £0.5m to £1.5m, reflecting the 1H charge. Our 2020 estimate has been left unchanged, at £0.75m.

Commercial Banking (CB)

Strong volume growth (loans +36%) and full period benefit from historical lending are driving excellent profit growth

Lending balances increased 36% in 1H'19 compared with 1H'18. The relationship banking model is proving to be popular with clients, as demonstrated by the increase in the level of deposits to £669m in 1H'19, compared with £471m in 1H'18. We have marginally increased fees in both 2019 and 2020, reflecting the 1H performance. We understand that the slight slowing in loan growth (2H'18: £97m, 1H'19: £31m) is due to an extended completion time on deals, rather than slowing demand. The pipeline is described as very good.

Commercial Banking – key financial data (2017-20E)

Year-end Dec (£000)	2017	2018	2019E	2020E
Interest income	6,720	16,384	21,737	26,796
Net fees and comms.	471	914	1,200	1,500
Operating income	7,191	17,298	22,937	28,296
Other income	0	0	0	0
Operating expenses, direct	-4,584	-5,636	-7,045	-8,102
Operating expenses, indirect	-4,670	-8,898	-9,788	-10,767
Impairment	0	-278	-504	-905
PBT	-2,063	2,486	5,600	8,523

Source: Hardman & Co Research

Renaissance Asset Finance (RAF)

Loans up 26%. Customers keeping debt longer, which defers recognition of income with lower early repayment income but more ongoing revenue.

Customer balances increased by 26% in 1H'19 compared with 1H'18, to £98m. RAF delivered record growth in lending in May 2019, generating new lending volumes of £9.1m. Despite the volume growth, profits were down on 1H'18, as clients who have financed the purchase of high-value cars are holding on to these vehicles for longer than before. This has resulted in the income being earned over a longer period of time, rather than being brought forward at the termination event. With incremental volume growth, we have tweaked up revenue estimates. There have been a couple of incidences of impairments, which management sees as reflective of a market-wide trend towards a more normal level of SME impairments.

Renaissance Asset Finance – key financial data (2017-20E)

Year-end Dec (£000)	2017	2018	2019E	2020E
Interest Income	3,154	5,344	6,876	7,700
Net fees and comms.	75	137	400	500
Operating income	3,229	5,481	7,276	8,200
Other income	0	73	0	0
Operating expenses, direct	-1,690	-3,169	-4,708	-5,014
Operating expenses, indirect	0	0	0	0
Impairment	-86	-437	-669	-935
PBT	1,453	1,948	1,900	2,251

Source: Hardman & Co Research

‘Other divisions’

Mix of business. Main change to forecasts is inclusion of acquired mortgage books.

Reported within the ‘other divisions’ were Investment Properties, new ventures and central items, and rental income earned on space in the Wilson Street offices. Forecasting this area is the most uncertain element, given the unknown timing of investments, when loans will be drawn and the mix of new business generated. On the businesses above, we have trimmed NII and increased fees, with no change to the bottom line. For the moment, we have included the benefit from the mortgage acquisition in ‘other divisions’ (£3.5m NII in FY’19 and £4.5m in FY’20).

Other divisions – key financial data (2017-20E)

Year-end Dec (£000)	2017	2018	2019E	2020E
Interest income		163	4,250	10,000
Net fees and comms.		177	1,300	1,500
Operating income	0	340	5,550	11,500
Other income	3,870	6,683	2,500	2,000
Operating expenses, direct	-230	-2,634	-3,500	-7,400
Operating expenses, indirect	0	0	0	0
Impairment	0	-50	-205	-375
PBT	3,640	4,339	4,345	5,725

Source: Hardman & Co Research

Mortgage book acquisition

Bought £266m portfolio for £258m. Yield pre-acquisition effects 3.6%, with excellent credit characteristics.

On 3 July, ABG announced the acquisition of two mortgage portfolios for £258m (£8m discount to book value). The overall yield on the portfolios is 3.6%, before accounting for the negotiated purchase discount effect. The credit profile is excellent (average LTV sub-70%, and 75% of the loans originated before 2008). 85% of the loans are owner-occupied, with the balance buy-to-let. The loans are of sufficient quality to be included in the pool of assets used by ABG as collateral for the Sterling Monetary Framework at the Bank of England, and so be included in its liquidity resources. ABG’s record on such acquisitions has been good.

There were two distinct portfolios acquired, both broadly spread across the UK.

- Portfolio 1: At 31 March 2019, this book had 1,457 loans, with balances of £201m, of which 20% are buy-to-let and the remainder are owner-occupied, with an average LTV of 67.4%. It has been in run-off since it was originated by Edeus Mortgages and Victoria Mortgage Funding between 2005 and 2008. Having such a seasoned book is good for credit risk, given the history of repayments, and the LTVs have reduced from origination.

- Portfolio 2: This book has 462 loans, with customer balances of £65m, all of which are owner-occupied, with an average LTV of 70%. It was originated in 2018 and 2019 by Magellan Homeloans. The deal was funded from existing surplus deposits. In terms of capital, the £266m loans are likely to require ca.£12.5m of Tier 1 capital. The books were purchased below book value, but this value (ca.£6m) will be spread over the expected life of the loan, rather than taken upfront.

Capital

Group surplus capital ca.£70m (Hardman & Co estimates Tier 1 surplus in excess of £30m)

ABG remains well capitalised, but its strong growth ambitions have seen its capital ratios steadily reduce. Full disclosure of the capital position will be given when the group publishes its interim Pillar three disclosure (which will be on the company website in due course). We understand that, at the group level, the surplus total capital is ca.£70m, which implies a core Tier 1 surplus of over £30m (ca.£20m post mortgage deal). There are a number of options to manage this further.

Retention rate accelerating sharply

- We are forecasting a material acceleration in profit growth – and so retentions. We forecast £0.3bn of post-dividend retentions in 2019, rising to £2.7m in 2020. To fund the group's target ca.£200m loan advances p.a. requires post-dividend retentions of ca.£15m. Assuming a dividend payout of 37% (our long-term valuation assumption) implies that an annual PBT of £28.5m would make the group self-funding. While this more than doubling from the 2020E level may appear stretching, we note that 2018 profits were nearly 4x 2016, and our forecast 2020 profit is 1.9x the 2018 level.

Non-voting share issue

- On 17 May, ABG announced the admission of 152,621 new ordinary non-voting shares to trade on NEX (as well as the admission of its voting shares to trade on the same exchange). The bid/offer spread of the non-voting shares is currently 1,100p to 1,120p, compared with 1,320p to 1,360p for the voting shares on the LSE. The NEX route was a low-cost way to issue the shares, which will give ABG the flexibility to issue equity without diluting the majority shareholders' control of the business. The latter is seen by the company as a core reason for the group performing so well through the financial crisis, when it was not buffeted by the short-term demands of the market.

Further sale of STB shares

- On 12 April, ABG reduced its stake in STB from 15.53% to 9.85%, by selling 1.05m shares at 1,460p. This stake is currently valued at ca.£25m (including a £7m uplift in value seen in 1H'19), and it creates a supervisory deduction from Tier 1. The technicalities are somewhat complex, but the residual stake has a net effect of reducing Group Tier 1 by ca.£12m. The sale of shares eliminates this deduction and so increases Tier 1, in addition to removing an economic sensitivity to the market price of STB over which ABG has no control. The residual 1.8m shares have been locked in until early October 2019, after which they are free for disposal.

Non-equity gearing

- ABG has started to increase the non-equity elements in its capital structure. On 3 June, ABG announced a private issue of a subordinated loan on a bilateral basis with Proventus Capital Partners, a Swedish debt fund, to raise £25m before fees and expenses. The loan has been fully drawn and is classified as Tier 2 for regulatory capital purposes. The loan matures on 3 June 2029, but can be repaid by ABG after the fifth anniversary. Interest is payable on the loan at the rate of 7.75% plus LIBOR, or its replacement benchmark rate.

Financials

Impact on estimates

We have detailed the changes to our forecasts by division in the sections above. At the group level, we have included the cost of the Tier 2 capital (£25m at 7.75% spread over LIBOR).

Estimate changes

	2019			2020E		
Year-end Dec	Old	New	% change	Old	New	% change
Profit and loss (£m)						
Operating income	76,790	77,574	1%	86,903	90,340	4%
Costs	-71,795	-71,595	0%	-77,484	-79,157	2%
Impairments	-1,860	-2,877	55%	-2,944	-2,965	1%
Associates and other income	4,197	4,197	0%	4,282	3,782	-12%
Statutory PBT	7,332	7,299	0%	10,757	12,000	12%
Ordinary DPS (p)	38.0	38.0	0%	41	41	0%
Balance sheet, @ 31 Dec (£m)						
Loans and Advances	1,438	1,643	14%	1,673	1,828	9%
Deposits	1,869	2,069	11%	2,094	2,294	10%
Equity	197	197	0%	201	202	0%

Source: Hardman & Co Research

Profit and loss

Profit and loss

Year-end Dec (£000)	2017	2018	2019E*	2020E*
Interest income	47,427	65,290	80,000	95,000
Interest expense	-6,334	-10,107	-16,820	-20,803
Net interest income	41,093	55,183	63,180	74,197
Fees and comms. income	13,805	12,956	14,694	16,443
Fees and comms. expense	-282	-234	-300	-300
Net fees and comms.	13,523	12,722	14,394	16,143
Operating income	**54,616**	**67,905**	**77,574**	**90,340**
Net impairment on financial assets	-394	-2,731	-2,877	-2,965
STB dividend income	0	0	1,697	1,782
Other income	3,033	6,588	2,500	2,000
Operating expenses	**-54,721**	**-64,982**	**-71,595**	**-79,157**
Profit before tax from continuing operations	**2,534**	**6,780**	**7,299**	**12,000**
Income tax	-448	-1,121	-1,241	-2,040
Profit after tax from continuing operations	2,086	5,659	6,058	9,960
Profit from discontinued operations after tax	4,437	-25,692	0	0
Profit for year	6,523	-20,033	6,058	9,960

** IFRS9 basis; Source: ABG, Hardman & Co Research*

Balance sheet

Balance sheet						
@ 31 Dec (£000)	2015	2016	2017	2018	2019E	2020E
Cash and balances at Central Bank	115,938	368,611	195,752	405,325	379,695	424,881
Loans and advances to banks	31,844	28,578	36,951	54,173	54,173	54,173
Debt securities held to maturity	91,683	87,728	107,300	342,691	342,691	342,691
Assets classified as held to sale	0	118,456	0	8,002	-	-
Derivative financial instruments	2,707	1,490	1,516	1,846	1,846	1,846
Loans and advances to customers	**1,158,983**	**1,579,512**	**758,799**	**1,224,656**	**1,643,000**	**1,828,000**
Other assets	16,866	16,894	11,939	12,716	12,716	12,716
Financial Investments	1,277	2,685	2,145	35,351	27,467	27,467
Deferred tax	2,588	1,784	1,665	1,490	1,490	1,490
Investment in associate	943	943	82,574	0	-	-
Intangible assets	11,318	10,874	8,522	16,538	18,000	17,500
Property, plant and equipment	12,475	14,004	4,782	5,304	5,304	5,304
Right of use property	0	0	0	0	20,559	20,559
Investment property	0	0	53,339	67,081	69,446	69,446
Total assets	**1,446,622**	**2,231,559**	**1,265,284**	**2,175,173**	**2,576,387**	**2,806,073**
Deposits from banks	27,657	55,305	3,200	232,675	232,675	232,675
Derivative financial instruments	1,067	135	227	188	188	188
Deposits from customers	**1,194,285**	**1,929,838**	**997,649**	**1,714,286**	**2,069,000**	**2,294,000**
Liabilities relating to assets classified as held for sale	0	8,700	0	0	-	-
Current tax liability	3,612	3,366	147	236	236	236
Other liabilities	34,984	31,977	17,082	18,549	18,549	18,549
Lease liabilities	0	0	0	0	20,882	20,882
Debt securities in issue	11,448	10,834	12,621	13,283	37,658	37,658
Total liabilities	**1,273,053**	**2,040,155**	**1,030,926**	**1,979,217**	**2,379,188**	**2,604,188**
Share capital	153	153	153	153	153	153
Retained earnings	114,641	123,330	235,567	209,083	210,326	215,012
Other reserves	-1,263	34	-1,362	-13,280	-13,280	-13,280
Total to owners of the parent	113,531	123,517	234,358	195,956	197,199	201,885
Non-controlling interests	60,038	67,887	0	0	-	-
Total equity	**173,569**	**191,404**	**234,358**	**195,956**	**197,199**	**201,885**

Source: ABG, Hardman & Co Research

Valuation

Average valuation £17.93

Following these results, the range of our valuations is £13.88 to £23.51, with the average at £17.93 (previously £17.42), implying upside potential of 32% on the current share price. The increase from prior valuations reflects the uplift in 2020E profits in the PB after the mortgage acquisition. This has had a minimal effect on the Gordon Growth Model (GGM) (equity unchanged), but does see an uplift in the Discounted Dividend Model (DDM) (ca.£1) and the Sum-of-the-Parts (SoTP) (ca.£1). We do not believe that the implied average price to book is at all demanding, at 1.4x 2020E NAV.

Summary of different valuation techniques

	Implied price (£)	Upside potential
GGM	23.51	73%
DDM	13.88	2%
SoTP	16.41	21%
Average absolute measures	**17.93**	**32%**

Source: Hardman & Co Research

GGM

The impact on equity, and so the GGM, of our forecast changes in immaterial.

GGM and sensitivities

	Base	+1% RoE	+1% CoE	+0.5% G
Return on Equity (RoE)	13.5	14.5	13.5	13.5
Cost of Equity (CoE)	10.0	10.0	11.0	10.0
Growth	5.0	5.0	5.0	5.5
Price/book value (x)	1.7	1.9	1.4	1.8
Premium for near-term outperformance	-5%	-5%	-5%	-5%
Adjusted price/book value (x)	**1.6**	**1.8**	**1.3**	**1.7**
Book value 2020E (£m)	213.0	213.0	213.0	213.0
Valuation (£m)	**345.6**	**386.2**	**288.0**	**361.4**
Valuation per share (p)	**23.51**	**26.28**	**19.59**	**24.58**
Variance (p per share)		40.7	-57.6	15.8

Source: Hardman & Co Research

SoTP

Our divisional ratings are unchanged, except for 'other divisions' (cut from 25x to 12x, as this area now includes super-growth new business, but also the acquired mortgage book, which is in long term run-off). Central division losses have risen with the Tier 2 issue.

SoTP assumptions

£m	2020E earnings	Rating (x)	Value
PB	4.4	20	87.7
CB	7.1	12	84.9
RAF	1.9	10	18.7
Other divisions	4.8	12	57.0
Central division	-8.1	4	-32.5
Holding in STB			25.5
Group total			**241.3**
Value per share (p)			**16.41**

Source: Hardman & Co Research

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