B-NORTH

Taking the next steps forward

B-North aims to raise capital ahead of getting its banking licence (due spring 2020) and attacking the huge, profitable and poorly served SME lending market. B-North combines i) state-of-the-art technology (built from scratch to address customers' needs), ii) offering an unparalleled service/innovative remuneration to the £20bn+ p.a. commercial broker channel, and iii) experienced bankers based in empowered regional hubs. It should be lower cost than peers, and technology will bring it close to customers. The financial model leads to a market share of just 2.5% in 2027. Delivery of this sees a highly profitable, and valuable, bank, in our view.

- **Investor returns:** We again emphasise the importance of investors considering a range of possible forecasts and valuation ratings. Updating for the impact on ratings of the recent market turmoil, we still see a base-case scenario of a market value of ca.3x the capital raised, with the most likely exit in three to four years.
- **Bank capital raises:** Several banks/near banks have raised capital, but what may appear a crowded space is not. Few are direct competition, let alone with the same business model. B-North's reasons for raising capital are different. There is clearly appetite to fund challenger banks and potential buyers of B-North down the line.
- **Valuation:** Given the growth profile of the company and associated uncertainties, any valuation must be treated with extreme caution. In our *initiation*, we gave a range of approaches and sensitivities. Updating these for recent market moves still indicates a market value around three times the equity raised.
- **Risks:** Credit risk is key for any bank. B-North will establish independent credit functions, and its technology brings it close to customers interfacing with their internal information. It has multiple options to address any loan growth shortfall. The economic cycle is important. The model is yet to be tested, and capital raised.
- **Investment summary:** B-North is still at the pre-revenue stage. Its model should be low-cost and deliver a superior service to customers and intermediaries. It has a conservative credit culture and uses state-of-the-art technology, written from scratch, to originate, service and manage its business. Funding will be via the deep best-buy retail deposit comparison sites. The potential market is huge, profitable and under-served, and major incumbents have selectively become uncompetitive.

Market data

EPIC/TKR	**Private**
Price (p)	**n/a**

Description

B-North is being developed to serve the huge UK SME lending market. It has state-of-the-art technology, a regional hub model and experienced managers to deliver a best-in-class service to SMEs and commercial brokers. It will be funded through best-buy retail deposit comparison websites. The model should have a material cost advantage over competitors, and credit risk is being tightly managed.

Company information

CEO	Jonathan Thompson
CFO	David Broadbent
Chairman	Ron Emerson CBE

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Key shareholders

Directors/management	£1.5m+
Greater Manchester Combined Authority	6-fig. sum
HNWI	Balance

Diary

2Q'20	£20m capital raise
2Q'20	Banking licence (tbc)
2Q'20	Start lending
4Q'20	Start retail deposit-taking

The seed round top-up capital raise of £2m was oversubscribed (£2.7m raised). The group now targets raising £20m (ticket size multiples of £1m) in 2Q'20 from institutional investors, conditional on getting its banking licence. We understand that term sheets on the securitisation line have been received, indicating lenders' confidence in the B-North model.

Financial summary and valuation – eight-pod scenario

Year-end Sep (£m)	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net interest income	0.0	0.5	3.9	14.5	37.4	72.7	116.2	160.7	203.6
Costs	-2.9	-7.0	-18.0	-28.3	-36.0	-41.3	-45.5	-47.8	-52.0
Impairments	0.0	0.0	-0.2	-1.0	-3.1	-7.4	-8.9	-10.1	-10.7
Pre-tax profit	-2.9	-6.5	-14.2	-14.3	-0.6	25.9	64.7	106.5	145.4
Net interest margin	n/m	1.4%	4.0%	4.3%	4.1%	4.2%	4.2%	4.3%	4.3%
Cost:income ratio	n/m	n/m	n/m	n/m	-93%	-55%	-38%	-29%	-25%
RoE	n/m	-14%	-15%	-12%	0%	11%	20%	23%	24%
Loans	0	15	100	470	1,100	1,925	2,850	3,700	4,550
Deposits	0	0	12	329	770	1,424	2,098	2,745	3,393
Equity	1	72	86	102	154	217	298	393	502
Val. at 10x P/E *	n/m	n/m	n/m	n/m	n/m	210	524	801	1,086
Val. vs. equity issued	n/m	n/m	n/m	n/m	n/m	1.1	2.3	2.9	3.4

**Investors should consider the range of valuations detailed in our initiation note;*
Source: Hardman & Co Research

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Summary of the investment case

B-North: a disruptor of huge, profitable and poorly served SME lending market with near unique proposition. Our review of management base case concludes it is stretching but credible, bearing in mind incumbent and challenger competition.

B-North will disrupt the huge and profitable UK SME lending market by i) using its FinTech-enabled lending platform to deliver significantly better service than large incumbents, ii) delivering a unique economic proposition that supports a large, fast-growing and fragmented broker channel, and iii) having experienced bankers in empowered, regional hubs. We have tested base-case scenarios and found them credible, with the key driver, volume growth, representing a target 2.5% market share by 2027. B-North is targeting a huge market (SME loans of ca.£150bn, overdrafts of ca.£10bn and asset finance of £15bn-£20bn), where, in its chosen niches, the partial withdrawal by mainstream banks has further improved pricing. As we discussed in our initiation report, there is limited competition from incumbents or other challenger banks, and B-North has validated its proposition with actual broker deals.

B-North is different, with i) state-of-the-art IT, ii) empowered regional pods, staffed by experienced lenders, iii) strong corporate governance, iv) diversified funding, v) low cost, and vi) manager alignment with shareholders

B-North's approach is different. The key advantages are:

- IT built from scratch to directly meet customer needs. Its systems will also integrate with both borrowers and, critically, and nearly uniquely, commercial finance brokers who are expected to account for ca.70% of new business.
- Empowered regional pods, offering flexible terms, to deliver superior service.
- Strong corporate governance, with an experienced, proactive and independent board, clearly defined risk responsibilities and a regulator challenging the business model in detail for its robustness.
- Retail deposits (from 4Q'20) are flexible, cheap, sticky and diverse. The sums that B-North is looking to raise from best-buy table comparison websites are modest.
- Low-cost model, with significant automation of processes, limited infrastructure, state-of-the-art technology and appropriate outsourcing.
- The managers' and shareholders' interests are aligned, with a £1.5m+ investment upfront and founder shares that only vest on achieving value-enhancing targets.

Neutral issues

In the *Investment neutrals* section in our initiation report, we detailed i) how B-North differs from recent IPO/Metro Bank disappointments, ii) how it uses experienced people in a well-established market, iii) the opportunities/threats, from an economic downturn, iv) liquidity and interest rate management, and v) employee engagement.

Credit is key, and B-North appears to have right processes in place to assess, manage and collect

Other risks include a macroeconomic downturn, cyber risk and failure to raise capital

We devoted an extensive section to credit risk in our initiation report (pages 30-36). In summary, we believe B-North's approach is conservative. We note that it is below-average risk, given i) a conservative culture, ii) an experienced team, iii) security, iv) state-of-the-art analytics, and v) live interface with customer management information. Uncertain factors include i) IFRS9, ii) the fact that the systems are untested, and iii) forbearance approach. B-North could face above-average risk from i) de-centralising decision-making (but it has put processes in place to mitigate this), ii) physical distance from the customer (albeit less than most challenger banks), iii) adverse selection, iv) late-in-cycle lending, and v) some higher-risk products. Management has a range of options to address disappointing loan growth. Other risks include i) a macroeconomic downturn (offsets from volume and pricing opportunities, and B-North has no back book), ii) cyber risk, and iii) failure to raise capital.

Financial section reviewed base case, as well as multiple scenarios

In the financials section of our initiation report (pages 42-47), we detailed our assumptions, and the resulting profit & loss and balance sheet based on an eight-pod rollout by 2027. We also highlighted a range of scenarios and management options if loan growth were to disappoint.

Other bank capital raises

While there have been several banks/near banks raising capital, what may appear a crowded space is actually not. Few are direct competition, let alone with the same business model. B-North's reasons for raising capital are also different. It shows there is appetite to fund challenger banks and creates potential buyers of B-North down the line.

There has been considerable noise around the number and range of banks, and near banks, raising capital. Below, we highlight that:

- The direct business competition from recent issuers of equity is minimal.
- It could create potential buyers of B-North down the line, as banks with different models seek to expand their product footprint.
- B-North has a clearly differentiated investment proposition.
- There is considerable appetite to fund banks and service providers, which can challenge the mainstream providers.
- Multiple others have made a bank application, withdrawn and then re-submitted.
- B-North's reasons for raising equity are different from those funding pure customer acquisition, where the long-term customer loyalty is still unproven.

More detail on smaller UK banks' and near banks' recent capital raises

Bank	Amount raised	Valuation	Relevant news coverage
Allica	£1m (£63m total)	n/a	From Allica's Companies House filings (https://beta.companieshouse.gov.uk/company/07706156/filing-history) We can see an allotment of 37m shares @ £1.38 on 4 September, which would raise £51m. There was an allotment of 6726k at £1.38 on 18 October, which would raise a further £1m.
Atom	£50m	£530m	https://techcrunch.com/2019/07/22/uk-challenger-bank-atom-raises-another-50m-from-bbva-and-more-sources-say-at-530m-valuation/
B Social	£8m (£13m total)	n/a	https://techcrunch.com/2020/02/26/b-social-seed-2/
DFC	n/a	n/a	https://polaris.brighterir.com/public/dfc/news/rns/story/xz306pr
GBB	Up to £200m	n/a	Formerly Model T finance https://www.newcastleatmipim.co.uk/news/gbb-to-increase-supply-of-property-development-finance/. Aiming for launch 2021 https://www.telegraph.co.uk/business/2020/02/16/northern-powerhouse-housing-bank-pledges-build-30000-homes/
Iwoca	£20m (Jan'19)	£317m	Based off latest Augmentum valuation (2.4% stake valued at £7.6m)
Monese	£45m	£211m	Based off latest Augmentum valuation (5.4% stake valued at £11.4m). The FT reported plans to raise £100m in January 2020 and a valuation of £1bn for the 2013 business, which, in 2018, (last filings) lost £12.7m.
Monzo	£113m	£2bn	https://www.cnbc.com/2019/06/24/monzo-doubles-valuation-to-2point5-billion-with-y-combinator-led-funding.html. Multiple papers reported Monzo was looking to raise £100m in early 2020, including reports of discussions with SoftBank. This followed a June 2019 raise of £113m from US fund Y combinator Continuity, with a valuation of ca.£2bn at that time.
N26	$170m	$3.5bn	https://www.cnbc.com/2019/07/18/n26-the-german-online-bank-backed-by-peter-thiel-raises-170-million.html
OakNorth	$440m ($848m total)	$2.8bn	https://techcrunch.com/2019/02/08/oaknorth-raises-440-million-from-softbank-and-clermont/ or https://www.cnbc.com/2019/02/08/softbanks-vision-fund-pumps-390-million-into-uk-fintech-oaknorth-valuing-it-at-2point8-billion.html
Orchard Funding	n/a	n/a	https://www.orchardfundinggroupplc.com/. As noted in the final results, Orchard Funding applied for a licence, withdrew the application, and is now applying again.
PCF Bank	n/a	n/a	n/a
Recognise	£15.2m (2Q'19,) poss. £50m 2020	n/a	City AM reported it is planning a further £50m raise https://www.cityam.com/city-of-london-group-plots-50m-capital-raise-for-sme-bank/.
Revolut	$500m($836m raised)	$5.5bn	https://www.revolut.com/about-revolut https://www.cnbc.com/2020/02/24/fintech-firm-revolut-bags-500-million-in-funding-round-led-by-tcv.html
Revver	£8.5m (Jun'19), +£3m since	n/a	Source: Companies House R&A and statements of capital following allotment of shares.
Starling	£60m (£323m total)	n/a	Investee company for Merian Chrysalis https://www.fintechfutures.com/2020/02/starling-bank-raises-60m-from-existing-investors-merian-and-jtc/
Tandem	£50m (£150m total)	<£1bn	https://www.fintechfutures.com/2020/02/tandem-bank-anticipates-fresh-50m-funding-round/
Tide	£44m	£143m	Based off latest Augmentum valuation (6.3% stake valued at £9m)
Zopa	£140m	£189m	Based off latest Augmentum valuation (6.2% stake valued at £11.7m)

Dark blue shading is where there is significant direct competition, light blue where there is a moderate degree of overlap, and unshaded where there is minimal or no overlap.

Source: Hardman & Co Research

AltFi's review of the top 10 UK-based FinTech startup raises for 2019 (published on 7 January 2020) also included Greensill (working capital provider raised $800m, valuation $3.5bn), Klarna (payments provider raised $460m, valuation $5.5bn) and Checkout.com (processor of cross-border payments $230m, valuation ca.$2bn).

Key point: amount of capital being raised by direct competitors is small. It would be surprising if B-North were crowded out by previous raises.

In the table below, we compare the business models of those banks and near banks that have raised equity and B-North's model. We believe this highlights just how little equity raising there has been from businesses in direct competition with B-North. We understand that another company that may compete with B-North and that may need equity in due course is Ashman Finance, but there is no public disclosure/comment on this to date.

Competitive environment for smaller UK banks and near banks with recent capital raises

Bank	Lending	Funding	Other comments
B-North	Commercial term loans £0.5m-£5m	Retail savings	https://b-north.co.uk/ 70% new business target from brokers
Allica	£100k-£2m commercial owner-occupier mortgage for SMEs	Retail savings & SME "coming soon"	https://www.allica.bank/ Initially got banking licence in May 2017 but dropped it in May 2018 and then re-submitted application in September 2018 (and re-branded from Civilised Bank)
Atom	Mortgages and small business loans	Retail savings	https://www.atombank.co.uk/investor-information/ mobile-first
B Social	Social Finance	n/d	https://b-social.com/ Social finance app. No read across for B-North
DFC	Working capital solutions up and down supply chains	Retail savings	https://www.dfcapital-investors.com/ Bank licence submitted, then withdrawn in June 2019 and then re-submitted August 2019. Not a competitor to B-North
GBB	SME property development £1m-£5m	Fixed rate retail bonds	https://www.thegbb.co.uk/
Iwoca	£1k-200k loans	Equity & debt markets	https://www.iwoca.co.uk/. Since launching in 2012 now funded over 50k businesses with total lending in excess of £1bn.
Monese	n/a	n/a	https://monese.com/about Current accounts targeted at cross border users. Based off latest Augmentum valuation (6.2% stake valued at £11.7m)
Monzo	Up to £7,500	Retail savings	https://monzo.com/i/loans
N26	n/a	n/a	Withdrawn from UK https://n26.com/en-gb
OakNorth	Commercial term loans	Retail savings & SME	https://www.oaknorth.co.uk/
Orchard Funding	Sector specialist	n/a	https://www.orchardfundinggroupplc.com/
PCF bank	£2.5k-£2.5m (£2m excl. bridging)	Retail	https://pcf.bank/
Recognise	Up to £5m	Retail savings & SME	Y4 broker origination target 30%. Similar IT and product proposition with regional centres in London, Midlands, Manchester and Leeds. The target loan book is much smaller than B-North (at £1.1bn vs. our B-North forecast of £1.9bn), the cost income ratio is 40%, and loan losses are 80bps-85bps (nearly double our forecast for B-North). Part of City of London Group https://www.cityoflondongroup.com/ and https://www.cityoflondongroup.com/wp-content/uploads/2019/12/COLG-investment-proposition-Dec-2019_-v1.2.pdf.
Revolut	Money Transmission	n/a	https://www.revolut.com/
Revver	Business loans	Retail savings	https://revver.bank/ Will also be competing in the broker space
Starling	Consumer + business £5k-250k	Current accounts	https://www.starlingbank.com/ Mobile only aiming to build SME bank accounts, as well as its B2B banking services, and expand into Europe
Tandem	Credit card	Retail savings	https://www.tandem.co.uk/
Tide	n/a	Current account	https://www.tide.co/ The Tide platform not only offers business bank account and related banking services, but also a comprehensive set of highly usable administrative solutions, such as full integration with accounting systems
Zopa	Credit cards, auto finance, business loans and P2P	Retail savings / P2P	https://www.zopa.com/

Dark blue shading is where there is significant direct competition, light blue where there is a moderate degree of overlap, and unshaded where there is minimal or no overlap.
Source: Hardman & Co Research

Investor returns

What return will investors get for money?

Base case: market cap = ca.3x equity invested, with early investors getting above-average return

In summary, on our base-case assumptions, the market capitalisation could be ca.3x the capital raised, and we would expect early investors to get an above-average return. Again, we have to emphasise to investors that a number of scenarios should be considered – not just one. The detail is in our initiation report (pages 47-51), where we provided investors with a detailed range of valuation methodologies.

Given the uncertainties, investors should consider multiple valuation approaches and not rely on a single number. On our base- case earnings and applying only average multiples, the 2027 valuations imply a value ca.3x the total capital raised. Early investors may expect to see higher returns commensurate with their greater risk (investors in this round offered a 20% discount on next round).

After the recent market turmoil, the closest quoted peers are currently trading around 20% lower than in our December report, and on an average historical P/E of ca.8.7x and 1.4x price/book value (P/BV). Unquoted peers' valuations are intermittent, and more historical but, *prima facie*, are at much higher multiples of prospective returns (some remain significantly loss-making). Applying a multiple of 10 (20% below our December value) to our 2027 forecasts indicates a valuation of £1.1bn, 2.9x the equity raised (£379m). A Gordon Growth Model (GGM), on our assumptions, would suggest a P/BV of 2.2x or a 2027 valuation of £1.1bn (2.9x equity raised). In our dividend discount valuation model (DDM), we assume a modest initial payout ratio in 2027 (30%), before rising to 66% for most of the 20-year model. With growth fading to 5% p.a. by 2031, and discounting the implied dividends at an 11% cost of capital and with a 10x terminal value, implies a valuation of £930m, down from £973m (2.5x equity issued). The fall is relatively modest, as only the terminal value is rating-sensitive. We would expect the initial equity investors, who take more risk, to be rewarded by above-average returns (noting that there has already been £7m of seed capital raised over the past 18 months).

Scenario analysis critical

In terms of scenario analysis, there is a wide variance between valuation methodologies, and other assumptions can also be hugely important. These include:

- Time (see below): The rapid profit growth sees a rapid escalation in value using earnings or dividend models.
- Multiple: It may be argued that a business where investors are confident of growth would attract a higher earnings rating. Applying a multiple of 15 to our 2027 earnings sees the value rise from £1,303m to £1,628m.
- Number of pods: A four-pod model and a multiple of 10 to 2027 earnings (lower growth seeing a lower multiple than the base case) sees a valuation of £580m, instead of £1,303m (3.1x the equity issued).
- A delay of one year in the model sees the 2027 valuation drop by ca.20%, still leaving the market value at 2.5x the equity raised. We believe the cost of the action that management would take to mitigate slower loan growth is ca.£10m post-tax per year, less than half the value lost from slower growth.

P/E-based valuation

Valuation based off range of P/Es and eight-pod model

Year-end Sep (£m)	2024E	2025E	2026E	2027E
Value at 8x P/E	168	419	641	869
Value at 10x P/E	210	524	801	1,086
Value at 12x P/E	252	629	962	1,303
Value at 15x P/E	315	786	1,202	1,628

Source: Hardman & Co Research

When will investors get it?

Base assumption would be a four-year hold, which, on the ca.3x return above, implies an annual return of ca.30%

Our base-case assumption is that exit will be via a market placing once there is reasonable visibility on bottom-line group profitability. We would not expect this before end-2023 at the earliest, and more likely to be mid-late 2024, i.e. our base assumption would be a four-year hold. On that timescale, a near trebling of value implies an IRR of ca.30%.

As with the amount of the return, there is a range of potential timings for a liquidity event. As has been seen recently, market events outside management control can have a dramatic impact on valuation and timing. We highlight some of the considerations below.

Could be shorter if there were trade/PE buyer. Exit could be accelerated if B-North slowed expansion rate of its pods and so reached profitability earlier.

Short-term return (less than three years). On our base-case numbers, the group will still be in a heavy investment phase and reporting losses. With the first-opened pods trading profitably, there is a chance that investors may give value to the group. However, in our view, for there to be a liquidity event in the first three years, it is more likely to be a trade buyer, or potentially a private equity (PE) exit. The former has regulatory capital implications, which may encourage an early buyer. The investment in B-North would be a deduction from capital, a much higher burden than a weighted risk asset. By acquiring early, there is less invested capital, and new loans can be recorded in the parent bank, where they only attract the lower-risk weighting. The most likely acquirer would, in our view, be a bank with other products, wishing to effectively enter the lending market, but we would not rule out PE interest once the model is established. We believe an exit could be accelerated if B-North were to slow down the rate of pod expansion. On our models, the four-pod model reaches statutory profitability in 2023, as there is less investment spend.

We see trade buyer, PE and IPO as potential exits on a three- to five-year view

A medium-term return (three to five years) is, in our view, most probable, and there are a range of exit options. These include a trade sale, an IPO (the group profitability will be much more visible, and there will be more proof of concept), and a PE buyer (more visibility on cash generation).

Could be longer if market conditions (both business and financial market) are adverse. Could also be longer if business is progressing so well that management expands to greater degree than currently expected.

A long-term return (five-plus years) could happen for a range of scenarios. On the downside, like any bank, there is sensitivity to credit, and an unexpectedly challenging credit environment is likely to defer profitability, and the liquidity event. It would also mean trade/PE buyers would be less likely. In our initiation report, we detailed the range of tools management has to mitigate disappointing loan growth, or a macro economic slowdown, but there is a risk that these factors could delay an exit. More positively, if there were an accelerated investment (so, for example, moving to a 12-pod model), profitability, and so an exit, could be deferred.

Inability to raise capital now delays returns, rather than the model. Seed capital already raised covers expenses for six months.

Should current market conditions persist, B-North may not be able to raise the £20m it planned for 1Q. The recent seed round (£2.7m) should cover probable expenses for six months. If market conditions mean that further capital cannot be raised in this timescale, management has identified a number of remedial options that will generate returns, albeit below the base-case scenario. The £20m funds raised will be used for:

- The banking licence is conditional on the £20m raise, which includes a significant regulatory capital buffer over likely spend. A delay to getting the licence would push back the plans, but not change them.
- We understand that £6m-£7m was to be spent in 2020 on investment in people and systems. B-North has identified more individuals than it needs and, while some staff may not be available for six months, it is confident it will be able to employ the required number of people with the right experience.
- Around £5m is to support a securitisation debt facility allowing lending ahead of deposit-taking. Failure to get this defers plans, but does not change the model.

Financials

Our forecasts are unchanged from those in our initiation report. Details of the assumptions and a wide range of sensitivities are given on pages 42 to 46 of that report.

Profit & Loss – base-case, eight-pod scenario									
Year-end Sep (£m)	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Interest receivable	0.0	0.5	4.3	20.3	55.8	107.6	169.8	233.0	293.4
Interest payable	0.0	0.0	-0.4	-5.8	-18.4	-34.9	-53.6	-72.3	-89.8
Net interest income	**0.0**	**0.5**	**3.9**	**14.5**	**37.4**	**72.7**	**116.2**	**160.7**	**203.6**
Fees and commissions	0.0	0.0	0.1	0.5	1.1	1.9	2.9	3.7	4.6
Operating income	**0.0**	**0.5**	**4.0**	**15.0**	**38.5**	**74.6**	**119.1**	**164.4**	**208.2**
Impairments	0.0	0.0	-0.2	-1.0	-3.1	-7.4	-8.9	-10.1	-10.7
Costs	-2.9	-7.0	-18.0	-28.3	-36.0	-41.3	-45.5	-47.8	-52.0
Pre-tax profit	**-2.9**	**-6.5**	**-14.2**	**-14.3**	**-0.6**	**25.9**	**64.7**	**106.5**	**145.4**
Tax	0.3	1.2	2.7	2.7	0.1	-4.9	-12.3	-26.4	-36.9
Post-tax profit	**-2.6**	**-5.3**	**-11.5**	**-11.5**	**-0.5**	**21.0**	**52.4**	**80.2**	**108.6**

Source: B-North September 2019 Report and Accounts, Hardman & Co Research

Balance sheet – base case eight-pod model									
@30 Sep (£m)	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Intangibles	0	1	2	2	2	2	2	2	2
Fixed assets	0	1	2	2	2	2	2	2	2
Loans (over one year)	**0**	**12**	**80**	**376**	**880**	**1,540**	**2,280**	**2,960**	**3,640**
Total non-current assets	0	14	83	379	883	1,543	2,283	2,963	3,643
Trade and other receivables	0	1	4	8	12	16	20	24	28
Cash/central bank/loans to banks/debt sec.	1	55	28	72	167	292	431	559	687
Loans (under one year)	**0**	**3**	**20**	**94**	**220**	**385**	**570**	**740**	**910**
Total current assets	1	57	52	174	399	693	1,021	1,323	1,625
Total assets	**2**	**73**	**135**	**553**	**1,282**	**2,236**	**3,304**	**4,286**	**5,268**
Trade and other payables	0	1	4	8	12	16	20	24	28
Deposits (under one year)	**0**	**0**	**6**	**165**	**385**	**674**	**998**	**1,295**	**1,593**
Financial liabilities (ST interbank lines)	0	0	32	89	297	529	838	1,074	1,296
Total current liabilities	0	1	42	262	694	1,219	1,856	2,393	2,917
Deposits (over one year)	**0**	**0**	**6**	**165**	**385**	**750**	**1,100**	**1,450**	**1,800**
Financial liabilities (Tier 2)	**0**	**0**	**0**	**25**	**50**	**50**	**50**	**50**	**50**
Total non-current liabilities	**0**	**0**	**6**	**190**	**435**	**800**	**1,150**	**1,500**	**1,850**
Net assets	**1**	**72**	**86**	**102**	**153**	**217**	**298**	**393**	**502**

Source: B-North September 2019 Report and Accounts, Hardman & Co Research

Notes

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