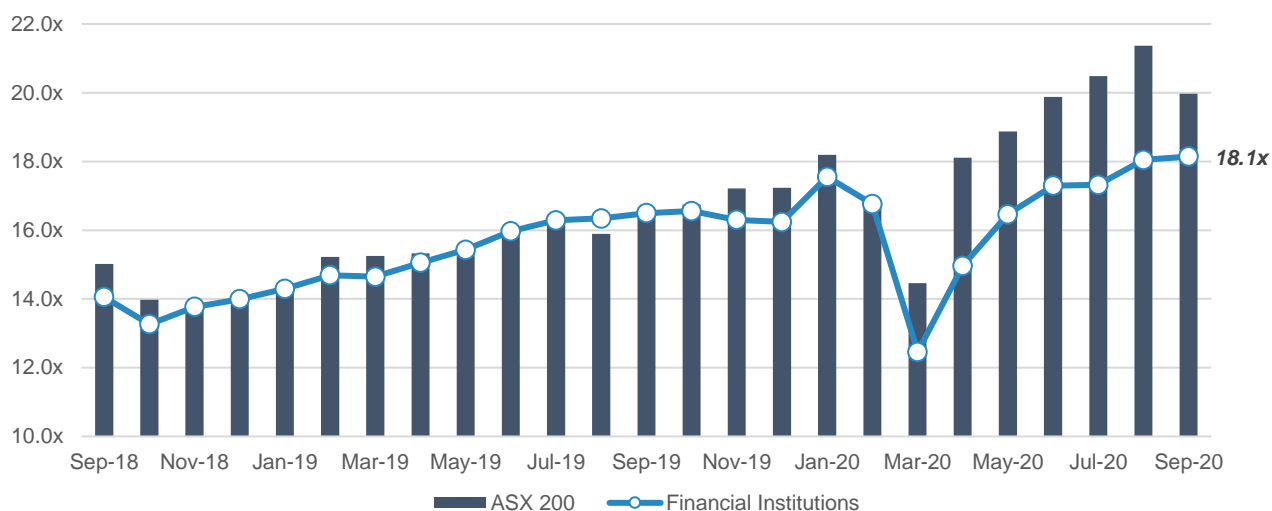


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 30/09/2020) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of September, the sector traded on a forward Price / Earnings multiple of 18.1x, compared to the ASX200 on 20.0x.



Average Values and Trading Multiples (values as at 6/11/2020) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2021	EPS Growth
Consumer Credit Businesses	3,222	2.3x	16.9x	157.6%
Financial Services Providers	71,962	6.5x	25.6x	71.1%
Insurance & Mortgage Brokers	2,898	2.9x	18.3x	29.7%
Lending Institutions	374,636	1.0x	14.6x	14.3%
Property Developers	2,287	0.8x	19.3x	97.7%
REIT	112,768	1.1x	17.2x	14.6%
Financial Institutions	567,773	2.7x	19.3x	49.6%

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2021. Difference in forward PE multiples between Figure and Table are representative of the timing difference between month-end result, and current day result. Composition of companies in Sector Dashboards are updated every 6 months. Most recent update: October 2020.

¹ The InterFinancial Financial Institutions Index set is an unweighted index comprising Financial Institutions sector related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

MERGER & ACQUISITION NEWS...



Value: AUD 9.2m

Consolidated Operations Group has announced the acquisition of an 80% interest in **Access Capital** via its subsidiary **QPF Finance Group** for AUD 9.2m. **Access** is the largest asset finance broker in South Australia and Northern Territory and will provide **COG** with a presence in this state and territory, thereby completing the Company's ambition of being a diverse, national asset finance broker and aggregator.

INSTITUTIONAL INTELLIGENCE...

- **LGIAsuper** has announced it is in the initial stages of exploring a potential merger opportunity with fellow leading Queensland profit-for-member superannuation fund, **Energy Super**. The two funds signed an exclusive Memorandum of Understanding (MOU) to enter a due diligence process that will consider how a merger could allow LGIAsuper to innovate and compete more effectively, while still maintaining its boutique fund status and values. *InterFinancial is advisor to LGIAsuper.*
 - **Magellan Financial Group** is set to acquire a major stake in **FinClear**, an Australian technology and financial market infrastructure company. Magellan is making an investment in FinClear worth around AUD 20m as part of a funding round, valuing the target at over AUD 100m. The investment has not yet been finalised, however, it is anticipated to be revealed within the next week.
 - **Westpac** is involved in advanced negotiations to sell its general insurance business to **Allianz**. **Westpac's** general insurance operation could be valued at AUD 500m.
 - **Capify**, an Australian online SME lender is receptive to discussions on M&A opportunities and is currently in talks with an unnamed party over a potential deal. Last week **Capify** raised AUD 14m in equity from private individuals.
 - **KKR** is thought to be considering a bid for **Westpac's** wealth management assets which are expected to come on the market in the coming months. The report noted that the ACCC could take issue with the deal.
 - **AMP Limited** is expected to provide an update on its strategic review before Christmas.
 - **Lendlease** is eagerly pursuing the real estate platform within **AMP Capital's** wealth management business. **AMP Capital** currently manages an AUD 192bn portfolio of infrastructure and real estate assets. Experts have suggested that a break-up of **AMP's** real estate platform could erode its value.
 - **Aon** and **Willis Towers Watson** could be asked to divest assets in Australia if the ACCC determines their merger lessens competition in the country. The USD 30bn deal would create the largest insurance broker in the world and concentrate 78% of the ASX-listed corporate market.
 - **Bendigo** and **Adelaide Bank** is believed to be circling **AMP's** banking business, thought to be worth at least AUD 1bn.
 - **Volt Bank**, an Australian neobank, plans to raise up to AUD 200m depending on investor requirements.
 - **Myubi**, a privately held Australian micropayments system based on blockchain technology, is planning to raise up to USD 7m over the next 15 months to accelerate growth.
 - **Limepay**, an Australian buy now, pay later business, is preparing to list on the ASX via an IPO.
 - **WAM Capital**, managed by Wilson Asset Management, has announced a conditional off-market takeover proposal to acquire up to 100% of **Contango Income Generator**.
 - **Payright**, an Australia-based buy-now, pay-later business, has launched a pre-IPO funding round ahead of an ASX listing before the year's end.
 - **Butn**, an Australia-based fintech, is planning to list on the ASX within the coming 12 months.
 - **Alex**, an Australia-based neobank, is targeting an ASX listing within the next year as it pitches investors for a Series B raising.
 - **Airwallex**, an Australian payments startup, has extended a funding round to raise an additional USD 40m.
-

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