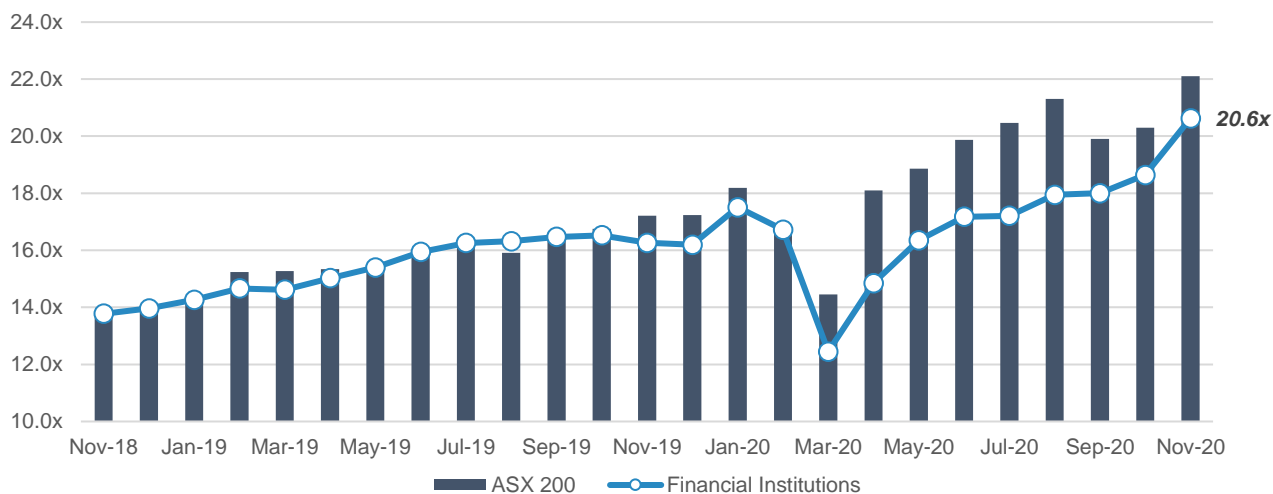


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 30/11/2020) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of December, the sector traded on a forward Price / Earnings multiple of 20.6x, compared to the ASX200 on 22.1x.



Average Values and Trading Multiples (values as at 17/12/2020) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2021	EPS Growth
Consumer Credit Businesses	3,871	2.9x	18.4x	164.2%
Financial Services Providers	74,071	5.7x	27.9x	64.0%
Insurance & Mortgage Brokers	3,009	2.9x	18.8x	32.5%
Lending Institutions	437,150	1.2x	15.3x	37.9%
Property Developers	2,652	1.0x	21.7x	(12.8%)
REIT	122,333	1.2x	18.9x	6.0%
Financial Institutions	643,085	2.8x	20.9x	39.2%

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.

MERGER & ACQUISITION NEWS...



Value: AUD 420m

Westpac Group announced the sale of its Pacific businesses; **Westpac Fiji** and Westpac's 89.91% stake in **Westpac Bank PNG Limited**, to **Kina Securities Limited** for up to AUD 420m. The sale follows the Group's strategic decision to focus on consumer, business and institutional banking in Australia and New Zealand.



Value: Not disclosed

Focus Financial Partners, a New York-based partnership of fiduciary wealth managers, announced that **Connectus Wealth Advisers** business has acquired Australia's **Brady & Associates Group** and New Zealand's **Link Financial Services Group**.



Value: Not disclosed

AUB Group, Australasia's largest equity-based insurance broker network, announced the acquisition of **360 Underwriting Solutions** on 1 December.



Value: Not disclosed

Money3, an Australia-based non-bank lender, has entered into a binding agreement to acquire **Automotive Financial Services**, a non-bank funder of consumer and commercial vehicles operating in the near-prime automotive segment. The acquisition aligns with Money3's strategy of financing a broader market and extending Money3's product offering along the credit curve.



Value: AUD 725m

Westpac Banking Corp will sell its general insurance business to **Allianz** for AUD 725m. The transaction will simplify Westpac's business structure and increase Allianz's share in Australian consumer insurance market. The transaction will also represent a small post-tax gain for Westpac and add approximately 12 bps to Westpac's common equity Tier 1 capital ratio.



Value: Not disclosed

360 Capital Group [ASX: TGP] announced on 10 December that it has acquired a 70% interest in **Hotel Capital Partners**. The Group is starting to see significant opportunities in the hotel sector.



Commonwealth Bank

Value: Not disclosed

Lendi, an Australian online mortgage broker and **Commonwealth Bank of Australia [ASX:CBA]** have entered into an agreement to merge Lendi with Commonwealth Bank of Australia's mortgage broking group **Aussie Home Loans**, according to a statement filed to the Australian Securities Exchange.

INSTITUTIONAL INTELLIGENCE...

- **Eftpos, BPAY and NPP Australia**, the Australia-based payment systems, are preparing to announce a three-way merger. The Australian Competition and Consumer Commission (ACCC) must approve the deal, which the payment platforms' stakeholders are hoping to complete in the second half of 2021.
- **E&P Financial Group Limited** has recommended its shareholder take no action on **360 Capital Group Ltd's** revised off-market takeover proposal.
- **Marketch Focus**, an unlisted public Perth-based Australian ASX share trading platform developer, is evaluating options, including an ASX listing, as it gears up for the next growth phase in 2021.
- **Commonwealth Bank of Australia** is anticipated to launch a sale process for its general insurance operations in the first quarter of 2021.
- The **CEFC** has committed \$80 million as a cornerstone investor to the **Adamantem Capital Fund II** in a landmark investment that will drive ambitious emissions reduction targets across a diverse range of private equity-owned, mid-market companies.
- **IOOF** announced on 3 December that it has ended talks to sell **Australian Executor Trustees**.
- **Limepay** raises AUD 21m in the first phase of pre-IPO raise with additional funding expected in early 2021.
- Australia-based fleet management group **SG Fleet** is believed to be considering a deal to merge with its privately held rival **LeasePlan**.
- **MaxCap**, an Australia-based commercial real estate financier, is seeking a partner to buy a stake of up to 50% in the business.
- Australia-based fleet management group **SG Fleet** is believed to be considering a deal to merge with its privately held rival **LeasePlan**.
- **Columbus Capital**, an Australia-based non-bank lender, is planning to list on the ASX next year.
- **Claim Central Consolidated**, an Australian insurance technology and claims management company is to raise capital in the US to accelerate its expansion there.

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