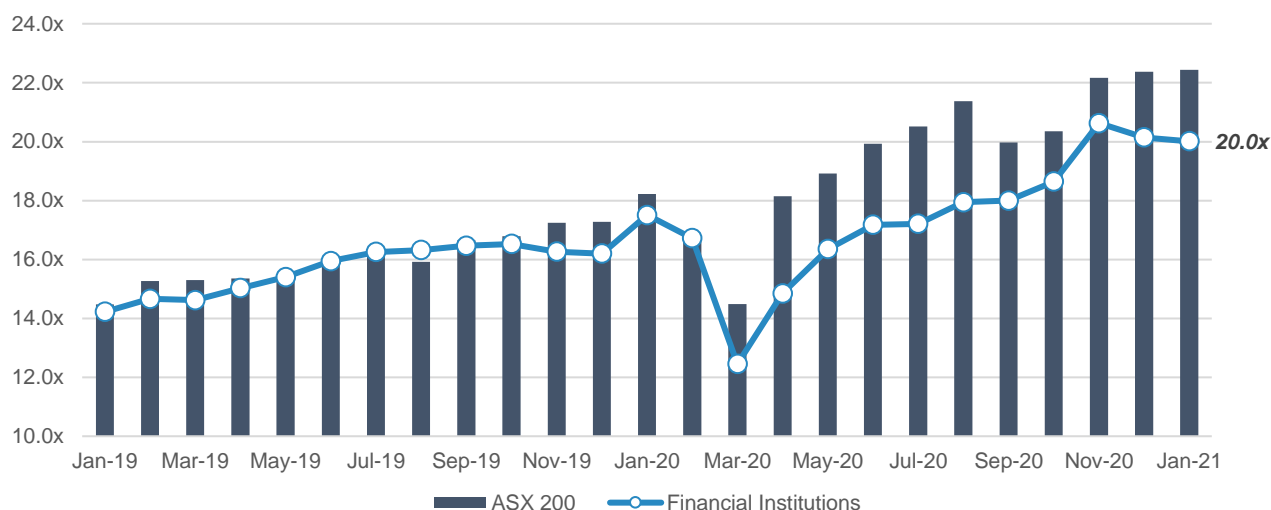


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 31/01/2021) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have decreased over the period. At the end of January, the sector traded on a forward Price / Earnings multiple of 20.0x, compared to the ASX200 on 22.4x.



Average Values and Trading Multiples (values as at 24/02/2021) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2021	EPS Growth
Consumer Credit Businesses	4,756	2.5x	19.8x	182.0%
Financial Services Providers	73,607	8.1x	26.6x	96.0%
Insurance & Mortgage Brokers	3,271	3.3x	20.7x	35.3%
Lending Institutions	467,106	1.3x	16.8x	48.1%
Property Developers	2,824	1.3x	22.1x	(8.0%)
REIT	115,477	1.2x	17.6x	4.3%
Financial Institutions	667,040	3.2x	20.4x	51.1%

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 220m.

National Australia Bank has entered into a scheme implementation agreement to acquire 100% of the shares in **86 400 Holdings**, the holding company of Australian neobank, 86 400 ("86 400"). The acquisition of 86 400 will accelerate UBank's growth by combining its established customer base, brand and colleagues with 86 400's experience and technology platform.



Value: AUD 78.6m.

360 Capital REIT has acquired a 9.18% stake in in **Irongate Group**.



Value: AUD 8m.

Resimac Group announced that it has exercised its option to acquire the remaining 40% of **International Acceptance Group (IA Group)**. The acquisition sees Resimac expand into new asset classes and into the commercial lending space, in line with its diversification strategy.



Value: Not Disclosed.

Money3, an Australia-based non-bank lender, has entered into an agreement to acquire **GMF Australia (GMFA)**, a subsidiary of **General Motors Financial Company** who consists of a portfolio of approximately 700 automotive loans for new vehicles. **GMFA** will be absorbed by the Group's market leading Customer Care operation with minimal increase in ongoing operational expenses.



Value: Not disclosed

PGIM Real Estate has acquired an equity stake in **Taronga Ventures**, an Australian investor. PGIM has committed to support an AUD 100m raising by Taronga's proptech fund RealTech Ventures.

The size of PGIM's equity investment was not disclosed. The venture capital firm is key to helping the PGIM enhance its innovation efforts.



Value: Not Disclosed

Gravitas Group, an Australia-based specialist capital placement advisory business, has been acquired by **Pallas Capital**, an Australian non-bank lender. The deal is expected to be completed by the end of February.

INSTITUTIONAL INTELLIGENCE...

- **Australia and New Zealand banking Group** is believed to be considering an offer to buy **ME Bank**, an Australian regional lender.
- **QBE insurance** is thought to be involved in the auction for **Commonwealth Bank of Australia's** general insurance business.
- **Pemba Capital** has acquired **Premium Funding** and **Principal Finance** to create the largest independent funding player in Australia.
- **OpenMarkets Group**, an Australia-based digital trading platform and provider of brokerage services, is looking to raise AUD 10m in pre-IPO financing before a float later this year.
- **Hub24** has denied speculation it is considering the acquisition of **AMP** platform business **North**.
- **Commonwealth Bank of Australia** is believed to be on the verge of selling its general insurance unit within weeks, either **Suncorp** or **Insurance Australia Group** are set to acquire the company.
- **Westpac** is set to launch the sale process for its dealer finance and auto loan portfolio. The sale could raise between AUD 1bn and AUD 2bn.
- **Westpac** is looking to test buyer interest in its BT superannuation business.
- **Ares Management** is expected to submit a formal bid for a part of **AMP Limited**.
- **Challenger**, an Australia-based financial services business, has considered spinning off its funds management operations in the past year. **Ares Management** is thought to have expressed interest in the Challenger assets.
- **Suncorp** announced with its half-year results that its Wealth business is under strategic review.
- **Panthera Finance**, the Australian debt purchasing business backed by **CHAMP Private Equity**, has hired Citi to sound out market interest for a plan to raise a minimum of \$100m in fresh capital.
- **Bendigo and Adelaide Bank** is set to raise \$250m through an institutional placement.

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