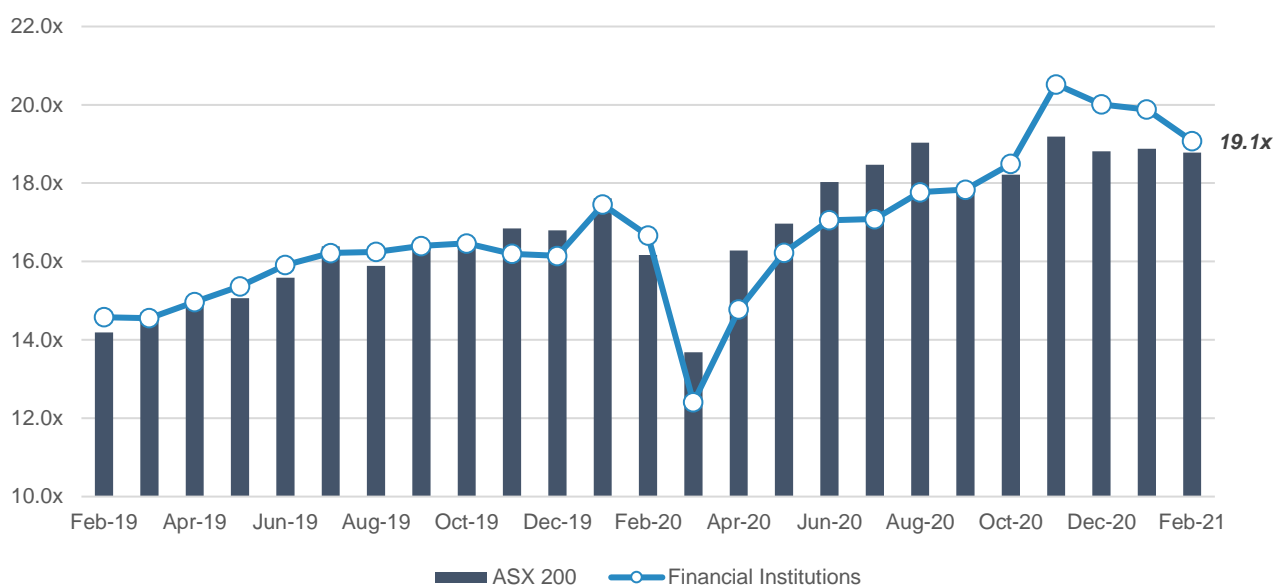


## PRICING MULTIPLES

### Forward Price Earnings Multiples (monthly to 28/02/2021) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have decreased over the period. At the end of February, the sector traded on a forward Price / Earnings multiple of 19.1x, compared to the ASX200 on 18.8x.



### Average Values and Trading Multiples (values as at 29/03/2021) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2021	EPS Growth
Consumer Credit Businesses	4,472	2.3x	17.1x	204.2%
Financial Services Providers	71,472	6.2x	25.4x	49.6%
Insurance & Mortgage Brokers	3,322	3.1x	21.2x	37.5%
Lending Institutions	486,800	1.3x	14.4x	59.1%
Property Developers	2,877	1.4x	23.8x	(7.1%)
REIT	118,000	4.6x	17.2x	10.9%
<b>Financial Institutions</b>	<b>686,943</b>	<b>4.3x</b>	<b>19.7x</b>	<b>43.7%</b>

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.

<sup>1</sup> 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: Not disclosed

**Arch Capital Group Ltd** has agreed to acquire **Westpac Lenders Mortgage Insurance Limited**, an Australia-based lenders mortgage insurance provider, from **Westpac Banking Corporation**. The consideration includes fixed annual installments payable to Westpac over a period of 10 years. The acquisition will add 7bps to Westpac's Common Equity Tier 1 capital ratio. The transaction is expected to be completed by August 2021 and is subject to antitrust and regulatory approvals from **APRA** and the **ACCC**. **Westpac Lender** had AUD 285.7m of equity valuation as of 30 September 2020.



Value: AUD 300m

**Shinsei Bank** has agreed to acquire a 10% stake in **Latitude Financial Group**, the Australian consumer finance company, from current owners **Deutsche Bank**, **KKR**, and **Varde Partners**. As part of the agreement, **Latitude** and **Shinsei** will form an alliance to explore mutually beneficial growth opportunities in the Asia Pacific region that leverage their respective strengths and capabilities. The transaction will help accelerate **Latitude Financial Group's** growth plans in Australia and New Zealand.



Value: AUD 156m

**Vistra Group Limited** has agreed to acquire **Mainstream Group Holdings Limited** in a public tender offer. **Mainstream Group Holdings Limited** is a listed Australia-based specialist third party administrator for the financial services industry, headquartered in Sydney. **Vistra Group Limited** is a Hong Kong-based provider of international incorporations, trust, fiduciary, and fund administration services.



Value: AUD 417m

**TA Associates** has acquired a majority stake in **BetaShares Capital**, from **Mirae Asset Global Investments**, Alex Vynokur and David Nathanson. **Mirae** sold its 51% stake in the business. **TA Associates** will support **BetaShares** in enhancing its geographic footprint through acquisitions and strategic investments.



Value: Not disclosed

**TA Associates Management, LP**, through its portfolio company, **Yarra Capital Management**, has agreed to acquire the Australian business from **Nikko Asset Management Co., Ltd**. In a non-cash deal, **Yarra Capital** will acquire 100% of **Nikko Asset**, who in return will receive 20% of the enlarged group. It will strengthen the partnership of Yarra with its clients. It will also enable **Yarra** to expand globally and reach their investment strategies, in particular in Japan. Post deal, the AUM of Yarra will increase from AUD 8bn (USD 6.3bn) to AUD 20bn (15.38bn). The deal is expected to close in April 2021, subject to certain regulatory approvals.



Value: AUD 244m

**REA Group Ltd** has entered into an agreement to acquire 100% of the outstanding shares in **Mortgage Choice Ltd** for an enterprise value of about AUD 244m, or AUD 1.95 cash per share. This is a 66% premium to the previous day closing price and 1 month VWAP.

## INSTITUTIONAL INTELLIGENCE...

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- An undisclosed bidder has acquired 30% stake in **Attvest Finance Pty Ltd**, for an estimated AUD 22m, valuing the company at AUD 73m.
- **AMP Ltd** has confirmed on 29<sup>th</sup> March the 30-day exclusivity period in its Heads of Agreement with **Ares Management Corporation** for a proposed **AMP Capital private markets** transaction has concluded.
- A listing of the New Zealand unit of **Westpac Banking Corp** could be seen as a logical option, following **Westpac** commencing a review of a demerger of its NZ unit.
- Switzerland-based **SGS** is looking to bid for **SAI Global's** assurance unit.
- **Wagestream**, the UK-based income streaming app solution provider, has purchased **Earned**, an Australian FinTech start-up from insolvent **Greensill**.
- **Volt Bank**, the Australian neobank, may wait till 2022-end to launch an IPO, in order to achieve a much higher valuation at its listing.
- **Kelly Partners Group Holdings'** is said to have purchased a minority stake in **iPartners**, an Australia-based online investment platform, through its second special opportunities fund.
- Australia-based **Amicaa**, **Kohlberg Kravis Roberts** and **Deutsche Bank** are said to be interested in **Investec's** Australian loan portfolio.
- A sale process for **Westpac's** life insurance business is underway.
- **Blackrock Inc.** is believed to be in talks with **AMP** to acquire **AMP Capital's** global equities and fixed income assets.
- **Dexus Property Group** has entered into an implementation agreement to merge Dexus Wholesale Property Fund with AMP Capital Diversified Property Fund (ADPF).
- **QSuper** and **Sunsuper** announced on 14 March that they have signed a Heads of Agreement to confirm their intention to merge.
- Four parties are said to have been shortlisted to buy **Commonwealth Bank of Australia's** general insurance business
- **Apollo Global Management** has ended negotiations to acquire assets from **Greensill Capital**.
- **TreviPay**, a private equity-backed payments and credit management company formerly called **MSTS**, is looking at acquisitions to help it double in size over the next three years.
- **Douugh**, a Sydney-headquartered Australian fintech, will consider further strategic acquisitions and partnerships that can help it to scale and expand its product range.
- **GFG Alliance**, a UK-based industrial conglomerate, is looking to secure a standstill agreement with the collapsed supply chain finance firm **Greensill**.
- **Greensill Capital**, a provider of supply-chain finance, today filed for insolvency protection in the wake of regulators assuming its banking division.
- **KKR** is expected to begin meeting investors for the IPO of **Pepper Money** in mid-March.
- **PSC Insurance Group Limited** has entered into agreements to acquire all the issued shares of two UK based commercial broking businesses, **Trust Insurance Services Ltd** and **Abaco Insurance Brokers Ltd**.
- **Arq Group**, an Australia-based digital transformation technology provider, plans to pursue acquisitions to drive growth.
- **A2B Australia**, the Australian taxi network operator and payments solutions provider, is open to considering acquisition opportunities.
- **Afterpay** has entered into an agreement with **Matrix Partners X, L.P** and **Weston & Co X LLC** and is launching a tender offer to increase its underlying interest in **Afterpay US, Inc.** from 80% on 25 February to up to approximately 93%.

## CONTACT DETAILS

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