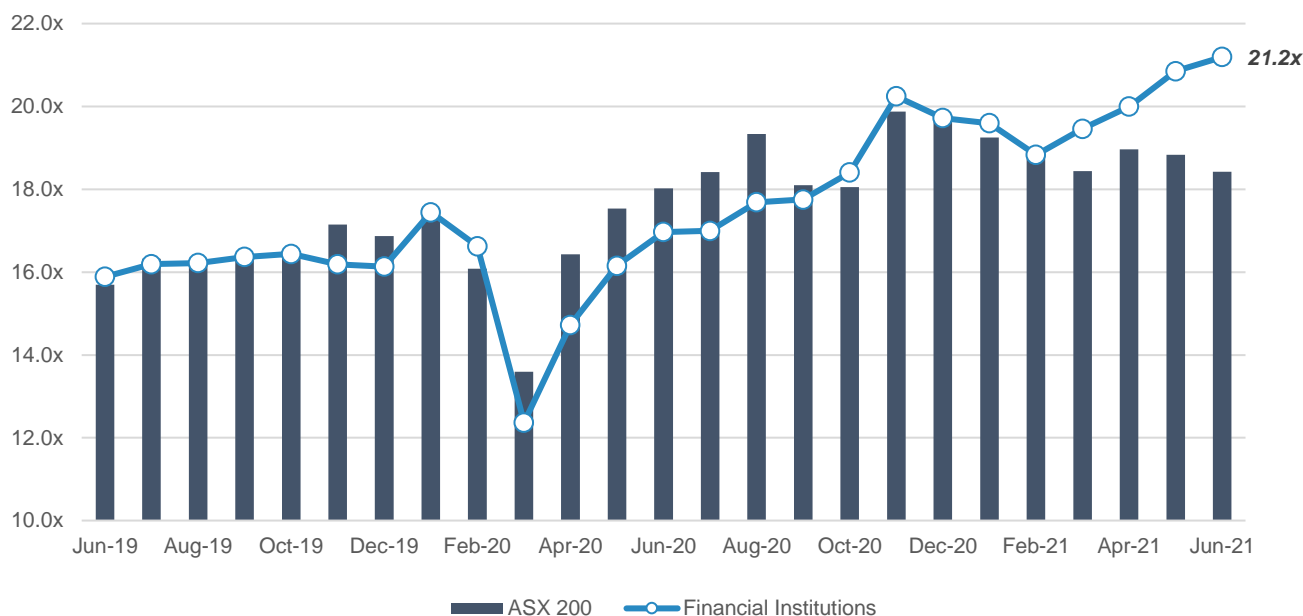


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 30/06/2021) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of June, the sector traded on a forward P/E multiple of 21.2x, compared to the ASX200 on 18.4x.



Average Values and Trading Multiples (values as at 19/07/2021) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2021	EPS Growth
Consumer Credit Businesses	4,928	2.5x	20.5x	34.3%
Financial Services Providers	84,994	6.4x	43.3x	37.2%
Insurance & Mortgage Brokers	3,661	3.5x	20.9x	9.3%
Lending Institutions	507,161	1.3x	14.3x	10.4%
Property Developers	3,074	1.4x	30.3x	33.6%
REIT	131,751	1.3x	19.2x	7.5%
Financial Institutions	735,569	3.0x	26.2x	30.5%

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: May 2021.

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: Not disclosed

LGIASuper, an Australia-based superannuation consultant, has acquired **Energy Super**, an Australia-based superannuation fund also providing retirement planning solutions. The acquisition will create a superannuation fund with a combined asset pool of USD 22bn.

InterFinancial were advisor to LGIASuper.



Value: AUD 185 m

Macquarie Group Limited has agreed to acquire the Global Equity and Fixed Income (GEFI) business of **AMP Limited**. The transaction is expected to grow Macquarie's assets under management (AUM) by AUD 60bn to a total of AUD 720bn. The transaction is expected to close in Q1 2022.



Value: AUD 160 m

Zip Co, an Australia-based buy now, pay later business, announced that it has taken full ownership of two peer companies, **Twisto Payments** and **Spotti**.



Value: AUD 720 m

Athene Holding Limited and **Apollo Global Management** have agreed to acquire a 18% stake in **Challenger Limited**, an Australia-based financial company engaged in providing life insurance and funds management services. The investment will allow Apollo and Athene, who currently have a pending agreement to merge, to support Challenger's continued growth,



Value: AUD 83.75 m

The **Royal Automobile Club of Tasmania** has agreed to acquire a 50% stake in **RACT Insurance Limited**, an Australia-based company engaged in providing home and motor insurance products, from **Suncorp Group Limited**.



Value: AUD 625 m

The **Hollard Insurance Group**, a South Africa-based insurance provider, has agreed to acquire the **General Insurance Business** from **Commonwealth Bank of Australia**.

MERGER & ACQUISITION NEWS...



W | A | M

Value: AUD 258.42 m

WAM Global Limited has agreed to acquire 85.82% of **Templeton Global Growth Fund Limited** (TGG), an Australia-based listed investment company (LIC) engaged in investing in equity securities listed on the world's stock exchanges, for AUD 1.52 per share. The transaction will enhance the scope of operations for both companies as well as increase the net assets under management.



MILTON CORPORATION LIMITED

Value: AUD 3,573.89 m

Washington H. Soul Pattinson & Company Limited (WHSP) has agreed to acquire the remaining 96.7% stake in **Milton Corporation Limited**, an Australia-based listed investment company (LIC) that invests in marketable securities, equities, trusts and real estate property. The transaction will enable WHSP to diversify its investment portfolio and increase its market capitalisation to AUD 10.8bn whilst Milton shareholders will receive exposure to other asset classes such as private equity, credit and real assets.



Value: Not disclosed

Hostplus Limited, has agreed to acquire **Intrust Super Fund**, an Australia-based superannuation fund. The transaction will add 90,000 members, 25,000 employers and AUD 3bn assets under management (AUM) to Hostplus's existing network. The deal is expected to close in November 2021.



Value: Not disclosed

Angle Finance, an Australia-based provider of finance to small to medium sized enterprises (SMEs), has agreed to acquire the motor vehicle dealer finance and novated leasing business of **Westpac Banking Corporation**. As part of the transaction, Angle Finance will acquire AUD 1bn of wholesale dealer loans strategic alliance agreements with vehicle manufacturers and novate lease origination capabilities. Westpac will retain its existing retail auto loan portfolio of AUD 10bn. The transaction will be funded by an AUD 5bn debt package



Value: Not disclosed

Volt, Australia's first neo-bank, has acquired neo-lender **Australian Mortgage** which will allow it to offer fully verified approval times of less than 15 minutes on its new digital mortgage product. The "Intelligent Credit" solution acquired as part of the transaction will form a key part of Volt's banking-as-a-service (BaaS) offering and assist mortgage-brokers in increasing customer conversion rates and improve customer satisfaction through speedy verified approvals.



Value: Not disclosed

The Bank of New York New Mellon Corporation, a New York-based investment banking services holding company, has entered into a definitive agreement to acquire **Milestone Group**, a Sydney-based provider of institutional fund management technology.

INSTITUTIONAL INTELLIGENCE...

- **Australian Unity Investment Real Estate Limited** has announced that its subsidiary, **Australian Unity Office Fund** [ASX:AOF], is exploring a potential merger with **Australian Unity Diversified Property Fund**.
- **American Stock Transfer & Trust Company (AST)** owner **Pacific Equity Partners** has agreed to sell the stock transfer agent to the US private equity firm **Siris Capital** for USD 630m.
- **Bank of Queensland Limited** [ASX:BOQ] has completed the acquisition of **Members Equity Bank Limited** for a cash consideration of AUD 1.325bn.
- **Grow Finance** has scrapped its listing plan as the Australia-based small to medium business lender failed to secure sufficient support from investors.
- **Railway & Transport Health Fund (RT Health)** is set to be acquired by the Australian health insurance group **HCF**.
- **National Australia Bank** [ASX: NAB] has confirmed it is in talks with **Citigroup Limited** [NYSE: C] about the potential acquisition of its Australian consumer business. **Macquarie Group Limited** [ASX: MQG] is also in the competition.
- A buyer circling **Perpetual** [ASX: PPT] has walked away. The bidder was considering a break-up proposal for Perpetual which would have involved the separation of the company's trustee and funds management units.
- **Thorn Group Limited** [ASX: TGA] recommended its shareholders reject **Somers Limited** AUD 0.21 per share on-market takeover bid.
- **Resolution Life** is set to acquire Westpac's [ASX: WBC] life insurance unit for AUD 1.78 bn (USD 1.33bn). Resolution had been competing against Japan-based **Dai-ichi's** [TYO: 8750] subsidiary **TAL** who withdrew from the process due concerns surrounding overexposure to the Australian market.
- **Australian Unity Healthcare Property Trust** bidder **NorthWest Healthcare Properties** has dropped its AUD 2.8bn (USD 2.2bn) hostile takeover offer for the healthcare fund due to lack of support from its unitholders.
- **Praemium** [ASX: PPS] has announced the proposed divestment of its international business on the back of unsolicited, strong interest from potential buyers.
- **Volt Bank**, an Australian neobank, is assessing options for its Series F and G raises as its current Series E raise is about to close in the next few weeks.

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