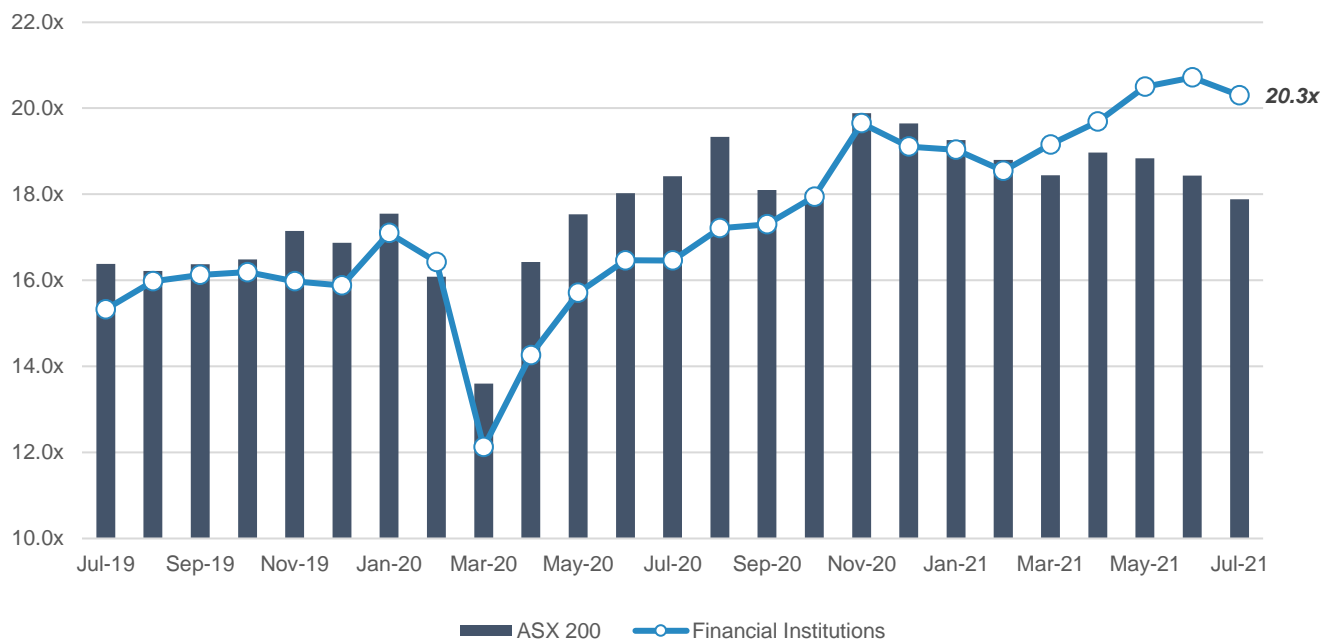


### PRICING MULTIPLES

#### Forward Price Earnings Multiples (monthly to 31/07/2021) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have decreased over the period. At the end of July, the sector traded on a forward P/E multiple of 20.3x, compared to the ASX200 on 17.9x.



#### Average Values and Trading Multiples (values as at 17/08/2021) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2022	EPS Growth
Consumer Credit Businesses	5,088	2.6x	54.8x	8.0%
Financial Services Providers	88,452	6.4x	43.7x	47.9%
Insurance & Mortgage Brokers	3,903	3.7x	24.0x	9.7%
Lending Institutions	530,415	1.4x	14.5x	66.7%
Property Developers	3,461	NA	25.5x	NA
REIT	135,633	1.2x	19.0x	(80.5%)
<b>Financial Institutions</b>	<b>766,952</b>	<b>3.0x</b>	<b>29.4x</b>	<b>(6.5%)</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: May 2021.

<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: AUD 1,196.79 m

**National Australia Bank Limited** [ASX: NAB] has entered into an agreement with **Citigroup Pty Limited** to purchase Citigroup's Australian consumer business, the Australian banking company said in a statement filed to the Australian Securities Exchange. The transaction is structured as an asset/liability transfer, with an AUD 250 m premium being paid by NAB for Citi's assets.



Value: AUD 200 m

**Latitude Financial Services Australia Holdings Pty Ltd** has agreed to acquire **Symple Loans Pty Ltd**, the Australia-based personal lending platform, for a consideration of AUD 199.996m.



Value: AUD 200 m

**Westpac Banking Corp.** [ASX: WBC] has agreed with **TAL Dai-ichi Life Australia**, a wholly-owned subsidiary of Dai-ichi Life Holdings [TYO: 8750], to sell Westpac Life Insurance Services for AUD 900m (USD 663m), according to a stock exchange filing.



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: Unknown

**Perpetual Limited** [ASX: PPT] has announced in a statement filed with the Australian Securities Exchange the acquisition of **Jacaranda Financial Planning Pty Ltd**, a Sydney- and Melbourne-based boutique wealth advisory firm focused on the high-net-worth market segment with funds under advice of AUD 915m.



Value: AUD 29,000 m

**Afterpay Limited** [ASX: APT] has entered into a Scheme Implementation Deed with **Square, Inc** [NYSE: SQ], allowing Square to acquire all of the issued shares in Afterpay in a transaction has an implied value of about USD 29bn, Afterpay said in a statement filed to the Australian Securities Exchange. The transaction offers Square the opportunity to broaden its cash and seller ecosystem.



Value: Unknown

**Newcastle Permanent** and **Greater Bank** have signed a memorandum of understanding to explore a merger between the two organisations to create Australia's largest customer-owned bank, the two parties said in their respective statements.

## INSTITUTIONAL INTELLIGENCE...

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- **HPS Partners** is seeking buyers for its stake in **Maia Financial**, an Australia-based asset finance business.
- **Kina Securities** [ASX: KSL] has received conditional approval of the Reserve Bank of Fiji for its application to conduct business in Fiji as a commercial bank. **Westpac Banking Corp** [ASX: WBC] announced last year it would sell **Westpac Fiji** and its 89.9% stake in **Westpac Bank PNG** to Kina Securities for AUD 420m (USD 309m).
- **National Australia Bank Limited** [ASX: NAB] has announced to the Australian Securities Exchange a plan to launch an on-market AUD 2.5bn (USD 1.84bn) share buy-back program to progress managing its Common Equity Tier 1 (CET1) towards its target range of 10.75-11.25%.
- **Spriggy**, a privately-held children's banking group, has announced that it has raised AUD 35m (USD 25m) in a Series B funding round.
- Switzerland-based SME lender **Tradeplus24's** Australian unit has raised AUD 25m (USD 18m) in equity and AUD 200m in debt to fuel growth.
- **Tic:Toc Home Loans**, a private Australian online home lender, is eyeing a listing on the ASX within the next two years.
- **Newcastle Permanent** and **Greater Bank** have signed a memorandum of understanding to explore a merger between the two organisations to create Australia's largest customer-owned bank.
- **PCF Capital** and **Argonaut Securities**, two Australian advisory services and boutique broking firms, are set to merge.
- **Xpansiv**, an ESG-focused commodity marketplace, is looking to raise USD 50m in pre-IPO funding. The funds will be used to accelerate its growth plans.
- Following **Square's** [NYSE:SQ] AUD 39bn takeover bid for **Afterpay** [ASX:APT], speculation has arisen regarding the potential acquisition of other Australian business and financial services companies. **Canva**, a graphic design and business presentation platform headquartered in Perth, could be a logical acquisition target for **Adobe** [NYSE: ADBE]. Similarly, **Go1**, an Australian-based corporate training and education business, could interest **Microsoft** [NYSE:MSFT] as they already have adopted Microsoft's cloud-based services and 'Teams' platform.
- **Australia and New Zealand Banking Group** [ASX:ANZ] could be considering a takeover offer for **Suncorp** [ASX:SUN]. This comes as ANZ faces pressure to expand its residential mortgage business to compete with Westpac, CBA, and NAB. The item noted that ANZ could bring in Allianz [ALV:ETR] or Zurich [SWX:ZURN] to assist in acquiring Suncorp's insurance operations as well.
- **IOOF Holdings Ltd.** [ASX:IFL] is finalizing documentations for the sale of assets within MLC after completing the AUD 1.4bn (USD 1bn) acquisition of the superannuation and wealth advice business from **National Australia Bank** [ASX:NAB] in May.

## CONTACT DETAILS

If you are interested in specific information regarding mergers and acquisitions in the Financial Institutions sector, please contact Brent Wall or Michael Kakanis.

Name	Position	Phone	Email
Sharon Doyle	Executive Chair	(07) 3218 9122	<a href="mailto:sdoyle@interfinancial.com.au">sdoyle@interfinancial.com.au</a>
Paul Keehan	Non-Executive Director	(07) 3218 9100	<a href="mailto:pkeehan@interfinancial.com.au">pkeehan@interfinancial.com.au</a>
Ted Marchant	Non-Executive Director	(07) 3218 9100	<a href="mailto:tmarchant@interfinancial.com.au">tmarchant@interfinancial.com.au</a>
Mark Steinhardt	Head of M&A	(07) 3218 9105	<a href="mailto:msteinhardt@interfinancial.com.au">msteinhardt@interfinancial.com.au</a>
Brad Shaw	Director – M&A	(07) 3218 9100	<a href="mailto:bshaw@interfinancial.com.au">bshaw@interfinancial.com.au</a>
David Hassum	Director	(07) 3218 9108	<a href="mailto:dhassum@interfinancial.com.au">dhassum@interfinancial.com.au</a>
Andrew Wheeler	Director	(07) 3218 9107	<a href="mailto:awheeler@interfinancial.com.au">awheeler@interfinancial.com.au</a>
Michael Kakanis	Associate Director	(07) 3218 9106	<a href="mailto:mkakanis@interfinancial.com.au">mkakanis@interfinancial.com.au</a>
Anuk Manchanda	Associate Director	(07) 3218 9100	<a href="mailto:amanchanda@interfinancial.com.au">amanchanda@interfinancial.com.au</a>
Lachlan O'Rourke	Associate	(07) 3218 9104	<a href="mailto:lorourke@interfinancial.com.au">lorourke@interfinancial.com.au</a>

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InterFinancial  
Corporate Finance Limited  
ABN: 49 138 962 966  
AFSL: 341675  
Level 2, 201 Charlotte Street  
GPO Box 975  
Brisbane Queensland 4001  
(07) 3218 9100  
admin@interfinancial.com.au  
www.interfinancial.com.au

