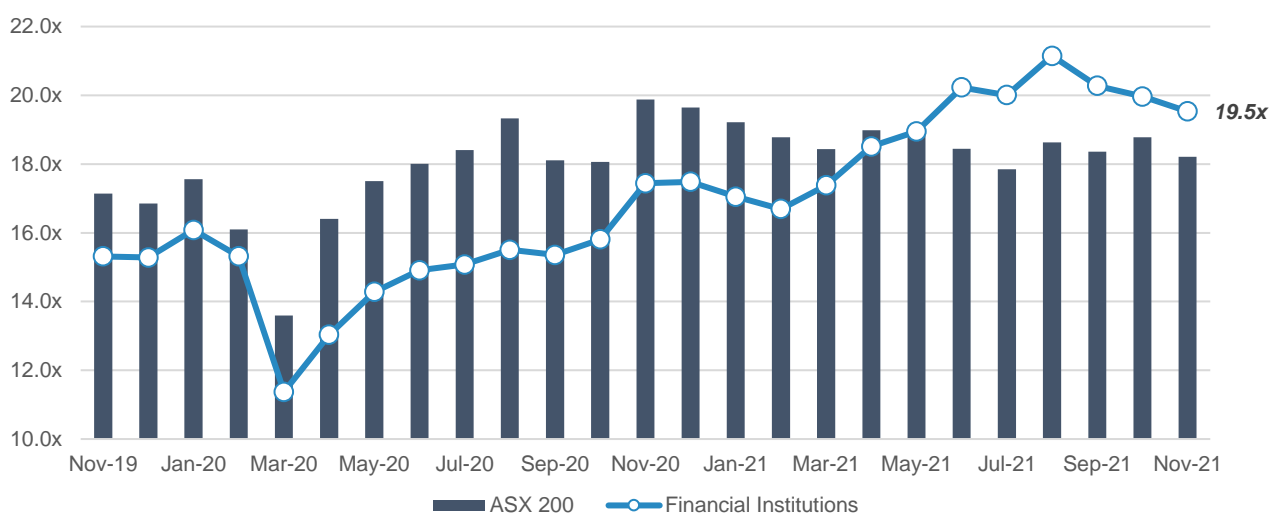


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 30/11/2021) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have decreased over the period. At the end of November, the sector traded on a forward P/E multiple of 19.5x, compared to the ASX200 on 18.2x.



Average Values and Trading Multiples (values as at 16/12/2021) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2021	EPS Growth
Consumer Credit Businesses	4,738	2.1x	14.9x	(22.0%)
Financial Services Providers	85,192	5.4x	22.1x	24.7%
Insurance & Mortgage Brokers	3,874	3.5x	20.4x	16.8%
Lending Institutions	515,810	1.4x	13.6x	(2.8%)
Property Developers	3,773	N/A	21.5x	(13.7%)
REIT	152,574	1.3x	21.2x	(51.0%)
Financial Institutions	765,961	2.6x	19.8x	(16.0%)

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2022. 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: AUD 12.5 m

Openmarkets Group (OMG) has entered into an agreement to take full ownership of **Cannon Trading**, an Australia-based equities markets technology business. OMG is funding the acquisition with an AUD 7.8m capital inject from its investor clients and its existing backers.



Value: AUD 52.5 m

Australian Finance Group (AFG), a mortgage broking and lending solutions provider, has announced the acquisition of a 75% stake in leading asset finance aggregator, **National Finance Alliance Limited**, trading as **Fintelligence**. The combined group creates a considerable asset finance footprint in the Australian market with projected asset finance settlements of more than AUD 1.7bn per annum. AFG has an exclusive option to acquire the remaining 25% interest in Fintelligence over the next 3.5 years.



Value: AUD 45.0 m

Thorn Group Limited has announced that it has entered into a binding agreement to sell the assets of its Radio Rentals business to **Credit Corp Group Limited (CCG)**. The proceeds will allow Thorn to accelerate the continued growth of Thorn Business Finance and focus on becoming a competitive specialist financier dedicated to business finance and providing a suite of technically enable real funding alternatives to everyday SMEs.



Value: Not disclosed



Arthur J Gallagher & Co, an Illinois-based insurance brokerage, has announced that it has acquired **Sound Insurance Services**, an Australia-based retail property broker serving small and mid-market corporate client in Victoria.



Value: Not disclosed

Willis Towers Watson, a global advisory, broking and solutions company, has announce the acquisition of **Aerosure**, an aviation industry specialist focused on the Australia, New Zealand and Pacific Island regions. The acquisition will further expand the footprint of Willis Towers Watson's aerospace business and enhance the client offerings across a suite of aviation insurance brokering solutions.



Value: AUD 145.0 m



MA Financial has entered into a binding agreement with **BNK Banking Corporation (BNK)** to purchase BNK's mortgage aggregation business, **Finsure Holdings Limited** and its subsidiaries. The acquisition will strengthen MA Financial's lending business through operating powerful distribution infrastructure in the residential mortgage industry underpinned a leading technology offering. It will also provide critical infrastructure for a panel of over 65 lenders to make more than 4,800 loan products available to a network of over 2,000 brokers.

INSTITUTIONAL INTELLIGENCE...

- **PM Capital Global Opportunities Fund** [ASX: PGF] is considering alternative options for the acquisition of **PM Capital Asian Opportunities Fund Limited** [ASX: PAF], after the merger proposal was rejected by the latter's shareholders.
- **Australia New Zealand Bank** [ASX: ANZ], an Australia-based bank, is looking for acquisitions. There has also been speculation about ANZ looking to merge with **Westpac** [ASX: WBC] or **NAB** [ASX: NAB].
- **Christian Super**, an Australian superannuation fund, announced in December that it is exploring options for a possible merger next year. The announcement follows new license restrictions imposed by APRA.
- **Bain Capital** has acquired 20% of **Allied Credit**, an Australia-based vehicle and equipment finance business.
- Major investors in the **Australian Unity Office Fund** [ASX: AOF] are opposed to a merger with the **Australian Diversified Property Fund**, its sister fund.
- **Westpac** [ASX: WBC] will launch the sale of its wealth platform **Panorama** at the end of February
- **WLTH**, an Australian digital lending and payments platform, plans to kick off its Series B raise in May-June next year, targeting international investors.
- **Resolution Life** is targeting additional acquisitions in Australia and New Zealand. Resolution Life recently paid AUD 524m (USD 373m) to buy the nearly 20% of **AMP's** life insurance business it did not already own in November.
- **Colonial First State**, the newly formed stand-alone entity as a superannuation and wealth management firm backed by **KKR**, would look into acquisition opportunities in the business area.
- **MitchCap**, an Australia-based specialist distribution financier, has raised AUD 34.5m (USD 24.5m) in equity and debt. MitchCap had planned to raise AUD 7.5m in equity but expanded the raising to AUD 14.5m given the strong demand.
- **AMP Limited** [ASX: AMP] has indicated that it is making strong progress on the demerger of its Private Markets business, **PrivateMarketsCo**.
- **Moneytech**, an Australia-based non-bank financial services business, has secured AUD 20m (USD 14m) in a raising led by **Colinton Capital Partners**.
- Australian private equity firm **Advent Partners** is in the process of raising a new AUD 400m (USD 285m) fund.
- **Blackstone** has ended its effort to find a buyer for its controlling stake in **LaTrobe Financial**, an Australia non-bank lender. Blackstone called off the sale after talking to a range of potential buyer and determining it was not the right time to sell.
- **QBE** [ASX: QBE], an Australian insurance business, is in talks to acquire **Zurich Insurance's** [SWX: ZURN] Australian general insurance business.
- **Tic:Toc**, an Australian home loan originator, is set to close a Series D funding round to raise AUD 50m (USD 36m).
- **Pinnacle Investment Management** [ASX: PNI] has announced that it has secured a 25% stake in **Five V Capital**, an Australian private equity group.
- **Regal Funds Management** has entered into an agreement to acquire 51% of **Attunga Capital**, an Australia-based specialist investment manager. The company manages around AUD 150m (USD 105m) in assets for Australian institutions and dealers.
- **Link Administration Holdings** [ASX: LNK] has received an unsolicited conditional, nonbinding indicative proposal from **LC Financial Holdings** to acquire the whole of Link Group's Banking and Credit Management business for up to USD 75.5m.
- **Origin Energy** [ASX: ORG], an Australia-based energy business or **Ramsay Healthcare** [ASX: RHC], an Australian healthcare business, could be targets for **KKR**.
- **Westpac** [ASX: WBC] is still seeking a buyer for its Pacific banking business. Chinese lenders have shown interest but Australia's federal government is likely to oppose a deal due to tensions between Australia and China.
- **Westpac Banking Corp** [ASX: WBC] has completed the sale of its motor vehicle dealer finance and leasing business to **Angle Finance**, a portfolio company of **Cerberus Capital Management**.
- **MoneyMe** [ASX: MME], an Australian non-bank lender, will look to do further similar deals after the **SocietyOne** transaction, aiming to become the number one player in Australia.
- **EISS Super**, an Australian superannuation fund and **Cbus Super**, an Australia-based superannuation fund and public offer fund, have signed a Memorandum of Understanding (MoU) to work towards completing a merger in 2022.

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