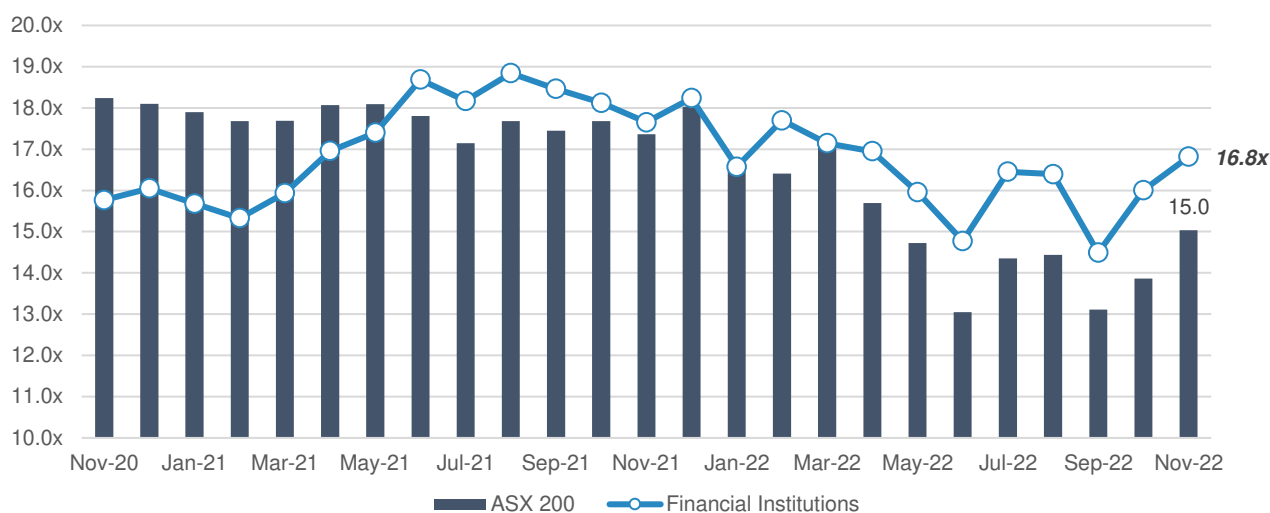


### PRICING MULTIPLES

#### Forward Price Earnings Multiples (monthly to 12/12/2022) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of November, the sector traded on a forward P/E multiple of 16.8x, compared to the ASX200 on 15.0x.



#### Average Values and Trading Multiples (values as at 12/12/2022) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2021	EPS Growth
Consumer Credit Businesses	2,858	0.9x	63.6x	(49.8%)
Financial Services Providers	70,618	3.2x	17.0x	(38.9%)
Insurance & Mortgage Brokers	4,361	2.7x	17.0x	67.4%
Lending Institutions	515,426	1.3x	11.2x	17.7%
Property Developers	3,190	1.5x	16.9x	(29.1%)
REIT	114,570	0.9x	23.8x	(60.8%)
<b>Financial Institutions</b>	<b>711,023</b>	<b>1.8x</b>	<b>23.2x</b>	<b>(35.4%)</b>

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2023. 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: April 2022.

## MERGER & ACQUISITION NEWS...



Value: Not Disclosed

**Arthur J Gallagher & Co**, the United States based provider of insurance, brokerage, risk management and related services has acquired **Aviation Insurance Australia**, the Australia based specialist retail insurance broker serving aviation and aerospace clients. The terms of the deal were undisclosed.



Value: AUD 483.9M

**Ardonagh Group**, the United Kingdom based holding company with subsidiaries engaged in insurance brokerage services is to acquire **Envest Group**, the Australia based insurance group. The consideration was 270m GBP.



Value: Not Disclosed

**McLarens**, the United States based provider of loss adjusting services has acquired **Greg Kelly & Associates**, the Australia based forensic fire and technical investigator in the insurance, legal and industrial sectors. The terms of the deal were undisclosed.

## INSTITUTIONAL INTELLIGENCE...

- **Bank of Queensland [ASX:BOQ]** and **Bendigo and Adelaide Bank [ASX:BEN]** could merge late next year. The departure of George Frazis as BoQ's chief executive could open the door to a merger with Bendigo and Adelaide Bank. At the moment, BoQ is working to integrate its AUD 1.325bn (USD 900m) acquisition of ME Bank, while Bendigo and Adelaide Bank is undertaking a technology overhaul. BoQ has a market capitalisation of AUD 4.68bn, while Adelaide and Bendigo Bank is worth AUD 5.15bn.
- **Magellan Financial Group [ASX:MFG]**, an Australia-based asset manager, could pursue mergers and acquisitions. Magellan chairman Hamish McLennan said that he expects consolidation in the asset management space, which could involve Magellan. McLennan said that the company has a strong balance sheet and is looking at M&A. Magellan has a market capitalisation of AUD 1.81bn (USD 1.23bn).
- **Findex Group** has "deprioritized" efforts to seek a new investor to replace **KKR's** ownership due to the current economic environment. Findex could consider alternative deal structure for a new investor to replace KKR's 40% in the company, which could be worth around AUD 400m (USD 270m).
- **AMP Limited's [ASX:AMP]** banking division **AMP Bank** is set to acquire the loanbook of **Nano Digital Home Loans**. Parties are thought to be close to a deal that would involve AMP securing all of Nano's customer loans, which could have a face value of AUD 500m to AUD 1bn (USD 674m). AMP Bank is anticipated to bolt the loans onto its existing loan book, which had a value of AUD 23.3bn at 30 September.
- **Findi [ASX:FND]**, an Australia-based fintech, could consider further joint venture (JV) partnerships and acquisitions, while it could also be a takeover target. The Melbourne-based company with a market capitalization of AUD 16.7m (USD 10.9m), could consider joint venture partnerships with Australian companies looking for opportunities to enter India or Indian companies that would want access to Findi's customer base.
- Two Australian superannuation funds, **CareSuper** and **Spirit Super**, have entered into a preliminary non-binding Memorandum of Understanding (MOU) to explore a possible merger. If undertaken, it would create a combined fund with over 500,000 members and over AUD 45b (USD 29bn) in Funds Under Management (FUM).

## CONTACT DETAILS

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