

Financial Services

INDUSTRY REPORT

Summer | 2022

CREATING
M&A STRATEGIES
FOR BUSINESS OWNERS
SINCE 1956





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Market Observations

Market Summary

Financial Services Market

The global financial services market is expected to grow at a CAGR of 10.8% from \$23.3 trillion in 2021 to \$25.8 trillion in 2022, as per report published by Report Linker. The market is estimated to increase at a CAGR of 9.6%, to reach \$37.3 trillion by 2026, as per the same report. Even though the economic conditions are a lot riskier and uncertain due to macroeconomic uncertainties, financial services market is expected to be resilient and in a better position to absorb the economic shock and policy transmission. The financial services industry is undergoing a significant technological and digital transition to meet the evolving client expectations. The quick uptake of Europay, MasterCard, and Visa ("EMV") technology in the payments sector is one such instance. EMV technology provides a higher level of data security as compared to traditional magnetic stripe cards. The digital and technological adaption in the financial services industry is expected to drastically reshape and create new avenues in the future.

Public Company Valuations

The CFA Select Financial Services Index was down by 14.3% in the second quarter of 2022, and the 12 months return on the Index decreased by 19.5%. Our index for each of the subsector in this industry decreased in the second quarter of 2022. Banks & Trusts had the highest median revenue and EBITDA multiples with 3.7x and 27.5x, respectively. Insurance & Insurance Services had median revenue multiple with 1.1x and median EBITDA multiple with 15.4x. Commercial & Consumer Finance had median revenue and EBITDA multiples with 2.6x and 6.4x, while, Fintech had median revenue and EBITDA multiples of 2.8x and 13.7x, respectively.



The public financial services market showed a decline in the second quarter of 2022...

Mergers and Acquisitions

The deal activity in the banking, capital markets, and insurance sector saw a decline in the first half of 2022 compared to 2021. However, the payments sector witnessed significant growth in deal activity. B2B payments, where businesses sought to develop their payment technology to accommodate real-time payments, are one of the major growth drivers in the payments industry. A strong M&A activity is anticipated in the second half of 2022 in the financial services industry, despite the macroeconomic and inflationary headwinds. Furthermore, the adoption of cutting-edge technology, development of digital solutions, and sale of non-core assets by banks and insurance companies are all expected to increase the deal activity in the future.

Industry Trends

Open Banking

Open banking refers to the process of allowing consumers and other third parties with digital access to their financial data by banks and other traditional financial institutions. The global open banking market was valued at \$10.4 billion in 2021, and is expected reach \$37.7 billion in 2028, growing at a CAGR of 24.0%, as per report published by Vantage Market Research. Open banking makes it easier for customers to obtain information on interest rates, fees, and other charges related to certain investments or services, which would facilitate the purchase of financial services. It would also reduce costs and improve service quality, while boosting competition, diversity, transparency, and efficiency. However, privacy and cybersecurity concerns are expected to create headwinds. Nevertheless, European and British regulators have enacted legislation to regulate the open banking sector. The US Consumer Financial Protection Bureau is currently working to regulate open banking. Open banking is expected to gain traction in the future due to an upsurge in adoption of mobile devices and the increasing use of blockchain & artificial intelligence for risk analytics.

Generative AI

Generative AI employs artificial intelligence and machine learning to enable machines to develop new data that is similar to the original data. Natural language generation (NLG) and generative adversarial networks (GANs) are two examples of generative AI that are being used in banking and investment services. GAN is being used to prevent money laundering, detect fraud, and enhance the humanistic aspects of chatbots and voice assistance. For example, one of the Swedish banks used GAN to prevent fraud and money laundering by training the GAN with a dataset of 40 terabyte, as per a report published by Nvidia. NLG are being implemented in risk factor modelling, accounting, & auditing, and trading prediction. Deloitte has developed an NLP application from its Audit Command Language for the assessments of contract document and long-term procurement agreements. The global NLG market was valued at \$567.8 million in 2021 and is expected reach \$1,764.4 million by 2027, growing at a CAGR of 20.8%, due to increasing technology adoption, rapid digitalization, high data volumes, as per a report published by Maximize market research. Hence, it is expected that Generative AI would gain traction in the future, enabling the growth and transformation of financial services firms.



Privacy-Enhancing Computation

Regulations on confidentiality and personal integrity impose restrictions on banks' ability to communicate information on financial crimes. As a result, banks are left to deal with financial crimes on their own. Data gathering has expanded because of increased digitization and technological adoption and worries about privacy and data protection are also growing in tandem with these trends. Globally, comprehensive data protection policies are being established, including the EU's General Data Protection Regulation, as per report published by DLA Piper. The demand for privacy-enhancing computations that enable information sharing between entities for analytical purposes without disclosing personal data is rapidly increasing. Examples include homomorphic encryption, safe multiparty computation, federated learning, and zero-knowledge proof. The global federated learning market is expected to increase from \$95.1 million in 2021 to \$198.7 million by 2028, growing at a CAGR of 11.1%, as per report published by Report Linker. Furthermore, Gartner expects that 60% of major businesses will be utilizing at least one privacy-enhancing computer technology for analytics, business intelligence, or cloud computing by 2025.

Significant News

UBS to Pay \$25 Million to Settle SEC Fraud Charges Involving Complex Options Trading Strategy

US Security and Exchange Commission, June 29, 2022

"The Securities and Exchange Commission announced that UBS Financial Services Inc. has agreed to pay approximately \$25 million to settle fraud charges relating to a complex investment strategy referred to as YES, or Yield Enhancement Strategy."

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Advisor Group Continues Strategic Growth with Acquisition of American Portfolios Financial Services, Inc.

PR Newswire, June 27, 2022

"Advisor Group, one of the nation's largest networks of independent wealth management firms, announced a definitive agreement to acquire American Portfolios Financial Services, Inc. ("American Portfolios"), a full-service, independent broker-dealer and member firm of FINRA and SIPC. Headquartered in Holbrook, N.Y., American Portfolios currently supports more than 850 financial professionals in nearly 400 branches across the country who oversee approximately \$40 billion in client assets. Following the completion of the transaction – which is subject to FINRA and other regulatory approvals – the firm will become a member of the Advisor Group network and continue to do business under its own brand and maintain its current operating model."

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France Narrows Gap on UK Financial Services Sector for Foreign Direct Investments

Insurance journal, June 13, 2022

"France's financial sector is now the most popular destination in Europe for U.S. backers, helping the country narrow the gap with the UK for foreign direct investment in the industry."

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M&A Metrics

Financial Services Industry

The M&A activity in the Financial Services industry decreased in the second quarter of 2022. The number of M&A transactions decreased from 278 in Q1 2022 to 177 in Q2 2022. The number of sub-\$50 million transactions decreased from 252 in Q1 2022 to 162 in Q2 2022. The number of transactions above \$100 million decreased from 20 in Q1 2022 to 14 in Q2 2022. The total number of M&A transactions decreased 31.4% year on year from 258 in Q2 2021 to 177 in Q2 2022.



M&A Deal Summary Table | Count by Deal Size over Time

Transaction Value	Q 2019 3	Q 2019 4	Q 2020 1	Q2 2020	Q 2020 3	Q 2020 4	Q 2021 1	Q 2021 2	Q 2021 3	Q 2021 4	Q 2022 1	Q 2022 2
Not Disclosed	188	183	190	133	180	241	202	225	205	221	227	143
Under \$10 MM	10	7	10	4	10	14	17	2	8	13	15	8
\$10 - \$25 MM	7	9	7	4	7	9	11	4	8	2	4	6
\$25 - \$50 MM	5	6	5	4	7	4	9	7	7	3	6	5
\$50 - \$100 MM	2	8	5	2	4	5	8	5	10	5	6	1
\$100 - \$500 MM	10	21	9	12	11	10	10	11	14	12	15	5
\$500 MM+	5	7	10	9	8	6	16	4	12	17	5	9
Total Transactions	227	241	236	168	227	289	273	258	264	273	278	177

Industry Metrics

Industry Financial Data and Ratios

NAICs 5221 - Depository Credit Intermediation

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	2.38	2.57	2.12
Gross Profit Margin	96.61%	95.58%	95.02%
Net Profit Margin	33.08%	32.80%	23.79%
Accounts Receivable Days	888.12	895.03	1364.17
Accounts Payable Days	2405.43	3367.84	3766.63
Debt-to-Equity Ratio	7.1	6.96	8.15
Return on Equity	13.09%	12.48%	11.25%
Sales per Employee	--	--	\$122,258
Profit per Employee	--	--	(\$631)
Sales Growth	-2.00%	-2.41%	0.90%
Profit Growth	46.94%	35.95%	22.19%

NAICs 5223 - Activities Related to Credit Intermediation

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	3.7	3.41	3.22
Gross Profit Margin	94.93%	93.98%	92.37%
Net Profit Margin	18.92%	20.15%	16.27%
Accounts Receivable Days	46.13	65.09	89.35
Accounts Payable Days	61.43	72.06	99.21
Debt-to-Equity Ratio	3.04	2.91	3.97
Return on Equity	46.26%	49.81%	50.32%
Sales per Employee	\$32,768	\$32,768	\$239,305
Profit per Employee	\$7,065	\$7,065	\$6,509
Sales Growth	8.96%	13.27%	17.90%
Profit Growth	15.18%	16.65%	39.62%

Source: Profit Cents

NAICs 5222 - Nondepository Credit Intermediation

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	3.91	3.86	3.96
Gross Profit Margin	90.83%	90.37%	89.40%
Net Profit Margin	29.90%	29.68%	21.03%
Accounts Receivable Days	937.66	910.94	899.7
Accounts Payable Days	54.1	53.61	59.02
Debt-to-Equity Ratio	4.49	4.15	4.53
Return on Equity	32.33%	31.96%	32.15%
Sales per Employee	\$424,719	\$424,719	\$332,258
Profit per Employee	\$12,731	\$12,731	\$49,973
Sales Growth	24.78%	24.77%	9.76%
Profit Growth	35.81%	35.33%	23.21%

NAICs 5231 - Securities & Commodity Contracts Intermediation & Brokerage

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	5.18	5.28	6.16
Gross Profit Margin	90.68%	86.09%	86.90%
Net Profit Margin	26.39%	23.92%	19.03%
Accounts Receivable Days	37.5	34.04	49.75
Accounts Payable Days	316.39	416.85	307.45
Debt-to-Equity Ratio	2.59	3.03	3.15
Return on Equity	44.57%	40.20%	47.24%
Sales per Employee	\$617,702	\$617,702	\$254,793
Profit per Employee	\$350,681	\$350,681	(\$16,626)
Sales Growth	-1.58%	1.14%	7.53%
Profit Growth	27.04%	22.94%	17.86%

Industry Metrics

Industry Financial Data and Ratios

NAICs 5239 - Other Financial Investment Activities

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	6.09	6	4.94
Gross Profit Margin	94.09%	93.46%	94.67%
Net Profit Margin	26.89%	28.58%	21.77%
Accounts Receivable Days	72.62	75.58	83.39
Accounts Payable Days	15.33	17.41	14.4
Debt-to-Equity Ratio	2.2	2.4	2.78
Return on Equity	55.56%	52.56%	43.81%
Sales per Employee	--	--	\$254,503
Profit per Employee	--	--	\$18,911
Sales Growth	23.05%	19.07%	8.30%
Profit Growth	65.10%	54.51%	24.50%

NAICs 5241 - Insurance Carriers

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	3.82	3.58	4.87
Gross Profit Margin	92.13%	93.22%	93.46%
Net Profit Margin	23.13%	22.24%	20.00%
Accounts Receivable Days	93.65	90.01	41.16
Accounts Payable Days	32.03	31.08	30.57
Debt-to-Equity Ratio	3.37	3.21	2.87
Return on Equity	43.08%	37.12%	41.58%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	7.51%	8.16%	9.03%
Profit Growth	21.51%	33.81%	23.06%

NAICs 5242 - Agencies, Brokerages, & Other Insurance Related Activities

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	3.89	3.89	3.66
Gross Profit Margin	97.66%	97.81%	98.27%
Net Profit Margin	18.69%	19.53%	17.83%
Accounts Receivable Days	27.3	29.21	24.85
Accounts Payable Days	34.5	36.29	29.2
Debt-to-Equity Ratio	3.11	3.28	3.16
Return on Equity	65.49%	70.33%	72.11%
Sales per Employee	\$160,039	\$160,039	\$143,827
Profit per Employee	\$28,362	\$28,362	\$35,148
Sales Growth	12.57%	11.26%	5.76%
Profit Growth	32.59%	34.56%	31.40%

NAICs 5259 - Other Investment Pools and Funds

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	12.53	7.87	8.03
Gross Profit Margin	89.47%	84.61%	91.70%
Net Profit Margin	36.72%	33.54%	36.52%
Accounts Receivable Days	74.89	132.78	355.2
Accounts Payable Days	23.26	25.47	36.28
Debt-to-Equity Ratio	2.72	2.76	1.9
Return on Equity	30.57%	28.73%	18.88%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	22.62%	20.51%	1.50%
Profit Growth	27.12%	36.96%	24.01%

Source: Profit Cents



Transaction Highlights

Notable Transactions



In June 2022, Mercantil Holding Financiero Internacional SA, a subsidiary of Mercantil Servicios Financieros Internacional SA, signed an agreement to acquire Capital Bank Inc for PAB137.5 million (US\$137.5 million) with an undisclosed amount in stock, subject to adjustments. The transaction enables Mercantil Holding Financiero Internacional SA to strengthen its market position in the Panama main private banks. Capital Bank Inc is located in Panama City, Panama and provides commercial banking services.



In June 2022, VidaCaixa SAU de Seguros y Reaseguros, a subsidiary of CaixaBank SA, agreed to acquire a 81.3% majority stake in SA NOSTRA Compañía de Seguros de Vida SA from Caja de Seguros Reunidos Compañía de Seguros y Reaseguros SA for EUR262 million (US\$276.3 million). SA NOSTRA Compañía de Seguros de Vida SA is located in Palma de Mallorca, Balearic Islands, Spain and provides life insurance services.



In June 2022, First Bancorp signed a definitive merger agreement to acquire GrandSouth Bancorporation for US\$163.7 million in stock. Under the terms of the agreement, First Bancorp will issue 0.910 of its common stock for every share sought in GrandSouth Bancorporation. The acquisition complements First Bancorp's operations in South Carolina. First Bancorp's and GrandSouth Bancorporation is located in Greenville, South Carolina, United States and operates as a bank holding company.



In June 2022, JAB Holding Co SARL, a subsidiary of Agnaten SE, agreed to acquire the assets and business related to the global pet insurance operations of Fairfax Financial Holdings Ltd for CAD1.8 billion (US\$14 billion) in cash and debt notes. Under the terms of transaction, JAB Holding Co SARL would pay CAD1.5 billion (US\$1.2 billion) in cash and CAD326.8 million (US\$250 million) in debt notes to Fairfax Financial Holdings Ltd. The transaction includes Crum & Forster Pet Insurance Group and Pethealth Inc, including all of their worldwide operations. The acquisition expands JAB Holding Co SARL's presence in pet insurance industry. The acquired operations are located in Canada and United States and provides pet insurance services.



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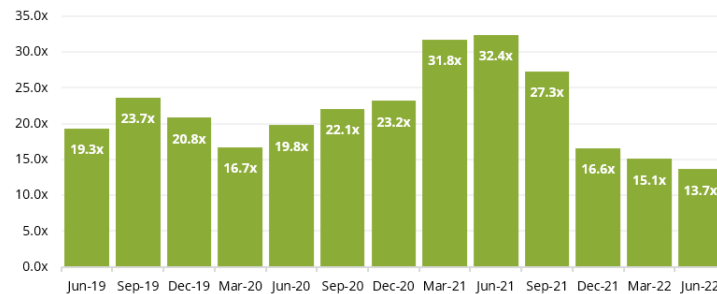
Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
06/29/22	Capital Bank, Inc.	Mercantil Holding Financiero Internacional SA	137	NA	NA
06/27/22	SA NOSTRA Compañía de Seguros de Vida SA	VidaCaixa SAU de Seguros y Reaseguros	340	NA	NA
06/21/22	GrandSouth Bancorporation	First Bancorp (North Carolina)	201	59	NA
06/20/22	Fairfax Financial Holdings Ltd/Global Pet Insurance Operations	JAB Holding Co. SARL	1,400	NA	NA
06/17/22	PBZ Card doo /Merchant Acquiring Business/	Nets Cee doo	189	NA	NA
06/17/22	Privredna Banka Zagreb dd /Payment Cards Unit/	Nexi Payments SpA	189	NA	NA
06/09/22	Huarong Xiangjiang Bank Co., Ltd.	Central Huijin Investment Ltd.; Hunan Chasing Financial Holding Group Co., Ltd.; Huarong Xiangjiang Bank Co. Ltd. / Private Group /	4,423	NA	NA
06/01/22	Bper Banca SpA /Italian Payment Unit/	Nexi SpA	411	NA	NA
05/30/22	PT Bank Maspion Indonesia Tbk	Kasikorn Vision Financial Co. Pte Ltd.	302	69	NA
05/26/22	Auto Services Group Ltd.	Goldenbridge Acquisition Ltd.	825	250	NA
05/24/22	PCSB Financial Corp.	Brookline Bancorp, Inc.	245	60	NA
05/23/22	Unicaja Banco SA /Insurance Subs/	Santa Lucía SA Compañía de Seguros y Reaseguros	756	NA	NA
05/19/22	First Heritage Credit LLC	CURO Group Holdings Corp.	140	NA	NA
05/04/22	Drummond Banking Co.	Seacoast Banking Corp. of Florida	173	NA	NA
04/10/22	Max It Finance Ltd.	Clal Insurance Enterprises Holdings Ltd.	816	NA	NA
04/01/22	Bancshares of Jackson Hole, Inc.	National Bank Holdings Corp.	230	NA	NA
(\$ in millions) Source: Factset					

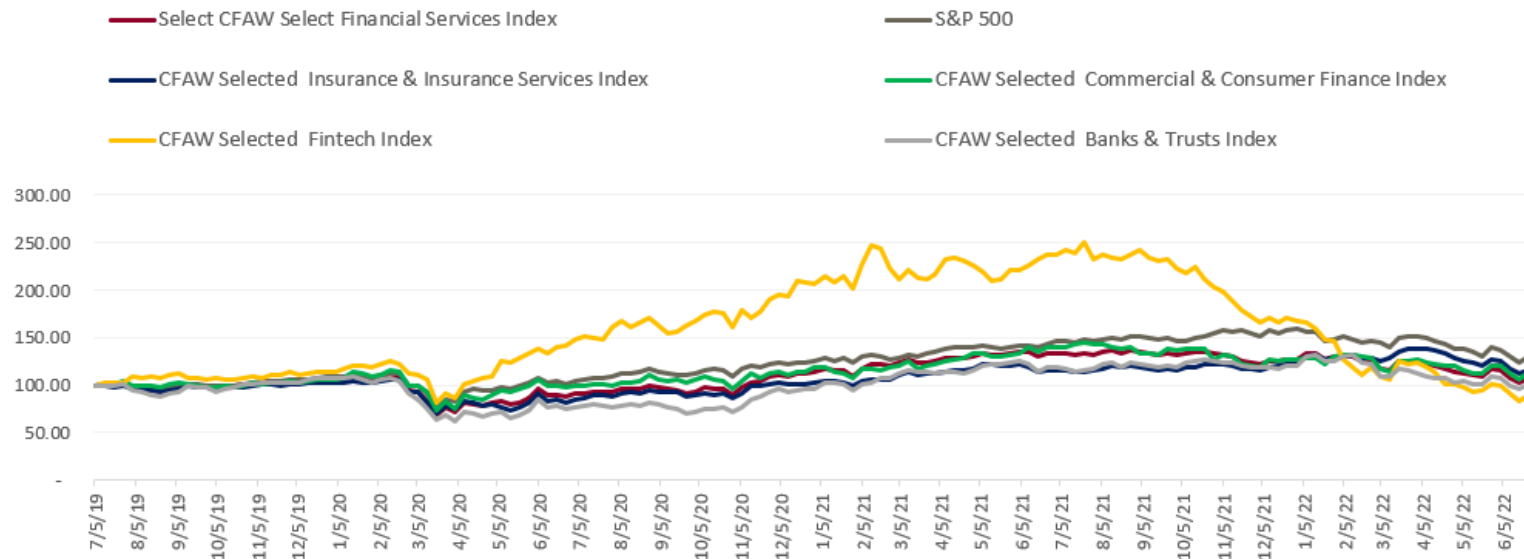
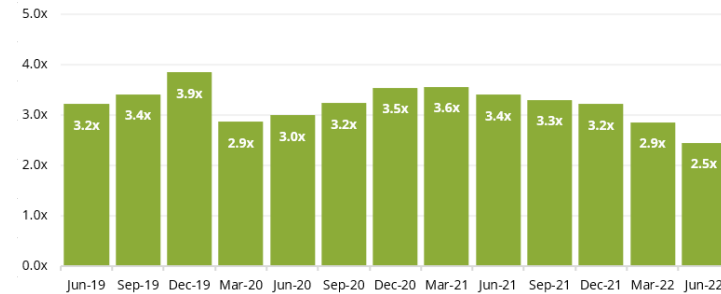
Industry Performance

CFAW Select Financial Services Index

CFAW Select Financial Services Index | Median EBITDA Multiples



CFAW Select Financial Services Index | Median Revenue Multiples

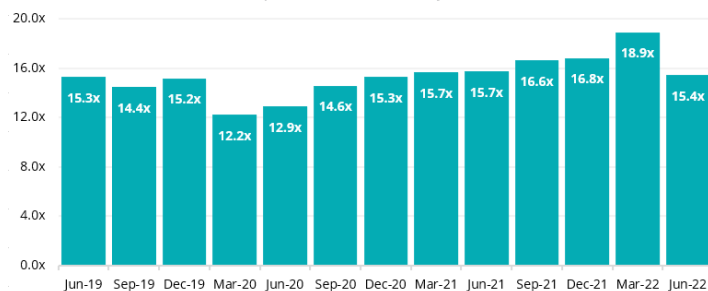


Source: FactSet

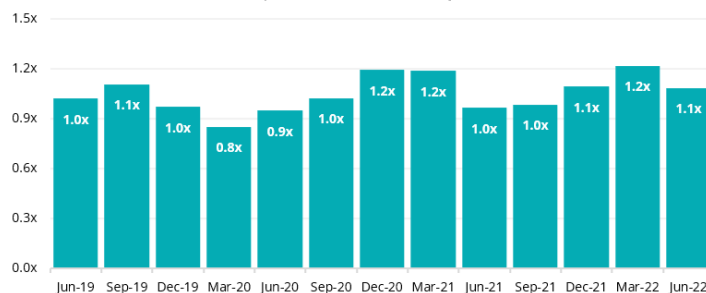
Public Comparables

Insurance & Insurance Services

Insurance & Insurance Services | Median EBITDA Multiples



Insurance & Insurance Services | Median Revenue Multiples



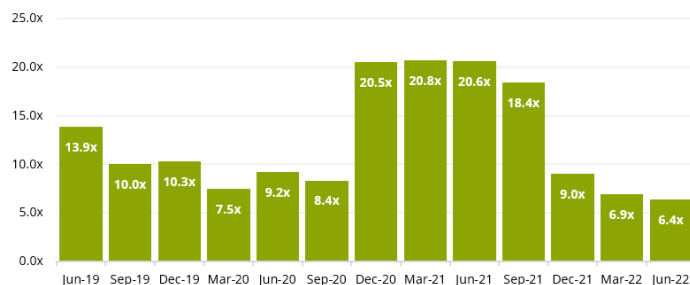
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Allianz SE	\$190.40	408	\$77,769	\$77,594	\$130,026	NA	0.6x	NM
Asia Financial Holdings Limited	\$0.44	939	\$413	\$36	\$217	NA	0.2x	NM
Aviva plc	\$4.87	2,803	\$13,659	\$9,014	\$43,984	NA	0.2x	NM
AXA SA	\$22.64	2,336	\$52,904	\$92,647	\$130,791	NA	0.7x	NM
Berkshire Hathaway Inc. Class B	\$273.02	1,286	\$351,036	\$630,276	\$282,305	\$45,594	2.2x	13.8x
China Life Insurance Co. Ltd. Class H	\$1.74	7,441	\$12,954	\$86,328	\$130,665	NA	0.7x	NM
Chubb Limited	\$196.58	424	\$83,293	\$99,622	\$40,618	NA	2.5x	NM
MetLife, Inc.	\$62.79	813	\$51,061	\$45,926	\$69,874	NA	0.7x	NM
ProAssurance Corporation	\$23.63	54	\$1,277	\$1,650	\$1,188	NA	1.4x	NM
Progressive Corporation	\$116.27	585	\$68,006	\$74,599	\$48,073	NA	1.6x	NM
Travelers Companies, Inc.	\$169.13	240	\$40,585	\$47,124	\$35,312	NA	1.3x	NM
Zurich Insurance Group Ltd	\$433.70	150	\$65,254	\$75,396	\$69,591	NA	1.1x	NM
Aon Plc Class A	\$269.68	212	\$57,276	\$67,609	\$12,340	\$3,966	5.5x	17.0x
Mean				\$100,602	\$76,537	\$24,780	1.4x	15.4x
Median				\$74,599	\$48,073	\$24,780	1.1x	15.4x

Source: FactSet

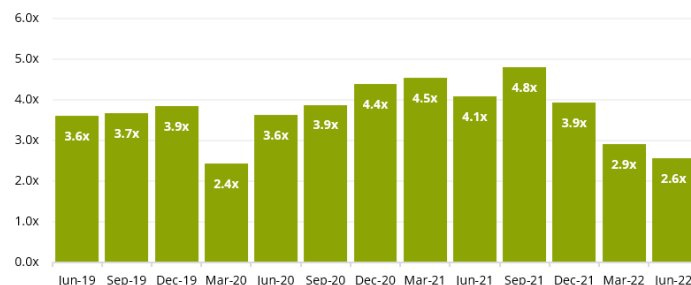
Public Comparables

Commercial & Consumer Finance

Commercial & Consumer Finance | Median EBITDA Multiples



Commercial & Consumer Finance | Median Revenue Multiples



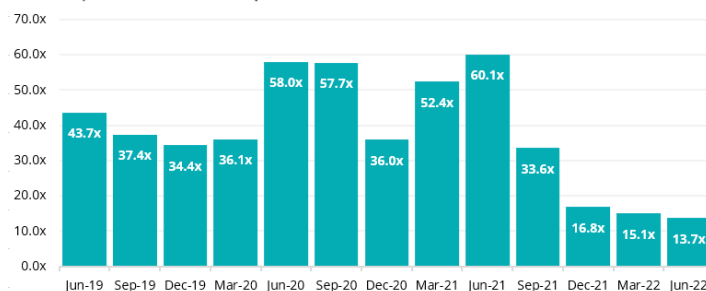
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Capital One Financial Corp	\$104.19	393	\$40,952	\$80,922	\$32,977	NA	2.5x	NM
Credit Acceptance Corporation	\$473.41	13	\$6,220	\$10,454	\$1,861	\$1,502	5.6x	7.0x
Discover Financial Services	\$94.58	281	\$26,574	\$35,119	\$13,034	NA	2.7x	NM
LendingClub Corp	\$11.69	102	\$1,195	\$580	\$1,044	\$383	0.6x	1.5x
OneMain Holdings, Inc.	\$37.38	125	\$4,680	\$21,069	\$5,026	\$3,647	4.2x	5.8x
SoFi Technologies Inc	\$5.27	916	\$4,826	\$9,697	\$1,441	(\$319)	6.7x	NM
LendingTree, Inc.	\$43.82	13	\$559	\$1,199	\$1,109	\$60	1.1x	19.9x
Sezzle Inc Shs Chess Depository Interests Repr 1 Sh	\$0.18	201	\$36	\$29	\$116	(\$85)	0.2x	NM
Visa Inc. Class A	\$196.89	1,646	\$324,026	\$418,732	\$26,937	\$18,958	15.5x	22.1x
Western Union Company	\$16.47	386	\$6,358	\$7,572	\$5,059	\$1,432	1.5x	5.3x
Mean				\$58,537	\$8,860	\$3,197	4.1x	10.2x
Median				\$10,076	\$3,443	\$908	2.6x	6.4x

Source: FactSet

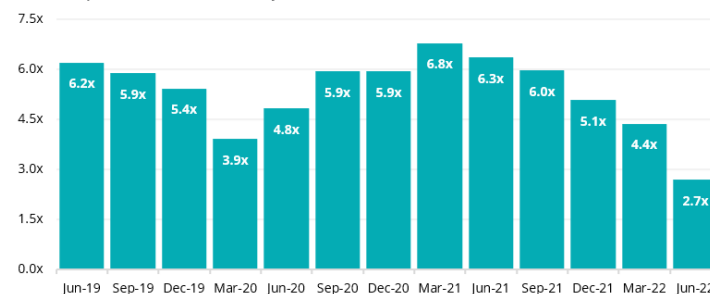
Public Comparables

Fintech

Fintech | Median EBITDA Multiples



Fintech | Median Revenue Multiples



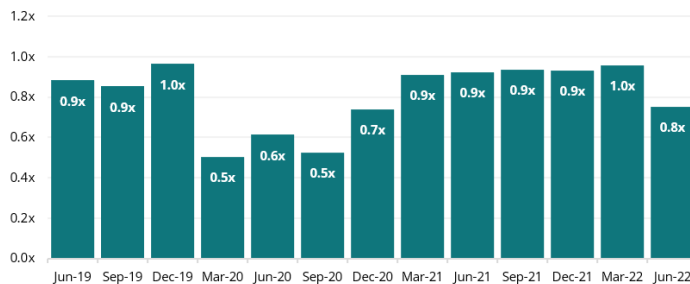
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Ally Financial Inc	\$33.51	323	\$10,825	\$32,008	\$10,885	NA	2.9x	NM
Live Oak Bancshares, Inc.	\$33.89	44	\$1,484	\$1,204	\$485	NA	2.5x	NM
China Binary New Fintech Group	\$0.01	480	\$5	(\$72)	\$6	(\$7)	NM	10.5x
Lexinfintech Holdings Ltd. Sponsored ADR Class A	\$2.23	135	\$300	\$762	\$1,782	\$533	0.4x	1.4x
Niyogin Fintech Ltd	\$0.53	94	\$50	\$30	\$9	\$0	3.4x	76.5x
Golden Rock Global PLC	\$0.21	19	\$4	\$4	\$0	(\$0)	NM	NM
Advantech Co., Ltd.	\$11.64	776	\$9,028	\$8,659	\$2,206	\$417	3.9x	20.8x
Block, Inc. Class A	\$61.46	519	\$31,886	\$35,845	\$16,565	\$475	2.2x	75.5x
Zuora, Inc. Class A	\$8.95	121	\$1,085	\$963	\$360	(\$63)	2.7x	NM
PayPal Holdings, Inc.	\$69.84	1,158	\$80,878	\$81,941	\$25,905	\$5,348	3.2x	15.3x
Fiserv, Inc.	\$88.97	646	\$57,510	\$78,587	\$16,609	\$5,752	4.7x	13.7x
PagSeguro Digital Ltd. Class A	\$10.24	200	\$2,045	\$4,257	\$2,184	\$684	1.9x	6.2x
StoneCo Ltd. Class A	\$7.70	280	\$2,158	\$2,613	\$605	(\$90)	4.3x	NM
CrowdWorks, Inc.	\$9.94	15	\$152	\$113	\$83	\$9	1.4x	12.9x
Mean				\$17,637	\$5,549	\$1,088	2.8x	25.9x
Median				\$1,908	\$1,193	\$213	2.8x	13.7x

Source: FactSet

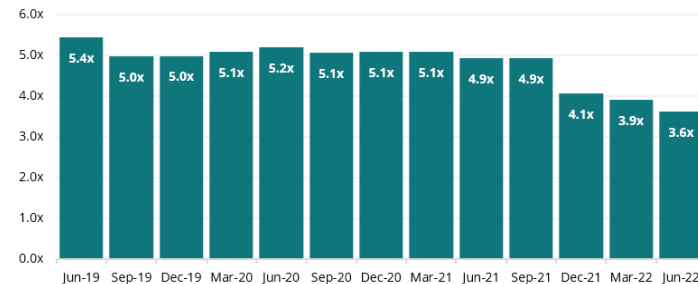
Public Comparables

Banks & Trusts

Banks & Trusts | Median Price / Book Value Multiples



Banks & Trusts | Median Revenue Multiples



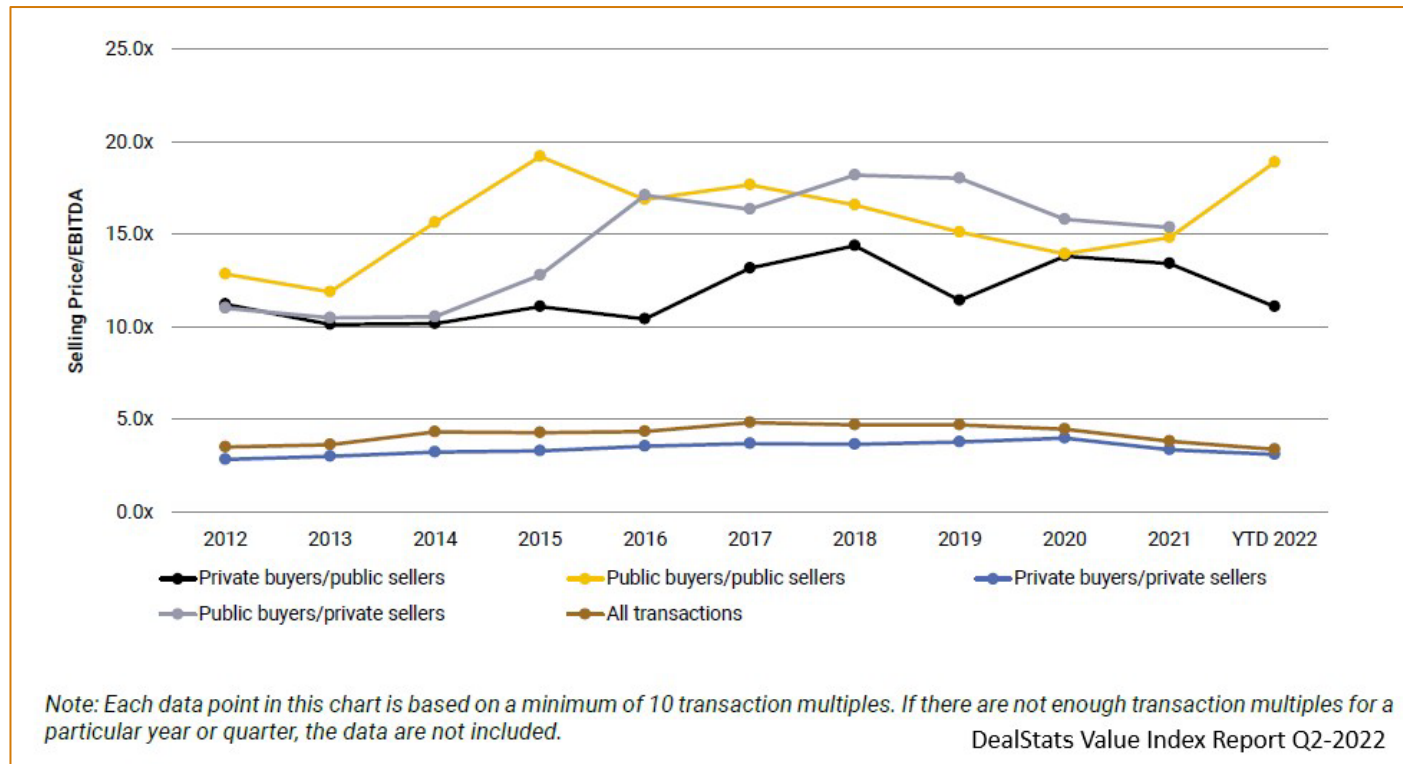
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Agricultural Bank of China Limited Class H	\$0.38	30,739	\$11,595	\$482,516	\$185,882	\$9,760	2.6x	49.4x
Barclays PLC	\$1.86	16,457	\$30,602	(\$281,974)	\$38,119	\$5,856	NM	NM
BNP Paribas S.A. Class A	\$47.43	1,234	\$58,540	\$484,632	\$127,425	\$9,770	3.8x	49.6x
Citizens Financial Group, Inc.	\$35.69	495	\$17,682	\$15,679	\$6,887	\$2,033	2.3x	7.7x
Credit Suisse Group AG	\$5.66	2,651	\$15,007	\$87,604	\$24,255	\$2,088	3.6x	42.0x
HSBC Holdings Plc	\$6.50	20,025	\$130,254	\$98,057	\$73,506	\$962	1.3x	101.9x
PNC Financial Services Group, Inc.	\$157.77	414	\$65,251	\$90,696	\$19,637	\$4,747	4.6x	19.1x
Royal Bank of Canada	\$96.62	1,402	\$135,477	\$311,358	\$45,234	\$13,096	6.9x	23.8x
Societe Generale S.A. Class A	\$21.84	837	\$18,282	\$164,726	\$60,689	\$2,386	2.7x	69.0x
State Street Corporation	\$61.65	367	\$22,633	\$39,850	\$11,352	\$2,801	3.5x	14.2x
Goldman Sachs Group, Inc.	\$297.02	343	\$102,011	\$650,582	\$58,321	\$22,782	11.2x	28.6x
Morgan Stanley	\$76.06	1,749	\$133,051	\$445,803	\$60,371	\$17,745	7.4x	25.1x
Citigroup Inc.	\$45.99	1,942	\$89,309	\$572,872	\$79,790	\$21,734	7.2x	26.4x
Mean				\$243,262	\$60,882	\$8,905	4.8x	38.1x
Median				\$164,726	\$58,321	\$5,856	3.7x	27.5x

Source: FactSet

Public vs. Private Comparables

Regardless of industry, publicly traded companies often trade at premium valuations to privately held companies. This is reflected in M&A transactions and can lead to unrealistic value expectations for some business owners. The chart below illustrates this variance and shows that the variance has been both long term and growing.

Transactions between private buyer and private seller tend to be small by comparison and thus do not benefit from a “size” premium that is associated with transactions in general. While this chart does not breakout private equity transactions, our analysis indicates those transactions usually fall between public and private and move closer to public as size increases.





About CFA

Who We Are / What We Do

Corporate Finance Associates (CFA) is an independent international investment banking firm serving middle-market businesses. For over 60 years Corporate Finance Associates has been advocating on behalf of business owners who are restructuring a company, either through divestiture, merger, acquisition or recapitalization. Combining the knowledge and leverage of a larger bank with the customer focused detail of a boutique firm, from inception to completion, our senior principals provide hands-on expertise to clients buying, selling or recapitalizing a business.

This Financial Services Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.



Sell-Side Advisory

Whether as a divestiture strategy or a recapitalization strategy selling all or part of a business requires equal parts creative thinking, critical analysis, expert advice, sound planning and flawless execution. Having the right team of investment banking professionals working for you is critical to ensure success.



Capital Markets

Our commitment to remaining independent from any investment or lending affiliates ensures that we deliver unbiased guidance. It also promotes maximum competition among lending sources, helping to fully leverage value for our clients. Our role is to help you raise the type of capital that best fits your needs.



Buy-Side Advisory

Growth through acquisition is a complex process. It involves strategy, planning, critical analysis, coordination and negotiation. When you want to take advantage of the fast growth offered by a consolidation or roll-up, CFA's broad reach, sources of financing and efficient closings can help you achieve your business growth goals.



Financial Advisory

Now that you have made the decision to raise capital for your business, choosing the right investment banker is critical. Whether you are buying out a partner, financing an acquisition or seeking growth capital, CFA is the right choice to help you achieve your financing goals.



Exit Planning

Every business will ultimately undergo a transfer via sale or merger, a charitable donation, a transfer to a child or relative or even bankruptcy, liquidation or death. Every ownership transfer carries with it a unique set of consequences and the best consequences usually begin with a clearly defined exit plan.



Business Valuation

"What is my business worth" is a question we often hear from business owners contemplating a business sale, merger or recapitalization. Answering this question depends on many factors, including the business valuation methods that are employed in the calculation.

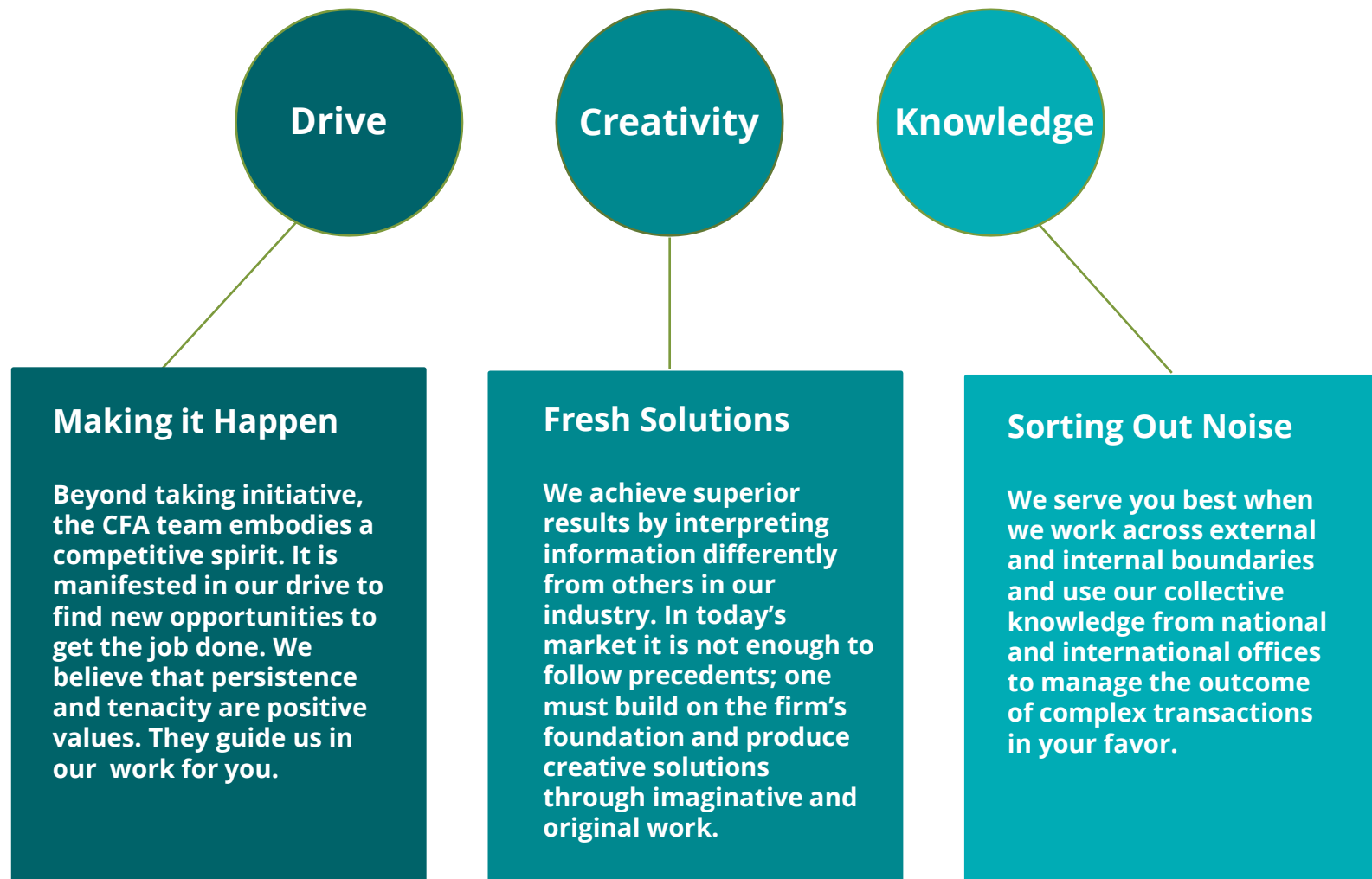
Local Service, Global Reach

Where We Are

With offices across the USA and in Austria, Belgium, France, Germany, Hong Kong, India, Ireland, Italy, Mexico, Netherlands, Spain, Switzerland and the United Kingdom providing middle-market companies with a wide range of M&A, financial advisory services and access to capital resources.

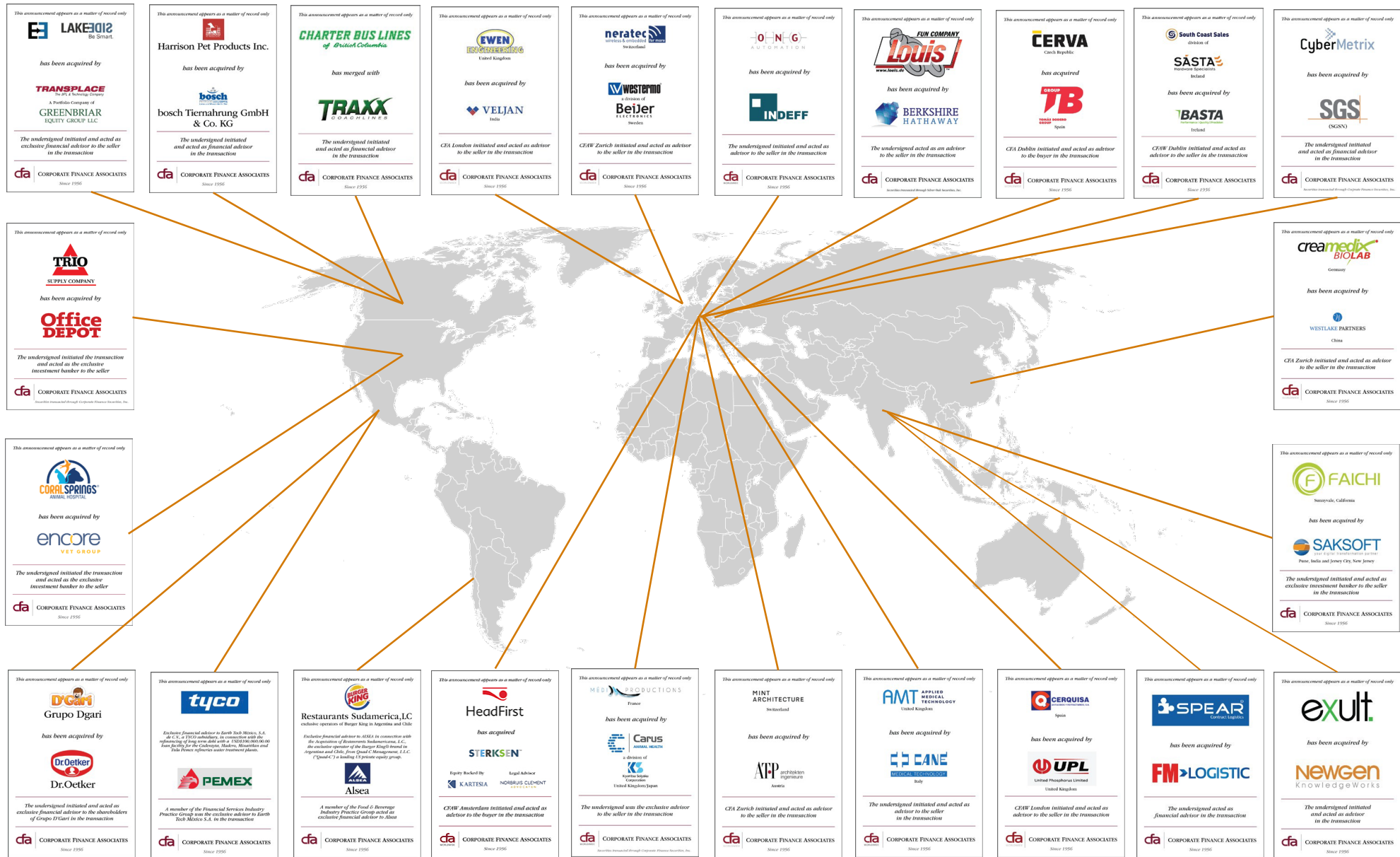


Delivering Results



Founded in 1956 • 70 Managing Directors • 37 Offices Worldwide • Billions in M&A Transactions

Worldwide Transactions



Industry Practice Groups

Financial Services



The Financial Services practice group is a multi-disciplinary team of investment banking advisors within Corporate Finance Associates. Collectively, the Financial Services Practice Group advises companies in all sectors of the animal health industry regarding mergers, acquisitions, recapitalizations, and financial resources. This Practice Group is comprised of advisors with extensive experience working with companies in the financial services industry. We specialize in advising middle market companies in the following sectors:

- Asset Management
- Banks and Thrifts
- Financial Technology
- Insurance Companies
- Mortgage Finance Companies
- Specialty Commercial and Consumer Finance Companies

Whether you want to acquire, merge, sell, or finance, let CFA's industry knowledge, international resources and proven dealmaking skills work for you. We research, identify, qualify, advocate, negotiate and help steer you through the mine fields of due diligence to maximize your value and secure your objective.

Aerospace/Defense/Government
Agriculture
Animal Health
Business Services
Commercial Real Estate
Consumer Retail
Energy
Engineering/Construction
Financial Services & FinTech
Food/Beverage
Healthcare/Life Sciences
Industrials
Metal Fabrication
Print/Packaging
Semiconductors
Technology/Media/Telecom
Transportation/Logistics/Supply Chain
Wholesale Distribution

Select Industry Transactions

This announcement appears as a matter of record only



*has received \$65 million
in financing from*



*The undersigned initiated
and acted as financial advisor
in the transaction*

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



has been acquired by



*The undersigned acted as investment
banker for the shareholders of
Integrity Payment Systems*

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Silver Oak Securities, Inc.

This announcement appears as a matter of record only



has been acquired by



*The undersigned initiated
and acted as financial advisor
in the transaction*

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

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has been acquired by



*The undersigned initiated
and acted as the exclusive investment banker
for the seller in the transaction*

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Silver Oak Securities, Inc.

This announcement appears as a matter of record only



*has received capital for acquisitions
and growth from*



**Goldman Sachs Specialty
Lending Services**

*The undersigned initiated and acted as the
exclusive investment banker
for the borrower*

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Colorado Financial Service Corporation

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has been acquired by



*CEA London initiated and acted as advisor
to the seller in the transaction*

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has acquired



*CFAW Zurich initiated and acted as advisor
to the buyer in the transaction*

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**Banco Compartamos
Micro Insurance Division**

*Exclusive financial advisor to the founders and
shareholders of Grupo CP, the largest independent
insurance broker in Mexico, in connection with the
acquisition of the micro insurance business of Banco
Compartamos / renamed as Aternia.*



Grupo CP, S.A. de C.P.

*A Member of the Financial Services Industry
Practice Group was the exclusive financial
advisor to Grupo CP in the transaction*

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956