

Financial Services

INDUSTRY REPORT

Winter | 2024

CREATING
M&A STRATEGIES
FOR BUSINESS OWNERS

SINCE 1956





Table of Contents

Market Observations	3
Transaction Highlights	10
Public Companies	13
CFA Overview	20



Market Observations

Market Summary

Financial Services Market

The financial services industry has navigated a complex landscape in recent years, encountering increased regulatory scrutiny, digital disruption, and the emergence of new competitors, all against the backdrop of historically low interest rates. Despite facing liquidity challenges and occasional bank failures in recent months, the industry now appears to be benefiting from a more favorable environment. The past 18 months have marked a notable upturn, with global banking experiencing its most prosperous period since 2007, propelled by rising interest rates that have bolstered profits amidst a more accommodating credit climate. Beneath the surface, significant transformations are underway, with traditional banking institutions witnessing a shift of balance sheets and transactions towards nontraditional entities and capital-light markets. Notably, the majority of the net increase in financial funds between 2015 and 2022 found its place outside banking balance sheets, signaling a tipping point for the industry's traditional core. The recent resurgence in the banking sector, fueled by a substantial increase in interest rates, has significantly improved net interest margins and profitability. However, this growth has been accompanied by volatility, leading to the collapse or rescue of notable banks in various regions. Performance disparities among financial institutions highlight the increasing importance of operational excellence and strategic decision-making in an evolving landscape. Looking ahead, the future of financial institutions will be shaped by macroeconomic shifts, technological advancements, regulatory changes, and evolving risk landscapes. The ongoing Great Banking Transition underscores the imperative for banks to adapt, innovate, and potentially pursue mergers and acquisitions to thrive in this changing environment.

Public Company Valuations

The CFA Select Financial Services Index went up by 12.2% in the fourth quarter of 2023 from Q3 2023 and the 12 months return on the Index increased by 15.0%. Our index for each of the subsector in this industry increased in the fourth quarter of 2023. Fintech Index outperformed all other indices with 23.3% increase in the fourth quarter of 2023, while Insurance and Insurance Services Index increased the least at 5.8%. Fintech Index had the highest median EBITDA multiple with 17.2x. However, Banks & Trusts had the highest median revenue multiple with 4.3x. Banks and Trust Index had the lowest EBITDA multiple of 1.1x and Insurance and Insurance Services Index had the lowest Revenue multiple of 1.3x. Insurance & Insurance Services had median EBITDA multiple with 16.1x while Commercial and Consumer Finance Index stood at 8.1x. Commercial & Consumer Finance and Fintech Index had median revenue multiples of 2.0x and 2.3x respectively.

“

The financial services index grew at 12.2% in fourth quarter of 2023...

Mergers and Acquisitions

The M&A transactions in the global financial services has declined in the fourth quarter of 2023. Looking back, many financial services (FS) dealmakers approached 2024 with cautious optimism, citing 2023 as a subdued period due to macroeconomic uncertainties such as high inflation, rising interest rates, and sluggish economic growth, which dampened M&A activity. Despite ongoing challenges, recent market improvements and positive indications on interest rates from central banks are gradually restoring investor confidence. Amidst pressures for digitalization, sustainability, and addressing workforce challenges, FS entities are accelerating transformation efforts to stay competitive. M&A remains crucial for this transformation, with strategies including acquisitions to enhance capabilities and divestitures to streamline operations. However, stringent regulations and risk aversion pose additional challenges for successful execution.

Industry Trends

Generative AI in Fintech

In 2023, one of the most significant technological advancements was the emergence of generative AI, which has transformed the financial sector and is poised to continue its influence in the year ahead. This advancement has spurred innovations in fintech, particularly in the application of generative AI to chatbots within banking technology, such as apps and online money services, potentially opening up new revenue streams. Generative AI has revolutionized financial planning and investment management by enabling personalized solutions tailored to individual needs and preferences. For instance, in the insurance sector, AI's ability to analyze data trends facilitates the creation of personalized products, leading to more accurate risk assessments and potentially reducing insurance costs for individuals. This trend is expected to be a driving force of change within the financial services industry, with major players like Bank of America, Wells Fargo, BlackRock, and Citigroup already investing in projects centered around generative AI. As this technology continues to evolve, anticipate further advancements in tailored financial services and investment strategies, leveraging the capabilities of generative models such as those powering ChatGPT.

Navigating the changing contours of the global economy using adaptive strategies

In 2024, the banking industry faces a daunting landscape shaped by a slowing global economy and diverse economic conditions, posing new challenges to revenue generation and cost management. A multitude of disruptive factors, including higher interest rates, tightened money supply, stringent regulations, climate concerns, and geopolitical tensions, are fundamentally altering the industry's structure. The rapid evolution of technology and the convergence of various trends are reshaping banks' operations and customer service approaches. Notably, the influence of generative AI, industry convergence, embedded finance, open data, digitization of currency, decarbonization efforts, digital identity, and fraud prevention is set to expand throughout the year. While banks maintain a solid foundation, their revenue models face scrutiny, necessitating the exploration of new value sources in a capital-constrained environment. Adaptation is imperative, particularly for investment banking and sales and trading sectors, which must contend with emerging competitive dynamics such as the rise of private capital. Recent shocks in early 2023 have prompted a revaluation of strategies across the industry, with bank leaders focusing on proposed regulatory reforms while simultaneously striving to evolve business models to meet evolving market demands.



Regulatory Challenges and Hybrid Cloud Adoption in Financial Services

As new technologies continue to emerge, they present both opportunities and challenges, particularly in navigating regulatory and compliance landscapes. Cloud computing, for instance, is expected to witness increased adoption throughout the year as organizations recognize the advantages of accessing infrastructure, applications, and servers via the internet on an as-needed basis. However, the proliferation of new technology, including the expansion of AI, raises concerns regarding personal data and privacy, prompting shifts in regulatory frameworks within the financial services sector. The trend toward hybrid cloud models for managing workloads and compliance tasks is likely to gain momentum among organizations. It's crucial to differentiate between hybrid cloud adoption as a default approach and intentionally designing a hybrid cloud infrastructure for optimal efficiency, functionality, and scalability. Therefore, financial institutions must remain vigilant in monitoring digital transformations and ensuring seamless integrations to support growth and enhance competitiveness within a carefully curated hybrid cloud environment.

Significant News

JPMorgan to expand payments, corporate banking services in Abu Dhabi

Reuters, November 27, 2023

"JPMorgan, said on Monday it is expanding its payments and corporate banking businesses in Abu Dhabi, the capital of the United Arab Emirates (UAE), after getting a nod from regulators. The UAE is vying with Saudi Arabia to be the go-to destination for economic activity, with the region gradually moving away from its reliance on oil. The Financial Services Regulatory Authority has granted in-principle approval to JPMorgan to upgrade its license to category one, the bank said."

[Read More >](#)

China's ICBC, the world's biggest bank, hit by cyberattack that reportedly disrupted Treasury markets

CNBC, November 10, 2023

"The U.S. financial services division of Chinese bank ICBC was hit with a cyberattack that reportedly disrupted the trading of Treasuries. Industrial and Commercial Bank of China, the world's largest lender by assets, said Thursday that its financial services arm, called ICBC Financial Services, experienced a ransomware attack "that resulted in disruption to certain" systems."

[Read More >](#)

LSEG to unify Global Finance Operations on Oracle Cloud

Oracle, October 26, 2023

"LSEG (London Stock Exchange Group), a leading global financial markets infrastructure and data provider, has selected Oracle Cloud to transform its finance operations. With Oracle Fusion Cloud and Oracle Financial Services Applications running on a unified platform, LSEG will be able to increase efficiency, reduce costs, and improve its financial planning, forecasting, and controls."

[Read More >](#)

M&A Metrics

Financial Services Industry

The M&A activity in the Financial Services industry decreased in Q4 2023. The number of M&A transactions decreased from 503 in Q3 2023 to 406 in Q4 2023. The number of sub-\$50 million transactions decreased from 464 in Q3 2023 to 362 in Q4 2023. The number of transactions above \$100 million increased from 32 in Q3 2023 to 35 in Q4 2023. The total number of M&A transactions decreased by 23.3% year on year from 529 in Q4 2022 to 406 in Q4 2023.



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

Transaction Value	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Not Disclosed	470	479	426	414	321
Under \$10 MM	38	29	32	31	26
\$10 - \$25 MM	6	7	11	9	7
\$25 - \$50 MM	7	15	8	10	8
\$50 - \$100 MM	3	11	7	7	9
\$100 - \$500 MM	3	11	19	21	22
\$500 MM+	2	10	6	11	13
Total Transactions	529	562	509	503	406

Source: FactSet

Industry Metrics

Industry Financial Data and Ratios

NAICs 5221 - Depository Credit Intermediation

Financial Metric	Last12 Mo	2023	2022
Current Ratio	2.57	2.57	2.91
Gross Profit Margin	77.79%	77.79%	89.86%
Net Profit Margin	2.88%	2.88%	12.50%
Accounts Receivable Days	482.38	482.38	606.41
Accounts Payable Days	5176.84	5176.84	1749.52
Debt-to-Equity Ratio	6.42	6.42	8.72
Return on Equity	3.47%	3.47%	7.95%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	36.61%	36.61%	13.59%
Profit Growth	-82.30%	-82.30%	4.36%

NAICs 5223 - Activities Related to Credit Intermediation

Financial Metric	Last12 Mo	2023	2022
Current Ratio	2.51	2.51	3.12
Gross Profit Margin	91.62%	91.62%	90.45%
Net Profit Margin	-0.68%	-0.68%	10.00%
Accounts Receivable Days	133.31	133.31	75.7
Accounts Payable Days	48.1	48.1	109.8
Debt-to-Equity Ratio	3.54	3.54	3.21
Return on Equity	11.27%	11.27%	22.47%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	10.33%	10.33%	-2.13%
Profit Growth	-20.07%	-20.07%	-9.14%

Source: Profit Cents

NAICs 5222 - Nondepository Credit Intermediation

Financial Metric	Last12 Mo	2023	2022
Current Ratio	2.84	2.84	3.53
Gross Profit Margin	92.67%	92.65%	92.41%
Net Profit Margin	11.36%	11.45%	20.67%
Accounts Receivable Days	824.64	823.39	778.06
Accounts Payable Days	73.25	73.12	54.12
Debt-to-Equity Ratio	4.92	4.97	4.44
Return on Equity	12.59%	12.59%	20.97%
Sales per Employee	\$54,513	\$54,513	\$135,376
Profit per Employee	\$1,894	\$1,894	\$2,086
Sales Growth	-4.79%	-4.79%	1.19%
Profit Growth	14.51%	14.51%	4.60%

NAICs 5231 - Securities & Commodity Contracts Intermediation & Brokerage

Financial Metric	Last12 Mo	2023	2022
Current Ratio	4.09	4.09	2.92
Gross Profit Margin	88.12%	88.12%	86.53%
Net Profit Margin	34.31%	34.31%	17.16%
Accounts Receivable Days	46.24	46.24	81.59
Accounts Payable Days	178.21	178.21	400.96
Debt-to-Equity Ratio	3.58	3.58	2.72
Return on Equity	60.59%	60.59%	43.25%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	--	--	0.87%
Profit Growth	--	--	16.59%

Industry Metrics

Industry Financial Data and Ratios

NAICs 5239 - Other Financial Investment Activities

Financial Metric	Last12 Mo	2023	2022
Current Ratio	4.41	4.41	5.33
Gross Profit Margin	92.42%	92.42%	94.37%
Net Profit Margin	30.50%	30.50%	24.60%
Accounts Receivable Days	183.94	183.94	130.93
Accounts Payable Days	26.68	26.68	30.41
Debt-to-Equity Ratio	1.59	1.59	2.13
Return on Equity	29.95%	29.95%	35.67%
Sales per Employee	\$257,015	\$257,015	\$241,303
Profit per Employee	\$67,229	\$67,229	\$54,196
Sales Growth	7.07%	7.07%	10.78%
Profit Growth	33.82%	33.82%	9.43%

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

Financial Metric	Last12 Mo	2023	2022
Current Ratio	3.58	3.58	3.44
Gross Profit Margin	96.46%	96.46%	97.59%
Net Profit Margin	16.22%	16.22%	16.34%
Accounts Receivable Days	28.6	28.6	27.11
Accounts Payable Days	60.63	60.63	36.62
Debt-to-Equity Ratio	3.4	3.4	3.32
Return on Equity	65.46%	65.46%	67.21%
Sales per Employee	\$208,913	\$208,913	\$162,927
Profit per Employee	\$86,284	\$86,284	\$30,952
Sales Growth	3.60%	3.60%	12.67%
Profit Growth	36.73%	36.73%	12.13%

Source: Profit Cents

NAICs 5241 - Insurance Carriers

Financial Metric	Last12 Mo	2023	2022
Current Ratio	2.91	2.91	3.09
Gross Profit Margin	81.97%	81.97%	88.78%
Net Profit Margin	9.52%	9.52%	16.69%
Accounts Receivable Days	253.27	253.27	137.47
Accounts Payable Days	50.57	50.57	273.24
Debt-to-Equity Ratio	4.21	4.21	4.55
Return on Equity	10.15%	10.15%	35.68%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	10.98%	10.98%	7.90%
Profit Growth	22.08%	22.08%	0.30%

NAICs 5259 - Other Investment Pools and Funds

Financial Metric	Last12 Mo	2023	2022
Current Ratio	11.63	11.63	9.26
Gross Profit Margin	92.60%	92.60%	91.65%
Net Profit Margin	36.79%	36.79%	32.56%
Accounts Receivable Days	307.57	307.57	521.62
Accounts Payable Days	70.61	70.61	48.36
Debt-to-Equity Ratio	1.58	1.58	1.93
Return on Equity	17.67%	17.67%	19.78%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	6.46%	6.46%	9.95%
Profit Growth	-34.66%	-34.66%	21.64%



Transaction Highlights

Notable Transactions



In December 2023, **Confie Seguros Holding II Co**, a subsidiary of Alliant Insurance Services Inc, acquired **Acceptance Insurance Agency** of Tennessee Inc from First Acceptance Corp for US\$120 million in cash and contingent payout. Under the terms of transaction, Confie Seguros Holding II Co paid US\$75 million in cash and US\$45 million in contingent payout to Acceptance Insurance Agency of Tennessee Inc. This acquisition broadens the Confie customers base and also enhances its retail presence to over 1,250 stores. Acceptance Insurance Agency of Tennessee Inc is located in Nashville, Tennessee, United States and provides insurance services. The deal effective December 1, 2023.



In November 2023, Terre Haute, Ind.-based **First Financial Corp.** announced the acquisition of Dayton, Tenn.-based **Simply Bank** for \$73.4 million. With the merger, First Financial will enter Georgia with three branches and will expand in Tennessee by nine branches. According to Raymond James analyst David Long, First Financial's acquisition of Simply Bank is "an excellent strategic play" as it expands the bank's foothold into higher-growth southeastern Tennessee and northern Georgia markets.



In October 2023, **Canadian Tire Corp Ltd** acquired remining 20% stake not already owned in Canadian Tire Financial Services Ltd from **The Bank of Nova Scotia** for CAD895 million (US\$647.2 million) in cash. The transaction funded through the Canadian Tire Corp Ltd's existing short-term funding channels, supplemented by a \$400 million, 18-month term loan from Desjardins Capital Markets. The acquisition expands Canadian Tire Corp Ltd's business offering and is expected to be accretive to normalized earnings in 2024. Canadian Tire Financial Services Ltd is located in Oakville, Ontario, Canada and provides credit cards and credit insurance services.



In October 2023, **Ohio Mutual Insurance Group**, a subsidiary of Ohio Mutual Insurance Co, agreed to acquire **United Mutual Insurance Co** for an undisclosed amount. The acquisition expands and diversifies Ohio Mutual Insurance Group's geographic footprint, adding Wisconsin to its market. Founded in 1878, United Mutual Insurance Co is located in Medford, Wisconsin, United States and provides fire, marine and casualty insurance services. The deal was expected to close in the third quarter of 2023, subject to regulatory approval and a vote of United Mutual policyholders.



The logos shown on this page are property of the respective owners

Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
29-Dec-2023	Power Funding Ltd.	Fourshore Partners	-	-	-
27-Dec-2023	Candy Insurance Agency	CREST Insurance Group LLC	-	-	-
21-Dec-2023	Bellegrove Mortgage Services Ltd.	Fairstone Group Ltd.	-	-	-
18-Dec-2023	Kemp Family Office Services LLC	Acadian Capital Research LLC	-	-	-
18-Dec-2023	Priority Postal Credit Union	Essential Credit Union (Louisiana)	-	-	-
14-Dec-2023	Flagler Bank (Florida)	Dort Financial Credit Union	-	-	-
14-Dec-2023	Griggs Nelson Mutual Insurance Co.	Walsh County Mutual Insurance Co.	-	-	-
05-Dec-2023	Professional Financial Specialists, Inc.	HUB International Ltd.	-	-	-
04-Dec-2023	Acceptance Insurance Agency of Tennessee, Inc.	Confie Seguros Holding II Co.	120.00	-	-
01-Nov-2023	Trustar Mortgage LLC	Archer Mortgage LLC	-	-	-
31-Oct-2023	Canadian Tire Financial Services Ltd.	Canadian Tire Corp. Ltd.	3,236.07	-	-
30-Oct-2023	North Easton Savings Bank	North Easton Savings Bank /Private Group/; 1864 Bancorp MHC; 1864 Bancorp, Inc.	-	-	-
19-Oct-2023	FirstCoin ATM LLC	RockItCoin LLC	-	-	-
17-Oct-2023	Atlantic-Pacific Processing Systems, Inc.	Fattmerchant, Inc.	-	-	-
17-Oct-2023	The Pacific Underwriters Corp.	Brown & Brown, Inc.	-	-	-
02-Oct-2023	Align Wealth Management LLC (Old)	Warburg Pincus LLC; Hellman & Friedman LLC; Edelman Financial Engines LLC	-	-	-
01-Oct-2023	Farmington Mutual Insurance Co.	Ohio Mutual Insurance Group, Inc.	-	-	-
01-Oct-2023	Partners Financial Federal Credit Union	Argent Federal Credit Union	-	-	-
(\$ in millions)	Source: Factset				

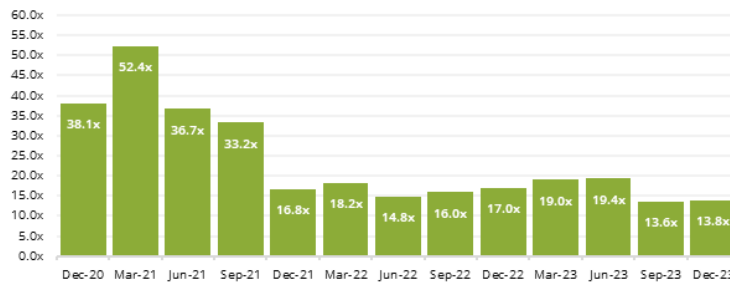


Public Companies

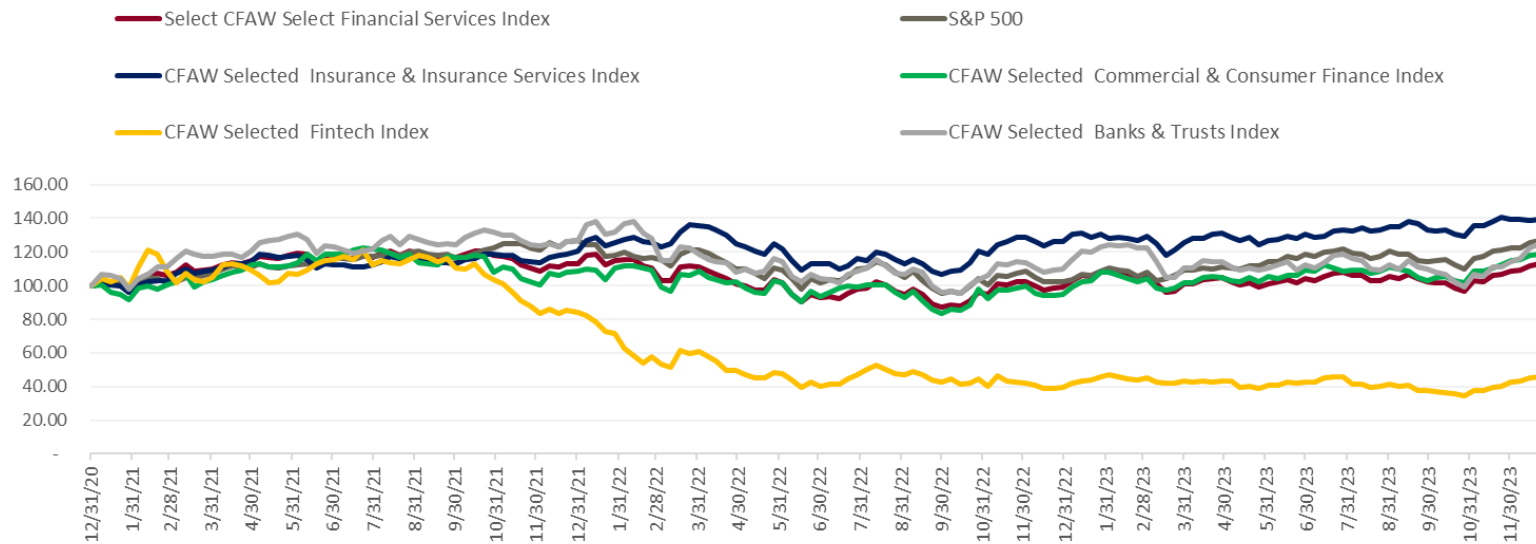
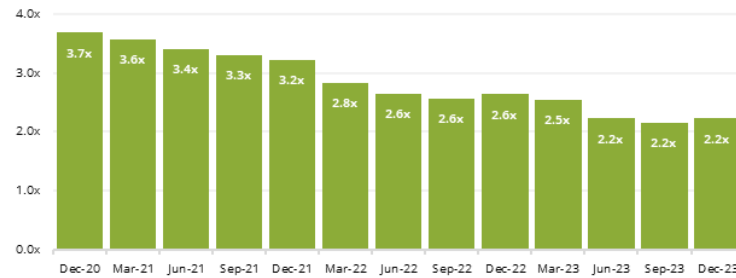
Industry Performance

CFAW Select Financial Services Index

CFAW Select Financial Services Index | Median EBITDA Multiples



CFAW Select Financial Services Index | Median Revenue Multiples

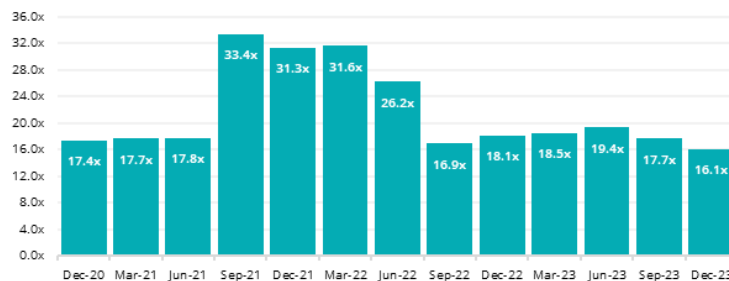


Source: FactSet

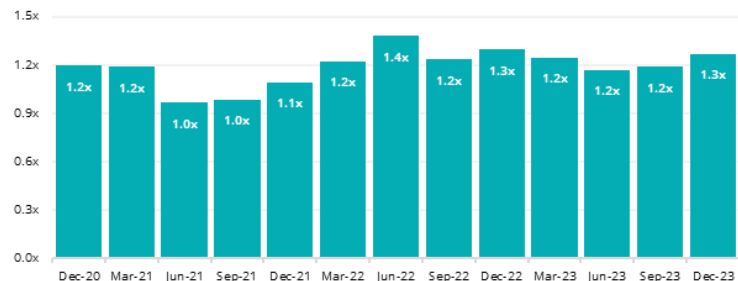
Public Comparables

Insurance & Insurance Services

Insurance & Insurance Services | Median EBITDA Multiples



Insurance & Insurance Services | Median Revenue Multiples



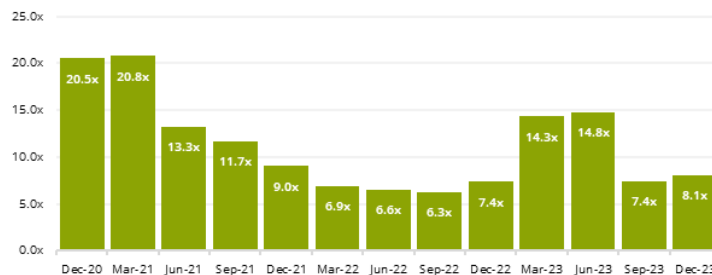
FactSet Identifier	Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
								Revenues	EBITDA
ALV-DE	Allianz SE	\$267.27	392	\$104,695	\$143,618	\$113,872	-	1.3x	
662-HK	Asia Financial Holdings Limited	\$0.45	929	\$422	\$206	\$291	-	0.7x	
AV-GB	Aviva plc	\$5.54	2,739	\$15,181	(\$492)	\$72,213	-	NM	
CS-FR	AXA SA	\$32.58	2,269	\$73,925	\$115,650	\$98,412	-	1.2x	
BRK.B-US	Berkshire Hathaway Inc. Class B	\$356.66	1,308	\$466,659	\$875,099	\$395,950	-	2.2x	
05TJSW-E	China Life Insurance Co. Ltd. Class H	\$1.30	7,441	\$9,644	\$34,451	\$66,432	-	0.5x	
CB-US	Chubb Limited	\$226.00	408	\$92,206	\$112,497	\$48,225	-	2.3x	
MET-US	MetLife, Inc.	\$66.13	740	\$48,949	\$53,721	\$64,193	-	0.8x	
PRA-US	ProAssurance Corporation	\$13.79	51	\$703	\$1,084	\$1,135	-	1.0x	
PGR-US	Progressive Corporation	\$159.28	585	\$93,185	\$100,428	\$58,661	-	1.7x	
TRV-US	Travelers Companies, Inc.	\$190.49	228	\$43,508	\$50,946	\$40,064	-	1.3x	
ZURN-CH	Zurich Insurance Group Ltd	\$522.31	146	\$76,443	\$85,486	\$59,809	-	1.4x	
AON-US	Aon Plc Class A	\$291.02	200	\$58,267	\$69,471	\$13,170	\$4,314	5.3x	16.1x
Mean					\$126,320	\$79,418	\$4,314	1.6x	16.1x
Median					\$69,471	\$59,809	\$4,314	1.3x	16.1x

Source: FactSet

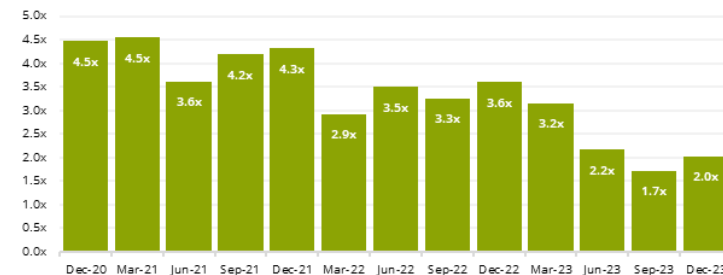
Public Comparables

Commercial & Consumer Finance

Commercial & Consumer Finance | Median EBITDA Multiples



Commercial & Consumer Finance | Median Revenue Multiples



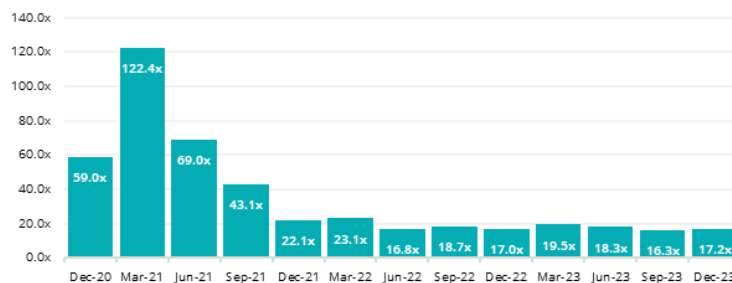
FactSet Identifier	Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
								Revenues	EBITDA
COF-US	Capital One Financial Corp	\$131.12	381	\$49,937	\$94,129	\$47,224	-	2.0x	
CACC-US	Credit Acceptance Corporation	\$532.73	13	\$6,695	\$11,190	\$1,870	\$1,382	6.0x	8.1x
DFS-US	Discover Financial Services	\$112.40	250	\$28,107	\$39,397	\$19,137	-	2.1x	
LC-US	LendingClub Corp	\$8.74	110	\$958	(\$297)	\$1,270	\$380	NM	NM
OMF-US	OneMain Holdings, Inc.	\$49.20	120	\$5,899	\$23,980	\$5,216	\$3,788	4.6x	6.3x
SOFI-US	SoFi Technologies Inc	\$9.95	959	\$9,539	\$12,490	\$2,597	\$734	4.8x	17.0x
TREE-US	LendingTree, Inc.	\$30.32	13	\$394	\$938	\$740	\$31	1.3x	30.3x
OG3PVL-E	Sezzle Inc. Shs Chess Depository Interests Repr 1 Sh	\$19.06	6	\$109	\$118	\$149	\$54	0.8x	2.2x
V-US	Visa Inc. Class A	\$260.35	1,583	\$412,010	\$523,178	\$32,653	\$22,960	16.0x	22.8x
WU-US	Western Union Company	\$11.92	364	\$4,343	\$5,489	\$4,390	\$994	1.3x	5.5x
Mean					\$71,061	\$11,525	\$3,790	4.3x	13.2x
Median					\$11,840	\$3,493	\$864	2.1x	8.1x

Source: FactSet

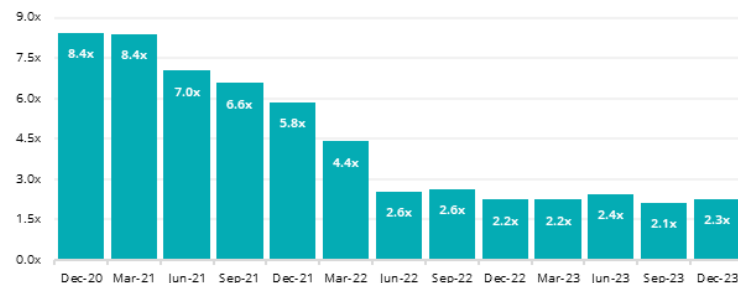
Public Comparables

Fintech

Fintech | Median EBITDA Multiples



Fintech | Median Revenue Multiples



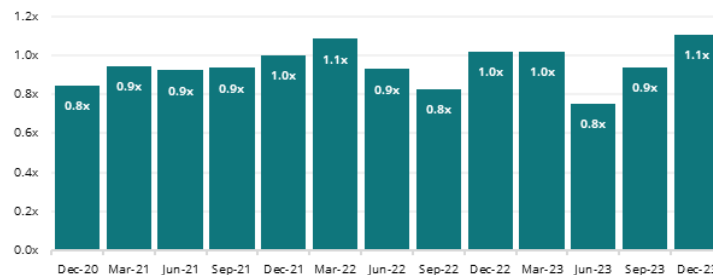
FactSet Identifier	Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
								Revenues	EBITDA
ALLY-US	Ally Financial Inc	\$34.92	302	\$10,533	\$34,280	\$15,319	-	2.2x	
LOB-US	Live Oak Bancshares, Inc.	\$45.50	44	\$2,024	\$1,515	\$749	-	2.0x	
AFRM-US	Affirm Holdings, Inc. Class A	\$49.14	242	\$11,898	\$18,911	\$1,723	(\$557)	11.0x	NM
0HMD8G-E	Lexinfintech Holdings Ltd. Sponsored ADR Class A	\$1.84	139	\$255	\$551	\$1,698	-	0.3x	
538772-IN	Niyogin Fintech Ltd	\$1.05	94	\$99	\$88	\$18	(\$1)	4.8x	NM
GCG-GB	Golden Rock Global PLC	\$0.04	23	\$1	\$1	\$0	(\$0)		NM
2395-TW	Advantech Co., Ltd.	\$12.12	858	\$10,397	\$9,911	\$2,146	\$436	4.6x	22.7x
SQ-US	Block, Inc. Class A	\$77.35	554	\$42,819	\$45,145	\$20,793	\$1,106	2.2x	40.8x
ZUO-US	Zuora, Inc. Class A	\$9.40	135	\$1,269	\$1,254	\$424	(\$38)	3.0x	NM
PYPL-US	PayPal Holdings, Inc.	\$61.41	1,078	\$66,209	\$65,898	\$28,882	\$5,685	2.3x	11.6x
FISV-US	Fiserv, Inc.	\$132.84	600	\$79,729	-	-	-		
PAGS-US	PagSeguro Digital Ltd. Class A	\$12.47	204	\$2,542	\$5,816	\$3,129	\$1,349	1.9x	4.3x
STNE-US	StoneCo Ltd. Class A	\$18.03	281	\$5,070	\$5,469	\$1,030	\$37	5.3x	146.4x
3900-JP	CrowdWorks, Inc.	\$8.98	16	\$139	\$106	\$95	\$9	1.1x	11.6x
Mean					\$14,534	\$5,847	\$803	3.4x	39.6x
Median					\$5,469	\$1,698	\$23	2.3x	17.2x

Source: FactSet

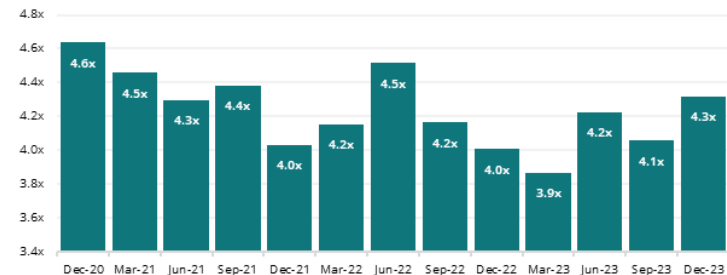
Public Comparables

Banks & Trusts

Banks & Trusts | Median Price / Book Value Multiples



Banks & Trusts | Median Revenue Multiples



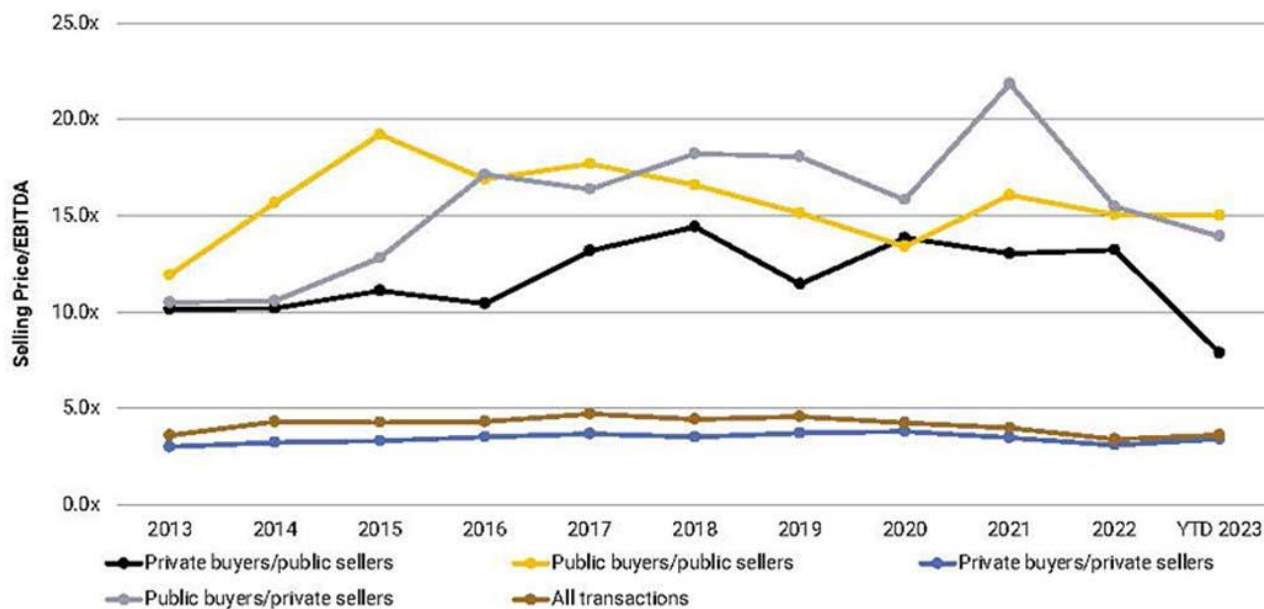
FactSet Identifier	Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
								Revenues	EBITDA
1288-HK	Agricultural Bank of China Limited Class H	\$0.39	30,739	\$11,849	\$691,212	\$187,446	\$9,760	3.7x	70.8x
BARC-GB	Barclays PLC	\$1.96	15,155	\$29,709	(\$223,244)	\$45,606	\$5,856	NM	NM
BNP-FR	BNP Paribas S.A. Class A	\$69.14	1,147	\$79,337	\$572,191	\$130,263	\$9,770	4.4x	58.6x
CFG-US	Citizens Financial Group, Inc.	\$33.14	466	\$15,451	\$19,651	\$11,981	\$2,033	1.6x	9.7x
UBS-US	UBS Group AG	\$30.90	3,462	\$106,979	\$277,132	\$60,517	\$2,088	4.6x	132.7x
HSBA-GB	HSBC Holdings Plc	\$8.10	19,247	\$155,931	\$205,611	\$93,711	\$962	2.2x	213.7x
PNC-US	PNC Financial Services Group, Inc.	\$154.85	398	\$61,683	\$131,216	\$30,623	\$4,747	4.3x	27.6x
RY-CA	Royal Bank of Canada	\$101.62	1,402	\$142,513	\$377,262	\$86,687	\$13,096	4.4x	28.8x
GLE-FR	Societe Generale S.A. Class A	\$26.54	803	\$21,310	\$131,127	\$56,603	\$2,386	2.3x	55.0x
STT-US	State Street Corporation	\$77.46	309	\$23,903	\$43,539	\$16,666	\$2,801	2.6x	15.5x
GS-US	Goldman Sachs Group, Inc.	\$385.77	326	\$125,804	\$722,566	\$103,106	\$22,782	7.0x	31.7x
MS-US	Morgan Stanley	\$93.25	1,641	\$153,052	\$502,306	\$91,276	\$17,745	5.5x	28.3x
C-US	Citigroup Inc.	\$51.44	1,914	\$98,450	\$651,823	\$147,935	\$21,734	4.4x	30.0x
Mean					\$315,569	\$81,725	\$8,905	3.9x	58.5x
Median					\$277,132	\$86,687	\$5,856	4.3x	30.9x

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.



Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.

DealStats Value Index Report Q4-2023



CFA Overview

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.



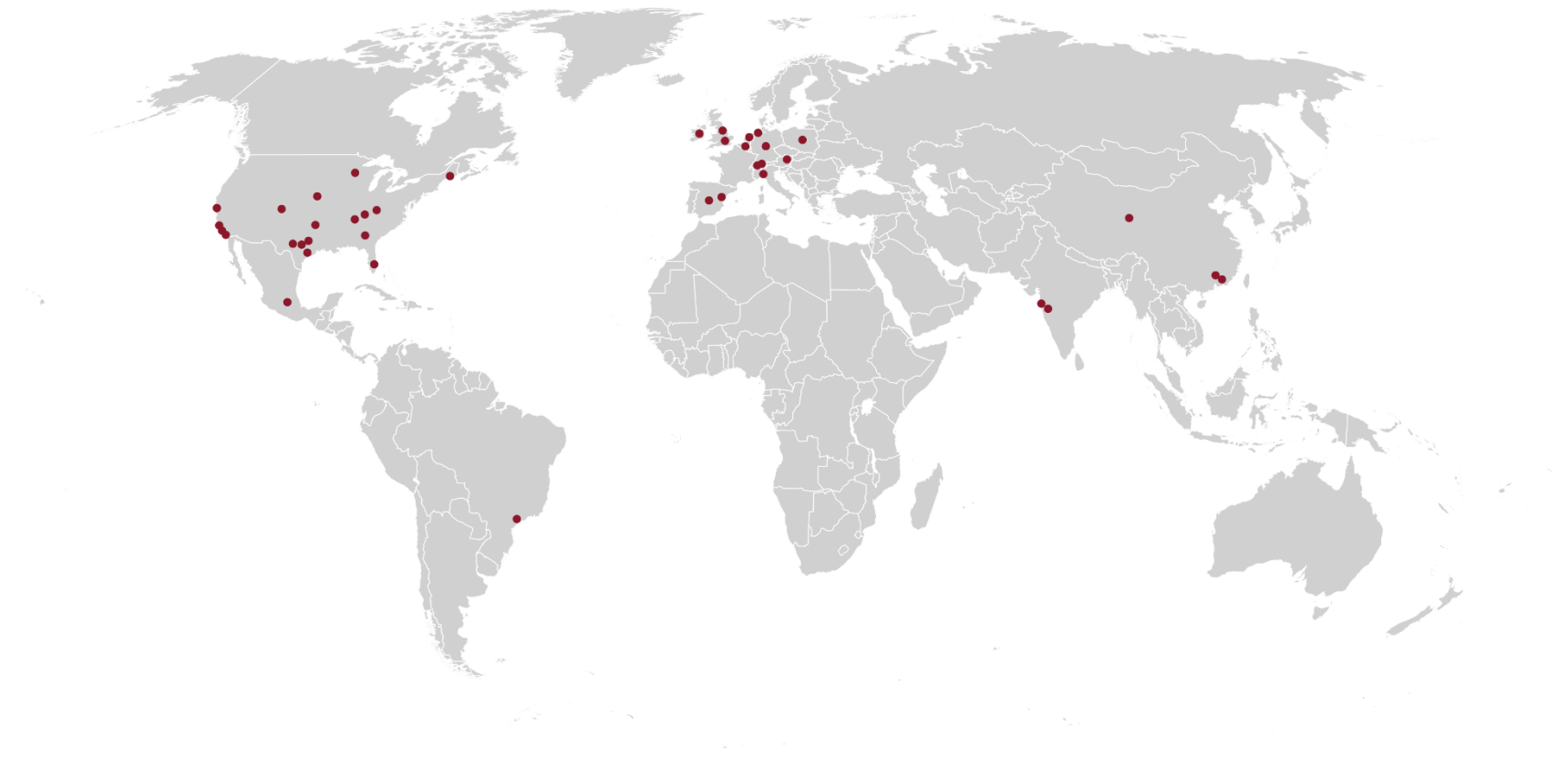
Business Valuation

"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.

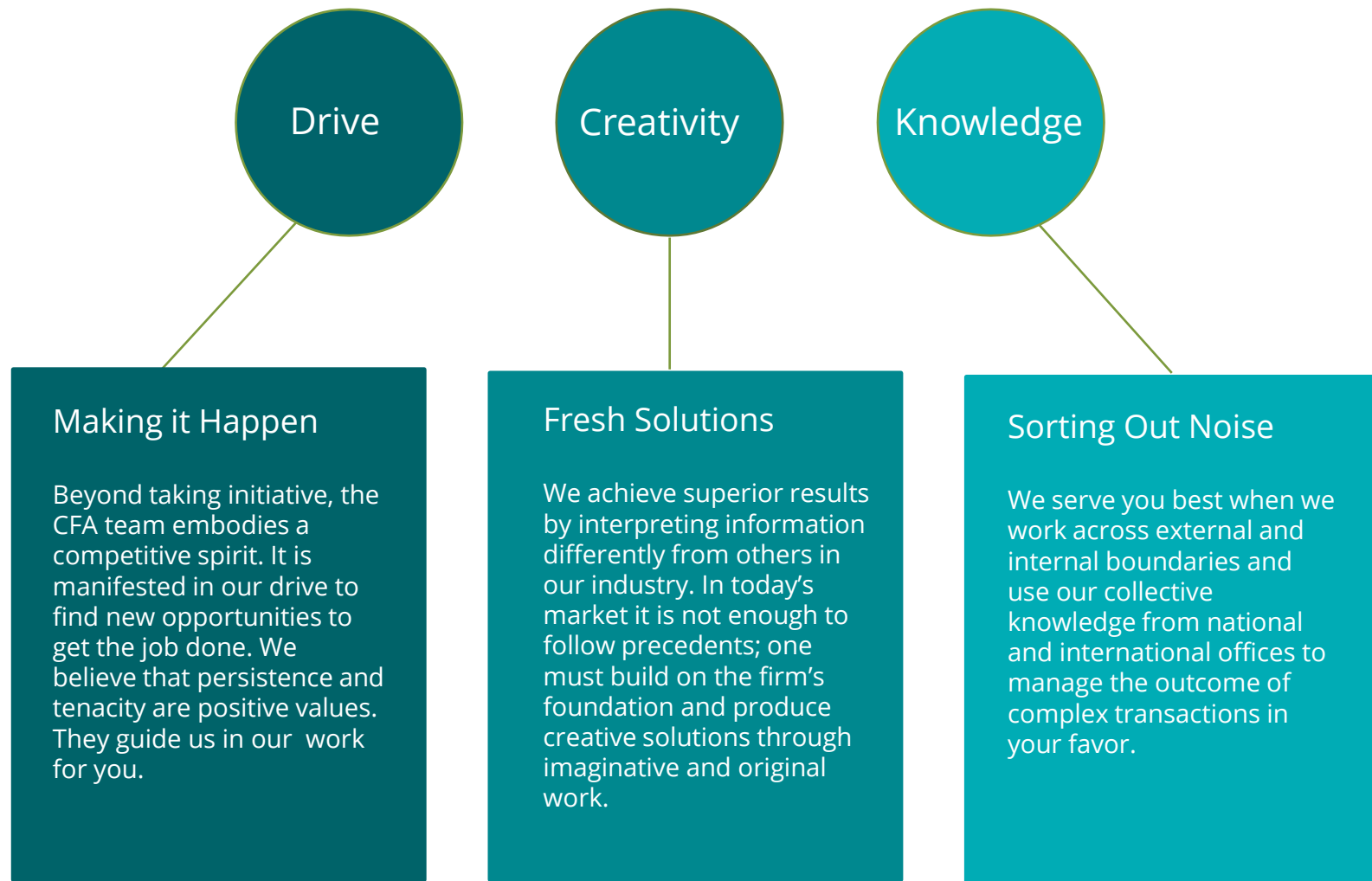
Local Service, Global Reach

Where We Are

With offices across the USA and in Austria, Belgium, Brazil, Germany, Hong Kong, India, Ireland, Italy, Mexico, Netherlands, Poland, 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

The figure is a world map with orange lines radiating from various global locations to boxes containing logos and text about Corporate Finance Associates' involvement in transactions. The boxes are arranged in a grid-like fashion around the map, with lines connecting them to specific geographical points. Each box typically includes a logo, a brief description of the transaction, and the CFA logo with the text "CORPORATE FINANCE ASSOCIATES" and "Since 1995".

Top Row (Left to Right):

- LAKE 3012** (Be Smart): *has been acquired by* **TRANSPACE** (The P.A. Limited Company). *The undersigned initiated and acted as exclusive financial advisor to the seller in the transaction.*
- Harrison Pet Products Inc.**: *has been acquired by* **bosch** (Bosch Power Tools). *The undersigned initiated and acted as financial advisor in the transaction.*
- CHARTER BUS LINES of British Columbia**: *has merged with* **TRAXX** (GOADLINES). *The undersigned initiated and acted as financial advisor in the transaction.*
- EWEN ENGINEERING** (United Kingdom): *has been acquired by* **VELJAN** (India). *CFA London initiated and acted as advisor to the seller in the transaction.*
- neratec** (services & equipment, Netherlands): *has been acquired by* **WESTERMO** (a division of Beijer Electronics, Sweden). *CFA Zurich initiated and acted as advisor to the seller in the transaction.*
- O-N-G ASSOCIATION**: *has been acquired by* **INDEFF**. *The undersigned initiated and acted as advisor to the seller in the transaction.*
- FUN COMPANY Louis** (www.louis.nl): *has been acquired by* **BERKSHIRE HATHAWAY**. *The undersigned acted as an advisor to the seller in the transaction.*
- CERVA** (Czech Republic): *has acquired* **TB GROUP** (TBSA GROUP, Spain). *CFA Dublin initiated and acted as advisor to the buyer in the transaction.*
- South Coast Sales** (division of SASTA International, Ireland): *has been acquired by* **BASTA** (Ireland). *CFAW Dublin initiated and acted as advisor to the seller in the transaction.*
- CyberMetrix**: *has been acquired by* **SGS** (SMN). *The undersigned initiated and acted as financial advisor in the transaction.*

Left Side (Top to Bottom):

- TRIO SUPPLY COMPANY**: *has been acquired by* **Office DEPOT**. *The undersigned initiated the transaction and acted as the exclusive investment banker to the seller.*
- CORAL SPRINGS** (HAWAII, HOSPITALITY): *has been acquired by* **encore VET GROUP**. *The undersigned initiated the transaction and acted as the exclusive investment banker to the seller.*

Right Side (Top to Bottom):

- creamedix BIOLAB** (Germany): *has been acquired by* **WESTLAK PARTNERS** (China). *CFA Zurich initiated and acted as advisor to the seller in the transaction.*
- FAICHI** (Fujian, Guangdong): *has been acquired by* **SAKSOFT** (Pune, India and Jersey City, New Jersey). *The undersigned initiated and acted as exclusive investment banker to the seller in the transaction.*

Bottom Row (Left to Right):

- DGDI Grupo Dgari**: *has been acquired by* **Dr.Oetker**. *The undersigned initiated and acted as exclusive financial advisor to the shareholders of Grupo DGDI in the transaction.*
- tyco**: *Exclusive financial advisor to Earth Drill Motors, S.A. de C.V., a PIAA subsidiary, in connection with the rebranding of tyco from earth drill to a TAPCO brand name for all of the products. tyco, tyco brand and tyco brand registered marks investment plans.*
- Restaurants Sudamerica, LC** (exclusive operator of Burger King in Argentina and Chile): *Exclusive financial advisor to ALBA in connection with the acquisition of Restaurants Sudamerica, LC, the exclusive operator of the Burger King brand in Argentina and Chile, from Quil & Management, S.R.L. ("Quil &") a leading TV private equity group.*
- HeadFirst**: *has acquired* **STERIKSEN**. *Exclusively Backed by NORRIS CLEMENT*. *CFAW Amsterdam initiated and acted as advisor to the buyer in the transaction.*
- MINT ARCHITECTURE** (Netherlands): *has been acquired by* **ATP** (architekten, Australia). *CFA Zurich initiated and acted as advisor to the seller in the transaction.*
- AMT APPLIED MEDICAL TECHNOLOGY** (United Kingdom): *has been acquired by* **CANE** (MEDICAL TECHNOLOGIES, Italy). *The undersigned initiated and acted as financial advisor in the transaction.*
- CERQUISA** (Spain): *has been acquired by* **UPL** (United Phosphorus Limited, United Kingdom). *CFAW London initiated and acted as advisor to the seller in the transaction.*
- SPEAR** (Canada, Logistics): *has been acquired by* **FM LOGISTIC**. *The undersigned acted as financial advisor in the transaction.*
- exult**: *has been acquired by* **newgen KnowledgeWorks**. *The undersigned initiated and acted as advisor in the transaction.*

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 financial services 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

Specialty Chemicals

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

This announcement appears as a matter of record only



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

This announcement appears as a matter of record only



has been acquired by



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

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



has acquired



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

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



**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