

Financial Services

INDUSTRY REPORT

Summer | 2023

CREATING
M&A STRATEGIES
FOR BUSINESS OWNERS
SINCE 1956



CORPORATE FINANCE ASSOCIATES



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Market Observations

Market Summary

Financial Services Market

The global financial services sector continues to grapple with geopolitical tensions, supply chain disruptions, and the possibility of a regional or global recession. The anticipated rate hikes by the U.S. Federal Bank are expected to cause financial strains, affecting lending and borrowing rates. According to a CNBC report, there is a 90% estimated likelihood that the Fed will raise interest rates to a range of 5.25% and 5.5%. This would result in higher borrowing and investment costs, potentially increasing the risk of loan defaults. IMF outlook of April 2023 forecasted the growth rate to fall from 3.4% in 2022 to 2.8% in 2023, before settling at 3% in 2024 with global inflation expected to fall to 6.6% in 2023 and 4.3% in 2024, still above pre-pandemic levels. The collapse of a few banks namely Silicon Valley Bank (SVB), which specialized in lending to start-ups, including FinTech, and Signature Bank, sparked investor fears, lawsuits, falling share prices, and US government intervention, led to disruption of the financial services that the bank provides to its clients. The compliance burden concerning legislation and regulation around digitalization, climate change and environmental, social, and governance (ESG) issues for financial institutions has increased significantly over the past decade and are considered to be persistent. Despite the challenges and shortcomings faced by the industry, the global financial market grew from \$25.8 trillion in 2022 to \$28.1 trillion in 2023 at a CAGR of 8.8% and is further expected to grow to \$37.5 trillion in 2027 as reported by the Business research company. Such growth can be attributed to the adoption of digitalization and big data analytics.

Public Company Valuations

The CFA Select Financial Services Index went up by 3.73% in the second quarter of 2023 from Q1 2023 and the 12 months return on the Index increased by 11.0%. Our index for each of the subsector in this industry increased in the second quarter of 2023 except for Fintech which decreased by 0.24% compared to the previous quarter. Commercial & Consumer Finance outperformed all other indices with 7.6% increase in the second quarter of 2023. Insurance and Insurance services had the highest median EBITDA multiple with 17.1x. However, Banks & Trusts had the highest median revenue multiple with 4.1x. Insurance & Insurance Services had median revenue multiple with 1.2x while the median Book value multiple of Banks & Trusts stood at 0.7x. Commercial & Consumer Finance had median revenue and EBITDA multiples with 3.4x and 14.8x, while, Fintech had median revenue and EBITDA multiples of 2.4x and 14.5x, respectively.



The financial services index grew at 3.7% in second quarter of 2023...

Mergers and Acquisitions

The M&A transactions in the global financial services industry increased in the initial quarters of 2022 but started to decline since the fourth quarter of 2022. Unexpected events such as the collapse of major banks along with rising interest rates and inflationary pressures sent shockwaves through the banking sector that influenced the M&A activity in H1 2023. The macro environment that contributed to banking collapses thus far 2023 has impacted buyouts and leveraged buyouts (LBOs) in the North American financial services sector. However, for the rest of the year, it is anticipated that the M&A transactions in the industry would improve as strategic buyers look to Fintech to expand their technical capabilities and improve customer experiences along with catering to the changing needs of a stressed banking system. The scope of private equity (PE) participation in the financial services sector is expected to grow, driven by the chance to enter the industry at a reduced cost due to distressed companies.

Industry Trends

Metaverse in Financial Services

The growing demand for Decentralized Finance (DeFi) along with the evolution of new platforms & applications that permit users to invest, trade, and virtually manage their assets, are propelling the growth of the global metaverse in the finance market as these solutions offer greater transparency, security, and accessibility in financial transactions with low fees & greater efficiency. The global metaverse financial services market was valued at \$67.3 billion in 2022 and is estimated to reach \$315.9 billion by 2030 growing at a CAGR of 21.3% from 2023 to 2030. The growing emphasis on Metaverse especially in the services provided by banking & other financial services can be expected as a result of the rapid adoption of metaverse initiatives by brokerage companies and banks to improve business offerings, the emergence of cryptocurrency as a large-scale alternative financial system, and the growing focus of fintech and smaller financial companies on developing their digital financial ecosystems. For instance, American Express has filed patents and trademarks to incorporate Metaverse to provide real-world payment card services. With the inclusion of cryptocurrency, Robo-advisories & virtual meetings, the metaverse will enable financial institutions to attain digital transformation.

Signifying Implication of Regulatory Technology (RegTech)

Over the past few years, financial institutions (FIs) have partnered with FinTech on various aspects of the business. While the principal focus was on customer-facing areas, companies have also started devoting attention to back-end aspects. With a lot of pressure from regulators on overall data compliance and governance, RegTech as a niche segment within the FinTech ecosystem has gained significance with the feature of simplifying regulatory compliance. Regtech companies work with financial services by using artificial intelligence, cloud computing, and big data to share information quickly and securely. According to Juniper Research, Financial institutions' global spending on RegTech is expected to reach \$127 billion by 2024. It has been estimated annual gross cost savings from AI introduction for KYC that across banking and property sales, will exceed \$700 million by 2023. So far in 2023, there have been 116 global RegTech deals, as per data from Dealogic. The total deal value was more than \$13.5 billion. RegTech is assumed to play an increasingly crucial role in the financial industry as it evolves.



Embedded Finance

The global embedded finance industry is expected to grow by 39.4% on an annual basis to reach \$267.5 billion in 2023 and is expected to grow steadily over the forecast period recording a CAGR of 28.5% during 2023-2029 to reach the valuation of \$862.2 billion. As of June 2023, embedded finance has raised \$1.34 billion in equity funding across 59 rounds. The assumption of increased investments and growth can be anticipated since fintech firms and banking institutions seek to capitalize on the growing shift towards embedded financial offerings, and hence, digital platforms and businesses are increasingly integrating financial services into their products and services to offer feasible solutions to their customers seamlessly and efficiently without redirecting them to a separate financial institution or website, thereby helping companies to reach more consumers, improve data analytics, increase customer retention, and create easier and more secure financial transactions. The feature of embedded finance is implemented as embedded payments, embedded lending, and embedded insurance.

Significant News

Standard Chartered boosts 2024 bitcoin forecast to \$120,000

Reuters, July 10, 2023

"The value of top cryptocurrency bitcoin could reach \$50,000 this year and \$120,000 by the end of 2024 Standard Chartered ([STAN.L](#)) said on Monday, predicting the recent jump in its price could encourage bitcoin "miners" to hoard more of the supply."

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SUNRATE enhances cross-border payment capabilities with Visa Direct

PR Newswire, June 14, 2023

"SUNRATE, the intelligent global payment and treasury management platform announces its collaboration with Visa, a world leader in digital payments, to enable SUNRATE customers to send and receive funds directly to eligible Visa debit and prepaid cards. At the start of this year, SUNRATE also launched its Visa virtual commercial card as part of its holistic online travel solution."

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EU sets out plans to cut the price of financial products

Reuters, May 24, 2023

"The European Union set out plans on Wednesday to cut how much retail investors pay banks and insurers for financial products to encourage investment and make its capital market deeper and more efficient. The retail investment package toughens up existing EU investment laws by including a ban on banks and insurers paying commission on sales of their products by brokers who gave no advice to customers, the EU's executive arm, the European Commission said."

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M&A Metrics

Financial Services Industry

The M&A activity in the Financial Services industry decreased in Q2 2023. The number of M&A transactions decreased from 104 in Q1 2023 to 83 in Q2 2023. The number of sub-\$50 million transactions decreased from 98 in Q1 2023 to 81 in Q2 2023. The number of transactions above \$100 million decreased from 6 in Q1 2023 to 2 in Q2 2023. The total number of M&A transactions decreased 62.2% year on year from 220 in Q2 2022 to 83 in Q2 2023.



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

Transaction Value	Q 2020 3	Q4 2020	Q 2021 1	Q 2021 2	Q 2021 3	Q 2021 4	Q 2022 1	Q 2022 2	Q 2022 3	Q 2022 4	Q1 2023	Q2 2023
Not Disclosed	191	242	211	215	208	211	225	180	177	134	85	76
Under \$10 MM	9	9	12	12	8	13	10	13	9	10	6	3
\$10 - \$25 MM	3	7	5	10	7	11	8	4	6	6	3	0
\$25 - \$50 MM	4	5	9	4	10	7	4	6	5	4	4	2
\$50 - \$100 MM	0	2	11	5	10	6	11	3	2	6	0	0
\$100 - \$500 MM	12	16	19	10	10	20	15	7	7	6	4	2
\$500 MM+	9	12	9	8	11	10	11	7	16	5	2	0
Total Transactions	228	293	276	264	264	278	284	220	222	171	104	83

Industry Metrics

Industry Financial Data and Ratios

NAICs 5221 - Depository Credit Intermediation

Financial Metric	Last12 Mo	2022	2021
Current Ratio	1.99	1.92	2.26
Gross Profit Margin	87.82%	88.01%	94.38%
Net Profit Margin	15.17%	12.64%	30.37%
Accounts Receivable Days	756.96	645.88	734.57
Accounts Payable Days	4162.4	2326.04	3879.57
Debt-to-Equity Ratio	9	9.14	8.1
Return on Equity	13.53%	10.44%	12.55%
Sales per Employee	--	--	\$148,952
Profit per Employee	--	--	\$47,967
Sales Growth	14.62%	13.50%	1.06%
Profit Growth	6.60%	8.64%	32.24%

NAICs 5223 - Activities Related to Credit Intermediation

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.23	3.02	3.22
Gross Profit Margin	89.83%	89.52%	92.03%
Net Profit Margin	6.67%	11.34%	18.88%
Accounts Receivable Days	91.07	73.38	60.96
Accounts Payable Days	130.65	122.02	102.6
Debt-to-Equity Ratio	2.84	3.13	2.95
Return on Equity	14.21%	24.21%	45.98%
Sales per Employee	--	--	\$32,768
Profit per Employee	--	--	\$7,065
Sales Growth	-1.61%	-2.21%	13.02%
Profit Growth	-2.69%	-4.41%	16.33%

Source: Profit Cents

NAICs 5222 - Nondepository Credit Intermediation

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.45	3.61	3.77
Gross Profit Margin	92.05%	92.21%	91.13%
Net Profit Margin	17.26%	22.11%	28.08%
Accounts Receivable Days	733.53	798.32	758.91
Accounts Payable Days	48.01	53.53	45.22
Debt-to-Equity Ratio	4.5	4.46	4.6
Return on Equity	19.38%	21.94%	34.25%
Sales per Employee	--	--	\$424,719
Profit per Employee	--	--	\$12,731
Sales Growth	0.18%	1.44%	18.85%
Profit Growth	3.58%	5.05%	25.52%

NAICs 5231 - Securities & Commodity Contracts Intermediation & Brokerage

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.9	2.83	4.52
Gross Profit Margin	86.07%	85.45%	87.20%
Net Profit Margin	19.42%	15.51%	24.86%
Accounts Receivable Days	96.01	92.94	89.03
Accounts Payable Days	127.52	430.37	312.84
Debt-to-Equity Ratio	2.15	2.98	2.45
Return on Equity	46.86%	38.36%	48.10%
Sales per Employee	--	--	\$617,702
Profit per Employee	--	--	\$350,681
Sales Growth	10.57%	4.36%	17.82%
Profit Growth	17.32%	22.20%	30.65%

Industry Metrics

Industry Financial Data and Ratios

NAICs 5239 - Other Financial Investment Activities

Financial Metric	Last12 Mo	2022	2021
Current Ratio	4.54	4.99	6.28
Gross Profit Margin	93.51%	93.77%	94.42%
Net Profit Margin	27.90%	25.94%	26.43%
Accounts Receivable Days	132.4	112.64	117.44
Accounts Payable Days	32.14	29.27	19.81
Debt-to-Equity Ratio	2.27	2.21	2.34
Return on Equity	37.95%	36.10%	49.01%
Sales per Employee	\$236,128	\$236,128	\$258,473
Profit per Employee	\$50,082	\$50,082	\$59,282
Sales Growth	8.03%	9.55%	19.30%
Profit Growth	2.05%	9.64%	47.71%

NAICs 5241 - Insurance Carriers

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.51	3.3	4.13
Gross Profit Margin	85.75%	88.55%	90.08%
Net Profit Margin	11.49%	14.78%	18.79%
Accounts Receivable Days	57.54	59.64	72.2
Accounts Payable Days	139.18	307.05	214.95
Debt-to-Equity Ratio	4.78	4.64	3.25
Return on Equity	31.98%	34.93%	39.26%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	6.96%	8.61%	12.62%
Profit Growth	-5.88%	-9.31%	26.55%

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

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.67	3.36	3.85
Gross Profit Margin	97.59%	97.63%	98.28%
Net Profit Margin	15.86%	16.22%	17.85%
Accounts Receivable Days	29.76	29.65	27.8
Accounts Payable Days	37.21	40.75	27.99
Debt-to-Equity Ratio	3.48	3.34	3.11
Return on Equity	66.48%	65.06%	70.94%
Sales per Employee	\$182,227	\$182,227	\$155,503
Profit per Employee	\$32,444	\$32,444	\$27,899
Sales Growth	12.46%	12.76%	11.39%
Profit Growth	15.36%	13.45%	20.56%

NAICs 5259 - Other Investment Pools and Funds

Financial Metric	Last12 Mo	2022	2021
Current Ratio	8.74	9.65	6.62
Gross Profit Margin	90.61%	91.32%	88.05%
Net Profit Margin	33.31%	35.16%	30.46%
Accounts Receivable Days	466.98	615.68	204.25
Accounts Payable Days	58.98	57.2	47.31
Debt-to-Equity Ratio	1.97	1.89	2.28
Return on Equity	17.09%	18.29%	27.13%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	4.49%	9.16%	22.86%
Profit Growth	14.47%	18.95%	47.93%

Source: Profit Cents



Transaction Highlights

Notable Transactions



In July 2023, **FIS**, a fintech company, has signed a definitive agreement with US-based private equity firm **GTCR** to sell a majority stake in its **Worldpay** merchant business. Through the deal, GTCR will acquire 55% of Worldpay, with FIS set to receive \$11.7 billion in upfront net proceeds. FIS will retain a non-controlling 45% ownership interest in the firm, with the company's board of directors unanimously approving the transaction. The deal values Worldpay at \$18.5 billion, including \$1 billion of consideration contingent on the returns realised by GTCR exceeding certain thresholds.



In June 2023, Payments giant **Visa** acquired Brazilian issuer processor and core banking platform **Pismo** for \$1 billion in cash. With the acquisition, Visa says it will be able to provide core banking and issuer processing capabilities across debit, prepaid, credit and commercial cards for customers via cloud-native APIs.



In June 2023, **NASDAQ** acquired financial services risk management and regulatory software provider **Adenza** for \$10.5 billion from Thoma Bravo, a software investment firm. The acquisition, which comprises of \$5.75 billion in cash and 85.6 million shares of Nasdaq common stock, will help Nasdaq expand its liquidity and integrity platforms, equipping it with risk management, regulatory, compliance and capital markets software.



In April 2023, **CCFNB Bancorp, Inc.** (OTCPK: CCFN) and **Muncy Bank Financial, Inc.** (OTCQB: MYBF) signed a definitive merger agreement to combine the two companies in a strategic merger of equals. The combined company would have approximately \$1.6 billion in total assets, \$1.2 billion of total deposits, \$1 billion in total loans, and \$144 million of combined shareholders' equity based upon reported year end December 31, 2022 financial statements.



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Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
06/26/23	Simply Green Home Services, Inc. /2 Subsidiaries/	Financelt Canada, Inc.	NA	NA	NA
06/22/23	CoinTeller, Inc.	RockItCoin LLC	NA	NA	NA
06/21/23	Prestipay SpA	Cassa Centrale Banca-Credito Cooperativo del Nord Est SpA	NA	NA	NA
06/07/23	MTG Liquidity Ltd.	SquaredFinancial (CY) Ltd.	NA	NA	NA
06/02/23	Stride Capital Corp.	Servus Credit Union Ltd.	NA	NA	NA
06/01/23	Aliaswire /Payvus Business/	Stone Point Capital LLC; Kessler Financial Services, LLC	NA	NA	NA
06/01/23	Platinum Home Mortgage Corp.	Planet Home Lending LLC	NA	NA	NA
05/31/23	ValidiFI LLC	Ribbit Inc.	NA	NA	NA
05/18/23	Centennial Bank (Conway, Arkansas)	Ameriprise Financial, Inc.	NA	NA	NA
05/10/23	Home Point Capital, Inc.	Mr. Cooper Group, Inc.	1,514.92	261.47	-5.94
04/20/23	AIG Insurance Co. JSC	Oil Co. LUKOIL PJSC	NA	NA	NA
04/07/23	Home Point Financial Corp. /Wholesale Originations Business/	The Loan Store, Inc.	NA	NA	NA
04/05/23	Haggett & Rogers Insurance Service Ltd.	Westland Insurance Group Ltd.	NA	NA	NA
04/03/23	Birmingham Bank Ltd.	Better Holdco, Inc.	NA	NA	NA
04/03/23	Wyndham Capital Mortgage LLC	SoFi Technologies, Inc.	NA	NA	NA
(\$ in millions) Source: Factset					

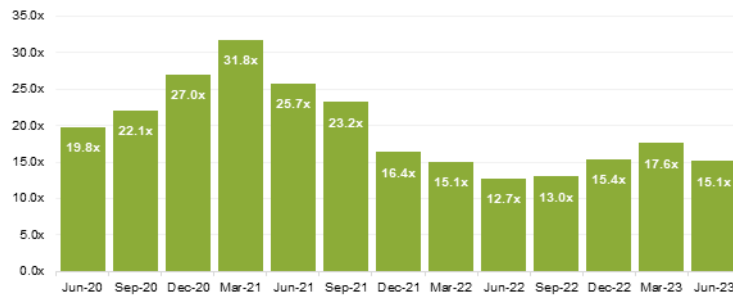


Public Companies

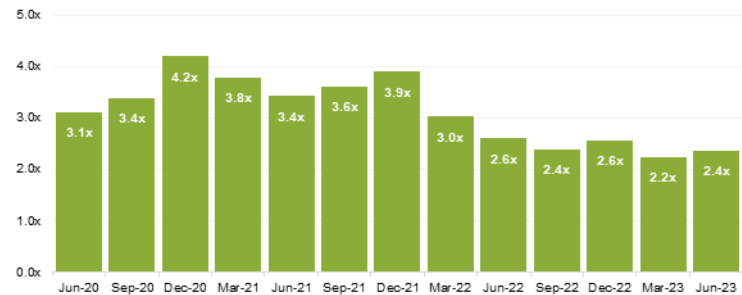
Industry Performance

CFAW Select Financial Services Index

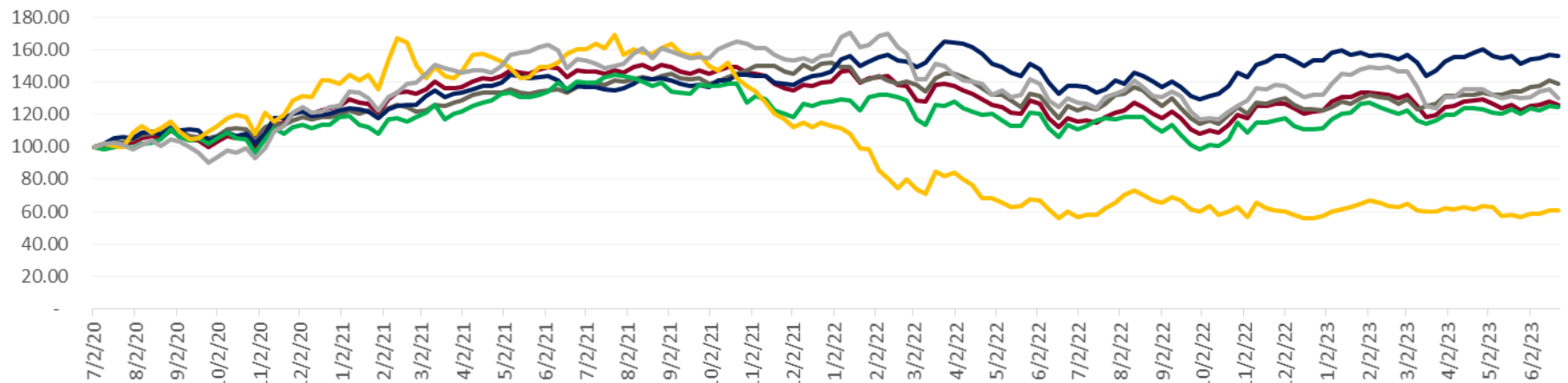
CFAW Select Financial Services Index | Median EBITDA Multiples



CFAW Select Financial Services Index | Median Revenue Multiples



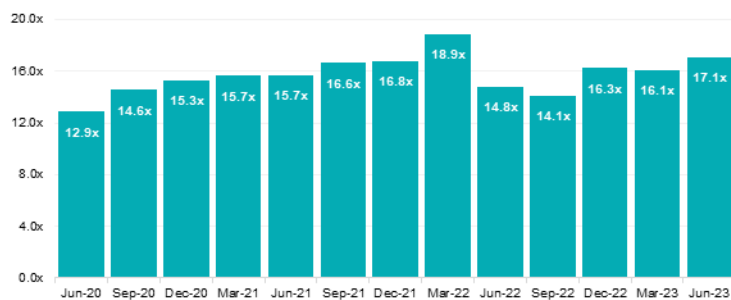
- Select CFAW Select Financial Services Index
- CFAW Selected Insurance & Insurance Services Index
- CFAW Selected Fintech Index
- S&P 500
- CFAW Selected Commercial & Consumer Finance Index
- CFAW Selected Banks & Trusts Index



Public Comparables

Insurance & Insurance Services

Insurance & Insurance Services | Median EBITDA Multiples



Insurance & Insurance Services | Median Revenue Multiples



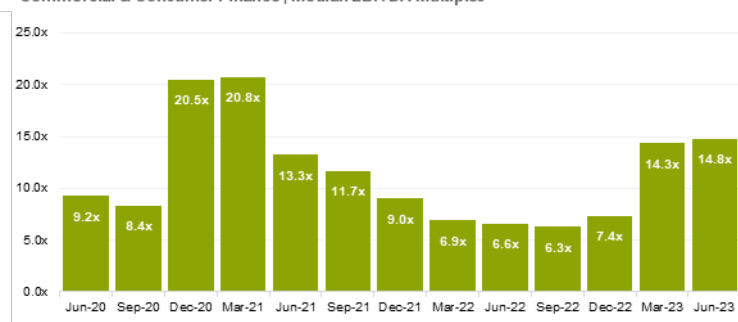
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Allianz SE	\$232.60	403	\$93,811	\$71,768	\$111,051	NA	0.6x	NM
Asia Financial Holdings Limited	\$0.45	931	\$416	\$166	\$209	NA	0.8x	NM
Aviva plc	\$5.02	2,738	\$13,758	(\$2,146)	\$28,441	NA	NM	NM
AXA SA	\$29.48	2,294	\$67,638	\$103,682	\$96,820	NA	1.1x	NM
Berkshire Hathaway Inc. Class B	\$341.00	1,296	\$441,926	\$753,353	\$316,672	\$51,177	2.4x	14.7x
China Life Insurance Co. Ltd. Class H	\$1.67	7,441	\$12,401	\$57,652	\$123,966	NA	0.5x	NM
Chubb Limited	\$192.56	411	\$79,091	\$93,590	\$46,538	NA	2.0x	NM
MetLife, Inc.	\$56.53	766	\$43,292	\$43,231	\$69,530	NA	0.6x	NM
ProAssurance Corporation	\$15.09	54	\$815	\$1,205	\$1,097	NA	1.1x	NM
Progressive Corporation	\$132.37	585	\$77,481	\$84,677	\$55,882	NA	1.5x	NM
Travelers Companies, Inc.	\$173.66	229	\$39,758	\$47,177	\$38,741	NA	1.2x	NM
Zurich Insurance Group Ltd	\$474.93	150	\$71,459	\$80,571	\$41,714	NA	1.9x	NM
Aon Plc Class A	\$345.20	203	\$70,030	\$81,295	\$12,874	\$4,185	6.3x	19.4x
Mean				\$108,940	\$72,580	\$27,681	1.7x	17.1x
Median				\$71,768	\$46,538	\$27,681	1.2x	17.1x

Source: FactSet

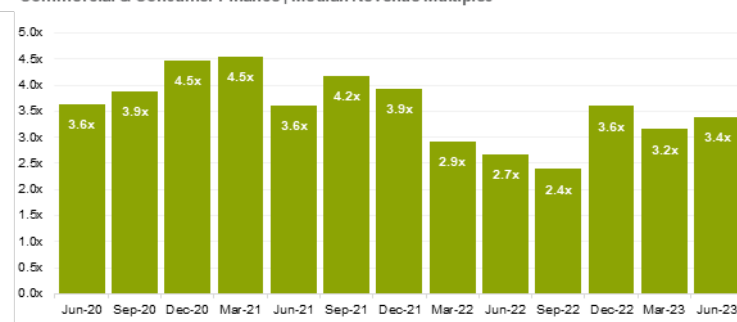
Public Comparables

Commercial & Consumer Finance

Commercial & Consumer Finance | Median EBITDA Multiples



Commercial & Consumer Finance | Median Revenue Multiples



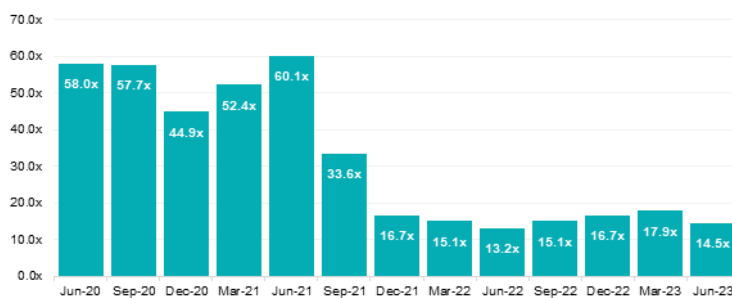
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Capital One Financial Corp	\$109.37	381	\$41,718	\$88,164	\$44,447	NA	2.0x	NM
Credit Acceptance Corporation	\$507.93	13	\$6,513	\$10,840	\$1,851	\$1,373	5.9x	7.9x
Discover Financial Services	\$116.85	250	\$29,206	\$41,894	\$17,835	NA	2.3x	NM
LendingClub Corp	\$9.75	109	\$1,060	(\$68)	\$1,283	\$428	NM	NM
OneMain Holdings, Inc.	\$43.69	120	\$5,261	\$22,904	\$5,151	\$3,756	4.4x	6.1x
SoFi Technologies Inc	\$8.34	941	\$7,847	\$11,448	\$2,017	\$277	5.7x	41.3x
LendingTree, Inc.	\$22.11	13	\$287	\$845	\$823	\$11	1.0x	76.6x
Sezzle Inc. Shs Chess Depository Interests Repr 1 Sh	\$14.36	5	\$78	\$2,989	\$132	(\$8)	22.6x	NM
Visa Inc. Class A	\$237.48	1,607	\$381,580	\$484,700	\$31,831	\$22,354	15.2x	21.7x
Western Union Company	\$11.73	375	\$4,393	\$5,587	\$4,382	\$1,013	1.3x	5.5x
Mean				\$66,930	\$10,975	\$3,651	6.7x	26.5x
Median				\$11,144	\$3,199	\$721	4.4x	14.8x

Source: FactSet

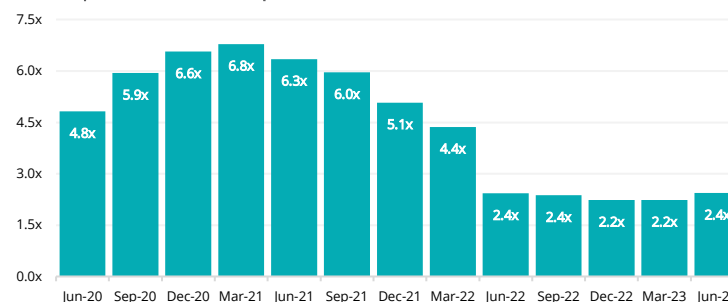
Public Comparables

Fintech

Fintech | Median EBITDA Multiples



Fintech | Median Revenue Multiples



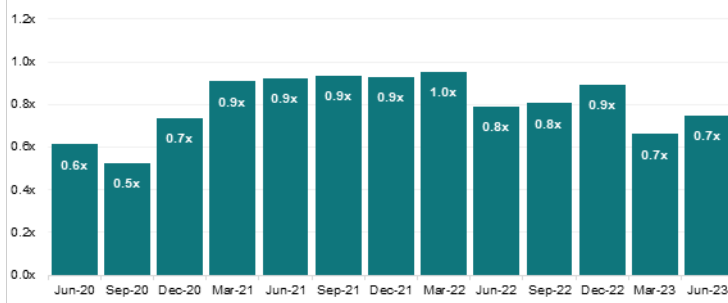
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Ally Financial Inc	\$27.01	302	\$8,147	\$31,726	\$14,297	NA	2.2x	NM
Live Oak Bancshares, Inc.	\$26.31	44	\$1,167	\$387	\$668	NA	0.6x	NM
China Binary New Fintech Group	NA	NA	NA	NA	\$11	(\$15)	NM	NM
Lexinfintech Holdings Ltd. Sponsored ADR Class A	\$2.29	139	\$318	\$848	\$1,634	NA	0.5x	NM
Niyogin Fintech Ltd	\$0.61	94	\$57	\$48	\$14	(\$2)	3.5x	NM
Golden Rock Global PLC	\$0.04	23	\$1	\$1	\$0	(\$0)	NM	NM
Advantech Co., Ltd.	\$11.95	856	\$10,236	\$9,684	\$2,286	\$469	4.2x	20.7x
Block, Inc. Class A	\$66.57	544	\$36,231	\$38,759	\$18,561	\$886	2.1x	43.8x
Zuora, Inc. Class A	\$10.97	129	\$1,417	\$1,372	\$406	(\$70)	3.4x	NM
PayPal Holdings, Inc.	\$66.73	1,116	\$74,452	\$74,844	\$28,161	\$5,563	2.7x	13.5x
Fiserv, Inc.	\$126.15	610	\$76,903	\$100,203	\$18,452	\$7,380	5.4x	13.6x
PagSeguro Digital Ltd. Class A	\$9.44	204	\$1,924	\$4,660	\$2,997	\$1,267	1.6x	3.7x
StoneCo Ltd. Class A	\$12.74	281	\$3,583	\$3,895	\$886	(\$4)	4.4x	NM
CrowdWorks, Inc.	\$9.13	15	\$141	\$101	\$86	\$7	1.2x	15.5x
Mean				\$20,502	\$6,318	\$1,407	2.6x	18.4x
Median				\$3,895	\$1,260	\$7	2.4x	14.5x

Source: FactSet

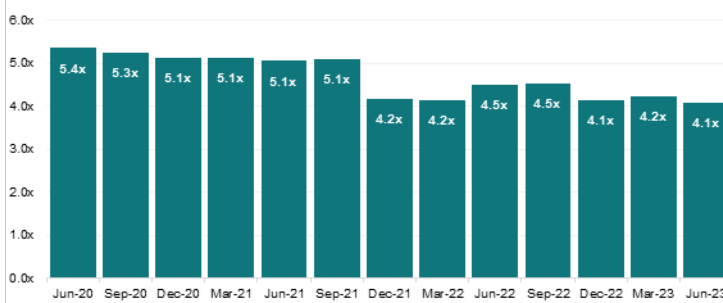
Public Comparables

Banks & Trusts

Banks & Trusts | Median Price / Book Value Multiples



Banks & Trusts | Median Revenue Multiples



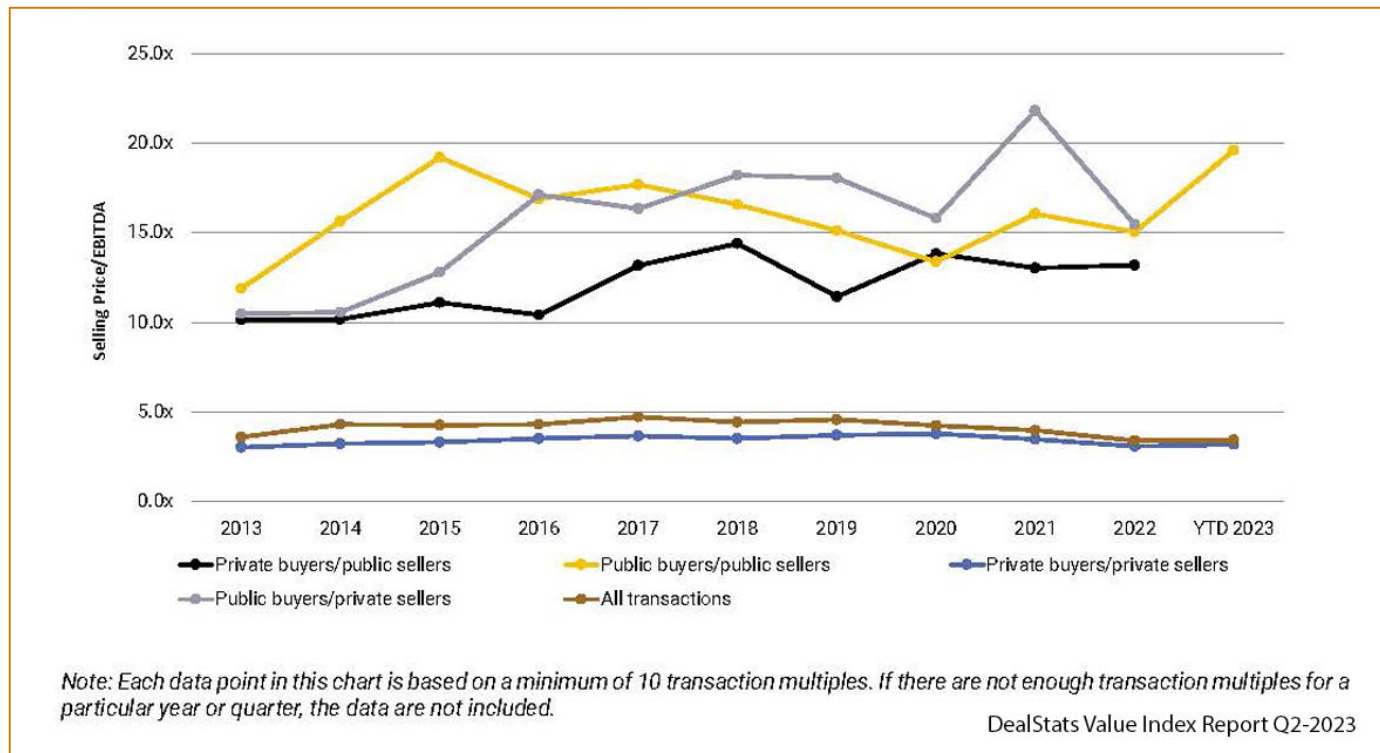
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Agricultural Bank of China Limited Class H	\$0.39	30,739	\$12,081	\$596,181	\$185,392	\$9,760	3.2x	61.1x
Barclays PLC	\$1.95	15,530	\$30,283	(\$204,366)	\$44,925	\$5,856	NM	NM
BNP Paribas S.A. Class A	\$62.97	1,234	\$77,729	\$570,815	\$130,263	\$9,770	4.4x	58.4x
Citizens Financial Group, Inc.	\$26.08	484	\$12,622	\$27,904	\$10,360	\$2,033	2.7x	13.7x
Credit Suisse Group AG	\$0.91	4,002	\$3,655	\$198,673	\$22,292	\$2,088	8.9x	95.1x
HSBC Holdings Plc	\$7.90	19,721	\$155,875	\$255,137	\$114,433	\$962	2.2x	265.2x
PNC Financial Services Group, Inc.	\$125.95	398	\$50,160	\$109,347	\$28,665	\$4,747	3.8x	23.0x
Royal Bank of Canada	\$95.61	1,386	\$132,481	\$323,878	\$69,759	\$13,096	4.6x	24.7x
Societe Generale S.A. Class A	\$25.97	821	\$21,312	\$128,710	\$56,603	\$2,386	2.3x	53.9x
State Street Corporation	\$73.18	319	\$23,318	\$43,142	\$15,659	\$2,801	2.8x	15.4x
Goldman Sachs Group, Inc.	\$322.54	332	\$107,228	\$696,695	\$93,388	\$22,782	7.5x	30.6x
Morgan Stanley	\$85.40	1,670	\$142,628	\$416,575	\$73,936	\$17,745	5.6x	23.5x
Citigroup Inc.	\$46.04	1,947	\$89,628	\$658,819	\$117,691	\$21,734	5.6x	30.3x
Mean				\$293,962	\$74,105	\$8,905	4.5x	57.9x
Median				\$255,137	\$69,759	\$5,856	4.1x	30.4x

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.





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.



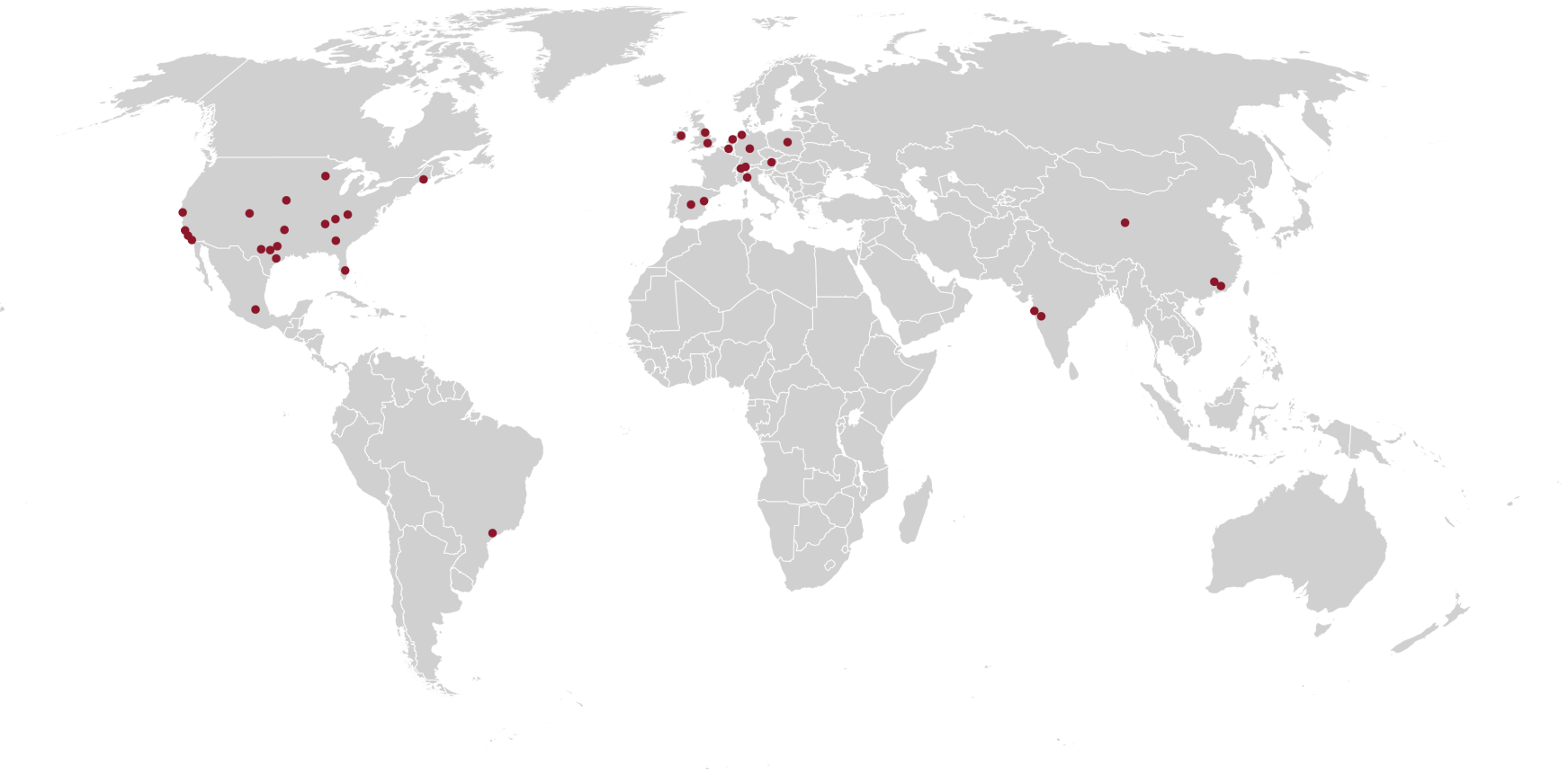
Business Valuation

"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.

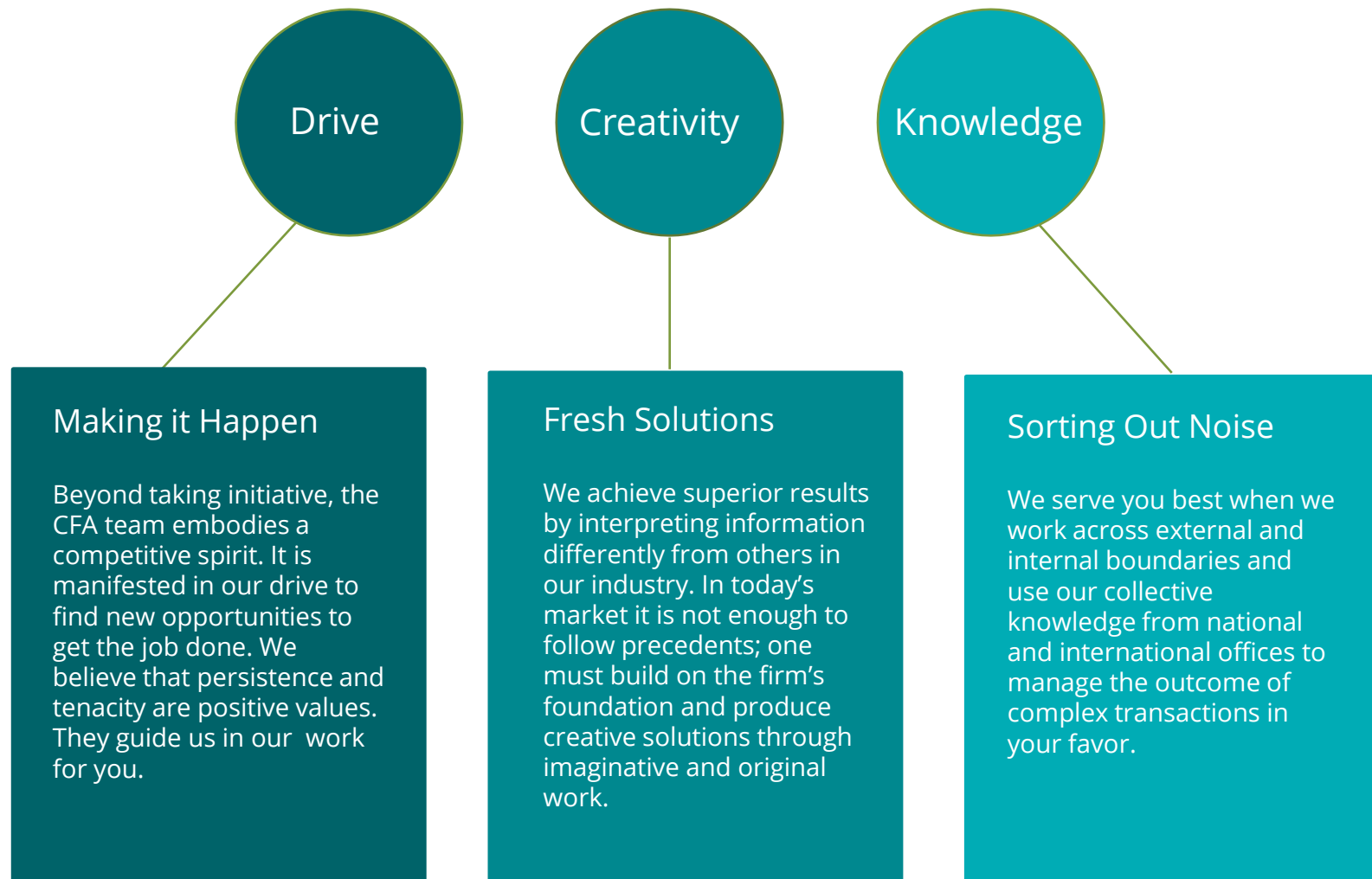
Local Service, Global Reach

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

This announcement appears as a matter of record only

LAKE3012
Be Smart

has been acquired by

TRANSPLACE
The PLS Technology Company

GREENBRIAR
EQUITY GROUP LLC

The undersigned initiated and acted as exclusive financial advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
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Harrison Pet Products Inc.

has been acquired by

bosch
A Portfolio Company of

bosch Tiernahrung GmbH & Co. KG

The undersigned initiated and acted as financial advisor to the transaction

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CHARTER BUS LINES
of British Columbia

has merged with

TRAXX
COACHLINE

The undersigned initiated and acted as financial advisor to the transaction

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EWEN
ENGINEERING
United Kingdom

has been acquired by

VELJAN
India

CFA London initiated and acted as advisor to the seller in the transaction

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This announcement appears as a matter of record only

neratec
SERVICES & CONSULTING
Switzerland

has been acquired by

WESTOPIN
A Division of

Beijer
ELECTRONICS
Sweden

CFA Zurich initiated and acted as advisor to the seller in the transaction

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O.N.G.
AUTOMATION

has been acquired by

INDEFF

The undersigned initiated and acted as advisor to the seller in the transaction

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This announcement appears as a matter of record only

Fun Company
Louis
www.louis.ch

has been acquired by

BERKSHIRE
HATHAWAY

The undersigned acted as an advisor to the seller in the transaction

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CERVA
Czech Republic

has acquired

TB
TUBAS
Spain

CFA Dublin initiated and acted as advisor to the buyer in the transaction

cfa CORPORATE FINANCE ASSOCIATES
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This announcement appears as a matter of record only

South Coast Sales
division of

SASTA
SPECIALIST SERVICES
Ireland

has been acquired by

BASTA
Ireland

CFA Dublin initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
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This announcement appears as a matter of record only

CyberMetrix

has been acquired by

SGS
(SGSN)

The undersigned initiated and acted as financial advisor in the transaction

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TRIO
SUPPLY COMPANY

has been acquired by

Office DEPOT

The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

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CORAL SPRINGS
ANIMAL HOSPITAL

has been acquired by

encore
VET GROUP

The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

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FAICHI
Sunnyvale, California

has been acquired by

SAKSOFT
2010-2011 FORTUNE 1000 COMPANY
Piscataway, India and Jersey City, New Jersey

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

cfa CORPORATE FINANCE ASSOCIATES
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tyco

Exclusive financial advisor to Earth Tech Mexico, S.A. de C.V., a JVCo subsidiary, in connection with the proposed long-term debt offering of \$200,000,000 from Earth Tech, for the subsidiary, Mexico, Argentina and India Power refinances under investment plan.

PEMEX

A member of the Financial Services Industry Practice Group was the exclusive advisor to Earth Tech Mexico S.A. in the transaction

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BUNGE
KING

Restaurants Sudamerica, LC
exclusive operations of Burger King in Argentina and Chile

Exclusive financial advisor to BUNGE in connection with the Acquisition of Restaurants Sudamerica, L.C., the exclusive operator of the Burger King brand in Argentina and Chile, from Global Management, L.L.C. ("Global C") a leading US private equity group.

Alsea

A member of the Food & Beverage Industry Practice Group acted as exclusive financial advisor to Alsea

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HeadFirst

has acquired

STERKSEN

Equity Backed By

KARTESIA

Single Advice

NORBAUS CLEMENT
CONSULTANTS

CFA Amsterdam initiated and acted as advisor to the buyer in the transaction

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MEDIA PRODUCTIONS
France

has been acquired by

Carus
ANIMAL HEALTH

A Division of

K
Kryoflex
United Kingdom/Japan

The undersigned was the exclusive advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
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MINT ARCHITECTURE
Switzerland

has been acquired by

AFP
architekten
Austria

CFA Zurich initiated and acted as advisor to the seller in the transaction

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This announcement appears as a matter of record only

AMT
APPLIED MEDICAL TECHNOLOGY
United Kingdom

has been acquired by

CANE
MEDICAL TECHNOLOGY
Italy

The undersigned initiated and acted as advisor to the seller in the transaction

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This announcement appears as a matter of record only

CERQUISA
Spain

has been acquired by

UPL
United Phosphorus Limited
United Kingdom

CFA Zurich initiated and acted as advisor to the seller in the transaction

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SPEAR
Corfin, Logistics

has been acquired by

FM LOGISTIC

The undersigned acted as financial advisor in the transaction

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This announcement appears as a matter of record only

exult

has been acquired by

Newgen
KnowledgeWorks

The undersigned initiated and acted as advisor in the transaction

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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
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*

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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
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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
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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
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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
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