

M&A in the Financials Industry – Key Trends

Year	Total no. of transactions	Total value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
2013	630	84,500	1.6x	9.1x
2014	700	92,400	1.6x	11.8x
2015	770	109,100	1.8x	12.6x
2016	630	137,500	2.4x	11.4x

Source: Capital IQ

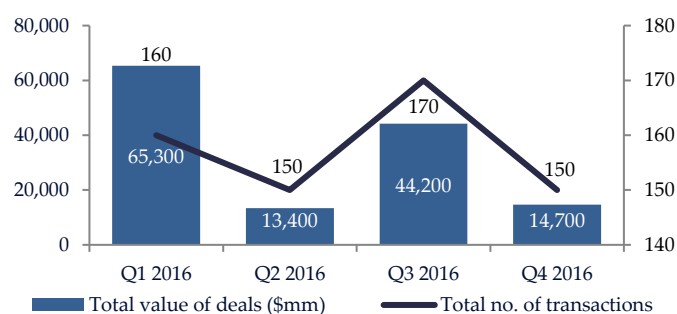
M&A in the Financials Industry – 2016 Overview

- In 2016, M&A activity in the Financials industry shifted towards lower number of transactions with deal value increasing 26% (\$28 billion) from 2015.
- In 2016, the total deal value in the US and Canada accounted for 32% of the global deal value.
- The total number of global M&A transactions in the Financials industry were 3,700 in 2014, 4,000 in 2015, and 3,200 in 2016, indicating a decrease of 19% from 2015 to 2016. Deals in the US and Canada accounted for 19% of the global transactions from 2014 to 2016.
- In 2016, valuation multiples for the US and Canada (median TEV/Revenue of 2.4x versus global median of 2.6x and median TEV/EBITDA of 11.4x versus 11.6x) were similar to global multiples.
- TEV/Revenue and TEV/EBITDA median valuation multiples have remained around 2x and 12x from 2014 to 2016, respectively.
- 37% disclosed deals in terms of transaction value.

Activity Summary, Last 5 Quarters

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Total no. of transactions	190	160	150	170	150
Total value of deals (\$mm)	59,500	65,300	13,400	44,200	14,700
Average deal size (\$mm)	850	1,100	210	660	350
Median deal size (\$mm)	46	78	39	90	82
Median Revenue Multiple	2.7x	2.2x	1.7x	2.0x	5.8x
Median EBITDA Multiple	22.5x	13.8x	7.1x	10.4x	23.9x
Mid-market deals, % of total	80%	85%	89%	90%	83%

Source: Capital IQ

Activity Summary Chart, Last 4 Quarters

Deal Breakdown by Type of Buyer in 2016

Type of Buyer	No. of deals	Disclosed deals	Total value (\$mm)	Avg. transaction value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
Strategic Buyer	550	200	126,900	36	2.1x	10.7x
Financial Buyer	50	17	6,600	36	3.1x	17.1x
Both	3	1	1	n/a	1.4x	7.9x
Not available	30	14	4,000	282	n/a	n/a

Source: Capital IQ

Middle Market Deals in 2016

Deal breakdown by size (\$mm)	No. of deals	Total value (\$mm)	Avg. transaction value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
\$0 - \$50	102	1,700	17	3.6x	10.3x
\$50 - \$250	68	7,900	116	2.5x	11.8x
\$250 - \$500	62	127,800	2,100	2.1x	13.5x

Source: Capital IQ

10 Notable Financials Transactions in 2016

Closed date	Target/Issuer	Buyers/Investors	Transaction value (\$mm)	Implied EV/Revenue	Implied EV/EBITDA
January 14	The Chubb Corporation	Chubb Limited (NYSE:CB)	31,600	2.3x	10.5x
January 04	Towers Watson & Co.	Willis Towers Watson Public Limited Company (NasdaqGS:WLTW)	8,700	2.2x	11.0x
March 07	StanCorp Financial Group Inc.	Meiji Yasuda Life Insurance Company	5,800	2.0x	11.4x

January 26	Symetra Financial Corporation	Sumitomo Life Insurance Company	4,400	1.9x	16.5x
July 29	First Niagara Financial Group Inc.	KeyCorp (NYSE:KEY)	4,200	n/a	n/a
August 16	FirstMerit Corporation	The Huntington National Bank Inc.	3,500	n/a	n/a
December 28	Deltek, Inc.	Roper Technologies, Inc. (NYSE:ROP)	2,800	n/a	n/a
November 21	CIFC LLC	F.A.B. Partners I LP	2,300	14.4x	23.9x
July 27	ExamWorks Group, Inc.	Leonard Green & Partners, L.P.	2,000	2.4x	16.7x
April 01	National Penn Bancshares Inc.	BB&T Corporation (NYSE:BBT)	1,800	n/a	n/a

Source: Capital IQ