KPMG

Financial services M&A trends in ASPAC

KPMG in Singapore

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FOREWORD

After a record-setting year in 2019, M&A activity in terms of both deal volume and deal value across each of the ASPAC markets experienced a steep decline in 2020 due to the COVID-19 pandemic which also impacted M&A globally.

As economies started showing signs of recovery globally in 2021, deal activity across all ASPAC markets were turbocharged in the nine months ending 30 September 2021 (YTD Q3'21) as compared to 2020 and many of the years preceding. M&A growth was particularly observed in the Fintech space which reached a record USD58bn in terms of announced deal value during YTD Q3'21 as well as some high profile banking and insurance transactions. The significant growth across financial services M&A in the ASPAC region is underpinned by factors such as:

- A growing focus on digital business models as consumers transit to online and universal platforms driving online payments and creating an omni channel for financial services products;
- Insurers and banks seeking to simplify and divest operations in non-core markets; as well as continuing to invest/partner in businesses with fintech / digital capabilities to build scale across markets and reduce costs in the long term;
- Changes in government policies and regulations that encourage foreign direct investment as well as contribute to consolidation of the banking sector in certain countries and the insurance and asset management sectors in others; and
- Investment opportunities in banks or other NPL / Asset management transactions triggered by growing non-performing loans ("NPLs") or restructuring, government schemes to support customers and increasing regulatory capital requirements due to the pandemic.

This report seeks to draw out key thematics, trends and historical deal statistics across various financial services sub-sectors including Banking, Asset management, Insurance, Fintech and Financing & Leasing in the key markets in ASPAC. More details on Fintech transactions can be obtained from our Pulse of Fintech publications.

With the start of 2022 upon us, we are cautiously optimistic despite potential economic headwinds due to the evolving situation relating to the pandemic. We expect continued strong deal flow in the financial services sector given the large amount of dry powder, continued low interest rates, rapid pace of digital adoption and proliferation of digital financial services platforms, banks and insurance companies and wealth managers.

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EXECUTIVE SUMMARY

At a glance - Financial services M&A trends across the ASPAC region

▶ Fintech

Strong M&A activity in YTD Q3'21 with deal value reaching a record USD58bn

M&A and early stage funding in WealthTech, RegTech and Payments driven by Digital innovators, the shift to online transactions and a greater focus on customer needs from fintech platforms.

Many fintech companies are benefiting from a seemingly permanent shift to digital business models, as businesses and consumers transit to online and immersive fintech platforms in the wake of the COVID-19 pandemic. Well-funded start-ups are also looking to expand and diversify their business footprints into new markets or adjacent financial services offerings. Against this backdrop, investors see significant fintech M&A opportunities across the ASPAC region (including Australia, China, India, Singapore and Indonesia). Sectors such as WealthTech, RegTech and Payments, in particular, are growing in appeal. The Payments sector, for example, has reported a significant increase in investment activity, with alternative payment solutions such as e- wallets and 'Buy-now, pay-later' continuing to be among the fastest growing sub-sectors across Asia.

E-commerce platforms are also drawing significant interest from investors around the globe. Companies, such as Singapore based super-app Grab, SEA Limited Shopee and SeaMoney, and Indonesia-based GoTo (merged group between Gojek and Tokopedia), are building up scale across markets and in financial services capability (products, partnerships) and reach across Southeast Asia. A wealth of dry power has also led to significant investment from venture capital (VC) and private equity (PE) firms in theses ecommerce platforms and fintechs. The unbanked and underbanked populations in certain ASPAC countries, such as India, Indonesia, Thailand, Philippines, Malaysia and Vietnam, provide significant investment opportunities for growth given their scale and pace of digital adoption.

In light of the explosion of US-based special-purpose acquisition companies (SPACs) in 2020 and 2021 (e.g. the Grab – Altimeter merger which was recently announced in Dec-21), the ASPAC region is seeing growing interest from US-based and more recently Singapore-based SPACs. This is expected to shine a light on the emerging high growth opportunities in the region.

More details on fintech transactions can be found in our Pulse of Fintech publications.

Banking

Digital banks are on the rise across the region

Larger local and regional banks are driving increased M&A activity across ASPAC through FDI and consolidation

Most markets in the ASPAC region witnessed increased M&A activity from larger local and regional banks. This was driven by the need to seek higher emerging market returns or for some local banks the need to meet increasing regulatory capital requirements, as well as the emergence of new digital banking licenses in markets like Singapore, Hong Kong and Malaysia.

There are, however, regional differences in priorities for banking players. Whilst some global banks such as Citibank, are currently looking to exit retail banking operations across ASPAC, large players in developed markets such as Japan, Korea and Singapore are continuing to seek potential foreign acquisitions and expansion to capitalise on the long term market opportunity these emerging markets represent. In some markets, we have seen early signs of a developing NPL secondary market, however at this stage, most banks seem to be managing their NPL risks. Some Banks are adopting an internally funded digital venture based approach to innovation, such as Standard Chartered Ventures. These banks are adopting an early stage investment approach to support digital innovation and capture growth opportunities in the fintech space for banking as a service (BaaS), lending, insurance and wealth. In contrast, Australia's largest banks have now largely exited their insurance and wealth / asset management operations due largely to the increasing regulatory scrutiny.

Digital banks are increasingly being set up across markets in the ASPAC region including Taiwan and Hong Kong, which issued their first licenses in 2019. The Monetary Authority of Singapore ("MAS") also approved four full digital banking licenses at the end of 2020, while the Philippines' central bank issued six licenses to banks in August 2021, with Malaysia also issuing licenses in 2022. The most recent announcement was Bank Allo, who is planning to provide a customised digital banking services in Indonesia in partnership with a number of high profile fintech platforms.

We expect that the proliferation of digital banks will increase efficiency and competition in respective local markets while offering more innovative product choices to consumers. This in turn is expected to enhance financial inclusion however these digital banks will need to develop a long term sustainable business model given the high cost of customer acquisition that has been experienced in other global markets with digital banks.

Insurance

Mixture of large strategic insurance acquisitions and divestments

Relaxation of FDI limits encourages M&A in some markets like China, Indonesia and India

Some global Insurers are continuing to seek expansion of their general and / or life insurance operations through cross-border M&A or investing through their venture arms into Insurtech, or companies that offer strong distribution capabilities or new markets such as Chubb's recently announced acquisition (in Oct-21) of Cigna's personal accident, supplemental health and life insurance business in seven ASPAC markets for USD5.8billion.

In contrast, European Insurers, such as AXA and Aviva, have been exiting operations across markets including Malaysia, Vietnam, Singapore and Indonesia. Australian banks such as Westpac and the Commonwealth Bank of Australia have also continued to divest non-core insurance operations in order to simply their banking operating models.

Relaxation of foreign direct investment (FDI) limits for insurance and asset management companies in markets such as China, Indonesia and India has also encouraged more recent Insurance M&A activity in these jurisdictions.

Asset Management
Market consolidation and regulatory changes impacting M&A activity

Strong M&A activity in asset management markets such as Australia, China and India, has been driven by new and existing players looking to accelerate growth in market share and diversify in-house asset management capabilities.

In Australia, the largest banks have now exited their wealth and asset management businesses to de-risk and focus on core banking operations. Changes in the regulatory environment including the Royal Commission and increasing competition from Industry super funds / high tech operators have also spurred higher levels of M&A activity.

In China, regulators have removed the foreign ownership caps effective 1 April 2020 in connection with China-based mutual funds and securities sectors to open wealth and asset management markets to foreign investors. This has led to increased M&A activity in recent quarters in the China asset management market.

In India, the market has developed a strong fund-management sector consisting of foreign JVs, private managers and the asset management arms of major domestic banking groups. The increased deal volume in YTD Q3'21 is mainly driven by a combination of local player market consolidation as well as Blackstone's acquisition of a controlling stake in ASK Group for USD1billion in August 2021. Although the Indian market is still at an early stage in terms of the use of certain financial savings / investment products; rising disposable income, digitalisation of services, favourable demographics and government policy support are expected to be key growth drivers for the asset management sector in the medium to longer term.

Financing and leasing
NBFC portfolios have been significantly impacted by the pandemic

Trends in the financing and leasing sector are varied across markets in the ASPAC region.

In India we see stricter regulations for non-banking financial companies (NBFCs) which have driven further consolidation of troubled NBFCs, saddled with bad debts stemming from the pandemic.

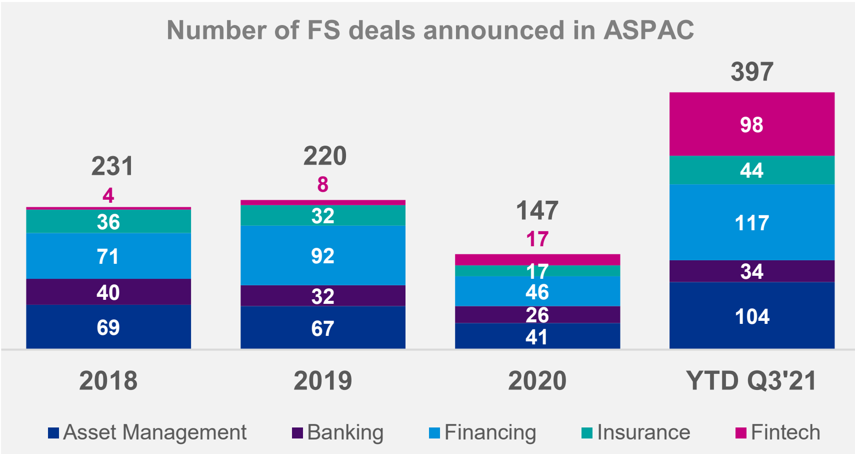
Markets such as Hong Kong have relaxed rules for NBFCs to attract financial investors into the sector. M&A activity in Australia has been supported by PE interest and the Big 4 banks' divestment of non-core assets, as well as consolidation in the Auto finance sector.

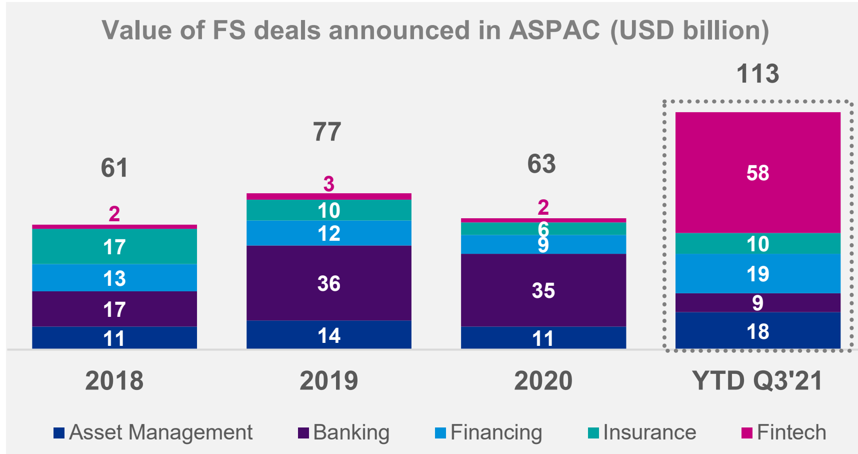
In Japan specifically, COVID-19 has also substantially impacted the aircraft finance sub-sector for certain financing players, and major leasing companies are looking to diversify their business portfolios to minimise risk.

Non-performing loans ("NPLs") have continued to surge across most markets in the region as some moratoriums come to an end and the real impact of the pandemic on businesses is realised. NBFCs will likely need to build strong asset management competencies if they hope to generate higher bid prices and improve recovery rates. The market is expected to remain highly competitive for sellers as market entry and participation will become easier, particularly for small and mid-sized sellers. Regional asset management companies (AMCs) will emerge with specialised knowledge in managing and working out NPLs.

The trends highlighted above are underlined by Financial Services deal statistics by sub-sector.

Financial Services deal statistics by sub-sector





Overall, the number of deals involving financial institutions skyrocketed to 397 in YTD Q3'21, scoring a four-year high in value at USD 113 billion. Some of the larger deals this period have been detailed in the following pages.

2018 – 2020

- M&A activity in the Financial services ("FS") sector across the ASPAC region witnessed a decreasing trend in the number and value of deals between 2019 and 2020, owing to the impact of the pandemic.
- Most FS sub-sectors' deal activity decreased except for Payments which reported an increase in number of deals from 4 in 2018 to 17 in 2020, largely driven by the funding of emerging businesses and platforms.

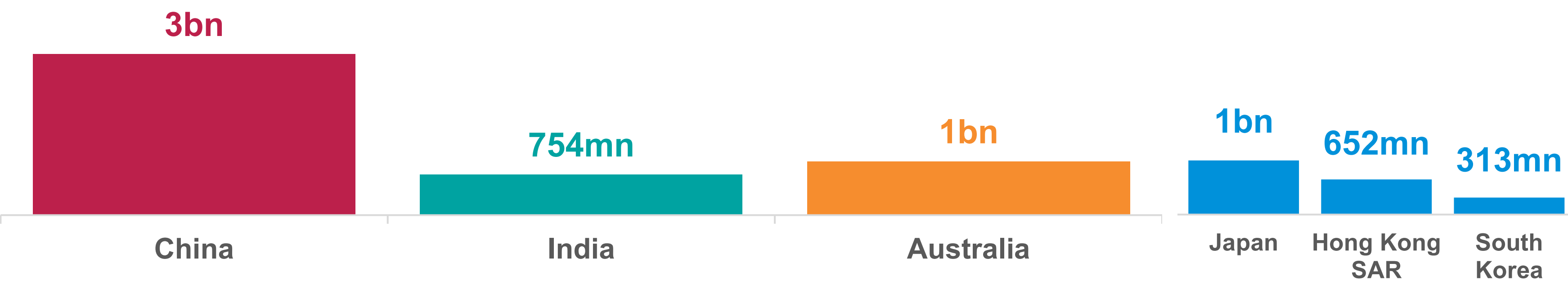
Nine months ended 30 September 2021 ("YTD Q3'21")

- In YTD Q3'21, M&A activity in the region turned around relative to 2020 as investors sought to deploy the pent up dry powder built up in 2020 and the green shoots of economic recovery started as countries rolled-out COVID-19 vaccinations. YTD Q3'21 deal count of 397 exceeded the annual deal volume between 2018 to 2020, a record year of investment.

Note: The number and value of deals set out above only present those deals with a disclosed value. Fintech refers to announced number and value of Payments related deals only.
Source: Mergermarket, Capital IQ.

Banking

(increased from 26 deals in 2020 to 34 deals in YTD Q3'21)



China: 17 deals worth USD 3bn with the top deal being the acquisition of Shengjing Bank Co., Ltd by Shenyang Shengjing Finance Investment Group from Evergrande Group for USD1.5bn. (2020: 5 deals worth USD 27bn)

India: Top deal includes acquisition of Punjab & Sind Bank by the Government of India for USD754mn.

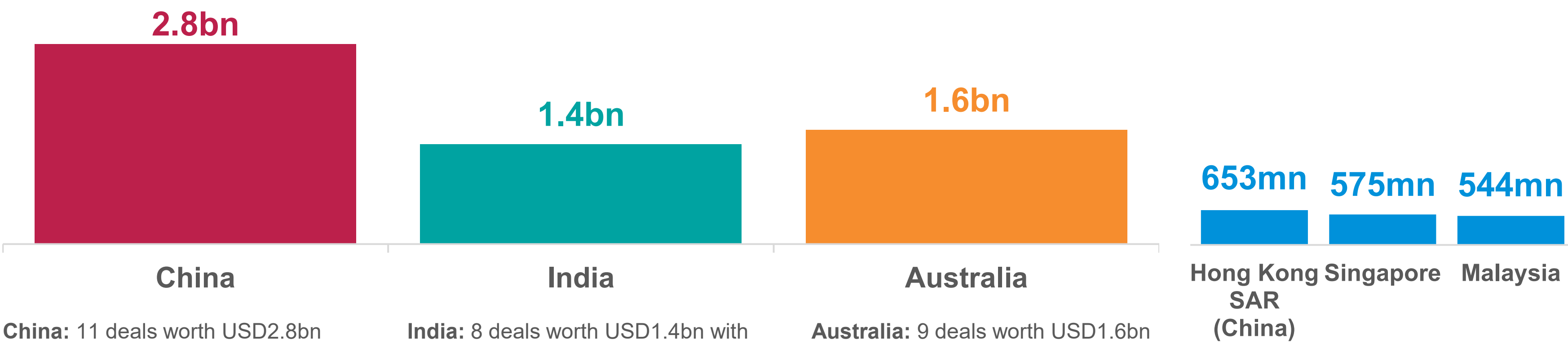
Australia: Top deal includes the acquisition of Members Equity Bank (previously owned by 26 Australian superannuation funds) by Bank of Queensland for USD1bn.

Other markets: Top banking deals in other markets in the region include:

- Acquisition of Shinsei Bank by SBI Holdings for USD1bn (Japan);
- Acquisition of Chong Hing Bank Ltd by Yuexiu Enterprise for USD652mn (Hong Kong SAR, China); and
- Acquisition of Eugene Savings Bank by KTB Investment & Securities for USD313mn (South Korea).

Insurance

(increased from 17 deals in 2020 to 44 deals in YTD Q3'21)



China: 11 deals worth USD2.8bn with top deal being the acquisition of China Post life by AIA Group for USD1.9bn. (2020: 5 deals worth USD 614mn)

India: 8 deals worth USD1.4bn with the top deal being the acquisition of Exide Life Insurance Company by HDFC Life Insurance for USD1bn in September 2021. (2020: 2 deals worth USD 23mn)

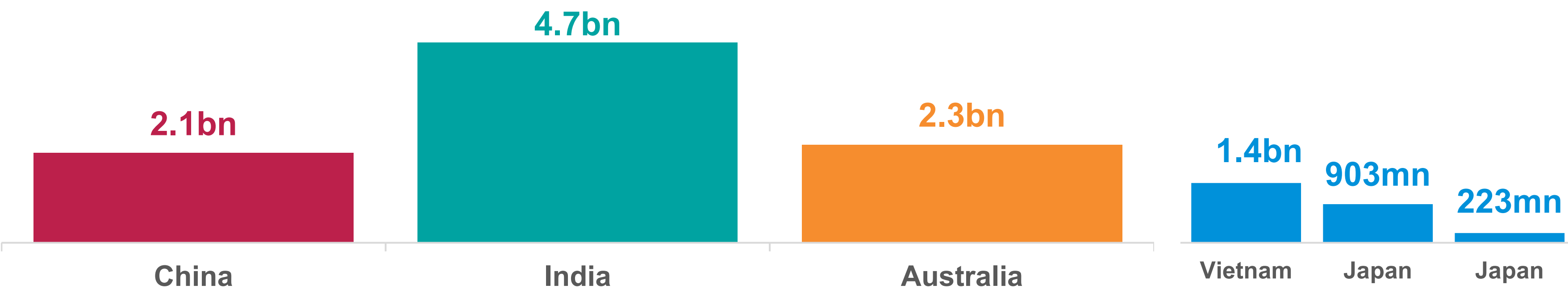
Australia: 9 deals worth USD1.6bn with the top deal being the acquisition of Westpac Life by TAL Dai-ichi Life Australia for USD661mn. (2020: 4 deals worth USD 671mn)

Other markets: Top insurance deals in other markets in the region include:

- Acquisition of BEA Life by AIA Group for USD653mn (Hong Kong SAR, China);
- Acquisition of AXA Singapore by HSBC Insurance for USD575mn (Singapore); and
- Acquisition of AmGeneral Insurance by Liberty Mutual Company for USD544mn (Malaysia).

Financing/Leasing

(increased from 46 deals in 2020 to 117 deals in YTD Q3'21)



China: 38 deals worth USD 2.1bn with the top deal being the acquisition of Jiangxi Financial Holding for USD 361mn by an undisclosed bidder in August 2021. (2020:15 deals worth USD 848mn)

India: 33 deals worth USD10.5bn with the top deal being the acquisition of Dewan Housing Finance by Piramal Capital for USD 4.7bn. (2020: 13 deals worth USD 1.9bn)

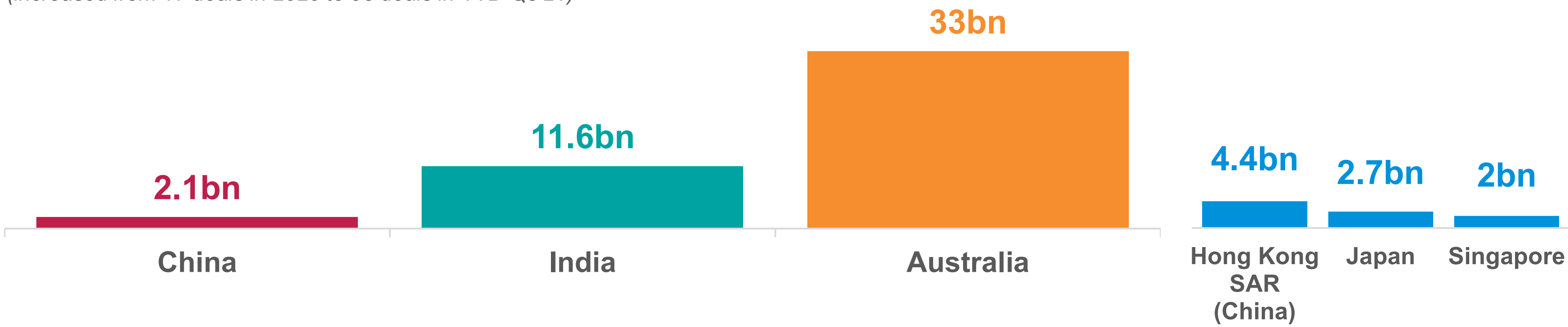
Australia: 11 deals worth USD 2.3bn with top deal being the acquisition of LeasePlan Australia Limited by SG Fleet Group for USD1.1bn. (2020: 3 deals worth USD 224mn)

Other markets: Top financing / leasing deals in other markets in the region include:

- Acquisition of VPBank Finance Company, a Vietnam-based consumer finance company by SMBC Consumer Finance Co. Ltd for USD 1.4bn (Vietnam);
- Acquisition of ES-CON JAPAN Ltd. by Chubu Electric Power for USD903mn (Japan); and
- Acquisition of Mitsubishi UFJ Lease & Finance by Mitsubishi Corporation for USD223mn (Japan).

Fintech (Payments)

(increased from 17 deals in 2020 to 98 deals in YTD Q3'21)



China: 16 deals worth USD2.1bn with top deal being the business combination of East Stone with JHD Technologies for USD1bn. (2020: 2 deals worth USD 484mn)

India: 25 deals worth USD11.6bn mostly in payments infrastructure as cashless payments gain prominence. Top deal includes acquisition of IndiaIdeas.com by PayU Payments Private Limited for USD4.7bn. (2020: 4 deals worth USD 885mn)

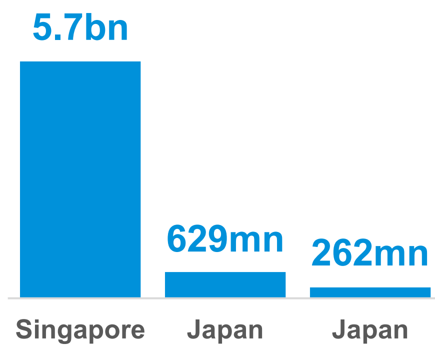
Australia: 11 deals worth USD 33bn with major deal such as the acquisition of Afterpay Limited by Lanai (AU) 2 Pty Ltd (otherwise referred to as Square) for USD 29.2bn in August 2021. (2020: 2 deals worth USD 240mn)

Other markets: Top fintech / payments deals in other markets in the region include:

- Acquisition of China Youzan Limited by a consortium led by Zhu Ning for USD4.4bn (Hong Kong SAR, China);
- Acquisition of Paidy Inc. by PayPal Holdings for USD2.7bn (Japan); and
- Merger of VPC Impact Acquisition Holdings by FinAccel for USD2bn – a SPAC sponsored by Chicago based Victory Park Capital (Singapore).

Asset management

(increased from 41 deals in 2020 to 104 deals in YTD Q3'21)



China: 30 deals worth USD4.4bn with the top deal being the acquisition of Zhijiang New Industrial by an undisclosed bidder for USD900mn. (2020: 17 deals worth USD 5.6bn)

India: 20 deals worth USD1.1bn with the top deal being the acquisition of ASK Group by Blackstone for USD1bn. (2020: 2 deals worth USD 24mn)

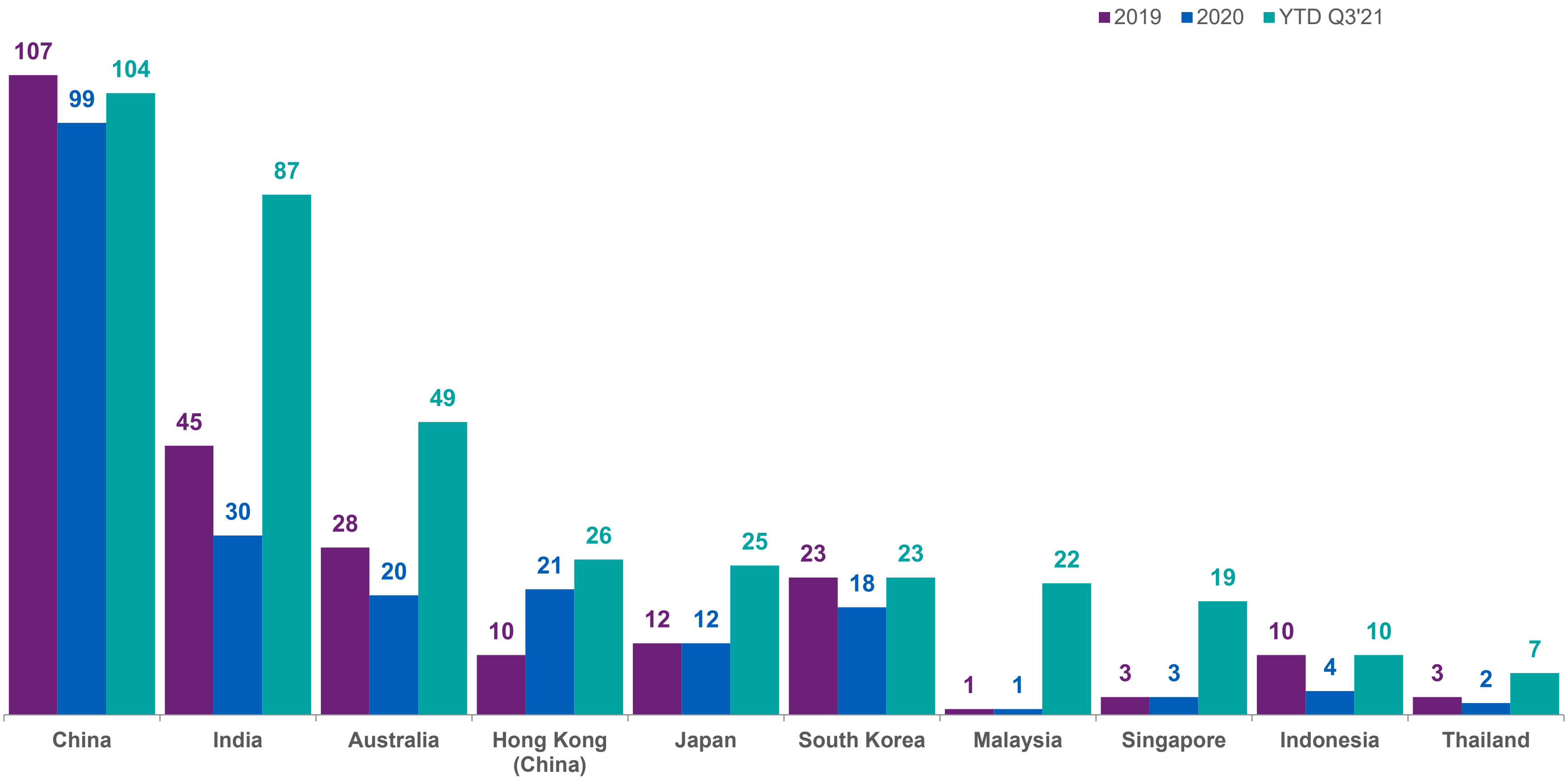
Australia: 14 deals worth USD4.3bn with top deal being the acquisition of Milton Corporation by Washington H. Soul Pattison for USD2.7bn. (2020: 7 deals worth USD 2.7bn)

Other markets: Top asset management deals in other markets in the region include:

- Acquisition of ARA Group, Singapore based real estate fund management firm, by ESR Cayman for USD5.7bn (Singapore);
- Acquisition of GCA Corporation by Houlihan Lokey for USD629mn (Japan); and
- Acquisition of YJFX, FX and mutual fund business by GMO Financial Holdings for USD262mn (Japan).

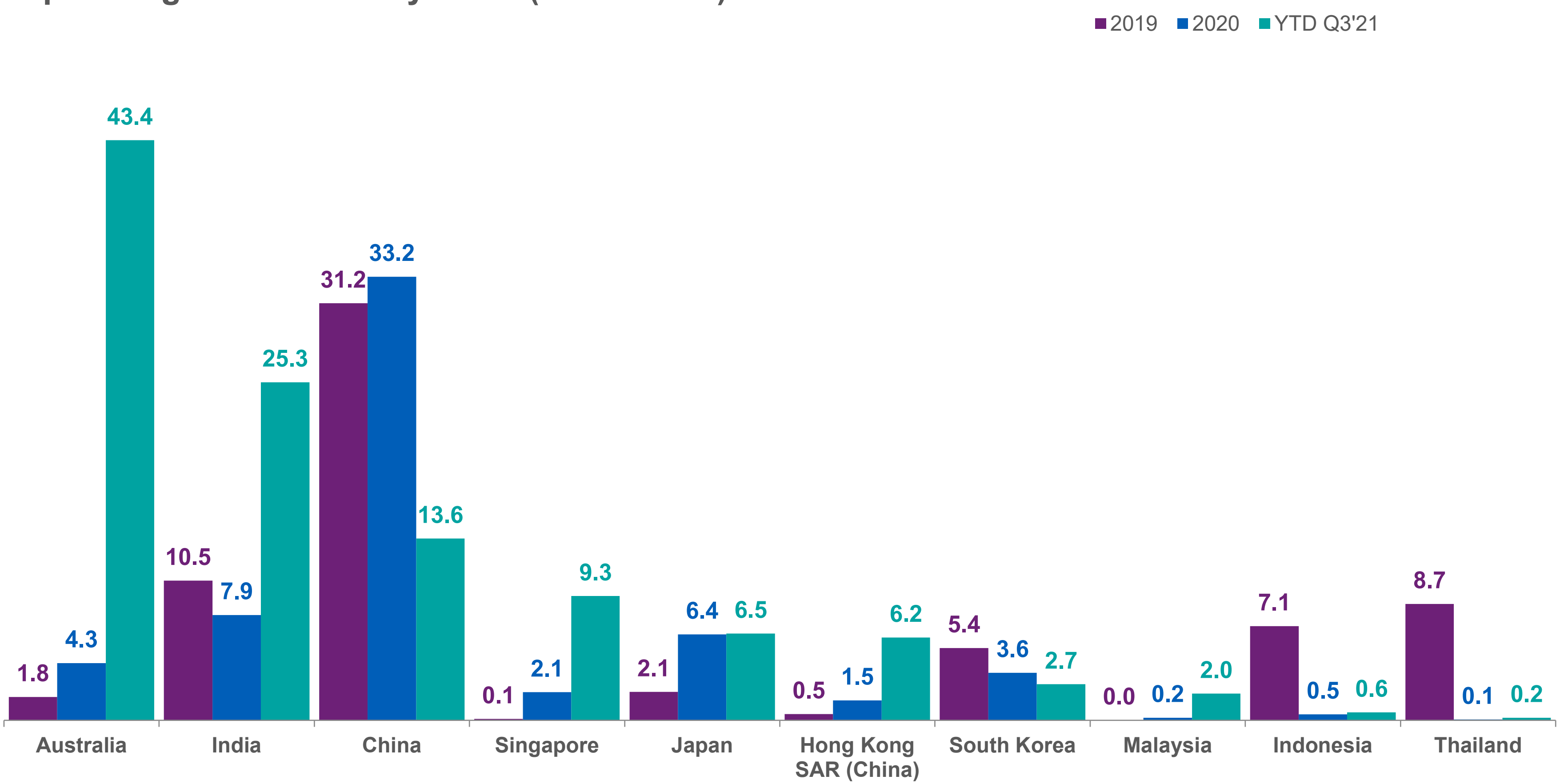
FS deal statistics by market

Top 10 target markets – By volume



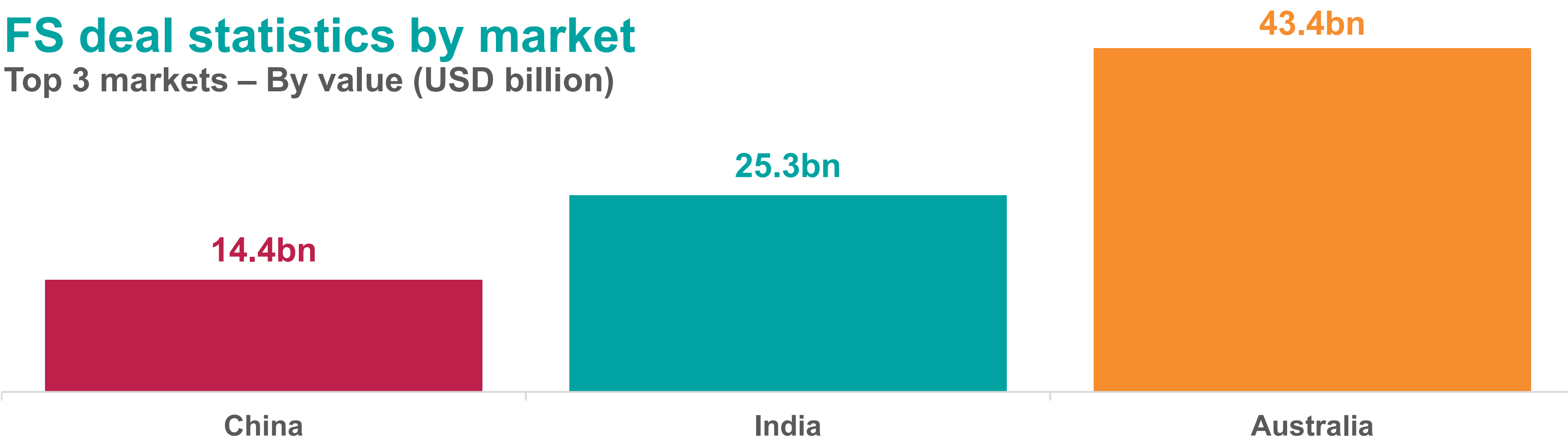
FS deal statistics by market

Top 10 target markets – By value (USD billion)



FS deal statistics by market

Top 3 markets – By value (USD billion)



In YTD Q3’21, overall M&A activity in mostly all ASPAC markets has exceeded the total deal count announced historically in 2019 and 2020, showing signs of significant economic recovery and investment optimism across the region. **China** (112 deals worth USD14.4bn), **India** (87 deals worth USD25.2bn) and **Australia** (49 deals worth USD44bn) witnessed the highest number of deals in terms of both value and volume in the ASPAC region.

- **China:** Main FS sub-sector deals were related to Financing/Leasing (38 deals worth USD2.1bn), Asset management (30 deals worth USD4.4bn) and Banking (17 deals worth USD3.1bn). China is set to see further consolidation amongst its lenders as smaller financing companies have increasing liquidity challenges due to the economic slowdown. This market has also recently relaxed foreign investment rules that allow foreign players to take controlling stakes in asset management companies.

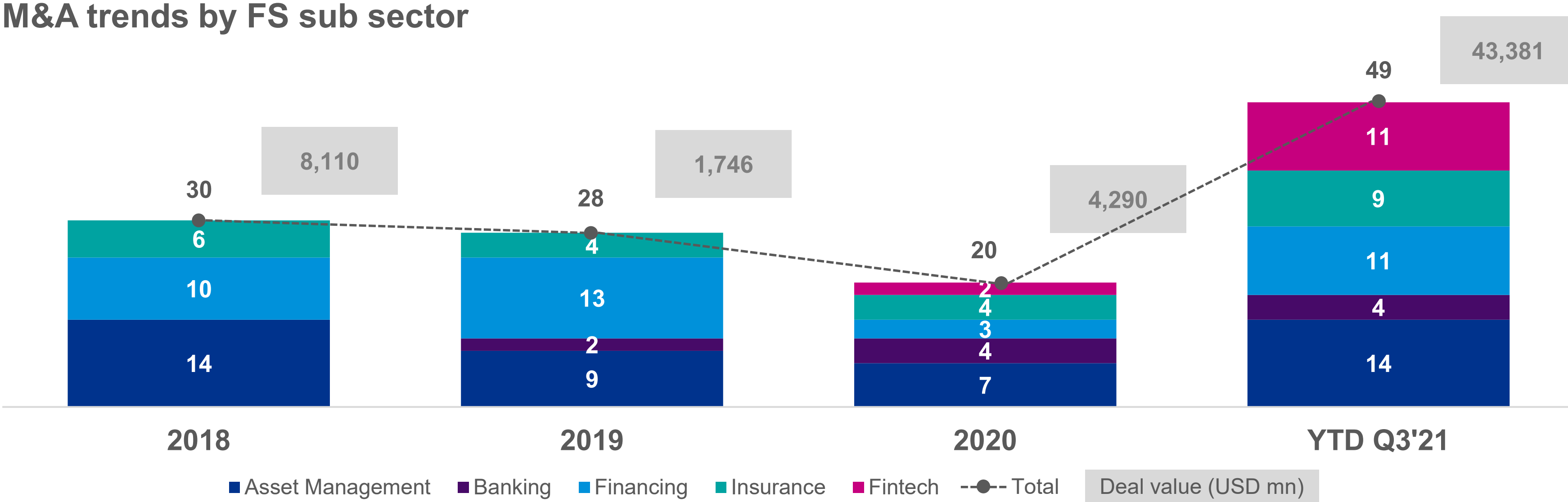
- **India:** A majority of the deal volume is related to financing/leasing (33 deals worth USD10.5bn), Asset management (20 deals worth USD1.1bn) and Fintech (25 deals worth USD11.6bn). Key deals in India include the acquisition of Dewan Housing Finance by Piramal Capital for USD4.7bn in June 2021 and acquisition of IndiaIdeas.com by PayU Payments for USD4.7bn in August 2021.

- **Australia:** The significant increase in deal value in YTD Q3’21 is mainly related to the acquisition of Afterpay Limited by Lanai (AU) 2 Pty Ltd (otherwise referred to as Square) for USD29.2bn in August 2021.

M&A TRENDS AND INSIGHTS BY MARKET

Australia

M&A trends by FS sub sector



- There has been a consistently large number of financial services deals in Australia over the past 5 years driven by significant changes to the regulatory environment, including the Australian Royal Commission. This heightened scrutiny on banks business practices and overall operations prompted/required Australia's banks to divest non-core businesses activities especially in insurance, wealth and asset management.
- Under invested wealth businesses with low capital requirements have been of interest to private equity investors such as KKR/CFS and existing incumbents have sought acquisitions to compete at scale to offset margin pressures (IOOF).
- Large scale international insurance businesses have utilised low cost of capital and operating specialism to secure life and general insurance assets in the local market.
- New financial technology businesses are reaching scale and provide a way for larger incumbents to secure new technology and reach younger customers.

Australia

M&A trends by FS sub sector

Wealth and Asset management

- Australia's major banks have exited their wealth businesses (MLC, CFS, ANZ P&I/Oasis) to de-risk and focus on core banking, including Westpac announcing its strategic proposed divestment of its wealth business with strong interest expected.
- Ongoing scrutiny over fund performance and member fees has continued to put pressure on margins across the value chain. Competition at scale, low cost and with enhanced technology to meet Advisor needs is now imperative and is driving M&A activity.
- Super fund mergers are expected to be a feature of the deals in 2022 and beyond (i.e. Qsuper/SunSuper).

Banking

- M&A activity was driven by increased competition (Industry Super and high-tech operators) and a highly dynamic regulatory environment (Royal Commission, MySuper, FOFA, etc.) resulting in increased customer remediation, compliance costs and challenged vertically integrated businesses.
- Major Banks shifted focus to growth, with a number of strategic acquisitions including NAB's acquisition of Citibanks' consumer business and BOQ's acquisition of ME Bank. These deals set the scene for potential further consolidation in the banking sector.
- Significant changes to the regulatory environment, including the Australian Royal Commission, have increased scrutiny, costs and risks prompting Australia's banks to divest non-core businesses. This emphasis will continue to play a part in driving new M&A deals.
- Following COVID-19, heightened levels of liquidity, deposit funding and low yields have provided the scene for banks to generate improved returns and embark on M&A activity.

Fintech (Payments)

- M&A activity for Q3'21 was predominately for scaled Fintechs and incumbents seeking access to innovative technology and customer acquisition (Latitude/Symple Loans, NAB/86400, CBA/Klarna).
- Square's AU$39bn acquisition of Afterpay is the largest corporate takeover in Australian history reflecting the emergence of new frictionless payment models and customer centric strategy.
- The merger of BPAY, EFTPOS and NPP provides a platform for innovation. Other payment facilitation businesses remain in strong demand.

Australia

M&A trends by FS sub sector

Financing including Leasing and asset finance

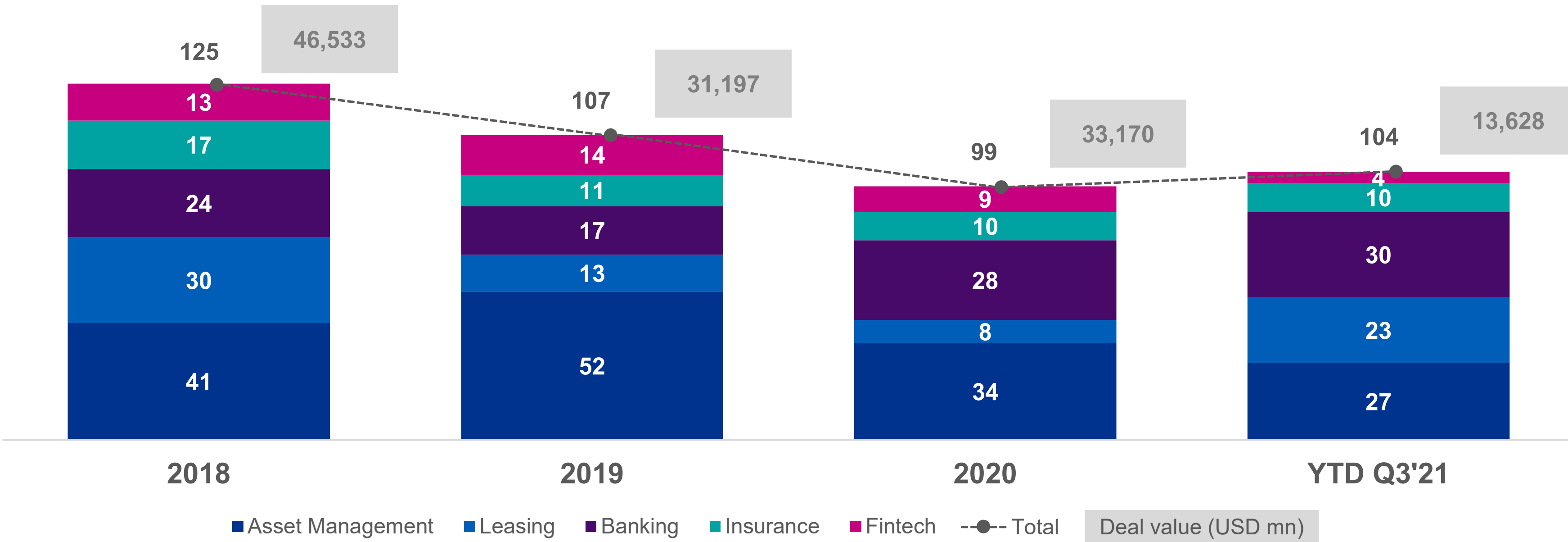
- M&A activity for Q3'21 has been supported by PE interest and the big 4 banks' divestment of non-core assets, as well as consolidation in the Auto finance sector.
- SG Fleet's acquisition of Leaseplan ANZ is the first transaction in an expected rationalisation of auto financiers and was followed by Cerberus' acquisition of the Westpac Auto business. We expect Eclipx, McMillan Shakespeare, UDC, Toyota Finance and other participants to consider options for consolidation and new financing models.
- Non-banks continue to gain traction. Latitude, Liberty and Pepper Money have all grown substantially and are recently listed.

Insurance

- Similar to the Asset Management / Wealth sector, Australia's major banks have exited non-core insurance portfolios and resultant M&A activity in Life and General insurance sectors has been substantial. Large scale international insurers have secured the majority of assets and continue to have keen interest in the Australian market.
- In life insurance, the changing regulatory environment and product design have increased costs in managing claims and compliance. The market has consolidated to larger international insurance specialists with lower cost of capital, including TAL Dai Ichi, AIA, Zurich, Nippon Life and Resolution Life
- Zurich Insurance is currently exploring options for the divestment of its general insurance business in Australia.
- We expect the health insurance to go through a period of further consolidation in the short to medium term.

China

M&A trends by FS sub sector



Deal activity in China remained active across all FS sub sectors. The number of deals was impacted by the political and economic environment, the impact of Covid 19 and the changes in the foreign direct investment creating new opportunities for foreign ownership of Chinese businesses.

- There was a relaxation of foreign investment restrictions allowing for the phased increase in ownership from foreign investors in the insurance and asset management sectors. This provision will create greater opportunities for foreign investment funds to invest in AMCs and other companies;
- Banks have continued to divest NPLS and or restructuring opportunities arising from stressed financial institutions to AMCs; and
- PEs and VCs continue to show a strong interest in the platform and payments sectors.

China
M&A trends by FS sub sector

Asset management

- The asset management industry in China is dominated by local players, however, the regulator has accelerated moves on financial liberalisation, which is expected to spur M&A activity from foreign players.
- The increasing use of artificial intelligence (AI) and machine learning by fund managers to improve efficiency and returns has stimulated partnerships with and investment in Fintech players.

Banking

- The uncertainties and slow-down in economic growth due to the COVID-19 pandemic have resulted in an increasing credit risk exposure and a higher capital requirement for banks in China. This situation is expected to continue into 2022 which will drive increasing levels of distressed asset sales and restructuring activities.
- State-owned distressed asset managers are required to sell their non-core assets such as securities, trusts, banking etc.

Fintech (Payments)

- Giant tech players such as Ant Group and Tencent, are still very active and looking to enhance their ecosystems via M&A. PEs are gradually fuelling investments in Fintechs, given the potential for future growth and strong returns. Many fintech's have considered the equity markets through new IPOs, however this route to market is experiencing some challenges.
- The Government is strengthening regulations on online lending and financial holding companies, while an emphasis on data governance, data security and users' privacy protection policies is set to yield new opportunities.

Leasing

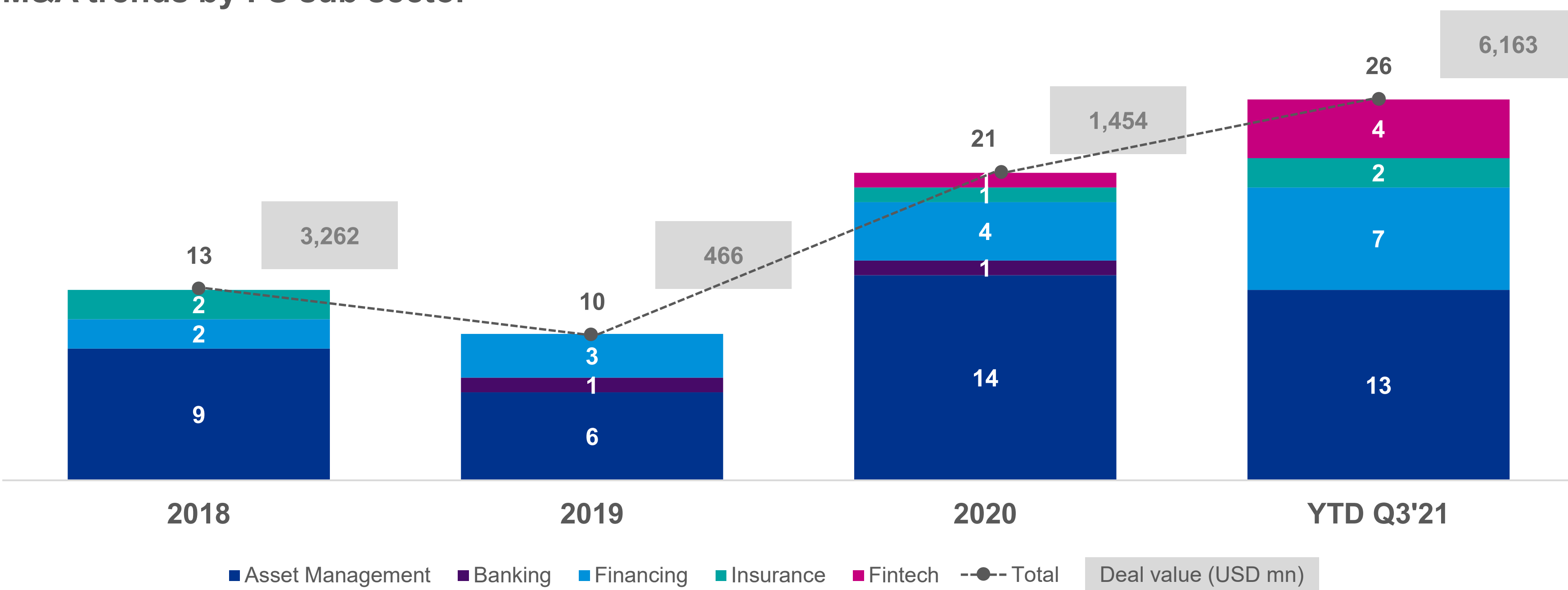
- M&A transactions have been predominately with small and medium-sized companies creating scale in a large and fragmented market.
- Market size and business volumes have experienced growth due to the economic recovery in 2021, despite this, growth has been decelerating amid the tightening regulatory supervision and deteriorating asset quality.

Insurance

- Insurance companies are seeking investment opportunities up and down the insurance value chain, including Insurtech, medical services, new distribution channels, etc.
- An insurance companies Capital/Solvency position remains a key constraint for small-medium size players, driving demand for new equity / fundraising in the domestic market.
- A low interest rate environment continues to pose challenges for life insurers which are required to focus on longer term protective products by regulators.

Hong Kong SAR (China)

M&A trends by FS sub sector



Deal activity in Hong Kong fell in 2019 due to social unrest, but recovered in 2020/2021 despite the Covid-19 Pandemic. Key drivers include:

- Local Financial Institution Groups such as AIA and HSBC looking to scale-up through acquisition; and
- Fund raising for new Digital banks;
- Some exits across the insurance sector from companies such as BEA supporting the scale up of regional players; and
- Financial investors showing interest in asset managers and money lenders, where regulatory approval hurdles are lower and ROEs are relatively higher.

Hong Kong SAR (China)

M&A trends by FS sub sector

Asset management

- Hong Kong reached USD 4.5 trillion assets under management in December 2020, with 21% year-on-year growth. As an international financial center, with a sophisticated equities market, interest in the securities and brokerage sectors remains high. Most Asset management transactions were around building scale.
- Hong Kong attracts international investors due to its robust regulatory framework and position as a gateway for investing in China.

Banking

- The largest banks such as HSBC, BoC, SCB and BEA are interested in potential acquisitions and expansion in the non-bank sector - fintech, insurance and wealth management.
- Investment companies such as Yuexiu Enterprise (Holdings) Limited continue to be interested in Hong Kong's banking sector as seen through its recent investment in Chong Hing Bank Ltd for USD0.7bn.
- HKMA approved full digital banking licenses in 2020 for 8 virtual banks.
- Most VBs have partnered with traditional banks and / or large conglomerates.

Financing

- Relaxed regulations allow money lenders to charge up to a 60% effective interest rate per annum. There are no capital requirements and relatively low regulatory approval hurdles. As a result, acquisition interest from financial investors in money lenders is high.

Insurance

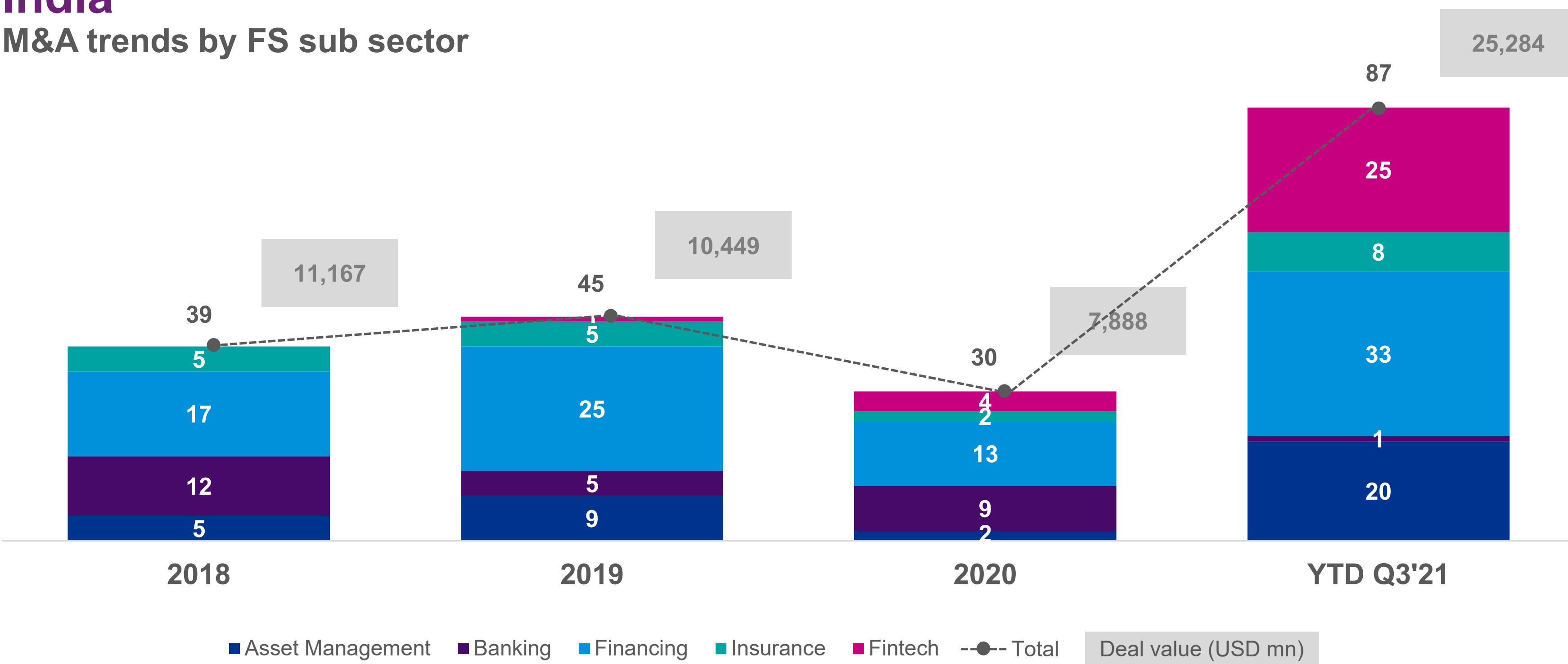
- Hong Kong insurance premium per capita ranked 2nd globally in 2020. Despite the high penetration rate and the relatively mature market, potential for future growth remains strong, supported by the country's position as an insurance hub.
- In 2021 AIA acquired BEA Life (USD0.7bn).
- There are limited available life insurance targets in HK, and larger insurers are highly prized.

Fintech (Payments)

- Hong Kong's payments market has more similarities with European and American markets, with credit / debit / prepaid tap and pay dominating over QR payments, and most shopping taking place offline.
- That said, Hong Kong is seeing growth in new fintech paradigms, with cloud POS proliferation, on-demand services and rising eCommerce penetration driving online and O2O payments. Buy Now Pay Later penetration is growing triggered by the rise in e-commerce.

India

M&A trends by FS sub sector



Deal activity in India experienced in uptick in YTD Q3’21 driven by Fintech / Payments, Financing, Asset Management and Insurance deals. Key drivers include:

- Focus on digitisation by companies with increased adoption of consumers / businesses for digital payments / transfers during the pandemic; and
- PE funds with dry powder looking to deploy funds in emerging fintech businesses and asset backed lending models.

India

M&A trends by FS sub sector

Asset management

- M&A activity has picked up significantly in 2021 across asset & wealth management and Wealthtech platforms, with recent deals including PAG's majority investment in Edelweiss Wealth management, and Amazon's entry into India's Wealthtech space via its minority investment in Smallcase.
- We expect an increase in M&A activity with consolidation between players including Mutual fund manufacturers and also distributors.

Banking

- M&A activity in 2H'21 could see the potential announcement of a successful bidder in the proposed sale of Citibank's retail business in India and across the region.
- M&A activity in private sector banks is driven by acquisition / takeover of stressed old private sector banks. Recent examples of such takeovers include DBS acquiring Lakshmi Vilas Bank and a consortium of Centrum Capital and Bharat Pe acquiring PMC Bank.

Fintech (Payments)

- The sector has seen rising penetration of e-commerce and the use of cards and digital wallets, with the government supporting cashless transactions and initiatives to improve payment infrastructure and to leverage internet and mobile technology.
- Launch of new services such as digital payment platform called e-RUPI and Account Aggregator platform are expected to act as enablers.
- Fundraising activity by established and new fintech players is expected to continue after the US$ 4.7 bn cash deal by Naspers to acquire BillDesk ; Neo Banks are seeing interests from PE funds.
- Recent IPOs by Paytm (payments) and Policy Bazaar (insurance distribution) have demonstrated investor appetite and faith in the long-term growth prospects of fintech businesses.

Insurance

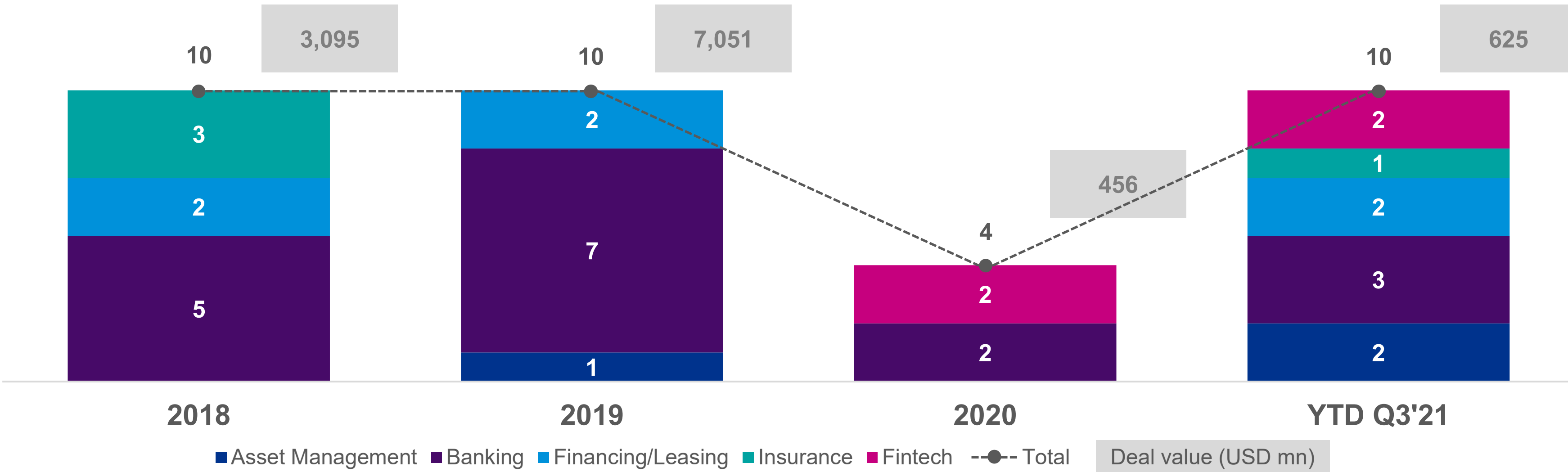
- Increase in FDI limits from 49% to 74% will positively impact the M&A activity in India's insurance market.
- Industry has already started witnessing consolidation with ICICI Lombard acquiring Bharti Axa General Insurance and HDFC Life acquiring Exide Life.
- Going forward further consolidation in India's insurance market is expected with existing foreign players looking to increase their stake in India JVs and few large foreign players trying to enter via acquisitions.

Financing

- Stricter regulations after a large NBFC suffered from financial irregularities and a build-up of unsustainable debts.
- The introduction of Scale Based Regulations and stringent NPA norms (for Non-Banking Finance companies in line with Banks) may result in higher reported delinquency levels, need for capital infusion and operating model changes.
- Preference for asset backed lending models, after a testing 12 months of COVID-19 induced moratoriums and spike in delinquencies for unsecured lenders.

Indonesia

M&A trends by FS sub sector



M&A activity in Indonesia continues to be robust, despite prolonged COVID-19 impact. A number of major deals occurred in the financial services industry in 2021. Key drivers include:

- Requirement under OJK Reg. No. 12/POJK.03/2020 regarding "Consolidation of Commercial Banks" for minimum capital of IDR3 trillion by December 2022 that particularly drove M&A activity involving BUKU 2 target banks.
- Ongoing policy of consolidation and digital transformation being encouraged by the OJK to strengthen the financial services sector
- Well-capitalised and technology-based start-ups looking to make acquisitions to expand and diversify business footprints and strengthen digital transformation strategies
- Private equity selectively targeting Indonesian digital and start-up sectors
- Government relaxing foreign ownership limitations across a broad range of sectors under the OMNIBUS Law and indirect impacts of general FDI inflows on the financial services industry.

Indonesia

M&A trends by FS sub sector

Banking

- State-owned and BUKU 4 banks (i.e. largest bank category with core capital of at least 30 trillion Rupiah) - BRI, Bank Mandiri and BNI, foreign investors and fintech players showing interest to acquire small banks for digital transformation.
- Currently 18 banks provide digital services, with more than 50% of 270 million Indonesians still unbanked.
- Recent high-profile deals include Kookmin Bank's acquisition of a 67% stake in Bank Bukopin and Gojek's 22% stake in Bank Jago in 2020, as well as Bangkok Bank's 98.71% majority acquisition in Bank Permata. Sea Limited acquired a 94.95% ownership interest in Bank BKE (now Bank Seabank Indonesia) in 2021.

Fintech

- Indonesian government's commitment to support technology based start-ups and payments companies drove an increase in deal activity. There is increasing interest for start-ups and payments companies to list on stock exchanges in Indonesia and USA.
- Gojek and Tokopedia's USD18 billion merger to form GoTo and the largest technology group in Indonesia with a highly complementary ecosystem that combines e-commerce, on-demand and financial services. GoTo plans to IPO in 1Q22.

Leasing / Multi-finance

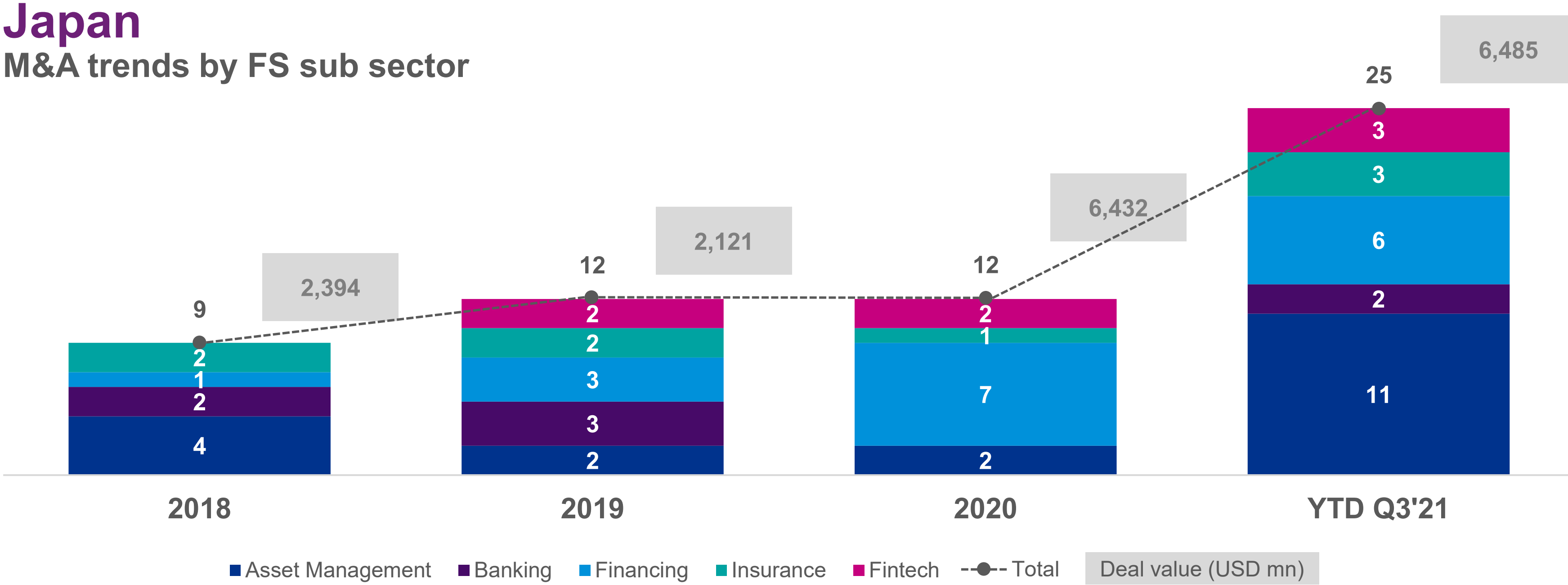
- Technology based start-ups show increasing interest to acquire multifinance companies, mainly to increase capacity for "PayLater" services.
- Traveloka, Kredivo and Atome Financial acquired local multi-finance companies to accelerate digital financing businesses across various industries.

Insurance

- While growing steadily, albeit from a low base, Indonesia's insurance sector in both general and life insurance segments continues to face challenges to increase penetration at a time when a slowing economy has hit discretionary insurance premium spending.
- Significant deal in 2021 relates to FWD Singapore's acquisition of undisclosed stake in BRI Life for USD300 million.

Japan

M&A trends by FS sub sector



Increased deal activity in Japan during YTD Q3'21 was due to diversified players and entrants from non- financial industries particularly in asset management and financing sectors.

- The government is still focusing on consolidation amongst smaller regional banks, while seeking to promote growing sub- sectors such as digital payments / fintech.
- As a part of countermeasures to COVID-19, "Zero-interest loans" (government subsidised loans) have been offered through various financial institutions, substantially with zero interest and no collateral. This has helped survival of financially struggling SMEs but may increase future potential NPLs.

Japan

M&A trends by FS sub sector

Asset management

- Japan is home to many high net worth individuals and is an attractive destination for asset managers, thus creating M&A opportunities.
- Highly competitive sector which includes major Japanese providers and leading multinationals – product innovation and digitalisation (the key to achieving growth) has also driven M&A activity.
- Traditional asset manager transactions have been relatively rare due to few available targets in the market but online players and funds are active in acquiring securities and crypto asset businesses.
- Japanese financial services firms such as GMO Financial and Tokai Tokyo Financial Holdings continue to be interested in local brokerage firms as seen via the acquisition of YJFX Inc. and Ace Securities Co Ltd respectively, during YTD Q3'21.

Banking

- Headwinds faced by this sector include limited growth potential of banks, the ageing population and a negative interest rate policy. Governmental support and pressures have been focused on the regional banking sector as Bank of Japan is pushing for further consolidation among the smaller regional banks.
- Major banks continued to look at expansion opportunities overseas, particularly in SEA region, focusing on digital banks and fintech players especially in Vietnam (SMBC significant minority investment in FE Credit, Mizuho investment in HD Saison and Shinsei investment in MBCredit, Thailand (Krungsri, a strategic partner of MUFG) and Indonesia.

Financing (including leasing)

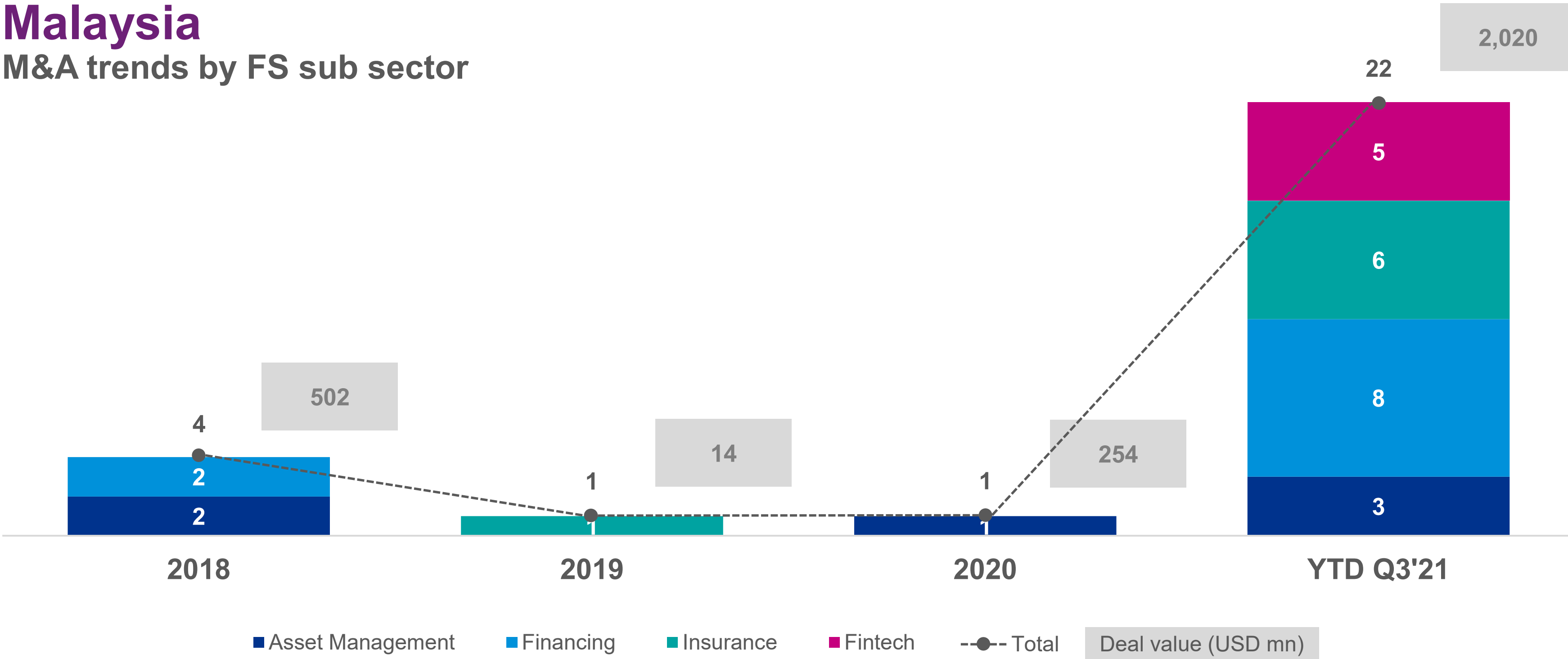
- Major leasing companies such as Mizuho Leasing Company and Mitsubishi UFJ Lease & Finance Company; as well as utility companies such as Chubu Electric Power continued to be active in diversifying their business portfolio, expanding into energy, IT and BPO areas, amongst others. COVID-19 impacts are substantial in the aircraft finance sub-sector for financing players.
- Leasing companies are also eager to expand into SEA markets, into various non-banking and digital opportunities.

Insurance

- The insurance sector is mature with a high penetration rate. The ageing population combined with low interest rates and negative bond yields presents both challenges and opportunities to existing players in the market for both life and savings based products.
- Japanese insurers that have heavily invested in overseas and foreign financial markets faced significant risks from the pandemic. Whilst insurers continued to look for potential SEA targets, the pandemic has caused outbound deal activity to slow down in 2020 which has increased in 2021.
- Major property and casualty (P&C) players are focusing on healthcare and enhancing digital capability / distribution.

Malaysia

M&A trends by FS sub sector



Deal activity in Malaysia experienced an uptick in YTD Q3’21 across all sub sectors, with deal value rising to USD2.0bn. This was driven primarily by Italy’s Assicurazioni Generali investment into the Malaysian P&C insurance market.

Malaysia is accelerating digitalisation in its financial services sector, with the award of digital money lender licenses and impending announcement of digital banking licenses.

Malaysia is also promoting the use of e- wallets within the payment sub sector, through various incentives and schemes to consumers.

Malaysia
M&A trends by FS sub sector

Asset management

- Continued interest from local and international investors looking to build presence in the Malaysian asset management market.
- Particularly for unit trust funds and Islamic funds, which both have historically seen significant growth in the market.
- Affin Bank Bhd is continuing to mull over a potential IPO for its asset management business, Affin Hwang Asset Management Bhd, which could raise up to USD125mn, valuing the asset management company at over USD300mn.

Financing

- Deals totaling USD2mn in 1H21 were primarily in the money lending and digital financing verticals, with investors from Australia, Middle East and Malaysia.
- The Government awarded 8 new digital money lending licenses at the end of 2020.

Insurance

- The sector is expected to see more consolidation, particularly the acquisition by foreign multinationals of Malaysian insurers. Deals totaling USD770mn in 1H21 was attributed to Assicurazioni Generali's acquisition into AXA Affin Life Insurance Bhd, AXA Affin General Insurance Bhd and MPI Generali Insurans Bhd.

Fintech (Payments)

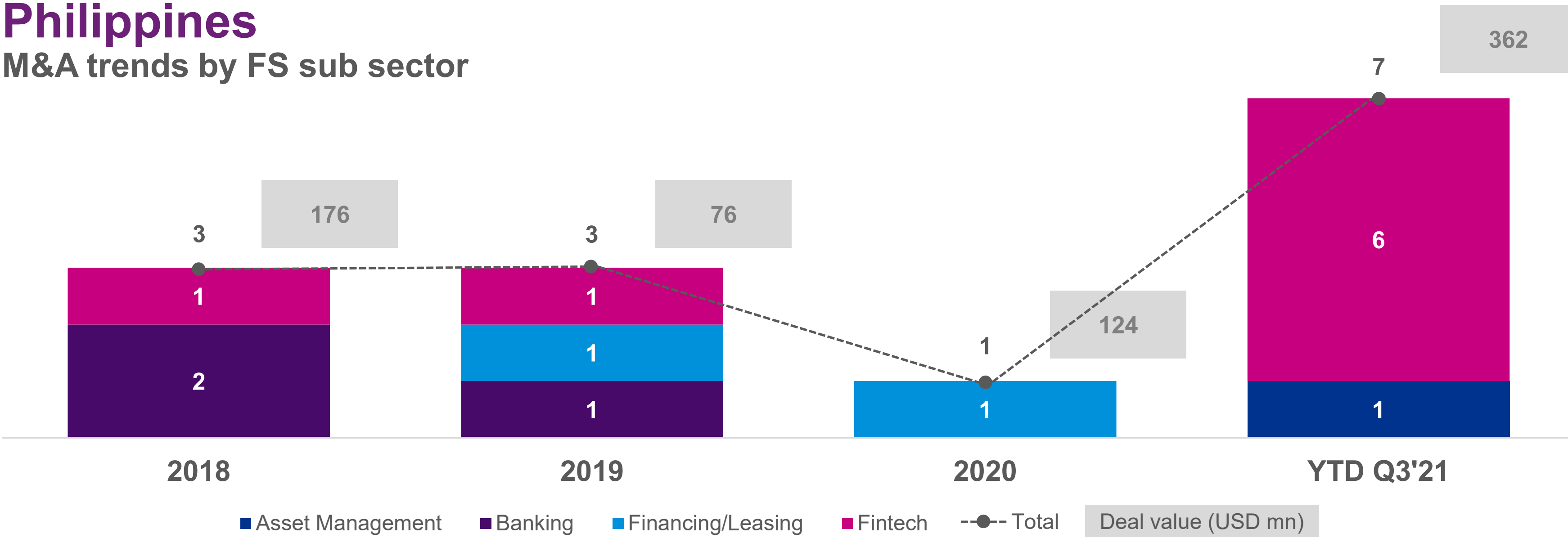
- Malaysia's fintech sector has grown with over 230 fintech start- ups and a rapid take-up of e-wallet (QR code payments) in recent years.
- In Jul-2021, TNG Digital, one of Malaysia's primary e-wallet operators – TNG e-wallet, announced AIA Group as its fourth shareholder (after CIMB Group, China's Ant Group and US' Bow Wave Capital Management).

Banking

- The Central Bank plans to issue up to 5 digital banking licenses (conventional or Islamic), with 29 applicants vying for the licenses.
- Big banks such as Maybank and CIMB continued to expand their overseas footprint – CIMB recently launched digital banks in Thailand, Vietnam and Philippines with plans to expand its investment-banking and wealth management operations.
- Consolidation in the sector has been difficult due to high valuations.

Philippines

M&A trends by FS sub sector



Philippines increased in YTD Q3'21 particularly for fintech / payments as people shifted from using traditional financial services to digital platforms due to the pandemic.

Majority of the deals involve fintech / payments sector. Key drivers include:

- Fintech companies strengthening their capabilities, and local companies looking to bolster digital capabilities or shift to digital platforms;
- Consumers and businesses' increased adoption of digital payments / transfers during the pandemic; and
- Investors investing in Fintechs for future growth and strong returns.

Bangko Sentral ng Pilipinas ("BSP"), the local regulator in the Philippines, has shown continued support for the growth of the financial services sector by issuing digital bank licenses starting in 2020.

The Securities and Exchange Commission of the Philippines recently approved new types of fintech such as the first crowdfunding portal.

Philippines

M&A trends by FS sub sector

Asset management

- With positive economic growth, a rapidly expanding middle class and a stable banking sector, more opportunities are starting to emerge for private equity firms, pension funds, investment banks and wealth management firms.
- M&A activity in the asset management sub-sector has been limited in recent years, with only one transaction in recent years.
- Existing asset management companies such as BPI Asset Management and Trust Corporation have actively launched new funds in the country.

Banking

- Recent M&A transactions involved traditional banks and were mainly for market expansion through the acquisition of various equity stakes in rural banks.
- Several Universal banks have tapped the debt market for their source of funds.
- BSP's issuance of digital banking licenses to six banks (capped), namely: Overseas Filipino Bank, Tonik Digital Bank, Inc., UNObank, Union Digital Bank, GOtyme and Maya Bank.

Fintech (Payments)

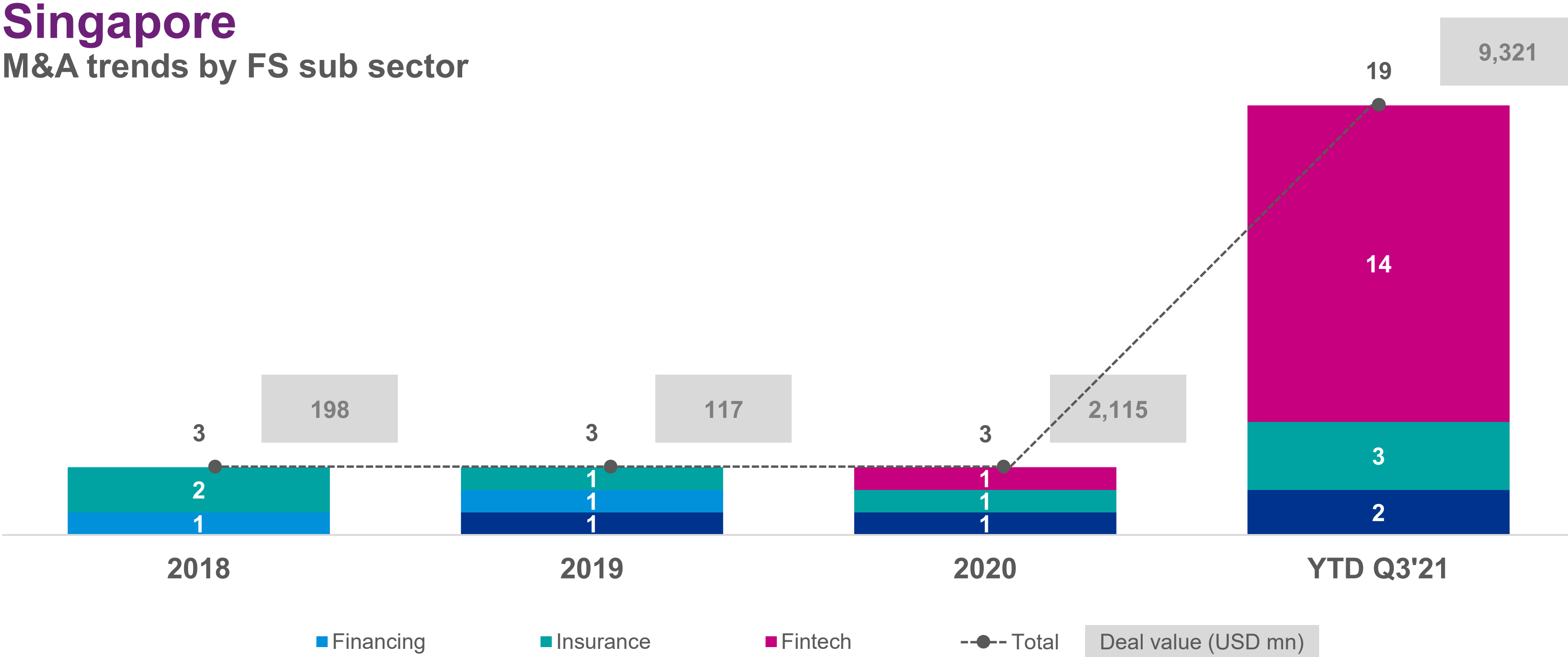
- A rapidly growing sector and significant increase of deal activity in the sector driven by regulatory support and increased digital adoption by consumers during the pandemic.
- Uptick in fundraising activity in YTD Q3'21 is attributed to fintech players such as Gcash, Paymaya, Plentina, U-Pay and Vasu. The two largest deals involve e-wallets – Gcash's latest fundraising round has a deal value of USD175mn while Paymaya raised USD167mn.

Insurance

- Growth remains relatively strong driven by the low penetration in the country in addition to an expanding middle class creating more demand for insurance products.
- Though Insurtech is not widely available at present, there is a trend towards digitalisation in other sectors which is expected to positively influence the insurance industry.

Singapore

M&A trends by FS sub sector



Deal activity in Singapore experienced an uptick YTD Q3'21 underpinned by fintech / payments deals. Key drivers include:

- Local companies looking to strengthen digital capabilities to cater to consumers and businesses that are turning to digital payments or transfers during the pandemic; and
- PEs and VCs investing in fintechs for future growth and strong returns.

Continued support from the local regulator (the Monetary Authority of Singapore "MAS") has also encouraged greater innovation and deal activity in this sub sector.

Singapore
M&A trends by FS sub sector

Asset management

- While M&A activity is fairly limited, given Singapore is a regional financial hub for businesses and a safe haven for the assets of wealthy individuals from across Asia, this sub sector has continued to exhibit strong growth in recent years.
- Past asset management deals include the acquisition of brokerage securities firms and fund management businesses by local players in Singapore.

Banking

- While the 3 local banking groups – DBS, OCBC and UOB show limited interest in bidding for their local peers, they will continue to seek potential foreign acquisitions and expansion.
- Most of the Singapore banks have been rumored to be considering selected country acquisitions of Citibanks' consumer business across the region. We expect to hear more in early 2022.
- The MAS approved full digital banking licenses in late 2020 for the Grab- Singtel consortium, SEA (Shopee), China's Ant Group and Greenland Financial Holdings, to commence in 2022.
- In late 2020, DBS acquired India's LakshimiVilas Bank and 13% stake in China's Shenzen Rural Commercial Bank in April 2021.

Fintech (Payments)

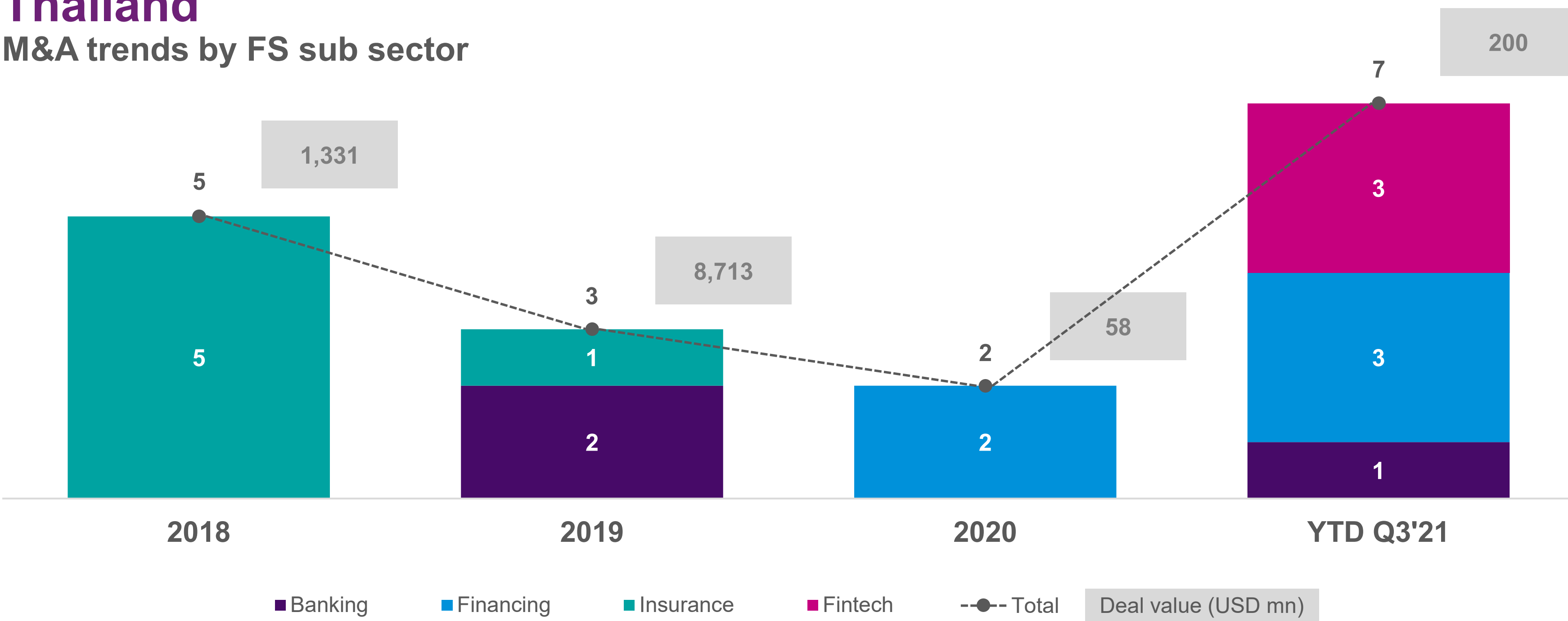
- Continued local government and regulator support in the fintech / payments sub sectors drove a significant increase in deal activity.
- Uptick in fundraising activity by the new and startup fintech players such as Validus, Nium, Stashfin, Thunes, with the largest deal being Grab's latest fundraising round with a deal value USD 300mn

Insurance

- This is a well-developed sub sector in Singapore as the domestic population places a great deal of importance on insurance coverage. However, the market is relatively small (0.56% share of global premiums) behind the major economies but still ahead of most ASEAN markets.
- The Aviva Singlife deal (USD1.9bn) represents a significant part of the deal value in 2020.

Thailand

M&A trends by FS sub sector



Deal activity in Thailand remains vibrant despite the impacts of the Covid- 19 pandemic. Activity has been driven by the following:

- Funding activities of AMCs as they prepare for greater NPL flows;
- Reshuffling of domestic businesses with several real estate businesses concluding large transactions in the financial services space; and
- Continued activity and transactions in Payments and Fintech.

We expect activity to remain robust as banks rationalise their portfolios and we start seeing the impacts of digital start-ups in the broader financial services sector.

Thailand

M&A trends by FS sub sector

Asset management

- Significant uptick in the asset management sector with increased deleveraging by banks.
- Foreign banks continue to find Thailand's high net-worth individuals as attractive target segment. In June 2021, Credit Suisse reported that it would ramp up its private banking activities in the region.
- Asset management companies have been increasingly active in the fund raising market for both equity and debt.

Banking

- Local banks continue to look outbound in markets such as Indonesia, Cambodia, Laos and Vietnam. Ongoing focus on deregulation and liberalisation in the sector is likely to spur consolidation among banks.
- Citi's reported retail banking exit has attracted wide interest from local banks looking at ways to boost relatively subdued retail businesses.
- Digital acquisition, underwriting and monitoring are key areas of focus with continued deal activity and investments in this space.

Fintech (Payments)

- Thailand's e-payment sector has grown rapidly in recent years boosted by an enabling regulatory environment, deep investments by major financial services players and rapid customer adoption.
- JVs between financial and technology companies is a key transaction theme (e.g. KBank – Line, Jmart – KB-Kookmin, etc.) focused on harnessing digital platforms for lending.

Financing

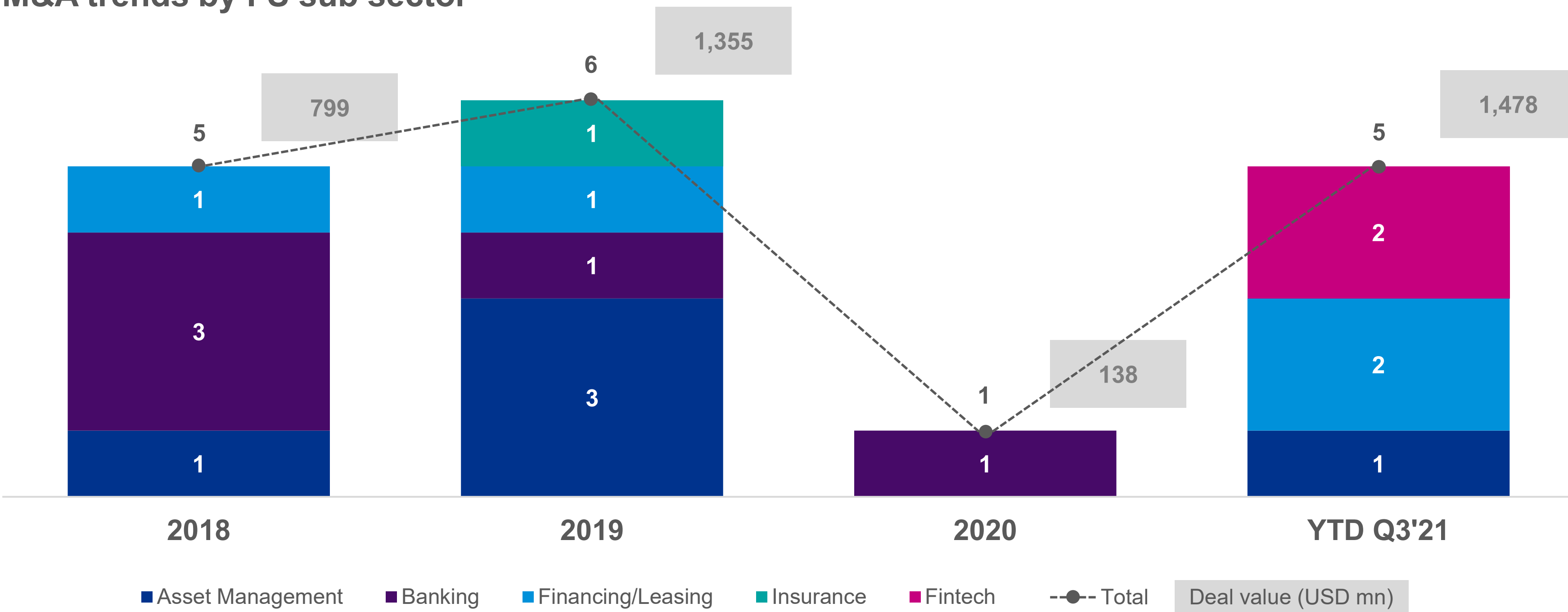
- Specialist consumer finance operators with sufficient scale continue to shine with several IPOs (TIDLOR, SAK, HENG).
- While the segment has been impacted by statutory lending cap decreases, ROAs for the largest players remain high on the back of high NIMs and good credit management.
- The personal loan space is also seen as a stepping stone for digital players with multiple recent license acquisitions.

Insurance

- The sector remains attractive to potential investors given the low insurance penetration rates for life and non-life products.
- Life insurance licenses remain sought after with recent acquisitions such as Manulife, A LIFE etc.
- Brokerage businesses are increasingly digitally focused. Larger brokers have been expanding regionally through deals (e.g. TQM).
- Sunday Insurance Group – a digital non-life insurer just concluded a successful series B offering demonstrating strong foreign interest.

Vietnam

M&A trends by FS sub sector



Fintech (payments) and consumer lending sectors have driven FS deal activity in Vietnam during YTD Q3’21.

Vietnam’s government is gradually easing investment restrictions on foreign companies and appears more receptive to overseas investment and ownership in the medium term.

Vietnam

M&A trends by FS sub sector

Finance / Leasing

- Japanese large banking corporations have been very active in the market, investing in significant minority (mostly 49%) of FE Credit (SMBC), HD Saison (Mizuho), MBCredit (Shinshei) and recently SHB Finance (Krungsri – a strategic partner of MUFG).
- Existing opportunities for other potential investors who come with technology-enabled product offerings and appropriate customer segmentation. Market followers are open for M&A.

Fintech (Payments)

- Significant potential adoption of cash free payment system and new mobile banking initiatives by the Statement Bank of Vietnam.
- There are more than 30 non-bank institutions licensed to provide payment
- / e-wallet services. Active fund raising by key fintech players such as MoMo, a market leading consumer e-wallet.
- M&A opportunities for both financial investors into existing market leaders or equity investors to develop their own ecosystem.

Banking

- The Government ‘s willingness to speed up process of privatising state-owned banks will provide additional domestic investment opportunities.
- The State Bank of Vietnam has issued regulations allowing banks to keep the loan classification of borrowers whom are impacted by COVID-19 (i.e. delayed loan loss provision).
- Smaller banks struggle with scale and the recent announcement on banks issuing bonds and equity or seeking foreign partnerships to increase their capital base.

Insurance

- Potential growth sector given its relatively low penetration rate of 3.6%.
- Emergence of new insurtech platforms and the tie ups between banks and life insurers to offer bancassurance products continue to be successful.
- Regulatory changes considered in the National Assembly will likely expand compulsory cover in non-life insurance sub-markets, leading to potential growth beyond 2023.

Asset management

- The sector has grown rapidly in recent years but remains underdeveloped as consumer awareness is low and banks have been dominating in the country.
- Regulators have been tightening the process of new licenses and firming up rules to enhance profitability and stability in the in the sector.
- Larger players with experience in Vietnam and across the region, will have an advantage in expanding their market share.

TOP FINANCIAL SERVICES DEALS

Top 15 Financial services deals in ASPAC in YTD Q3'21

No.	Date	Target Company	Bidder Company	Sector	Deal Value (USD billion)	Target Country
1	02-08-21	Afterpay Limited (ASX:APT)	Lanai (AU) 2 Pty Ltd (otherwise known as Square)	Fintech	29.3	Australia
2	04-08-21	ARA Asset Management Limited	ESR Cayman Limited	Asset management	5.7	Singapore
3	31-08-21	IndiaIdeas.com Limited	PayU Payments Private Limited	Fintech	4.7	India
4	07-06-21	Dewan Housing Finance Corporation Limited	Piramal Capital & Housing Finance	Financing / Leasing	4.7	India
5	28-02-21	China Youzan Limited	Consortium for China Youzan	Fintech	4.4	Hong Kong
6	08-09-21	Paidy Inc.	PayPal Holdings, Inc. (NasdaqGS:PYPL)	Fintech	2.7	Japan
7	22-06-21	Milton Corporation Limited	Washington H. Soul Pattinson & Company Limited	Asset management	2.7	Australia
8	02-08-21	FinAccel Pte Ltd.	VPC Impact Acquisition Holdings II	Financing / Leasing	2.0	Singapore

Top 15 Financial services deals in ASPAC in YTD Q3'21

No.	Date	Target Company	Bidder Company	Sector	Deal Value (USD billion)	Target Country
9	06-07-21	Fullerton India Credit Co. Ltd.	Sumitomo Mitsui Financial Group, Inc.	Financing / Leasing	2.0	India
10	29-06-21	China Post Life Insurance Corporation Limited	AIA Group Limited	Insurance	1.9	China
11	29-09-21	Shengjing Bank Co., Ltd.	Shenyang Shengjing Financial Holding Investment Group Co.,Ltd.	Banking	1.5	China
12	28-04-21	VPBank Finance Company Limited	SMBC Consumer Finance Co., Ltd.	Financing / Leasing	1.4	Vietnam
13	30-03-21	LeasePlan Australia Limited; LeasePlan New Zealand Limited	SG Fleet Group Limited	Financing / Leasing	1.1	Australia
14	09-09-21	Shinsei Bank, Limited	SBI Holdings, Inc.	Banking	1.1	Japan
15	22-02-21	Members Equity Bank Limited	Bank of Queensland Limited	Banking	1.0	Australia

Source: (1) FS MA deals in ASPAC excel workbook; (2) Mergermarket; (3) CapitalIQ

VALUE CREATION

KPMG Deal Advisory – Strategy & Value Creation

At KPMG, we think like an investor, offering insights that result in better deal outcomes. Our approach combines deep sector experience and functional expertise, along with advanced data analytics, to maximise deal value and move at deal speed. Our data-driven insights help to uncover full value potential and reduce uncertainty, which assist the deal team to gain an edge and stay competitive throughout the pre-deal phase.

Pre-Deal Value Creation focusing on key aspects

Strategic Options

- Should the proposed strategy or deal be compared to any alternative strategies or assets?
- What is the value creation plan, incorporating strategic, financial and operating elements?
- What is the transaction blueprint for maximising value?

Due Diligence

- How can data analysis be effectively used to understand the full potential value and reduce any risks or uncertainties?
- How this information can be used to negotiate beneficial terms, timeline and price?
- What is the optimal transaction structure?

Take Control

- What is the Day 1/ Day 30/ Day 100 plan?
- How should the value creation plan be phased and cascaded to business unit / functional level/ across geographies?
- What should the reporting, KPIs and governance needs to look like for tracking the delivery of investment thesis and value plan?

ESG

- How is Environmental, Social, & Governance (ESG) factored into the deal strategy and value creation approach?
- Should the business model be made fit-for-the-future to deliver positive ESG impacts or reduce the risk of value erosion?
- What are the relevant ESG frameworks as well as reporting needs and can these requirements be delivered?

KPMG Deal Advisory – Strategy & Value Creation

Working as a trusted advisor, we help you to uncover and analyse data from a range of valuable sources, identify areas of the business that require further analysis and view targets in real-world context, in a matter of hours, to enhance transparency, keep the deal moving, and give you confidence to make the best decisions.

Our proprietary methodology and tools

Advance Analytics

Gleaning valuable insights from unstructured data online and from internal sources to drive informed, open and honest discussions around valuation, pricing negotiations, planning and more.

How do our clients benefit?
When it comes to a transaction or restructuring, the more refined insights you have, the better. But CRM systems, external websites and more produce data that is only valuable if it can be captured, structured, and analysed. That's where KPMG's Advanced Analytics tools come into play.

[Link]

Strategic Profitability Insights (SPI)

Providing deep analytics on how a business generates sales and profits to enable you as a buyer/seller to isolate a piece of business quickly and precisely and get a clear picture from numerous financial reporting angles.

How do our clients benefit?
If you're looking at a potential acquisition or transaction, you have limited time to discern its real strengths and weaknesses. KPMG's Strategic Profitability Insights (SPI) platform helps extract key financial data that may not be accessible by other means—helping to provide deeper insights faster.

[Link]

Benchmarking Plus

Going beyond publicly sourced benchmark data to tap into our robust proprietary database of engagements across a range of industries.

How do our clients benefit?
Establishing industry benchmarks is essential to any acquisition or transaction. But all too often, benchmarking doesn't provide the details and context required for a truly informed decision. KPMG's proprietary Benchmarking Plus platform goes beyond the usual publicly sourced data to set standards that really matter.

[Link]

Notes and sources

Source: (1) Mergermarket, accessed on October / November 2021; (2) "M&A values in financial industry to surpass 2017 levels", Business times, published on 31 March 2018, Link, (3) "2019 Global M&A Outlook", J.P Morgan Report, published in January 2019, Link;
(4) "Bangkok Bank to buy Indonesian lender for $2.7 billion in overseas expansion", Reuters, published on 12 December 2019, Link; (5) "Dealmaking: The outlook for global M&A in 2019", Financial management, published on 18 December 2018, Link; accessed on 30 January 2020; (6) Deal Drivers Asia Pacific, Mergermarket, Link, accessed on 3 December 2020; (7) 'Payment remains lucrative investment avenue in APAC for venture capitalists during Q1 21, finds GlobalData', GlobalData, Link; (8) 'Asia's financial services exhibit promising growth

Notes: (a) Figures do not include deals with undisclosed value; (b) 2020 refers to deals till December 2020; (c) Our research covered the following ASPAC Countries: Australia, Bangladesh, Bhutan, Brunei, China, Cambodia, Hong Kong, India, Indonesia, Japan, Laos, Macau, Malaysia, Maldives, Mongolia, Myanmar, Nepal, New Zealand, North Korea, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Thailand, Timor-Leste (East Timor), Vietnam; (d) In 2018, there were 58 deals with undisclosed values. In 2019, there were 65 deals with undisclosed values. 2020, there were 48 deals with undisclosed values. 1H21, there were 175 deals with undisclosed values; (e) For better graphical representation the chart has been created separately and is not of the same scale as the columns for other years
this year', Asia Fund Management, Link; (9) 'Asia-Pacific to remain hot M&A market amid pandemic recovery, opening markets', S&P Global, Link; accessed on 11 August 2021

Source: (1) "Dealmakers: Mid-market M&A in Australia 2019", Mergermarket, Link; (2) "Year-to-date PE/VC investments in India at new all-time high of $36.7 billion: IVCA-EY report", Economic times, 10 September 2019, Link; (3) "Indonesian M&A to still prove attractive for Asian banks in 2019", S&P Global Market Intelligence, 29 January 2019, Link; (4) "Getting the deal done: Outlook for Thailand M&A", Asia Business Law Journal, 25 November 2019, Link; (5) Mergermarket, accessed on 3 December 2020; (6) 'M&A Will Drive Recovery Across Asia Pacific, With Tech Acquisition Fueling Deals', Baker McKenzie, Link; accessed on 11 August 2021

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