

Welcome to IMAS M&A Monthly – December 2011
Highlighting key deals and trends in the UK financial services industry

General Insurance

The month started with **Hardy** announcing that it had received several preliminary expressions of interest, with **Beazley** announcing later in the month its interest in entering discussions. **Axa** announced the sale of **Denplan** to **Simplyhealth** for £115m, their second acquisition of the year, and **Cigna** finalised the acquisition of **First Assist Insurance Services** with **FirstAssist Legal Group** being sold to **Burford Capital**.

Other acquirers were **Randall & Quilter** acquiring **Synergy** a provider of specialist insurance services, **RK Harrison** broadening its expertise with the acquisition of **Mercury West Associates**, **Central** acquiring Edinburgh based **Castle Cairn** and **JLT** acquiring in Ireland. **Haverford** pulled its original offer to purchase a stake in **Omega** and then issued a lower value offer. Speculation arose on who would be the successful purchaser of **Insurance Dialogue** as well as whether **Groupama** would be a seller of its UK assets following a review by JP Morgan.

IMAS advised **COBRA** on the sale to management of their Corporate Solutions business.

Investment Related

In corporate finance advisory services, **Maven Capital Partners** acquired **HM Corporate Solutions** and **Peterhouse Capital** agreed to acquire **Rivington Street Corporate Finance**. Also, **Sumitomo Mitsui Trust**, the Japanese financial services group took a 40% stake in **NewSmith Capital Partners**. There was US interest in fund management with **Climate Change Capital** expected to be acquired by **Bunge**, the US commodities group, and **Matrix Group** agreeing to sell **Prime Rate Capital Management** to **Federated Investors**. Domestically, **Hermes** bought out **Henderson** from their joint venture in **Hermes GPE**, the private equity fund of funds.

In the wealth management sector, **Sanlam Private Wealth** acquired the client bank of **London Asset Management**. **Investec** completed the £233m acquisition of **Evolution**.

Lending

Lloyds Banking Group announced **The Co-operative Group** as preferred bidder for its EC mandated divestiture of 632 branches, while also progressing an initial public offering in tandem ahead of the November 2013 EC timescale. **Paragon Group** continued its portfolio acquisition strategy with the acquisition of a closed UK consumer credit card receivables portfolio from **MBNA Europe Bank**.

Cross-border activity returned with US bank **Wells Fargo** acquiring UK asset based lender **Burdale** in a £0.6bn acquisition from **Bank of Ireland**, and German based **Wirecard Group** acquiring the prepaid cards business of **Newcastle building society**.

Support Services (Financial)

Fintech activity continued with **London Stock Exchange** acquiring the remaining 50% in indices data business **FTSE International** from JV partner **Pearson** for £450m. US-based **FleetCor Technologies** acquired fuel card services player **Allstar Business Solutions** for £194m and US rating agency **Moody's** acquired insurance risk management modeller **Barrie Hibbert** for £50m.

Other deals included **HgCapital** acquiring **IRIS Accountancy Solutions** for £26.5m whilst **Innovation Group** acquired **Claims Services Australia** for £13m and **Lombard Risk Management** acquired **SOFGEN's regulatory reporting business** for £4m.

IMAS is a corporate finance partnership that specialises in advising on private M&A deals in the UK financial services industry. For further information visit our website: www.imas.uk.com.

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