

FT PARTNERS FINTECH INDUSTRY RESEARCH

January 17, 2017



Funding Circle Raises \$100 million in Financing
Led by Accel

Accel

Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #4 Most Influential Person in all of FinTech in *Institutional Investor* "FinTech Finance 35"



Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: *Founder & CEO*

Tel: 415.992.8880

steve.mclaughlin@ftpartners.com

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Funding Circle Raises \$100 million in Financing

Transaction Overview

Transaction Summary

- On January 11, 2017, small- and medium-sized business (SMB) peer-to-peer lender Funding Circle announced that it had raised \$100 million in Series F financing led by Accel

Other participating investors:



- Funding Circle will use the funding to invest in its technology platform and build a scalable infrastructure to help it expand into new markets
- The new funding round brings Funding Circle's total amount of capital raised to over \$373 million
- Funding Circle's equity financing round comes after a tough year for certain small business alternative lenders
 - Recently, venture-backed Dealstruck ceased operations and CAN Capital laid off several staff and placed senior executives on leave ⁽¹⁾

Selected Previous Equity Financings

| Date | Size (\$ mm) | Investors |
|----------|--------------|--|
| 04/22/15 | \$150 | DST, Baillie Gifford, BlackRock, Temasek, Sands Capital |
| 07/16/14 | 65 | Accel, Ribbit Capital, Index Ventures, Union Square Ventures |
| 10/18/13 | 37 | Accel, Ribbit Capital, Index Ventures, Union Square Ventures |
| 03/27/12 | 16 | Index Ventures, Union Square Ventures |
| 04/21/11 | 4 | Index Ventures |

Transaction Commentary

"Funding Circle has become a real success story for British FinTech and news that it has attracted £80 million of investment is further evidence of the growing importance of this industry. This is another vote of confidence in a UK firm that plays an important role in our economy - helping businesses to grow and create jobs." ⁽²⁾



Philip Hammond
Chancellor



Funding Circle Raises \$100 million in Financing



Funding Circle Overview

Company Overview

| | |
|---------------|-------------|
| CEO: | Samir Desai |
| Headquarters: | London, UK |
| Founded: | 2009 |



- Funding Circle is an online marketplace for small business loans
 - The platform allows investors (individual or entity) to bid on loans and directly lend money to small and medium-sized businesses
 - The platform has more than 60,000 investors globally
 - The marketplace offers asset-backed, secured, unsecured, property, working capital and mortgage loan options
- The Company has offices in London, San Francisco and Berlin; it primarily operates in the United Kingdom but also lends in several other European countries and the United States
- Since its launch in 2010, the platform has facilitated upwards of \$3 billion in loans to over 25,000 businesses, creating 50,000 new jobs
- In 2016, Funding Circle lent over \$1.4 billion to small businesses with a record \$485 million coming from Q4
- In Q4 2016, Funding Circle's United Kingdom operations recorded 90% year-on-year growth and earned a profit

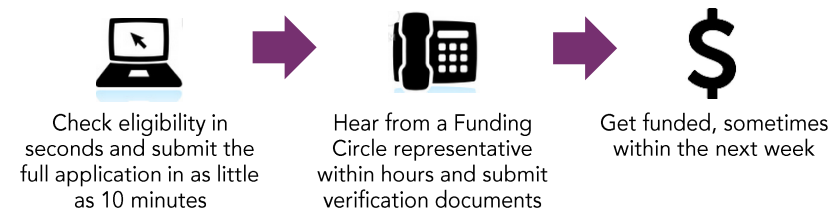
Product Overview

Funding Circle offers small business loans with the following properties:

| | |
|---------------|---|
| Size | \$25k - \$500k |
| Term | 1 – 5 years |
| Interest Rate | 5.5% - 27.8%, calculated using a holistic approach that looks beyond a credit score |
| Fees | Origination fee and late / insufficient fund fees, but no hidden fees or prepayment penalties |

How it Works

For Borrowers



For Investors



Funding Circle Raises \$100 million in Financing

Accel Overview

Overview

Accel



Arthur Patterson
Co-Founder



Jim Swartz
Co-Founder



John Locke
Partner



Ryan Sweeney
Partner

Locations

- Palo Alto, CA (HQ)
- New York, NY
- London, UK
- Bangalore, India

About

- Founded in 1983 by Arthur Patterson and Jim Swartz
- Manages over \$8.8bn across 12 funds, with investments in over 300 companies around the world
- Focuses on seed, early- and growth-stage technology companies, especially businesses in the payments vertical within FinTech
- Maintains a global reach through its offices in the US, UK and India
- Provides access to an extensive global network of operators, mentors and entrepreneurs from previous and current portfolio companies

Investment Preferences

Investment Criteria

| | |
|--------------------------|---|
| Fund Size: | \$500mm (Venture) \$1,500mm (Growth) |
| Fund Raised: | 2016 |
| Investment Range: | \$0.1 – 60 mm |
| Revenue: | NA |
| EBITDA: | NA |

General Preferences ¹

| | |
|--------------------------|---|
| Control: | Minority |
| Geography: | U.S., Europe, India, China |
| Transaction Type: | Seed, Venture, Growth |
| Industry Focus: | Infrastructure, Internet & Consumer Services, Mobile, Software & Cloud-Enabled Services |

Selected Recent Investments / Exits

FinTech / Financial Services Investments ²

| Date | Company | Deal Amt. ³ | Board Rep. | Sector |
|-------|--------------------------------------|------------------------|------------------|---------|
| 12/16 | Indifi (Series B) | \$10 | NA | Banking |
| 10/16 | TravelBank (Series A) | 10 | NA | FMS |
| 10/16 | OpenGamma (Series D) | 13 | Bruce Golden | CapMkts |
| 08/16 | SelfScore (Series A) | 14 | Sameer Gandhi | Banking |
| 06/16 | Scripbox (Series B) | NA | NA | CapMkts |
| 06/16 | Circle Internet Financial (Series D) | 60 | James Breyer | Pymts |
| 05/16 | Shift Technology (Series A) | 10 | Sonali de Rycker | Ins |
| 03/16 | GoCardless (Series C) | 13 | NA | Pymts |
| 02/16 | Juspay Technologies (Series A) | 6 | Subrata Mitra | Pymts |
| 02/16 | Zoomdata (Series C) | 25 | NA | CapMkts |
| 10/15 | DocuSign (Series F) | 310 | NA | FMS |
| 10/15 | Invoice2go (Series C) | 15 | Ryan Sweeney | FMS |
| 09/15 | Lightspeed Retail (Series C) | 61 | Ryan Sweeney | Pymts |
| 08/15 | Simility (Seed) | 4 | NA | Pymts |
| 08/15 | Scripbox.com (Series A) | 3 | Subrata Mitra | CapMkts |
| 06/15 | GoFundMe (Early-Stage VC) | NA | John Locke | Banking |
| 04/15 | Circle (Series C) | 50 | Jim Breyer | Pymts |

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

2) * denotes M&A exit; ** denotes IPO exit

3) Deal Amount in mm

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Selected FT Partners' Research – *Click to View*

FT PARTNERS FINTECH INDUSTRY RESEARCH

November 28, 2016

 **Symantec**

Symantec Acquires LifeLock
for
\$2.3 billion

 **LifeLock**

 The Only Investment Bank Focused Exclusively on FinTech
San Francisco • New York

Symantec Acquires LifeLock

FT PARTNERS FINTECH INDUSTRY RESEARCH

November 30, 2016

 **QuantGroup**

QuantGroup raises approximately \$73 million in Series C financing from

 **阳光保险集团**  **FOSUN 复星**  **国盛**

 The Only Investment Bank Focused Exclusively on FinTech
San Francisco • New York

QuantGroup Raises ~\$73 million in Series C Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 5, 2016

 **VTS**

VTS and Hightower Agree to Merge

 **HIGHTOWER**

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San Francisco • New York

VTS and Hightower Agree to Merge

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 5, 2016

OPENDOOR

Opendoor Raises \$210 million in Financing
Led by Norwest Venture Partners

 **NORWEST**

 The Only Investment Bank Focused Exclusively on FinTech
San Francisco • New York

Opendoor Raises \$210 million in Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 15, 2016

 **nubank**

Nubank Raises \$80 million in Series D Financing
Led by DST Global

DST

 The Only Investment Bank Focused Exclusively on FinTech
San Francisco • New York

Nubank Raises \$80 million in Series D Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 20, 2016

 **BlueVine**

BlueVine Raises \$49 million in Series D Financing

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San Francisco • New York

BlueVine Raises \$49 million in Series D Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 23, 2016

 **YgreneWORKS**

YgreneWorks Raises \$95 million in Financing
From Lightyear Capital

LIGHTYEAR CAPITAL

 The Only Investment Bank Focused Exclusively on FinTech
San Francisco • New York

YgreneWorks Raises \$95 million in Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

January 4, 2017

TANDEM

Tandem Raises Approximately \$43 million in Financing From

HOUSE OF FRASER

 The Only Investment Bank Focused Exclusively on FinTech
San Francisco • New York

Tandem Raises ~\$43 million in Financing

[VIEW MORE FT PARTNERS RESEARCH](#)

Track Record of Success in the Alternative Lending Space

Student / Personal Loan

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive
role as sole strategic and financial

earnest

in its Series B minority financing led by



for total consideration of

\$ 75,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Consumer Home Improvement Financing

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive
role as financial advisor to

GreenSky™

in its minority investment from



for total consideration of

\$ 50,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Consumer Marketing / Credit Lead Generation

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its role as advisor
to

**Google
capital**

in its lead investment in

Credit Karma™

with additional participation from



for approximately

\$ 85,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Contract Financing

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as sole
strategic and financial advisor to

**BlueTarp
Financial**

in its financing, including investment from



for approximately

\$ 15,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Asset Backed Loans Financing

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its
exclusive role as financial advisor to

borro®

in its growth financing for total
consideration of

\$ 19,500,000



The Only Investment Bank
Focused Exclusively on Financial Technology

SaaS-based Loan Origination

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to

**WebEquity
solutions™**

in its sale to

MOODY's



The Only Investment Bank
Focused Exclusively on Financial Technology

SMB Financing

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its
role as advisor to

Kabbage

in its Series E minority financing led by



for total consideration of

\$ 135,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Supplier Finance Solutions

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
financial advisor to

taulia®

in its investment from



for total consideration of approximately

\$ 65,000,000











The Only Investment Bank
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FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

FT Partners Advised on Three of the Largest Alternative Lending Transactions

| Company | Investor(s) | Amount Raised |
|---|---|-----------------|
|  SoFi |  SoftBank | \$1,000,000,000 |
| AVANT | GENERAL ATLANTIC RRE Ventures AUGUST CAPITAL TIGER B.A.M. DFJ | 325,000,000 |
|  GreenSky™ | TPG DST ICONIQ WELLINGTON MANAGEMENT | 300,000,000+ |
| AVANT | TIGER RRE Ventures DFJ KKR | 225,000,000 |
|  MOSAIC | WARBURG PINCUS CORE INNOVATION CAPITAL OBVIOUS VENTURES | 220,000,000 |
|  SoFi | THIRD POINT VENTURES AUGUST CAPITAL INSTITUTIONAL VENTURE PARTNERS WELLINGTON MANAGEMENT STAR | 200,000,000 |
| PROSPER | CREDIT SUISSE BBVA J.P.Morgan USAA BREYER CAPITAL | 165,000,000 |
|  Funding Circle | BLACKROCK TEMASEK HOLDINGS DST SANDS CAPITAL CARLISLE GROUP | 150,000,000 |
|  Kabbage | RCP REVERENCE CAPITAL PARTNERS ING Santander InnoVentures Scotiabank* | 135,000,000 |
|  earnest | BV Bancroft Ventures ADAMS STREET PARTNERS maveron | 75,000,000 |

In addition to recent rounds for Earnest, Kabbage and GreenSky, FT Partners has advised on a number of other prominent Lending Tech / Alt Lending transactions

| | | | |
|---|--|--|--|
| <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> Google Capital</p> <p>in its latest investment in</p> <p> Credit Karma</p> <p>with additional participation from</p> <p>TIGER B.A.M. Ribbit Capital</p> <p>for total consideration of approximately</p> <p>\$ 85,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> | <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> FST PSY</p> <p>in its growth financing from</p> <p>OAK HC/FT</p> <p>for approximately</p> <p>\$ 15,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> | <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> lighter capital</p> <p>in its growth financing for total consideration of</p> <p>for approximately</p> <p>\$ 9,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> | <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> Upstart</p> <p>in its Series C financing led by</p> <p>THIRD POINT VENTURES</p> <p>with additional participation from</p> <p>khosla ventures</p> <p>for approximately</p> <p>\$ 35,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> |
| <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> Bluebird</p> <p>in its financing, including investment from</p> <p>HIGHLAND PARTNERS TRINITY</p> <p>for approximately</p> <p>\$ 15,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> | <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> borro</p> <p>in its growth financing for total consideration of</p> <p>for approximately</p> <p>\$ 19,500,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> | <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> L2C inc</p> <p>in its sale to</p> <p>TransUnion.</p> <p>for approximately</p> <p>\$ 65,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> | <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> taulia</p> <p>in its investment from</p> <p>QUESTMARK PARTNERS ZOUK BBVA edbi</p> <p>for total consideration of approximately</p> <p>\$ 65,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> |
| <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> ELLIE MAE</p> <p>in its</p> <p>\$45,000,000</p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>\$ 146,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> | <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> CIBC</p> <p>in its strategic investment in</p> <p>with additional participation from</p> <p>Bank Capital Ventures</p> <p>for total consideration of approximately</p> <p>\$ 70,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> | <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> customcredit systems</p> <p>portfolio company of</p> <p>Triton Pacific Capital Partners, LLC</p> <p>in its sale to</p> <p>MISYS</p> <p>portfolio company of</p> <p>Vista Equity Partners</p> <p>for approximately</p> <p>\$ 70,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> | <p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> WebEquity solutions</p> <p>in its sale to</p> <p>Moody's</p> <p>for approximately</p> <p>\$ 70,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p> |

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Significant Experience Advising Large Financing Rounds and “Unicorns”

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space

Representing numerous FinTech “Unicorns” above \$1 billion valuations

| Company | Amount Raised |
|---|----------------|
|  MERCURY® | \$420,000,000+ |
|  GreenSky™ | 300,000,000+ |
|  avidxchange | 253,000,000 |
|  liquidnet | 250,000,000 |
|  square trade protection plans | 238,000,000 |
|  nmi | 150,000,000+ |
|  Kabbage | 135,000,000 |
|  TradingScreen SIMPLIFYING GLOBAL MARKETS™ | 110,000,000+ |
|  YAPSTONE™ POWERING PAYMENTS | 110,000,000 |
|  CHROMERIVER | 100,000,000 |
|  Credit Karma™ | 85,000,000 |
|  earnest | 75,000,000 |
|  taulia | 60,000,000 |

Selected Prominent Investors in FT Partners Led Rounds



Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



M&A Advisor Awards



Middle Market Financing Awards

| | |
|-------------|---|
| 2016 | <ul style="list-style-type: none"> Investment Banking Firm of the Year Cross Border Deal of the Year |
| 2015 | <ul style="list-style-type: none"> Dealmaker of the Year Technology Deal of the Year |
| 2014 | <ul style="list-style-type: none"> Equity Financing Deal of the Year Professional Services Deal of the Year, Above \$100mm |
| 2012 | <ul style="list-style-type: none"> Dealmaker of the Year Professional Services Deal of the Year, Above \$100mm |
| 2011 | <ul style="list-style-type: none"> Boutique Investment Bank of the Year Deal of the Decade <i>10 Deal of the Year Nominations Across 9 Categories</i> |
| 2010 | <ul style="list-style-type: none"> Upper Middle Market Deal of the Year, Above \$500 mm IT Services Deal of the Year, Below \$500mm Cross-Border Deal of the Year, Below \$500mm |
| 2007 | <ul style="list-style-type: none"> Dealmaker of the Year – Steve McLaughlin Business to Business Services Deal of the Year Computer and Information Technology Deal of the Year, Above \$100mm Financial Services Deal of the Year, Above \$100mm |
| 2015 | <ul style="list-style-type: none"> Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List |
| 2006 - 2008 | <ul style="list-style-type: none"> Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
| 2008 | <ul style="list-style-type: none"> Equity Financing Dealmaker of the Year – Steve McLaughlin Information Technology Deal of the Year Financial Services Deal of the Year |
| 2006 | <ul style="list-style-type: none"> Financing Professional of the Year – Steve McLaughlin <i>Financing Deal of the Year - Equity</i> <i>Financing Deal of the Year - Debt</i> |

The FT Partners Senior Banker Team

| Name / Position | Prior Background | Experience / Education | Years of Experience |
|---|---|--|---------------------|
| Steve McLaughlin <i>Founder, CEO and Managing Partner</i> |  | <ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. | 21 |
| Larry Furlong <i>Managing Director</i> |  | <ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. | 21 |
| Greg Smith <i>Managing Director</i> |  | <ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, TSS, GPN, HPY DST, ENV, FISV, FIS, JKHY, WU & EEFT among others | 20 |
| Steve Stout <i>Managing Director</i> |  | <ul style="list-style-type: none"> Formerly with J.P. Morgan and UBS Formerly Global Head of Strategy at First Data | 18 |
| Tim Wolfe <i>Managing Director</i> |  | <ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. | 14 |
| Andrew McLaughlin <i>Managing Director, Research & Business Development</i> |  | <ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting | 10 |