

FT PARTNERS FINTECH INDUSTRY RESEARCH

May 23, 2017



North American Bancard Acquires Total Merchant Services



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



The Information

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 *Institution Investor's* "FinTech Finance 35"



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

Steve McLaughlin: *Founder & CEO*

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Transaction Summary

Transaction Summary

- On May 17, 2017, North American Bancard (NAB) announced that it has entered into an agreement to acquire Total Merchant Services (TMS)
- The combined entity will become the 7th largest payment processor in terms of merchant locations in North America
 - The Company expects to process nearly \$50 billion annually
- The acquisition, subject to regulatory clearance, is expected to close in the second quarter of 2017

Transaction Rationale

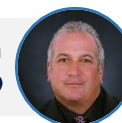
- Through the acquisition, NAB will receive:
 - Substantial financial and channel benefits
 - Immediate growth in merchant base and revenue
 - TMS processes \$12 billion in credit and debit card transactions annually
 - Expanded product and service offerings
 - Customers will have access to a number of omni-channel solutions, including mobile / tablet POS, e-commerce options and small business financing
 - Enhanced go-to-market capabilities
 - Expedited and streamlined payments experience for new and existing merchants and resellers
 - Access to additional ISVs and payment solutions

Transaction Commentary

"NAB is an ideal fit for TMS. This combination unites two companies that share a common vision for sustained growth, industry-forward leadership and strong commitment to customer service. I am confident that the broader platform and combined management team will pave the road for growth."



Joe Kaplan
CEO



"We are ecstatic about this acquisition. TMS has been an industry staple for more than 20 years and has a history of providing its clients premier business solutions with a strong focus on ease, affordability and customer service. It is these traits that made this acquisition a strategic fit for us."



Marc Gardner
President, CEO



Total Merchant Services Management Team



Joe Kaplan
CEO



Mike Vaughn
VP of Operations



Bill Popok
CFO



Scott Blum
VP of Marketing, Biz Dev



Eugene Larkin
CIO



Zavida Mangaru
VP of Product

Total Merchant Services Overview



Company Overview



CEO: Joe Kaplan
Headquarters: Woodland Hills, CA
Founded: 1996

- Total Merchant Services has helped more than 500,000 small and medium sized businesses with payment processing throughout the U.S. and Canada
 - Customers receive a free credit card terminal and are able to choose a point of sale solution and other value added services as the business grows
- The Company also provides Groovv, a product line consisting of point of sale systems, online payment solutions and marketing tools, among other features
- Total Merchant Services also partners with software developers to provide merchants with semi-integrated payment solutions to help with EMV and PCI compliance

Industries

- Beauty & Fitness
- Food & Beverage
- Healthcare
- Retail
- Home & Repair
- Services

Products and Services Overview

- ✓ Payment Processing
- ✓ Mobile Point of Sale
- ✓ Terminals and Card Readers
- ✓ Point of Sale Systems
- ✓ Online Payments
- ✓ Marketing Solutions
- ✓ Financing and Other Products



Groovv

Technology driven solutions for merchants and software vendors

- **Groovv Offers:** platform to distribute email, text and social media offers
- **Groovv Online Payments:** offers a virtual terminal and more to accept mail, phone and online payments
- **Groovv POS:** provides everything businesses need to accept payments and run the businesses
- **Groovv SDK / Integrated Payments:** easy way for software developers to integrate payments
- **Groovv Terminal One:** fast and easy way to accept all payment types



North American Bancard Overview

Company Overview



CEO: Marc Gardner
Headquarters: Troy, MI
Founded: 1992

- North American Bancard is a leader in technology driven payment processing and currently serves more than 250,000 merchants throughout North America
 - Solutions for payment processing include credit, debit, EBT, check conversion and guarantee, gift / loyalty cards and mobile purchasing
- North American Bancard is currently owned by North American Bancard Holdings
 - Together NAB and its subsidiaries offer a number of business solutions across four primary segments of credit card processing, e-commerce / gateways, mobile payments and cash advances
- North American Bancard Holdings also owns...



Products and Services Overview

Merchant Services - Differentiators



Wholly owned, in house processor



Largest selection of processing equipment



Competitive pricing on merchant services



24/7 technical and customer support



Latest encryption and tokenization



Founding member of N.A. Merchant Advance Association

Additional Offerings



Cash Advance



Risk Management



Fraud Detection



Online Reporting



Chargeback Administration

North American Bancard Acquires Total Merchant Services

FT PARTNERS RESEARCH

Recent Merchant Acquirer / Payment Processor Transactions



Numerous prominent merchant acquirers have trusted FT Partners to advise them on their most strategic transactions

Selected FT Partners Deals Noted	Seller	Buyer / Investor	Date	Transaction Value (\$ in mm)
			05/2017	NA
			02/2017	\$700 ⁽¹⁾
			06/2016	NA
		FinTech Acquisition Corp (NASDAQ : FNTC)	03/2016	438
			01/2016	2,350
			12/2015	4,300
			01/2015	NA
			11/2014	NA
			10/2014	1,500
			07/2014	700
			05/2014	1,650
			05/2014	NA
			03/2014	250 ⁽¹⁾
			01/2014	420
			09/2013	NA

(1) [TSYS 2016 10-K](#)






































North American Bancard Acquires Total Merchant Services

FT PARTNERS RESEARCH

Recent Merchant Acquirer / Payment Processor Transactions



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Selected FT Partners Deals Noted	Seller	Buyer / Investor	Date	Transaction Value (\$ in mm)
		 BregalSagemount	09/2013	200
		 TA Associates	09/2013	NA
		 vantiv	07/25/13	\$163
		 TSYS	11/15/12	135
		 vantiv	10/31/12	361
		 globalpayments	08/15/12	413
		 TSYS	08/09/12	110 ⁽¹⁾
		 cielo	07/06/12	670
	 CAYAN (fka Merchant Warehouse)	 PARthenon CAPITAL	07/05/12	NA
		 TRANSFIRST	08/24/11	NA
		 ACCEL PARTNERS	06/07/11	50
	 MERCURY	 SILVERLAKE	04/14/10	900
		 sage	01/09/06	325
		 The Royal Bank of Scotland	08/03/04	525

(1) [TSYS 2012 10-K](#)

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

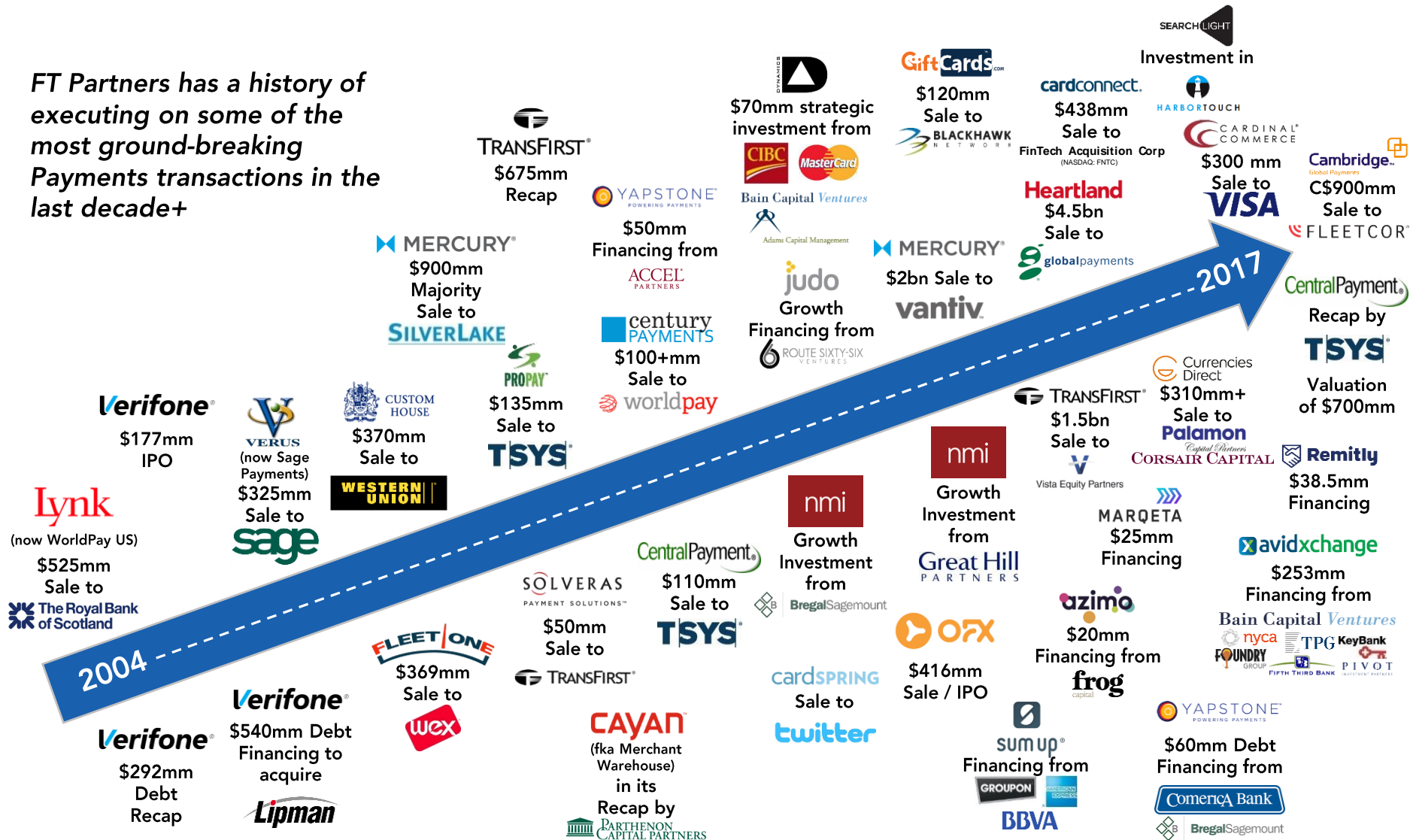
Strong Domain Expertise in Payments Investment Banking

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>Heartland</p> <p>in its sale to</p> <p>globalpayments</p> <p>for total consideration of</p> <p>\$ 4,500,000,000</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 role as strategic and financial advisor to</p> <p>MERCURY®</p> <p>in its cash sale to</p> <p>vantiv™</p> <p>for total consideration of</p> <p>\$ 1,650,000,000</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 role as strategic and financial advisor to</p> <p>TRANSFIRST™</p> <p>in its sale to</p> <p>Vista Equity Partners from WCAS</p> <p>for total consideration of</p> <p>\$ 1,500,000,000</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>GiftCards.com</p> <p>in its sale to</p> <p>BLACKHAWK NETWORK</p> <p>for total consideration of</p> <p>\$ 120,000,000</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>CAYAN™</p> <p>in its Significant Growth Recapitalization by</p> <p>PARthenon CAPITAL PARTNERS</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>MERCURY®</p> <p>in its approximately 60% Growth SILVERLAKE</p> <p>for a value up to</p> <p>\$ 900,000,000</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>cardsPRING</p> <p>in its sale to</p> <p>twitter</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 role as exclusive strategic and financial advisor to</p> <p>CARDINAL COMMERCE</p> <p>in its sale to</p> <p>VISA</p> <p>for total consideration of</p> <p>\$ 300,000,000</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>MARQETA</p> <p>in its Series C minority financing from</p> <p>COMMERZ VENTURES Commerzbank Group</p> <p>83NORTH CAPITAL GROUP</p> <p>EV COMMERCE VENTURES</p> <p>for total consideration of</p> <p>\$ 25,000,000</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>YAPSTONE™ ePayments as a Service</p> <p>in its minority investment led by</p> <p>ACCEL PARTNERS</p> <p>for total consideration of approximately</p> <p>\$ 50,000,000</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>VERUS</p> <p>in its sale to</p> <p>sage</p> <p>for cash consideration of approximately</p> <p>\$ 325,000,000</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>SOLVERAS PAYMENT SOLUTIONS™</p> <p>in its sale to</p> <p>TRANSFIRST™</p> <p>for total consideration of approximately</p> <p>\$ 51,000,000</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>lynk</p> <p>in its sale to</p> <p>The Royal Bank of Scotland</p> <p>for cash consideration of approximately</p> <p>\$ 525,000,000</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>PROPAY™</p> <p>in its sale to</p> <p>TSYS</p> <p>for total consideration of approximately</p> <p>\$ 135,000,000</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>nmi</p> <p>in its growth investment by</p> <p>BregalSagemount</p> <p>for total consideration of approximately</p> <p>\$ 200,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>

Unparalleled experience in payments across the entire spectrum of transaction types and dynamics, with extremely strong execution and outcomes

Timeline of Selected FT Partners eCommerce & Payment Processing Transactions

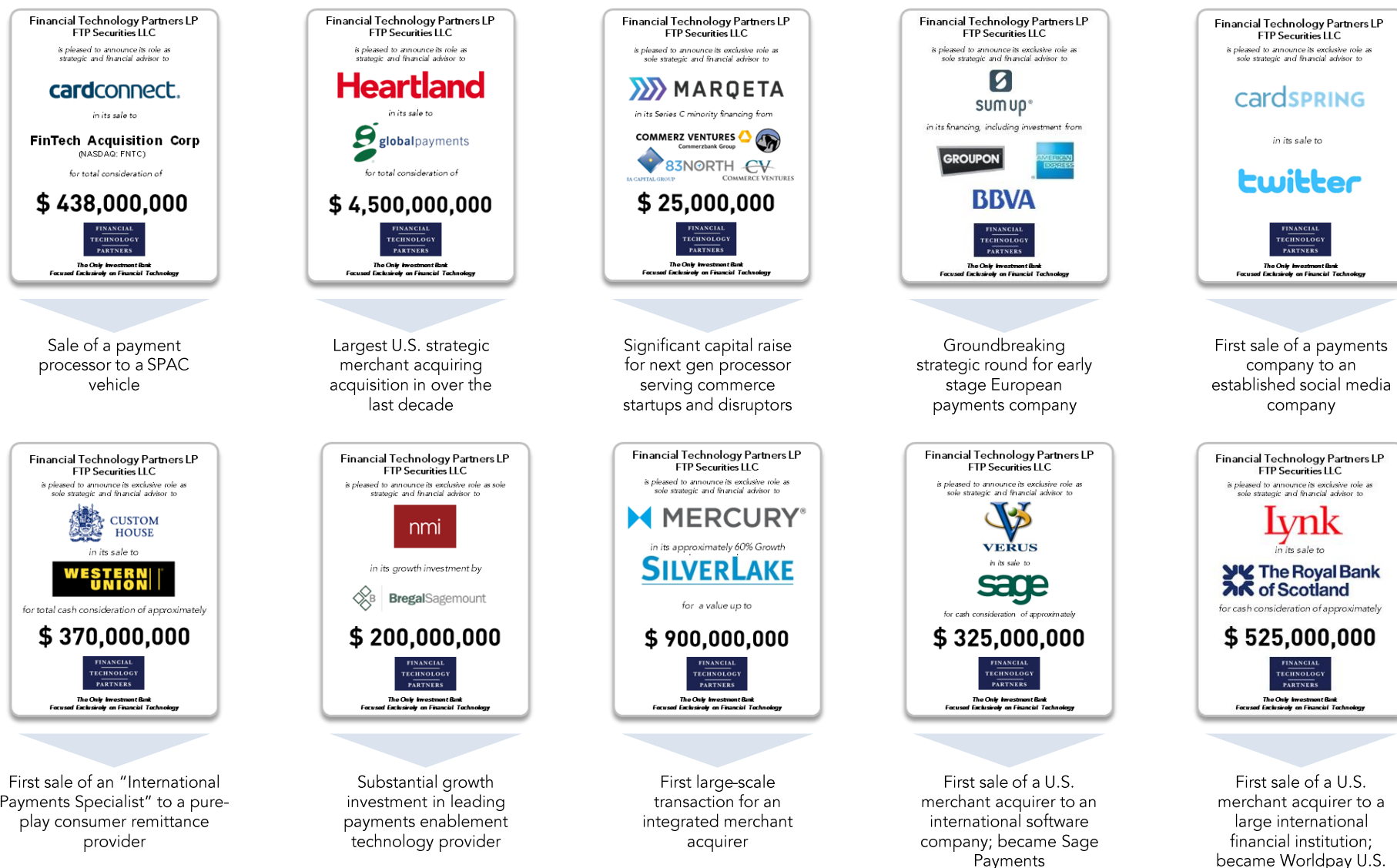
FT Partners has a history of executing on some of the most ground-breaking Payments transactions in the last decade+



FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Ground-Breaking Transactions Pioneered by FT Partners



Selected FT Partners' Research – *Click to View*



Transaction Security



Global Money Transfer



PayPal Spin-off Overview



Apple Unveils Apple Pay



Heartland's Sale to Global Payments



Central Payment's Strategic Investment from TSYS



Swedbank Acquires PayEx



Moneycorp Acquires Commonwealth FX



PayPal Acquires TIO Networks for \$233 million



Harland Clarke Acquires RetailMeNot



Vantiv Acquires Paymetric



Wirecard Acquires Citi's Merchant Acquiring Business in APAC

[VIEW MORE FT PARTNERS RESEARCH](#)

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

2016

- **Investment Banking Firm of the Year**
- **Cross Border Deal of the Year**

2015

- **Dealmaker of the Year**
- **Technology Deal of the Year**

2014

- **Equity Financing Deal of the Year**
- **Professional Services Deal of the Year, Above \$100mm**

2012

- **Dealmaker of the Year**
- **Professional Services Deal of the Year, Above \$100mm**

2011

- **Boutique Investment Bank of the Year**
- **Deal of the Decade**
- *10 Deal of the Year Nominations Across 9 Categories*

2010

- **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

- **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

- **Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List**

2006 - 2008

- **Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology**



Middle Market Financing Awards









2008

- **Equity Financing Dealmaker of the Year – Steve McLaughlin**
- **Information Technology Deal of the Year**
- **Financial Services Deal of the Year**

2006

- **Financing Professional of the Year – Steve McLaughlin**
- *Financing Deal of the Year - Equity*
- *Financing Deal of the Year - Debt*

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 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	22
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. 	22
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	21
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Former Managing Director / Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank 	19
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. 	15
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	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 	11