

February 19, 2015

Financial Technology Partners LP FTP Securities LLC

Transaction Profile:

OnDeck IPO: Post Quiet Period Review



Courtesy of:



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Financial Technology Partners
555 Mission St., 23rd Floor
San Francisco, CA 94105
Tel: 415.512.8700

www.ftpartners.com



Steve McLaughlin
Managing Partner
Tel: 415.992.8880
steve.mclaughlin@ftpartners.com

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OnDeck IPO: Post Quiet Period Review

Business Overview

Strong investor demand led to OnDeck's IPO pricing at \$20, above the indicated range of \$16 - \$18; even so, shares surged almost 40% on the first day of trading

However, after peaking at \$27.98 on Dec. 17, shares have since fallen to \$17.55, 12.3% below the IPO price

Key IPO Statistics

CEO:	Noah Breslow
Headquarters:	New York, NY
Founded:	2007
Employees:	250
Market Capitalization:	\$1.3 bn ⁽¹⁾

Initial S-1 Filing Date:	November 10, 2014
Trading Date:	December 17, 2014
Ticker:	NYSE: LC
Initial Filing Range:	\$16.00 - \$18.00
Offer Price:	\$20.00
First Day Open:	\$26.50 (▲ 32.5%) ⁽²⁾
First Day Close:	\$27.98 (▲ 39.9%) ⁽²⁾
Current Price:	\$17.55 (▼ 12.3%) ⁽²⁾
Shares Offered:	10,000,000
Net Proceeds:	~\$200,000,000

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Form S-1 ⁽³⁾

On Deck Capital, Inc.



NYSE: ONDK

Noah Breslow
Chief Executive Officer
1400 Broadway, 25th Floor
New York, New York 10018

Joint Lead Book-Running
Managers / Underwriters

Bank of America
Merrill Lynch

Morgan Stanley

Book-Running
Managers

J.P.Morgan
J.P. Morgan Securities



Deutsche Bank
Jefferies



OnDeck IPO: Post Quiet Period Review

Business Overview

OnDeck's IPO quickly followed LendingClub's successful IPO on Dec. 10, 2014

While LendingClub serves as a marketplace matching borrowers and investors / lenders, OnDeck mostly holds loans on its balance sheet and therefore has credit / balance sheet risk

FINANCIAL
TECHNOLOGY
PARTNERS

Transaction Overview

- On December 17, 2014, OnDeck announced the pricing of its IPO on the New York Stock Exchange
 - The Company filed its S-1 on November 10, 2014
 - The initial filing range was between \$16-18
- The Company raised \$200 million in its initial public offering
- The Company offered 10 million shares of common stock for \$20; all shares offered were primary
 - The Company granted underwriters a 30-day option to purchase up to an additional 1.5 million shares to cover over-allotments, if any

Previous Funding Rounds

Date	Amt (in mm)	Investors
03/06/14	\$77.0	First Round Capital, Google Ventures, Industry Ventures, IVP, RRE Ventures, Thiel Capital, Tiger Global Management
05/01/13	17.0	Google Ventures, Industry Ventures, Thiel Capital
02/13/13	42.0	First Round Capital, RRE Ventures, IVP, Sapphire Ventures
08/04/12	4.0	SF Capital Group
01/27/11	15.0	Sapphire Ventures
03/01/10	2.5	Undisclosed
04/24/09	5.7	Undisclosed
12/04/07	10.0	Undisclosed

OnDeck Overview

- OnDeck underwrites and distributes loans to small businesses, assessing applicants based on cash flow, online sentiment and credit history
- The Company offers loans from 3 to 24 months and \$5,000 to \$250,000 with approvals in minutes and funding in as fast as 24 hours with loan size averaging around \$35,000 ⁽¹⁾
- The Company's proprietary credit models look deeper into the health of businesses, focusing on overall business performance, rather than the owner's personal credit history
 - Approximately 100 different client variables are considered in determining loan qualifications including: transaction frequency and volume, seasonal sales, expenses and returning customer revenue
- In 2013, the Company launched the OnDeck Marketplace, a whole loan sale platform that allows third-party investors to purchase small business loans from the Company
- OnDeck grew 150% and earned \$65 mm of revenue in 2013 and is "imminently" profitable, said CEO, Noah Breslow, who expects revenue to double again in 2014 ⁽²⁾

"When we started the company we had to convince people that small businesses were underserved by banks. Now that's completely understood. Then there's the technology disruption where I think public investors have had limited ways to play that. ⁽³⁾"

— CEO Noah Breslow

Source: Company website, press releases.

(1) Forbes, "Small Business Algorithm Lender, OnDeck Raises \$77M."

(2) Wall Street Journal, "OnDeck Capital Raises \$77M Led by Tiger Global to Expand Small Business Lending."

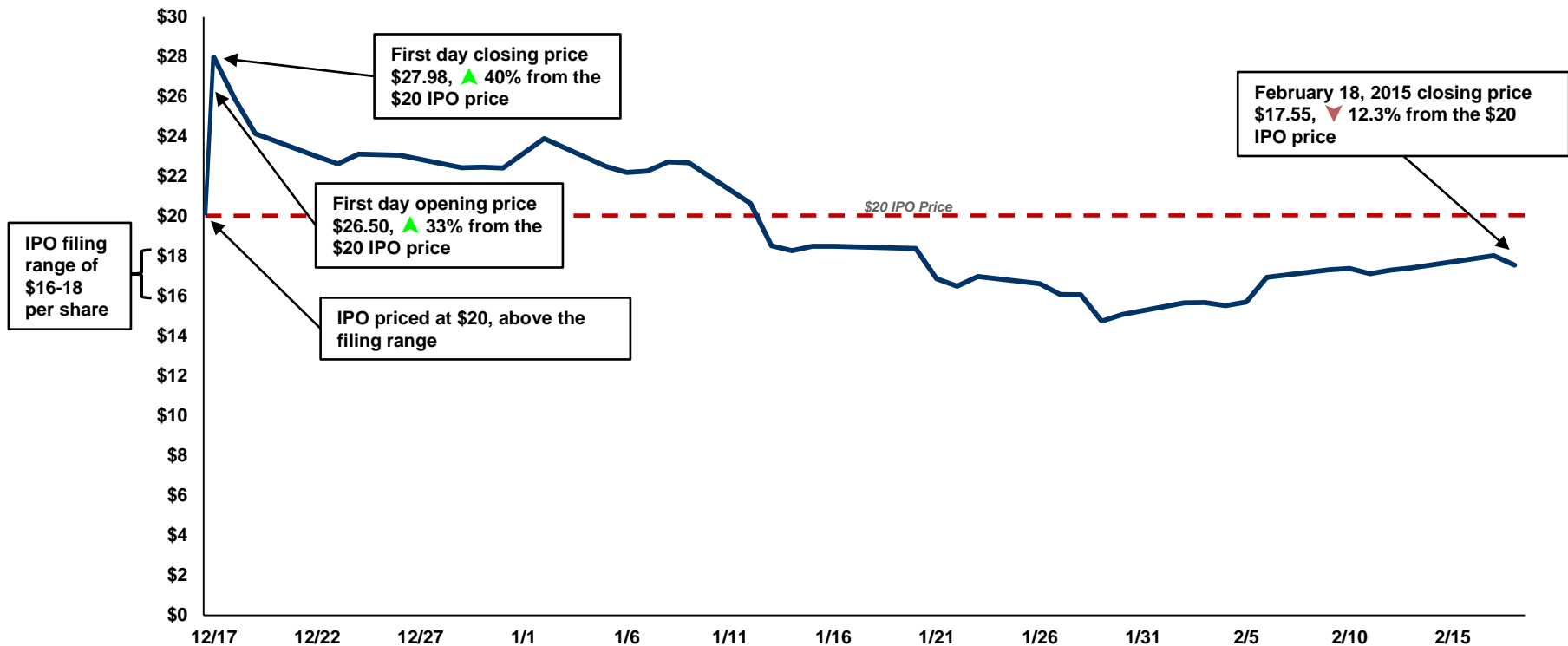
(3) Financial Times, "Alternative Online Lender OnDeck Soars 33% in New York IPO."

OnDeck IPO: Post Quiet Period Review

Shares Surge on First Day of Trading, but are Now Trading Below the IPO Price

"That warm welcome continues Wall Street investors' embrace of companies that marry technology with the much older business of lending money ... OnDeck, which was founded in 2006, uses a different approach (than LendingClub). While small businesses apply for loans online, the firm primarily draws its capital not from assembled pools of lenders but from credit lines provided by banks and by selling off pieces of loans that are made through its platform through a process known as securitization. Still, investors can also buy entire loans through a special marketplace run by the company." – Michael Merced, New York Times

"They're a relatively new company, and while they have a proprietary underwriting systems whose underwriting results have been good so far, if we go into another recession the credit quality metrics will have to be closely watched. They're going to be very sensitive to the credit cycle." – Thane Bublit, Thrivent Financial



OnDeck IPO: Post Quiet Period Review

Summary of Analyst Coverage

Broker	Rating	Price Target	Revenue			Adjusted EBITDA			Adjusted EPS		
			2015	2016	2017	2015	2016	2017	2015	2016	2017
BTIG	Buy	\$ 25.00	\$ 281.5	\$ 487.0	\$ 694.7	\$ (4.8)	\$ 40.7	\$ 81.4	\$ (0.22)	\$ 0.25	\$ 0.67
Deutsche Bank	Buy	27.00	245.0	383.0	574.0	(6.8)	29.3	87.7	(0.23)	0.12	0.52
FinTrust	Buy	22.00	247.2	403.1	585.4	19.9	45.5	78.5	0.16	0.47	0.85
Jefferies	Buy	30.00	246.9	na	na	(2.9)	na	na	(0.16)	na	na
Morgan Stanley	Overweight	29.00	245.7	385.8	570.1	(5.5)	32.9	84.6	(0.22)	0.61	0.58
JP Morgan	Neutral	23.00	236.9	377.7	573.8	(6.7)	27.4	85.5	(0.34)	0.40	0.28
Sterne Agee	Underperform	15.75	314.2	467.6	590.2	21.0	87.9	164.0	0.15	0.60	1.25
Mean		\$ 24.54	\$ 259.6	\$ 417.4	\$ 598.0	\$ 2.0	\$ 44.0	\$ 96.9	\$ (0.12)	\$ 0.41	\$ 0.69
Y-o-Y Growth		40% *	68%	61%	43%	nm	nm	121%	nm	nm	69%

* Represents difference between mean price target and current share price
(In millions except for price target and EPS)

J.P.Morgan

Rating: Neutral
Price Target: \$23.00

“ONDK’s disruptive technology and model could expand the end market. Given the time consuming, manual nature of obtaining traditional bank financing, alternative lenders can grow the end market by drastically improving the application process for potential borrowers. With a platform available around the clock and underwriting decisions made within minutes, formerly discouraged business owners who were otherwise out of the market may return to seek financing.”

“On Deck’s data-driven model is disrupting a \$300B+ market (~\$180B from term loans and ~\$100B from lines of credit) by offering small businesses efficient and convenient access to capital. Its products are addressing substantial unmet demand stemming from product mismatch with traditional lenders and inadequate / costly alternatives... On Deck’s proprietary data and analytics engine is a key differentiator and combined with the OnDeck Score – a proprietary small-business credit scoring model – provides significant visibility and predictability in assessing the credit performance of small businesses.”

Jefferies

Rating: Buy
Price Target: \$30.00

Morgan Stanley

Rating: Overweight
Price Target: \$29.00

“We see an addressable market of \$281bn comprised of \$181bn in outstanding loans (under \$250K) and an estimated \$100bn of demand unmet by traditional lenders today. ONDK’s origination volume is growing rapidly at 165% in 2013 and 171% YTD; however, with \$1.7bn in total loan origination volumes since inception (2006), we believe it has barely scratched the surface, leaving a long runway for growth.”

OnDeck IPO: Post Quiet Period Review

Summary of Analyst Coverage (cont.)

Deutsche Bank



Rating: Buy

Price Target: \$27.00

"The small business lending market is massive and incumbents are retrenching, creating an opportunity for alternative lenders... OnDeck has compelling customer lifetime value characteristics that have been improving from both (i) lower acquisition costs and (ii) higher lifetime profit contribution, which should continue as more originations come from higher margin repeat loans. OnDeck should continue to see funding costs decline and a diversifying funding mix, helped by the ability to access the securitization market and the growth of OnDeck Marketplace. The marketplace mix shift should drive lower credit risk and higher valuation multiples."

"The P2P and marketplace lending business has yet to be tested through a downturn in consumer and commercial credit conditions. With the significant amount of capital already raised by existing established players and fresh capital being raised seemingly daily for new entrants, we believe the incentives to lower credit standards to grow originations and fees will increase. When credit challenges do arise, we believe all players will initially be subject to greater scrutiny. We also worry about the amount of note/loan buying capacity in a downturn from institutional buyers which are increasingly relying on leverage to fund purchases. As the business grows, the reliance on institutional funding will allow for scalability on the upside, but increased risks when credit and liquidity dynamics change, in our view."

sterne
agee

Rating: Underperform

Price Target: \$15.75



Rating: Buy

Price Target: \$25.00

"We believe ONDK offers a compelling risk/reward proposition and that the recent pullback in the shares, which are trading 7.5% below their IPO price of \$20, offers an attractive entry point on a unique growth story... Traditional bank lending to small businesses has been contracting since 2008, as increased capital requirements have made small-business lending even less attractive to banks, which had already been reluctant to commit to the space given the difficulty of assessing the creditworthiness of such firms. This has created an opening for ONDK, which has leveraged technology to accelerate the loan application process faced by small businesses... While we appreciate investor concerns about ONDK's strategy, we believe its daily ACH amortization and a collection effort that begins after just three missed payments, short loan durations, and pricing that more than accounts for the risk, positions the company to thrive."

"While the lender's growth rates are impressive and the SB lending target market is significant in size and eager for new funding sources, the company is trailblazing new largely unseasoned SB credit underwriting mechanisms, quickly leveraging its balance sheet to fund growth and is generating significant provision and charge-off expenses, which are expected to continue. Having said that, we estimate that ONDK's approach to the market can be successful, and that there is significant pent up demand for SB lending alternatives. We are reassured by the company's track record of maintaining level of asset quality over a number of years during which it enjoyed massive y-o-y growth, and a demonstrated record of cost containment. Lastly, our valuation analysis indicates that the company's shares are undervalued by 36.9%, based on our \$22 price target, noting that the shares have declined from its recent IPO price and 44.5% off its post-IPO high of \$28.98."

FINTRUST
















Rating: Buy

Price Target: \$22.00

OnDeck IPO: Post Quiet Period Review

Select Recent FinTech and Internet IPOs

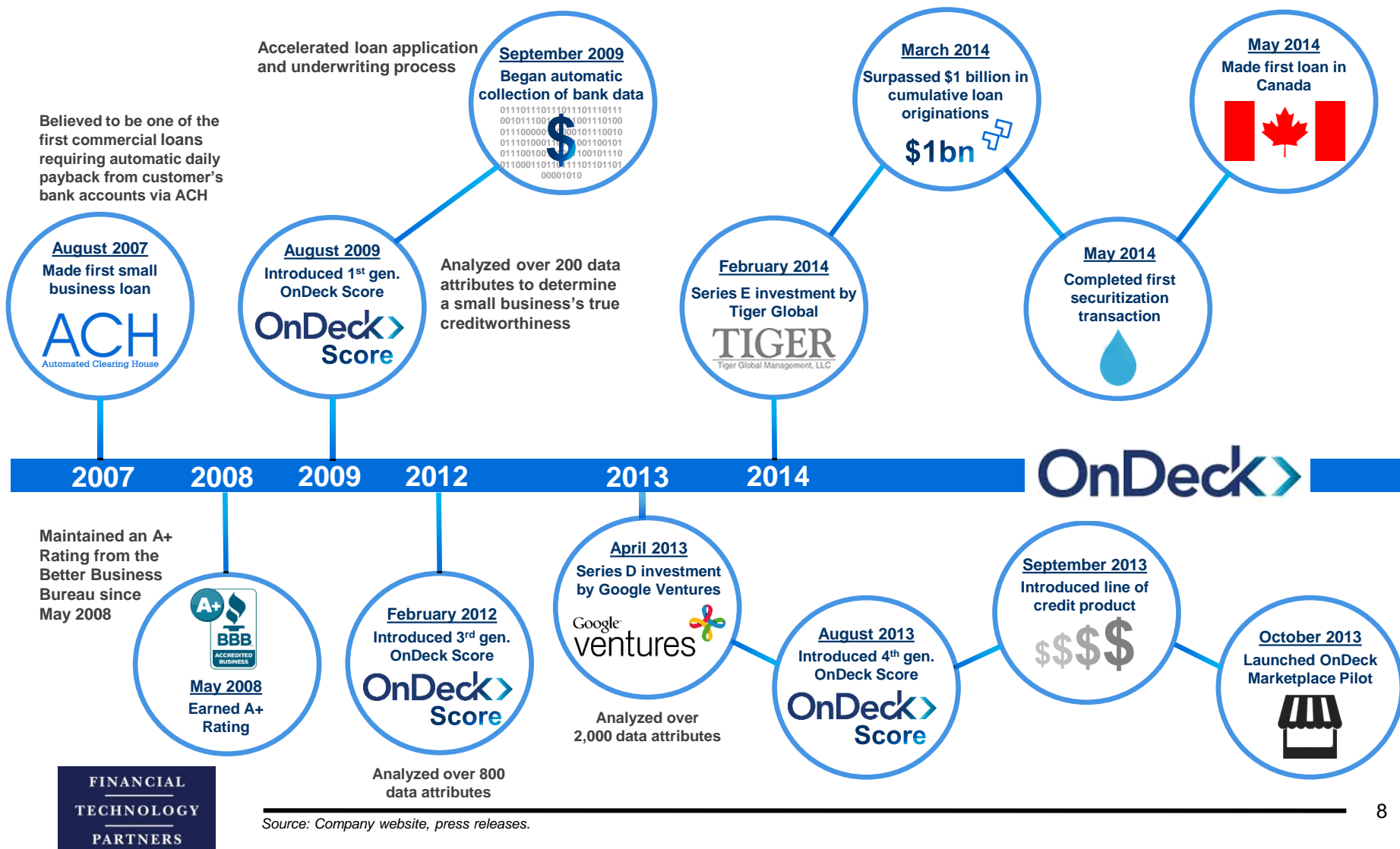
OnDeck raised less than a quarter of what LendingClub raised in its IPO, but OnDeck's IPO was still one of the largest FinTech IPO's of the past couple of years

FinTech			Internet Software & Services		
Announce Date	Size (\$ mm)	Company	Announce Date	Size (\$ mm)	Company
06/18/14	\$1,300		05/06/14	\$21,767	
12/11/14	870		02/01/12	16,007	
09/12/13	506		10/03/13	1,820	
09/23/13	414		09/23/14	1,764	
04/18/13	230		12/11/14	870	
05/02/13	213		03/17/14	597	
12/16/14	200		05/22/14	593	
02/14/13	101		03/14/14	286	
06/30/14	75		05/19/14	265	

Source: FT Partners proprietary database, SEC filings.

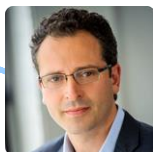
OnDeck IPO: Post Quiet Period Review

Significant Events



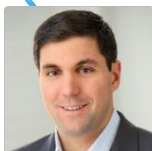
OnDeck IPO: Post Quiet Period Review

Management Team



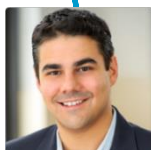
Noah Breslow, Chief Executive Officer

- Has served as OnDeck's CEO and Chairman of the Board since June 2012
- Prior to becoming CEO, held a variety of leadership roles since OnDeck's inception in 2006
- Holds an S.B. in Computer Science and Engineering from MIT; earned an M.B.A. from Harvard Business School



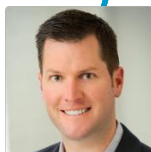
James Hobson, Chief Operating Officer

- Joined OnDeck in 2011 as the company's SVP of Strategic Partnerships and Platform Solutions – assumed the COO post in June 2012
- Completed the M.B.A program at Harvard Business School with high distinction



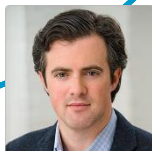
Howard Katzenberg, Chief Financial Officer

- Led OnDeck's finance department since 2009 and served as the Company's CFO since June 2012
- Received his M.B.A. from the Wharton School of the University of Pennsylvania



Cory Kampfer, General Counsel

- Mr. Kampfer serves as OnDeck's General Counsel
- Graduated First in Class from the University of Georgia with a B.B.A. in International Business; received an M.B.A. from Duke's Fuqua School of business and a law degree from the Duke University School of Law



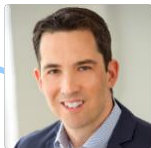
Jerome Hershey, VP of Business Development

- Serves as OnDeck's Vice President of Business Development overseeing general business strategies and manages corporate development activities
- Former Vice President at Technology Crossover Ventures and Senior Associate at Spectrum Equity Investors; Jerome received his Bachelor's degree in Economics from the Wharton School of the University of Pennsylvania



OnDeck IPO: Post Quiet Period Review

Management Team (cont.)



Paul Rosen, SVP of Sales

- Holds position as the Company's SVP of Sales
- Acquired a B.S. in Marketing from Illinois State University; earned his M.B.A. from the University of Chicago



Pamela Rice, SVP of Technology

- Served as the SVP of Technology since March 2014
- Holds a B.A. from the University of Hawaii; earned an M.S. in Information Systems from John Hopkins University and an M.B.A. from the University of Chicago



Andrea Gellert, SVP of Marketing

- Serves as OnDeck's SVP of Marketing since November 2012
- Earned her A.B. in History and Literature from Harvard, magna cum laude; holds an M.B.A. from the Kellogg Graduate School of Management



Zhengyuan Lu, SVP of Capital Markets

- Joined the company in March 2014 as its SVP of Capital Markets
- Holds a B.S. in Economics and Computer Science from Middlebury College and was elected Phi Beta Kappa



Krishna Venkatraman, SVP of Analytics

- Joined OnDeck in October 2013 as the Company's SVP of Analytics
- Earned an M.S. in Operations from the University of Texas, Austin and a Ph.D. in Industrial Engineering from Stanford



OnDeck IPO: Post Quiet Period Review

Small Business Lending Statistics

Current State of Small Business Financing

Small businesses surveyed by the Federal Reserve Bank of New York indicated that the traditional funding process required an average of...

26

Dedicated
Hours

2.6

Contacts to
Financial Institutions

2.7

Loan
Applications

OnDeck Opportunity

Traditional lenders, who view small firms to be riskier, make it more difficult for a small business to obtain credit – presents an interesting market opportunity to alternative business / working capital lenders, such as OnDeck

According to a survey by the National Small Business Association, small businesses are generally starting to embrace technology and view it to be integral to success of their company – it is likely that small business owners will look to online lending alternatives for their financing / working capital needs

OnDeck capitalizes on the unique market opportunity created by the traditional lenders' distrust in the creditworthiness of small businesses by offering a fast, convenient online alternative

In addition, as OnDeck continues to grow its total number of loan originations, the loan and credit data collected through these transactions enable the Company to grow its current dataset, enhancing its credit analysis and predictive modeling capabilities, leading to more loans approved with a lower risk and loan default rate

OnDeck IPO: Post Quiet Period Review

Small Business Lending Statistics (contd.)

Small business credit application survey results

20%
Too Discouraged to Apply

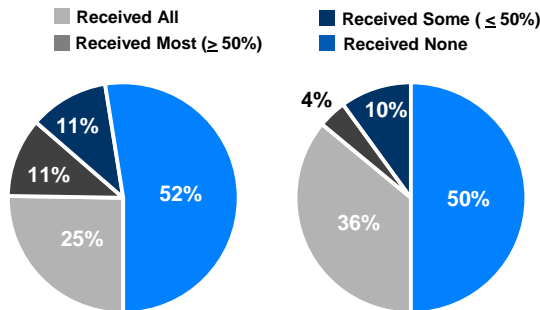
22%
Applied for Credit

48%
Did Not Apply



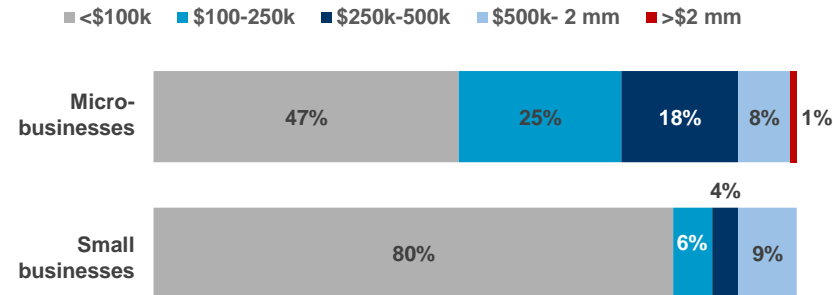
Micro & Small Businesses in the United States ⁽¹⁾

Credit Application Outcomes



- Bank lenders' reluctance to lend to small businesses after the Recession creates a favorable market opportunity for OnDeck
 - Considering that a majority of micro-and small businesses are still not receiving all of their requested amount, business owners can be 1) expected to borrow the remaining amount or 2) re-apply for the full amount through an online small business lender like OnDeck
- A majority of small and micro-businesses surveyed intended to use the requested capital to fund the expansion of their businesses
 - Most micro- and small businesses surveyed intended to use the capital to fund expansion; considering this, these borrowers may be less risky to OnDeck and its peers

Requested Loan Size by Micro- and Small Businesses



- Micro- and small businesses are underserved by traditional bank lenders for a variety of reasons, including:
 - Owner's credit score *
 - Risk adversity of lenders
 - Bank consolidation
 - High search, transaction costs
 - No relationship / insufficient relationship with lender
 - Lack of / insufficient collateral
 - Regulatory stringency
 - Decreased sales due to cyclical cash flow trends

OnDeck IPO: Post Quiet Period Review

Small Business Lending Statistics (contd.)

Small business lending has reached peak, pre-recession levels from 2007 while delinquencies are below pre-recession levels



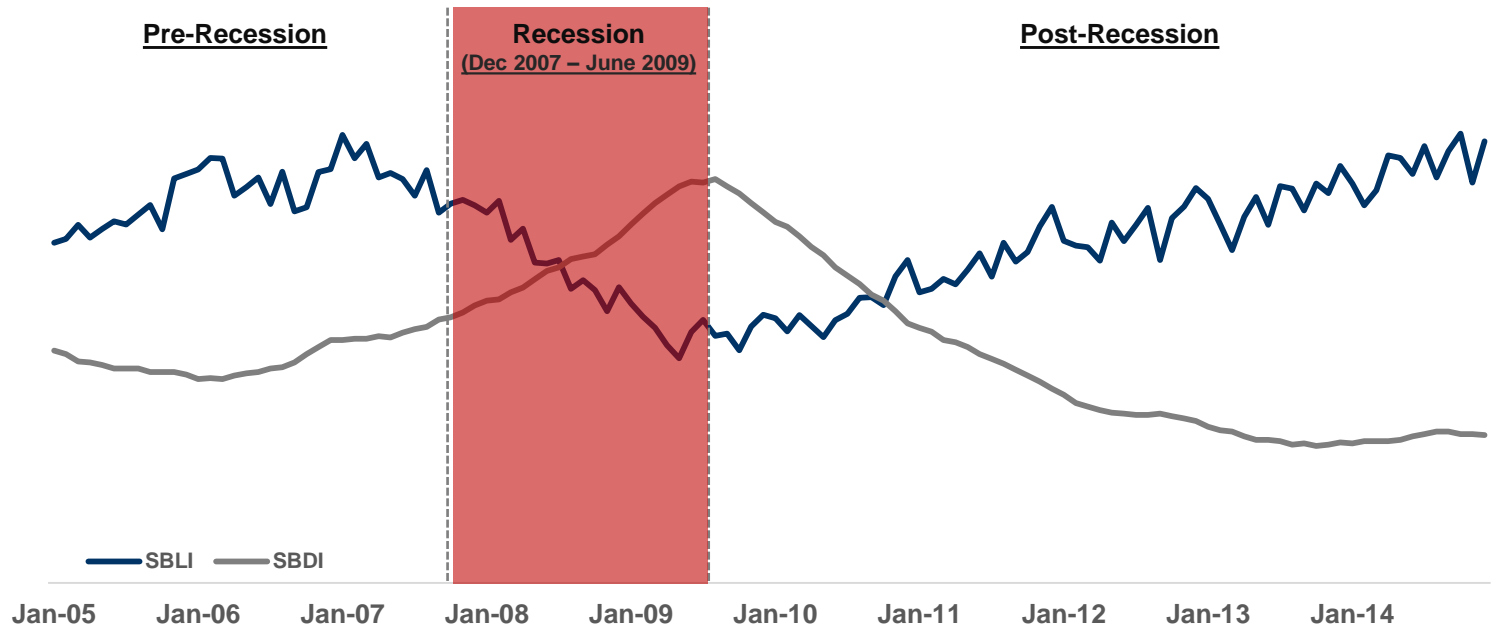
- The Thomson Reuters / PayNet Small Business Lending Index (SBLI) measures the volume of new commercial loans and leases to small businesses indexed to January 2005 ⁽¹⁾

- PayNet tracks new borrowing activity by millions of US businesses by the largest lenders in the PayNet Database
- Only loans under \$1 mm are considered small business loans

- The Small Business Delinquency Index by Thomson Reuters / PayNet (SBDI) captures the percentage of loans that are 31-90 days past due indexed to January 2005 ⁽²⁾

- Index is calculated from the most recent loan performance for the largest commercial and industrial lenders in PayNet's U.S. database

PayNet & Thomson Reuters Small Business Lending Index / PayNet & Thomson Reuters Loan Delinquency Index



Source: Office of Advocacy – U.S. Small Business Administration, U.S. Department of Commerce, Thomson Reuters / PayNet.

(1) Excluded in the SBLI are: lenders that are primarily purchasers & sellers of loan and lease portfolios, restructurings of existing loans and lease obligations.

(2) PayNet website.

OnDeck IPO: Post Quiet Period Review

Competitive Strengths

Significant Scale

- Increasing scale offers benefits such as lower customer acquisition costs, access to a broader dataset, better underwriting decisions and lower cost of capital

Satisfied Customer Base

- Consistently achieved an A+ rating from the Better Business Bureau
- In 2013, 43.5% of loan originations were by repeat customers

Data and Analytics Engine

- Proprietary technology optimizes its business operations and the customer experience
- Dataset expands and improves with every payment and funded loan

Durable Business Model

- Technology and risk management capabilities enable the company to react accordingly in changing market conditions

Integrated Technology Platform

- End-to-end integrated platform addresses every aspect of the customer lifecycle – specifically meeting the financing needs of small businesses



Differentiated Funding Platform

- Sources capital through debt facilities, securitization and the OnDeck marketplace, the Company's whole loan sale platform for institutional investors

Diversified Distribution Channel

- Focused on building their brand awareness through direct marketing, strategic partnerships and funding advisors

100% Small Business-Focused

- Specialization enables the Company to develop significant expertise and gain a competitive edge in providing credit to small business

OnDeck IPO: Post Quiet Period Review

Strategies for Growth



OnDeck IPO: Post Quiet Period Review

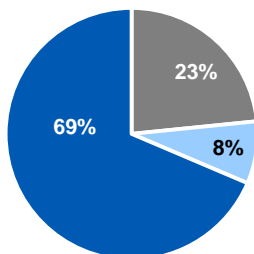
Financials – Sales and Marketing Channels

Sales Channel Description

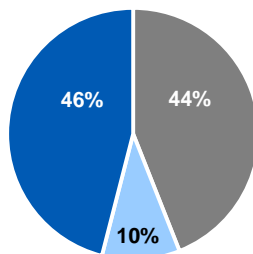
Direct
 Strategic Partner
 Funding Advisor

Percentage of Originations
(# of Loans)

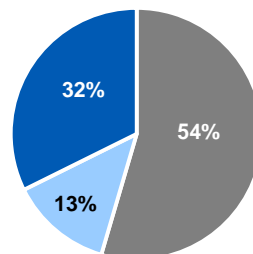
Year Ended Dec 2012



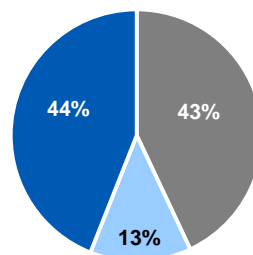
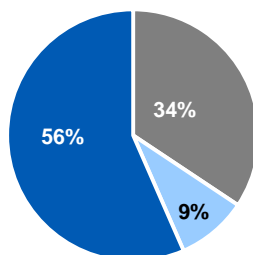
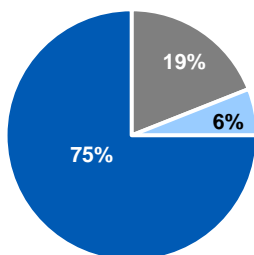
Year Ended Dec 2013



9 Months Ended Sept 2014



Percentage of Originations
(\$ of Loans)



Sales and Marketing Overview

Direct Marketing: Makes contact through direct mail, social media, television, radio and online marketing mediums

Strategic Partners: Includes the introduction of OnDeck products by banks, small business-focused service providers and financial institutions / financial solution providers

Funding Advisor Program: OnDeck makes contact with potential customers by forming strategic partnerships with third-party independent advisors who are focused on providing financial services to small businesses

Between 2012 to September 2014, OnDeck showed an increasing reliance on its direct marketing and strategic partnerships to source its loans

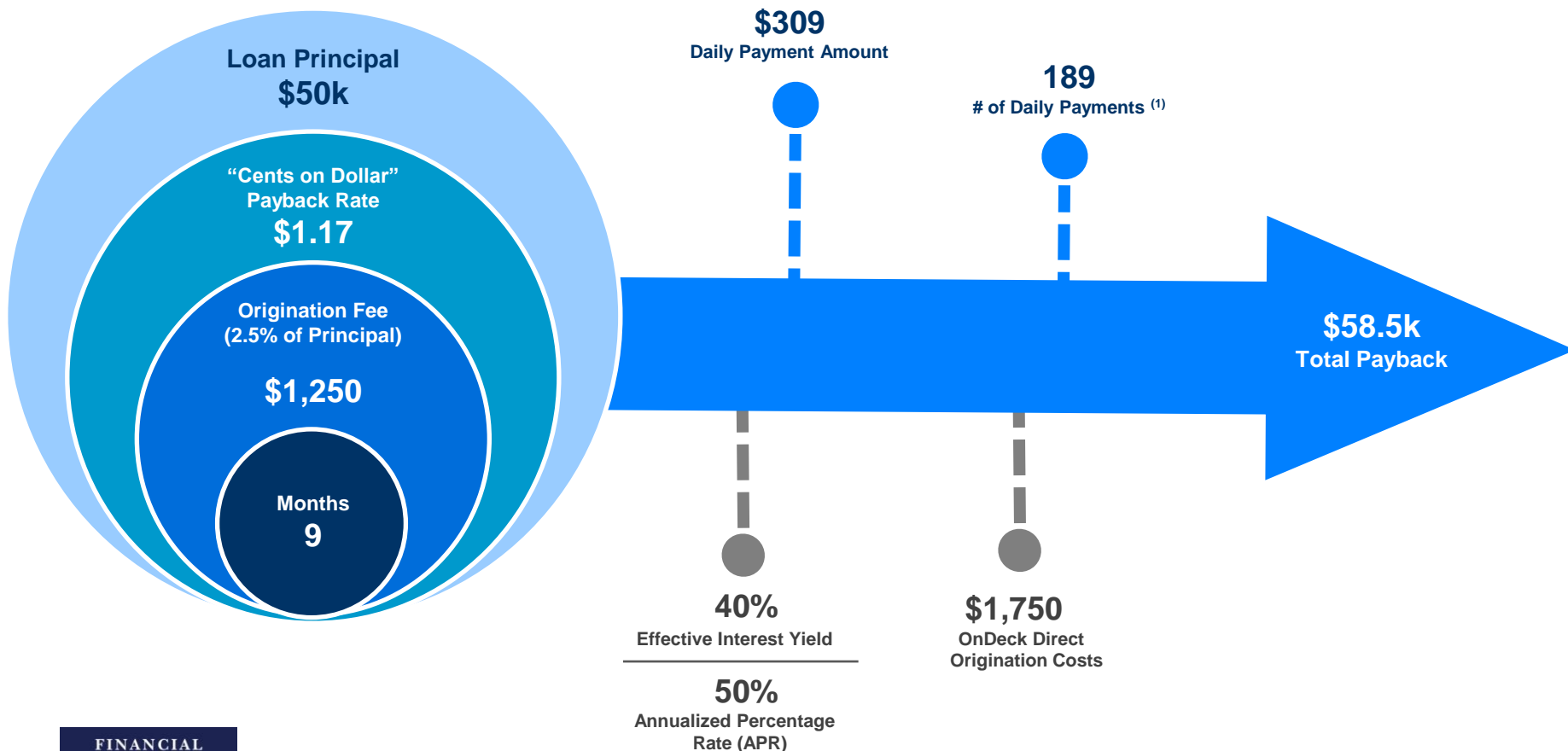
As OnDeck continues to grow, funding advisors exhibit a steady decrease in significance in regard to the Company's sales and marketing strategy



OnDeck IPO: Post Quiet Period Review

Term Loan Example

Hypothetical term loan example illustrating key loan terms and costs to borrower



OnDeck IPO: Post Quiet Period Review

Customer Acquisition Costs

Customer Lifetime Value Overview

- Customer acquisition costs are key components in the analysis of customer life time value
- Customer acquisition costs include costs incurred through OnDeck's 3 sales channels: direct marketing, strategic partnerships and funding advisors
- Contribution includes the interest income and fees collected on a cohort of customers' initial and repeat loans less acquisition costs

Characteristics of Q1 2013 Cohort

\$30,818

Average Initial
Loan Size

\$116.5 mm

Total Borrowings

\$45,390

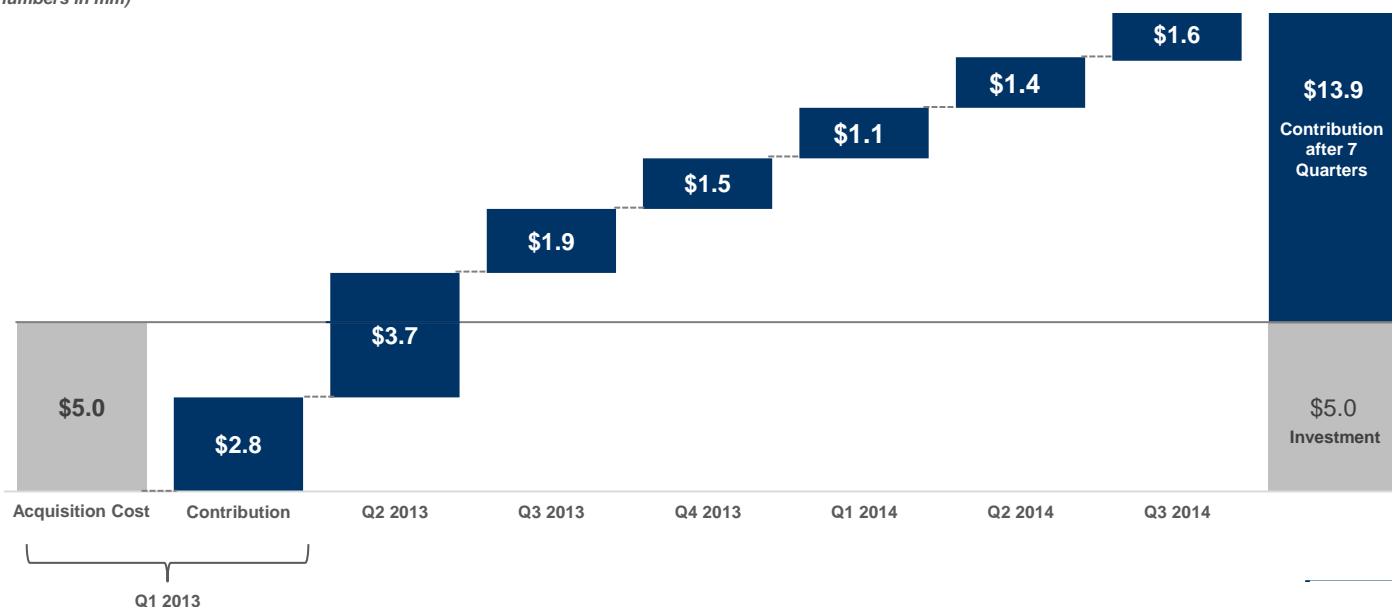
Average Repeat
Loan Size

2.2

Average # Loans per
Customer during the
Measurement Period

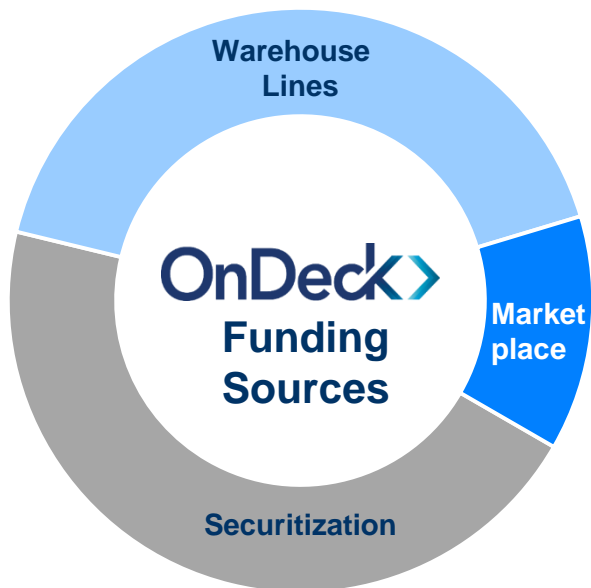
Q1 2013 Cohort Acquisition Cost and Customer Lifetime Value

(numbers in mm)



OnDeck IPO: Post Quiet Period Review

Funding Sources / Historical Charge-Offs



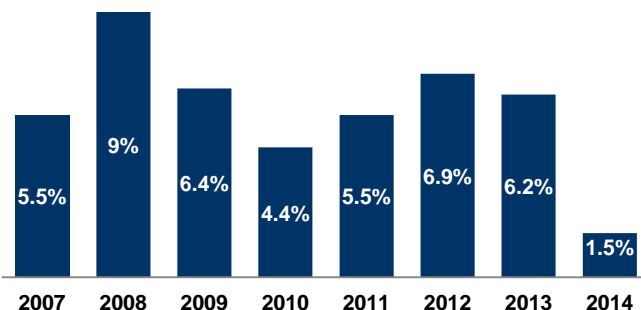
Warehouse Lines

- A large portion of loans as of September 30, 2014 was funded through the securitization of small business loans
- Asset-backed revolving debt facilities are also used to fund a portion of OnDeck's loans
- The Company entered into a revolving debt facility with Square 1 to fund its technology, sales and marketing, processing and servicing initiatives

Marketplace

- OnDeck Marketplace is a whole loan sale platform that allows third-party investors to purchase small business loans from the Company
 - Introduces a new asset class to participating investors
 - Loans are purchased on a forward flow basis
- As of September 30, 2014, eight institutional investors had commitments to purchase loans from OnDeck

Net Charge-off Ratios by Cohort



Securitization

- In April 2013, OnDeck announced its first securitization transaction; \$175 mm in fixed rate notes are backed by OnDeck's loan assets
- Purchasers include insurance companies, mutual funds, money managers and asset management firms
- The Company leveraged its proprietary credit scoring to influence the securitization of its loans

OnDeck IPO: Post Quiet Period Review

OnDeck Marketplace Launch

OnDeck Initiatives



**Pilot launch
of OnDeck
Marketplace**



IPO

Went public on
the NYSE



Securitization
of non-SBA
small business
loans

**\$1.7
billion**

Crosses the
\$1.7 billion
mark in lifetime
capital

Pilot Program



- Launched in October 2013
- The Company tested the SMB loan marketplace model
- A group of inaugural institutional investors, including asset managers, hedge funds and business development companies participated
- The process is seamless, transparent and efficient because OnDeck services the purchased loans – not through a third-party loan servicer
- Offering marketplace loans enables OnDeck to offload the risk that comes with on balance sheet lending

General Availability of Marketplace Platform



**“OnDeck Announces General
Availability of Marketplace Platform to
Connect Institutional Investors with
Main Street”**

- On January 21, 2015, OnDeck announced that its SMB loan marketplace platform will be extended to all other institutional investors

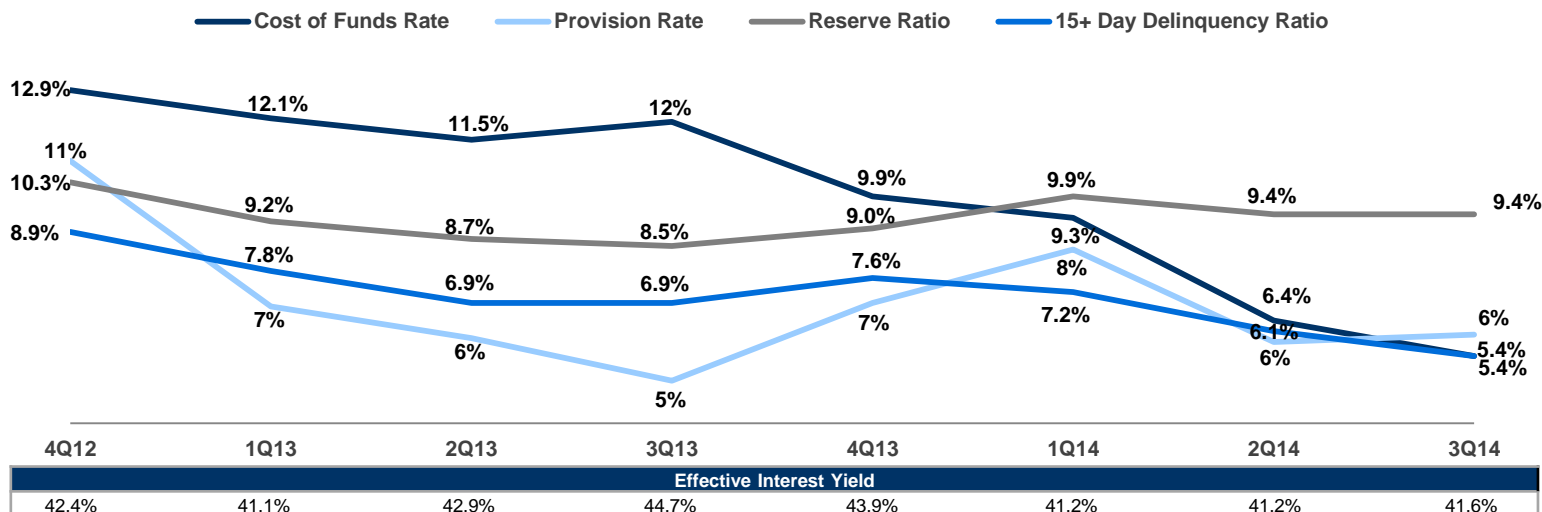
“Institutional investors have been seeking a platform to gain credit exposure to Main Street business loans at scale, OnDeck Marketplace is a natural extension of the increased predictive power of our OnDeck Score, and further diversifies the company's sources of revenue and capital.”

– Noah Breslow, CEO, OnDeck

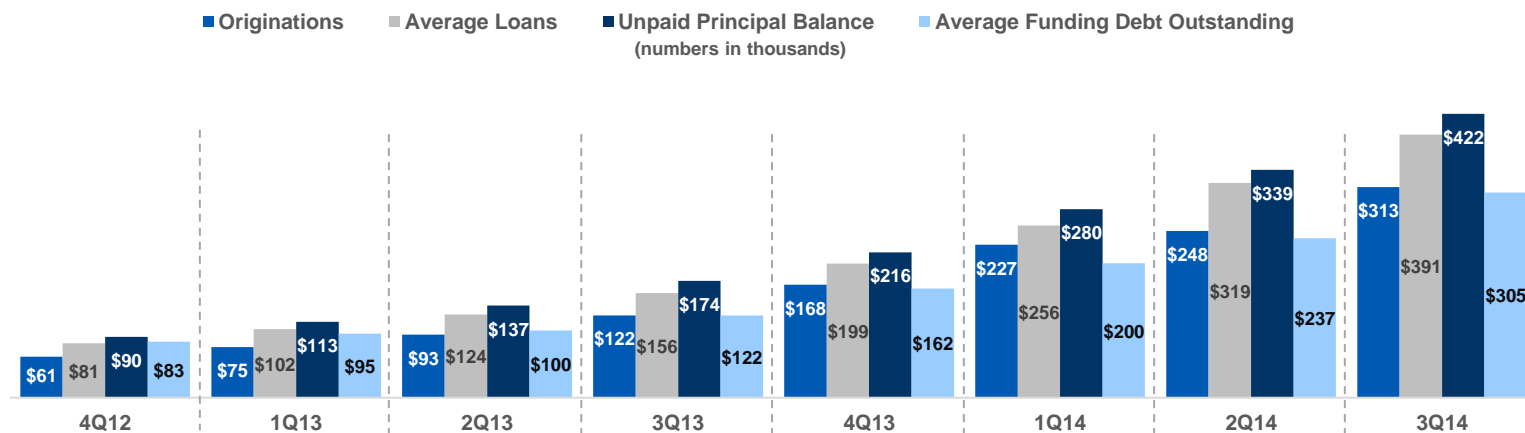
OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data

Cost of Funds and Loss Rates



Loan Volume Statistics

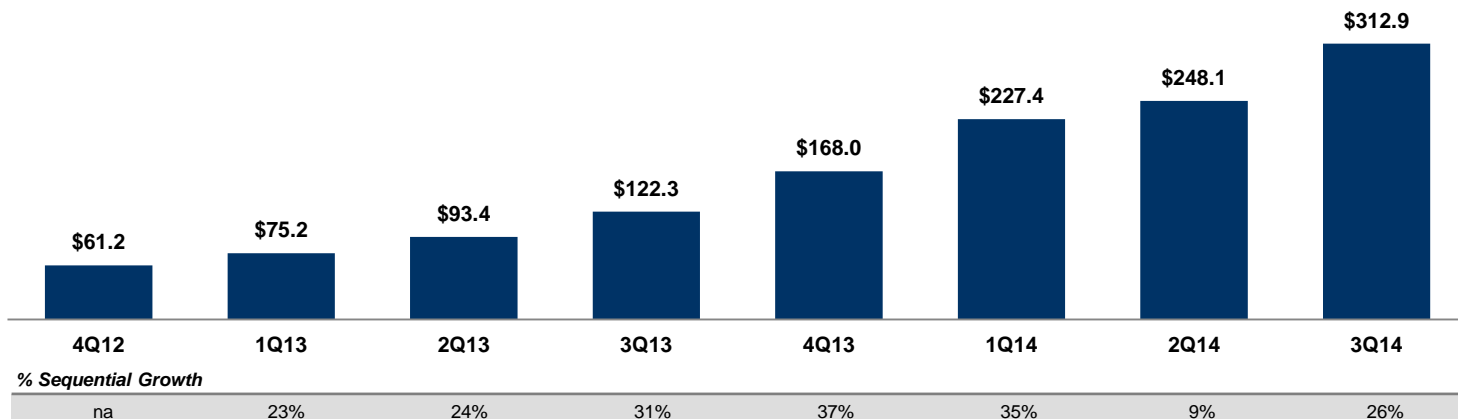


OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

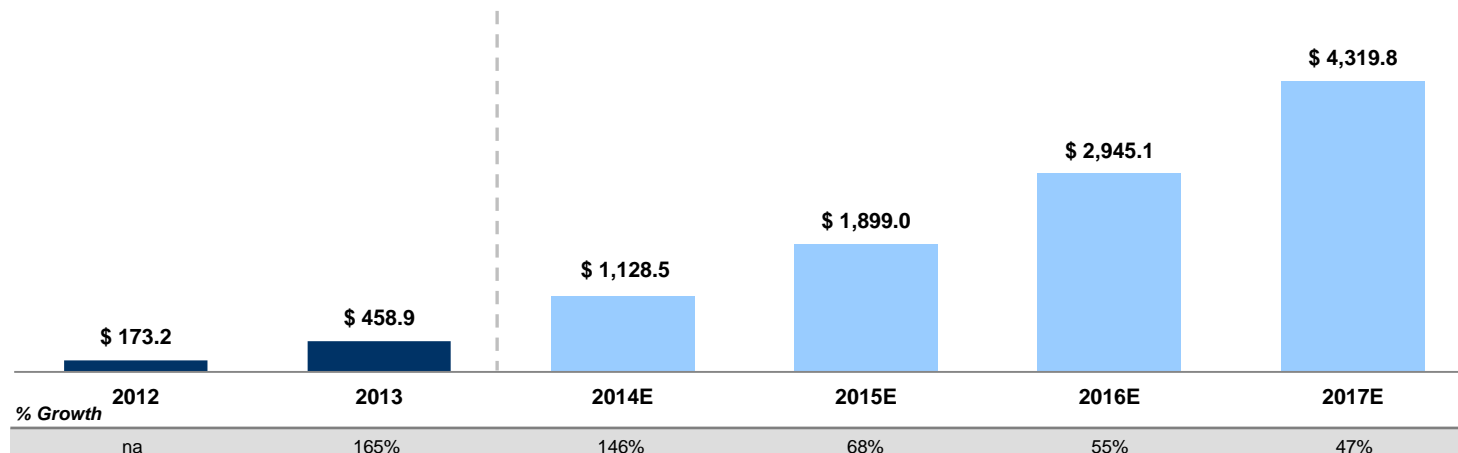
Loans Originated

(in millions)



Loans Originated (Annual)

(in millions)

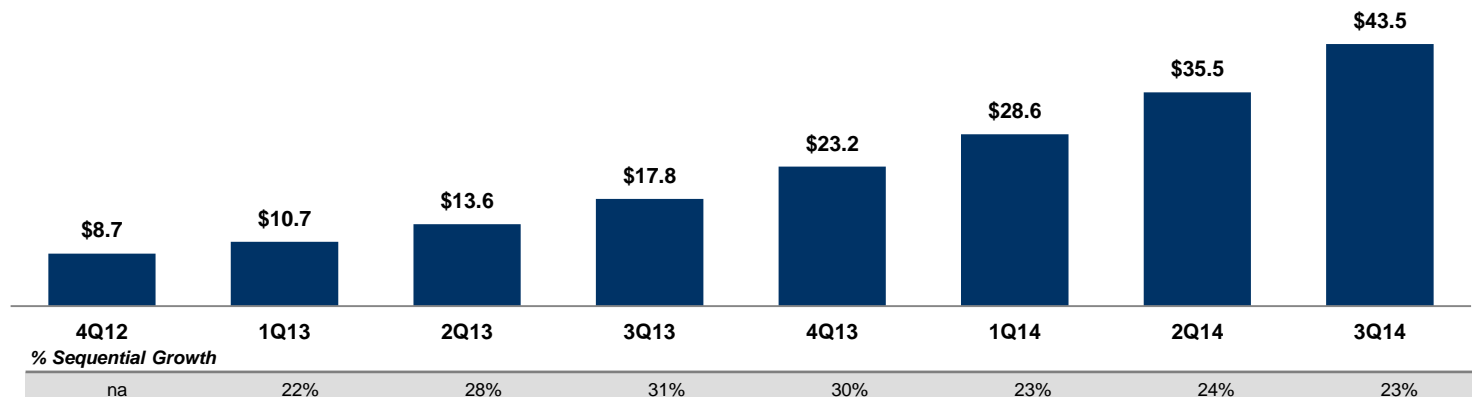


OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

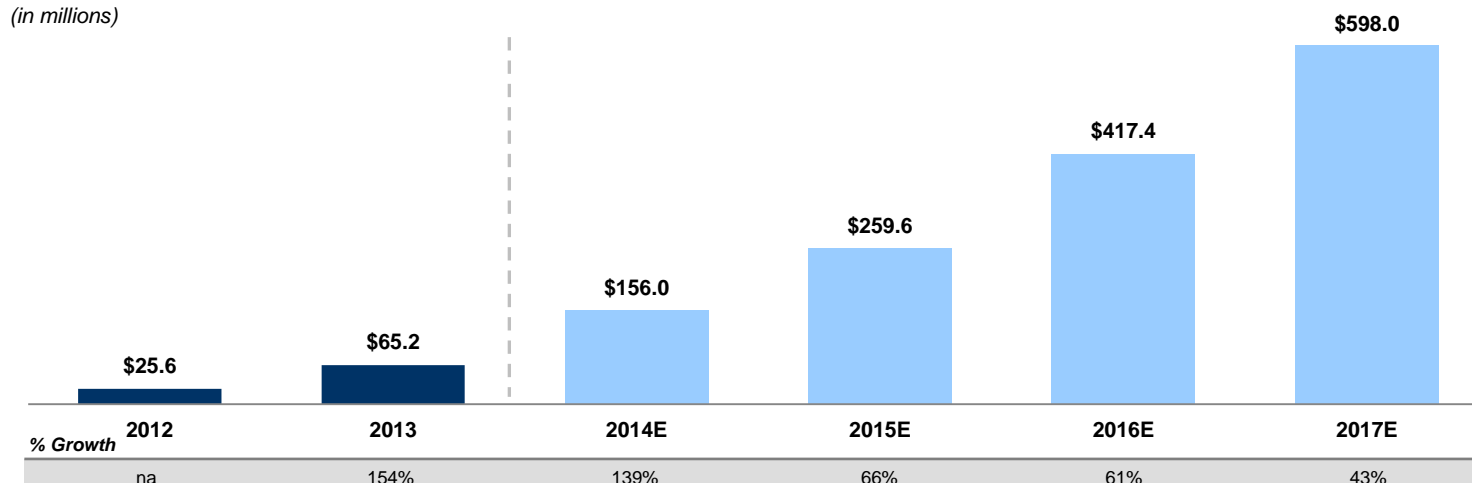
Gross Revenue

(in millions)



Gross Revenue (Annual)

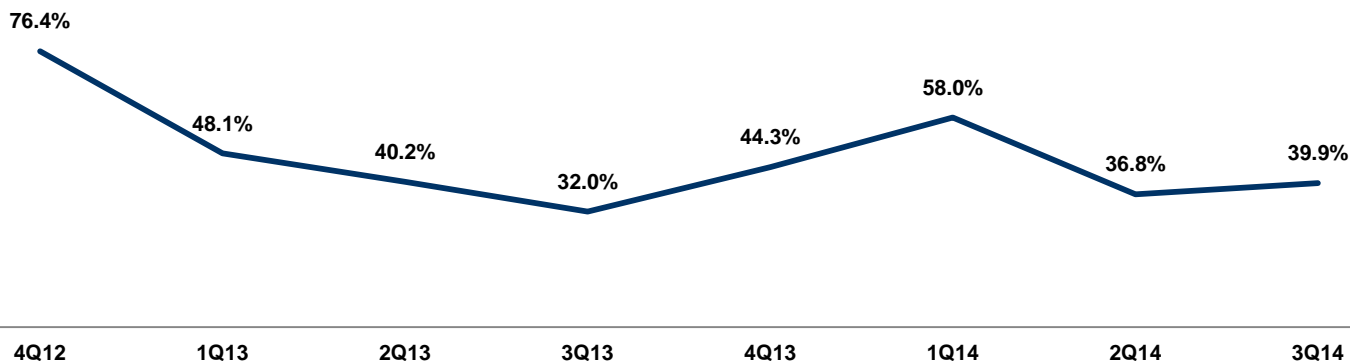
(in millions)



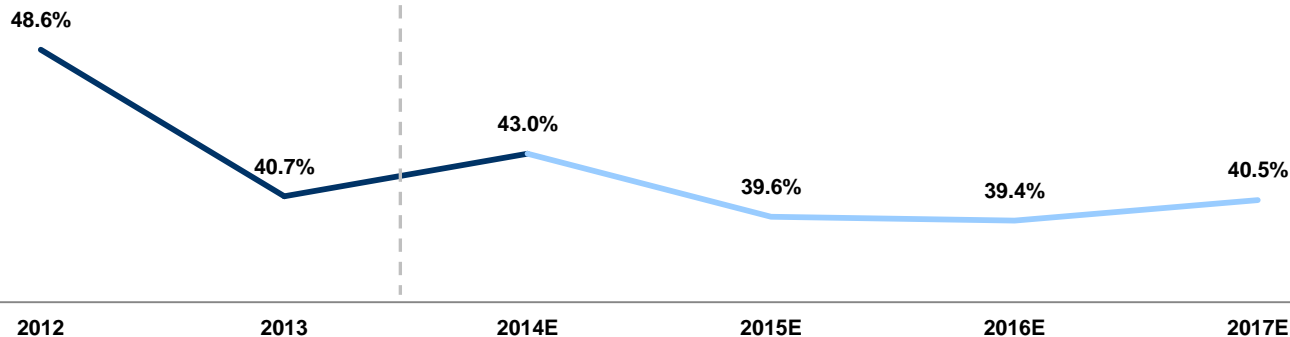
OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

Provision
for Loan
Loss /
Gross
Revenue



Provision
for Loan
Loss /
Gross
Revenue
(Annual)

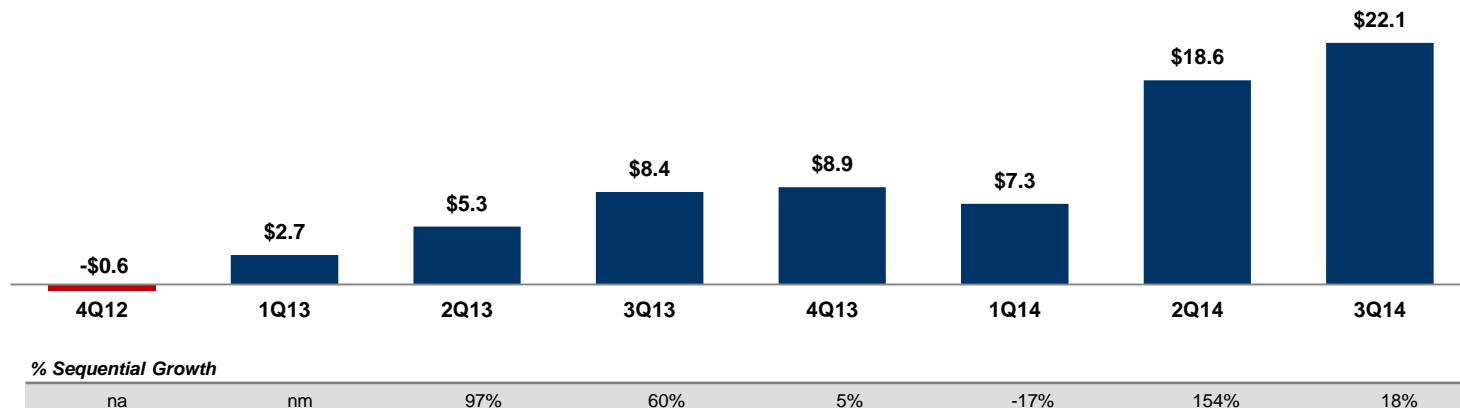


OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

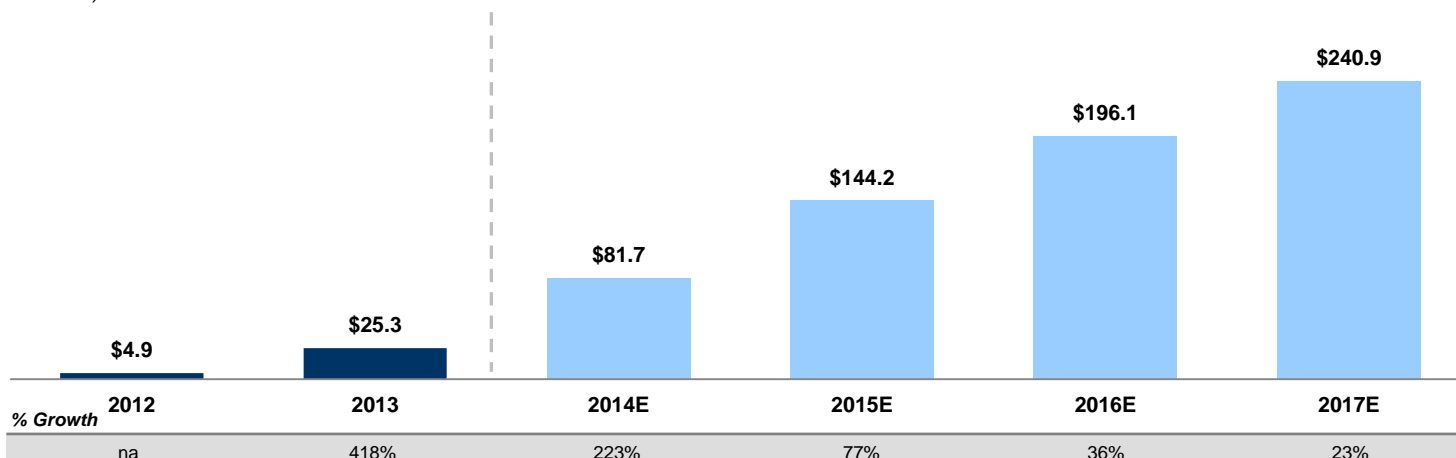
Net Revenue ⁽¹⁾

(in millions)



Net Revenue ⁽¹⁾ (Annual)

(in millions)

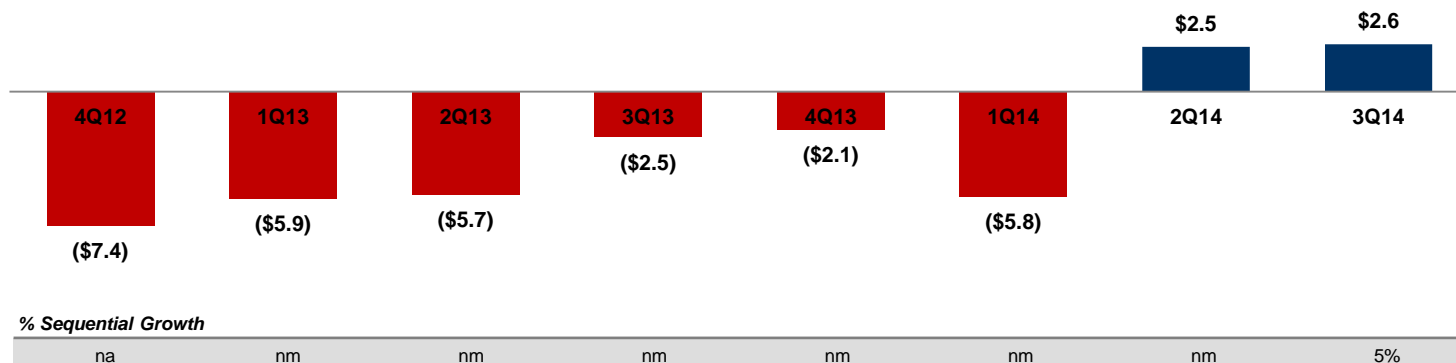


OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

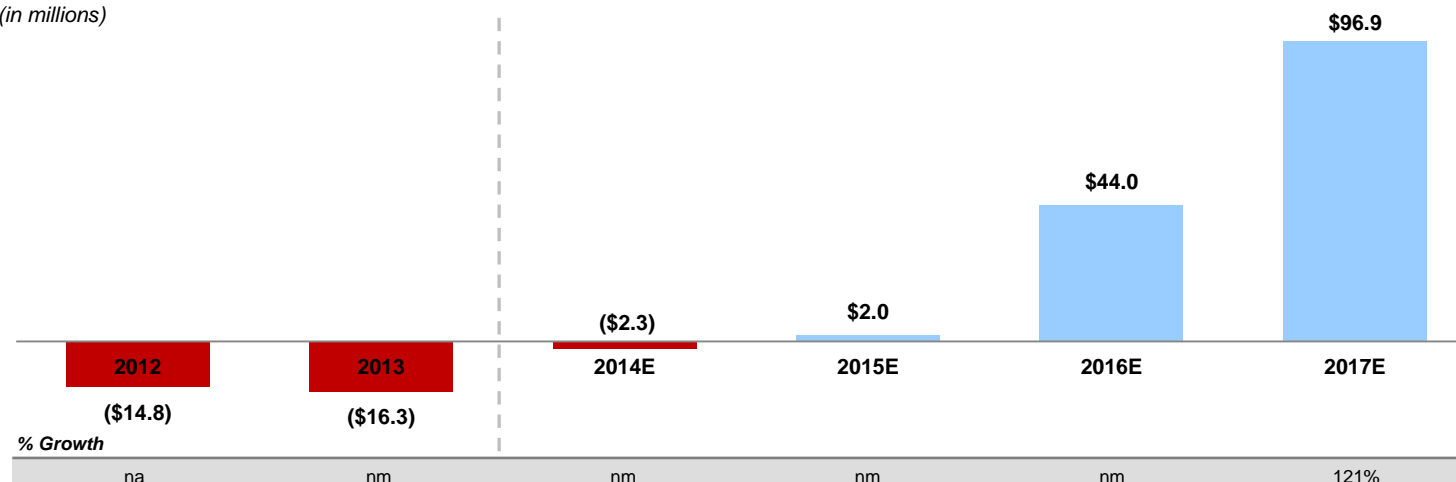
Adjusted EBITDA ⁽¹⁾

(in millions)



Adjusted EBITDA ⁽¹⁾ (Annual)

(in millions)

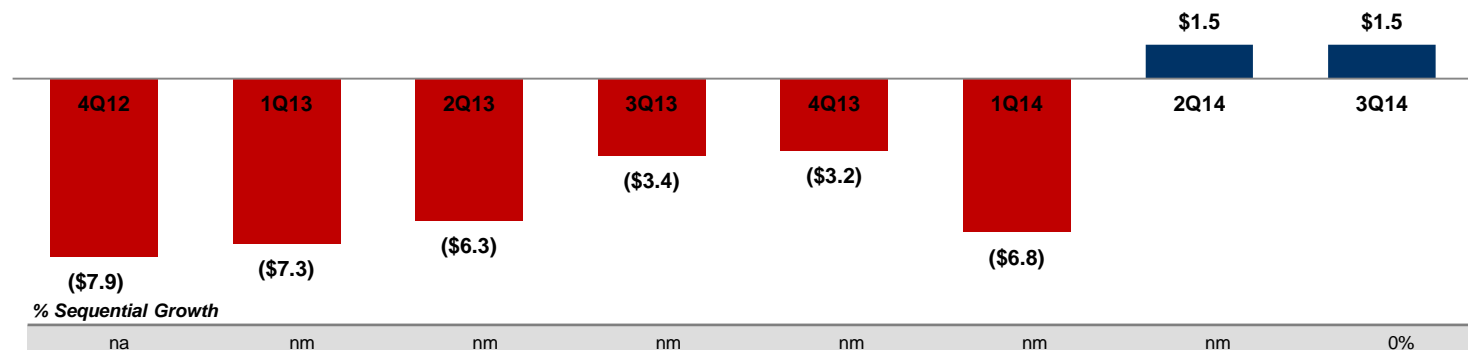


OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

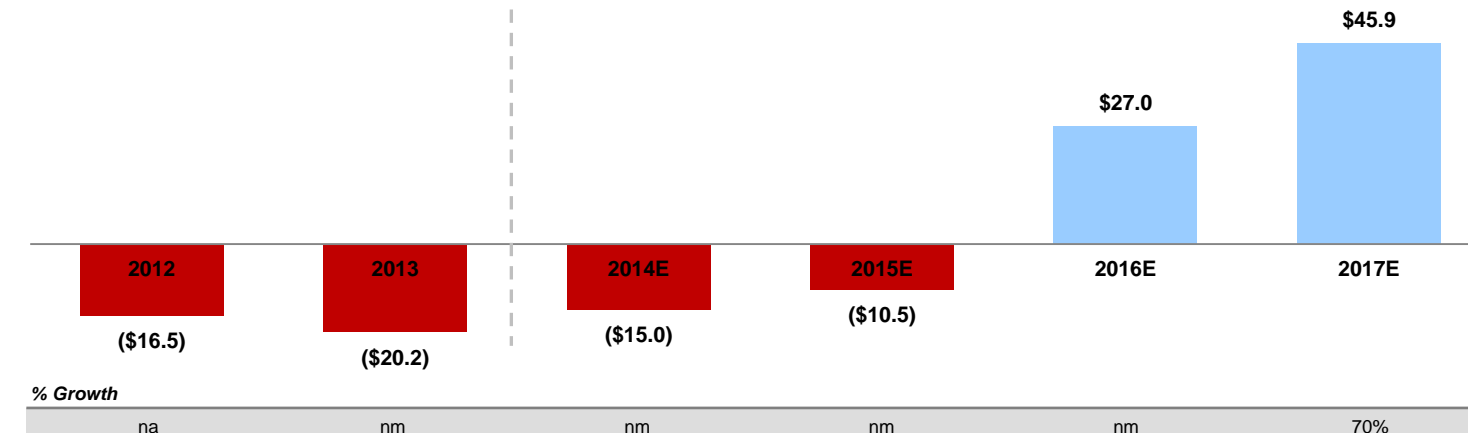
Adjusted Net Income⁽¹⁾

(in millions)



Adjusted Net Income⁽¹⁾ (Annual)

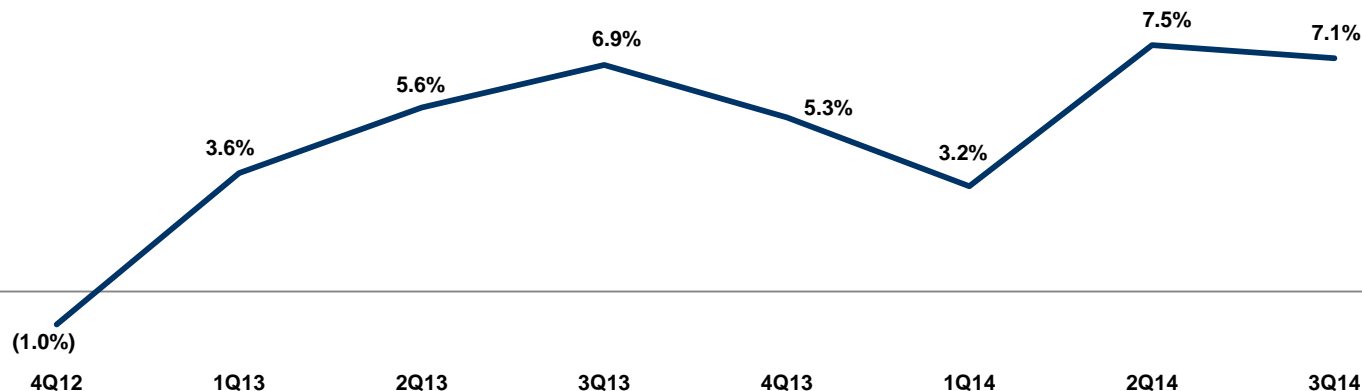
(in millions)



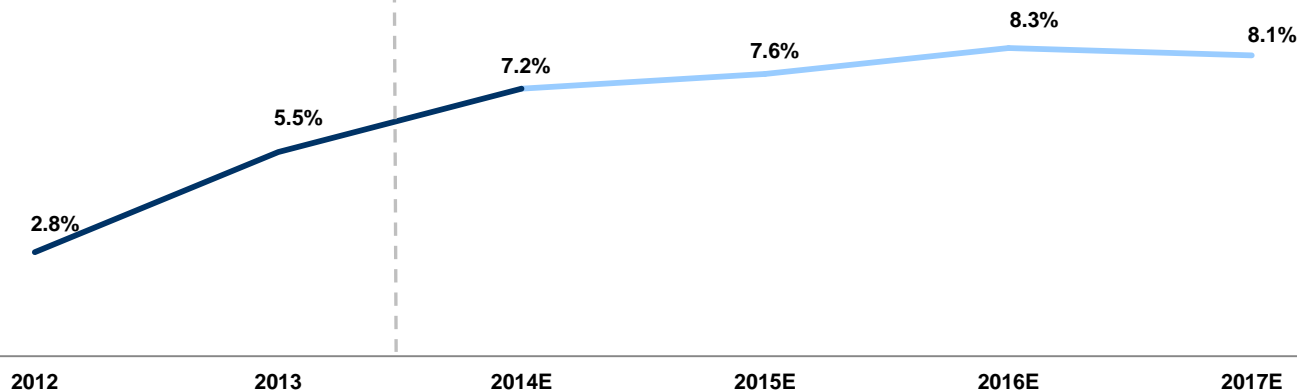
OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

Net
Revenue /
Originations



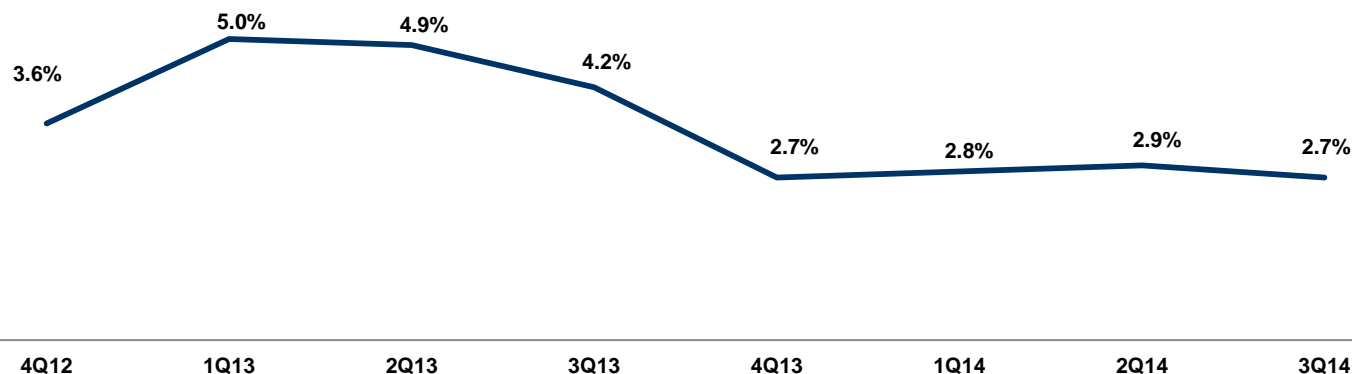
Net
Revenue /
Originations



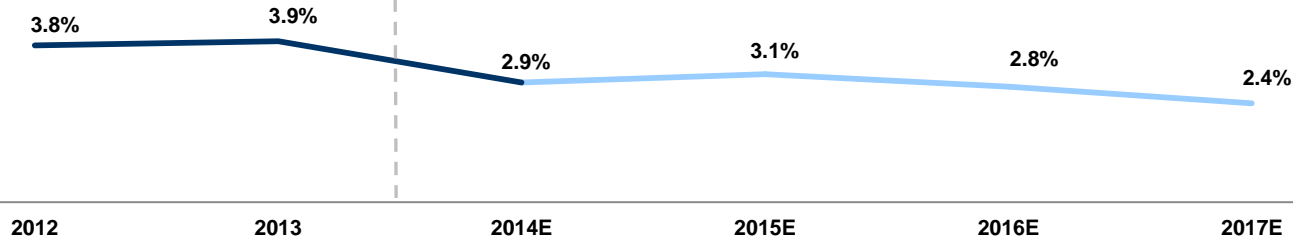
OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

Sales & Marketing /
Originations



Sales & Marketing /
Originations

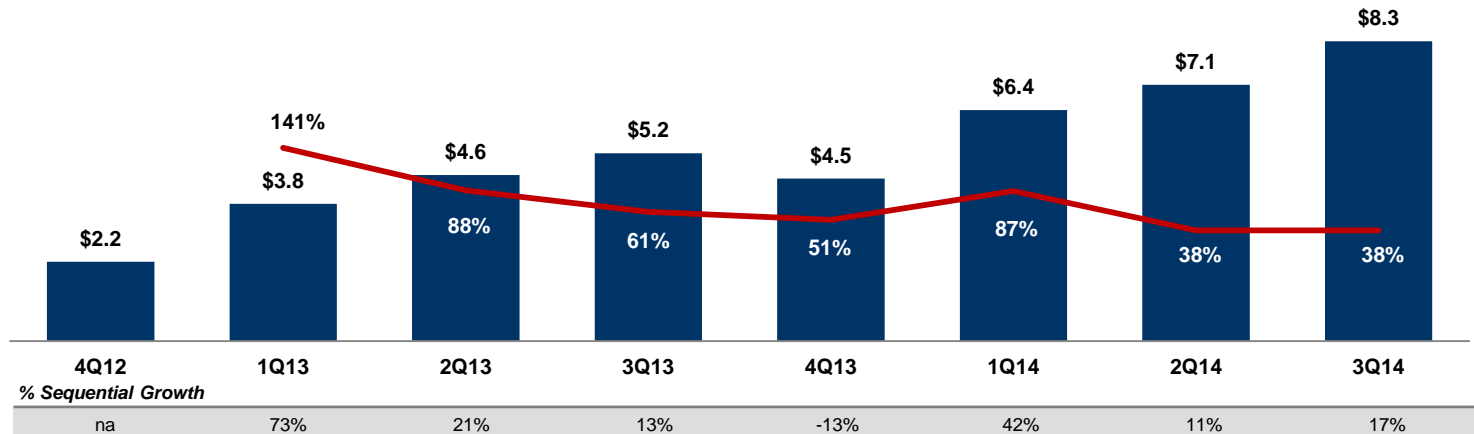


OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

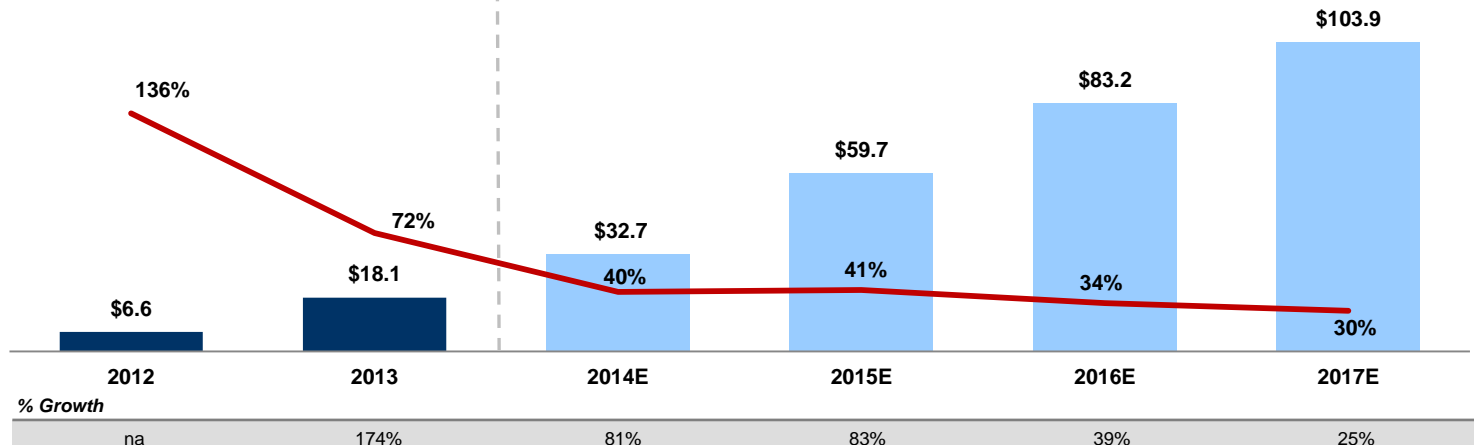
Sales & Marketing / Net Revenue

(in millions)



Sales & Marketing / Net Revenue

(in millions)

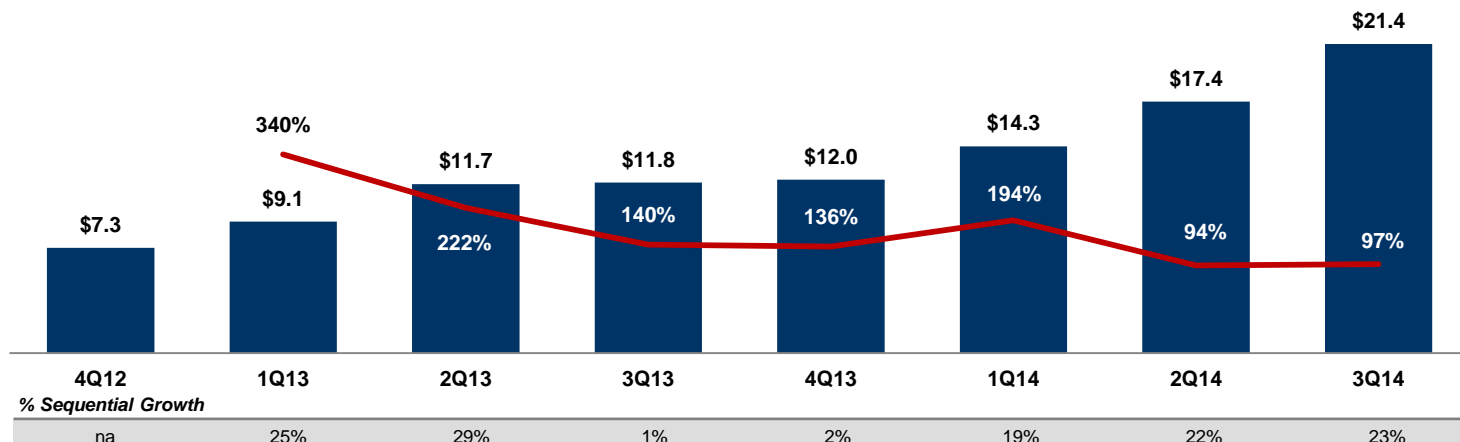


OnDeck IPO: Post Quiet Period Review

Financial Overview – Selected Consolidated Financial Data (cont.)

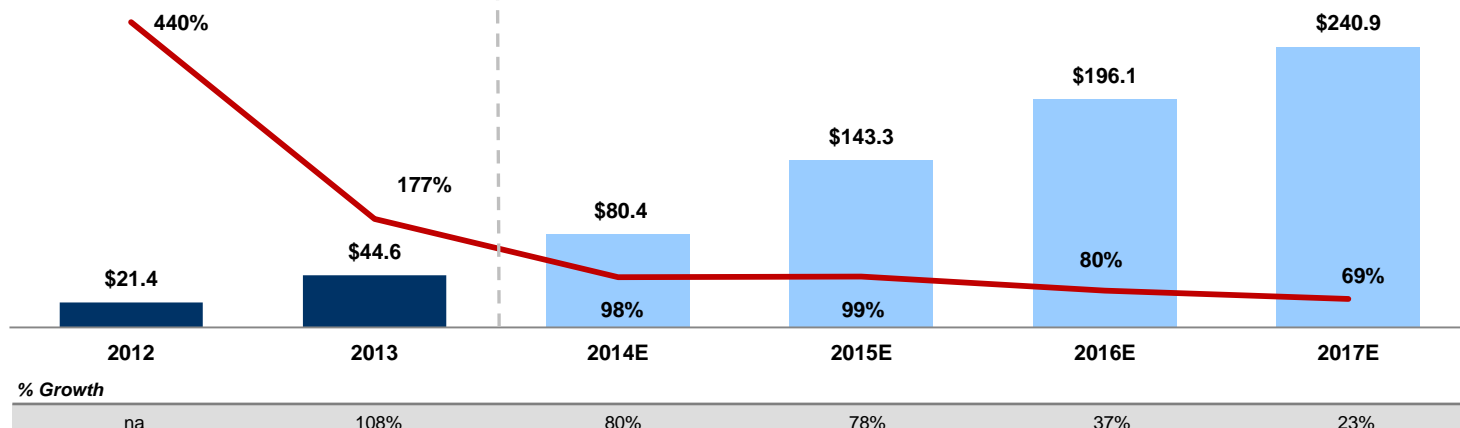
Operating Expenses / Net Revenue

(in millions)



Operating Expenses / Net Revenue

(in millions)





OnDeck IPO: Post Quiet Period Review

Financial Overview – Publicly Traded Comparables

Company Name	Price 02/18/15	% MTD Change	% LTM High	Market Value (\$ mm)	Enterprise Value (\$ mm)	Multiples						Growth Rates			Margins		Revenue	
						Price / Earnings		EV / EBITDA		EV / Revenue		Revenue		EPS	EBITDA		P / E / G	CAGR
						CY 15E	CY 16E	CY 15E	CY 16E	CY 15E	CY 16E	CY 15E	CY 16E	LT	CY 15E	CY 16E	CY 15E	'14E - '16E
Alternative Lending																		
OnDeck	\$ 17.55	16 %	61 %	\$ 1,333	\$ 1,110	nm	30.3 x	nm	26.7 x	9.1 x	5.3 x	104 %	71 %	na	3 %	20 %	na	86 %
Lending Club	22.68	21	77	9,305	8,402	nm	81.0	nm	67.3	25.3	15.7	76	61	20	14	23	na	68
High Growth Technology Disruptors																		
Alibaba	\$ 87.40	(3)%	72 %	\$ 218,382	\$ 210,049	32.3 x	25.4 x	24.7 x	19.4 x	13.3 x	10.3 x	35 %	29 %	31 %	54 %	53 %	1.0 x	32 %
Facebook	76.71	1	93	215,708	204,742	39.3	30.0	19.8	14.9	12.0	9.0	38	32	32	61	61	1.2	35
Tencent	16.87	(2)	94	156,419	153,883	30.5	23.9	22.4	18.1	9.9	8.1	23	23	35	44	45	0.9	23
Baidu	208.73	(5)	82	73,259	68,093	26.9	19.8	20.7	14.8	6.2	4.7	39	33	34	30	31	0.8	na
LinkedIn	266.91	19	97	34,203	31,847	nm	nm	39.2	27.9	10.7	8.2	36	30	42	27	29	na	33
Twitter	47.82	27	81	30,892	28,795	nm	nm	49.1	28.0	12.1	8.0	73	51	nm	25	29	na	62
Workday	91.30	15	78	18,694	17,348	nm	nm	nm	nm	15.3	11.1	44	39	40	4	6	na	41
ServiceNow	77.48	6	100	12,667	12,435	nm	nm	nm	nm	12.6	9.3	46	35	38	13	15	na	41
Splunk	65.90	28	62	8,443	7,647	nm	nm	nm	nm	13.2	10.1	32	31	29	6	8	na	31
Zillow	125.49	29	76	5,798	5,426	nm	nm	nm	26.5	10.1	7.6	67	32	nm	19	29	na	48
Yelp	47.54	(9)	47	3,890	3,524	nm	36.4	33.1	20.9	6.1	4.6	54	33	45	18	22	na	43
Pandora	14.84	(11)	37	3,179	2,825	nm	27.6	36.9	17.7	2.4	2.0	27	23	nm	7	11	na	25
Median		4 %	80 %			31.4 x	26.5 x	28.9 x	19.4 x	11.3 x	8.1 x	39 %	32 %	35 %	22 %	29 %	1.0 x	35 %
Mean		8	77			32.3	27.2	30.7	20.9	10.3	7.7	43	33	36	26	28	1.0	38
High Growth Financial Technology																		
Visa	\$ 269.12	6 %	99 %	\$ 165,997	\$ 161,417	25.0 x	21.7 x	16.4 x	14.7 x	11.4 x	10.3 x	10 %	11 %	17 %	69 %	70 %	1.5 x	10 %
MasterCard	87.73	7	98	101,410	96,674	25.2	21.0	16.4	14.2	9.6	8.5	7	13	18	58	60	1.4	10
eBay / PayPal	56.90	7	95	69,079	66,608	17.9	16.7	11.2	10.1	3.5	3.2	6	11	11	31	31	1.7	8
Alliance Data	282.87	(2)	94	18,305	28,682	19.0	16.5	14.8	13.0	4.4	3.9	23	12	15	30	30	1.2	17
Cielo	16.49	9	92	25,834	27,110	18.5	16.4	16.5	14.6	8.3	7.7	12	9	14	50	53	1.3	10
Intuit	89.76	3	94	25,979	24,889	32.4	22.3	16.6	13.1	5.5	4.8	(0)	14	15	33	37	2.2	7
Wirecard	46.32	1	98	5,720	4,960	32.3	25.6	19.4	15.8	5.7	4.7	25	20	30	29	30	1.1	23
Blackhawk Network	37.23	12	92	2,103	2,073	19.2	16.3	10.8	9.2	1.2	1.0	24	21	21	11	10	0.9	22
WageWorks	61.10	11	93	2,298	1,964	nm	43.1	22.0	18.4	5.9	5.2	26	13	18	27	28	na	19
Envestnet	52.96	3	95	2,010	1,934	47.2	35.0	24.5	18.0	4.4	3.6	25	22	28	18	20	1.7	23
Financial Engines	39.10	9	62	2,111	1,815	40.4	32.9	17.8	14.6	5.7	4.8	14	18	27	32	33	1.5	16
Xoom	16.60	13	56	670	529	44.2	28.7	22.7	16.2	2.7	2.3	23	19	24	12	14	1.9	21
OzForex	1.93	(7)	67	462	414	22.6	19.6	14.9	12.9	5.9	4.9	20	21	15	40	38	1.5	21
Median		7 %	94 %			25.1 x	21.7 x	16.5 x	14.6 x	5.7 x	4.8 x	20 %	14 %	18 %	31 %	31 %	1.5 x	17 %
Mean		5	87			28.7	24.3	17.2	14.2	5.7	5.0	17	16	19	34	35	1.5	16

Source: Capital IQ.

OnDeck IPO: Post Quiet Period Review

Financial Overview – Publicly Traded Comparables (cont.)

	Price	% MTD	% LTM	Market	Multiples		Growth Rates							
	02/18/15	Change	High	Value	Price / Earnings		Revenue		EPS	Book Value			P / E / G	
Company Name				(\$ mm)	CY 15E	CY 16E	CY 15E	CY 16E	LT	P / B	P / TBV	ROE	CY 15E	
Consumer / SMB / Specialty Lending														
American Express	\$ 79.78	(1)%	83 %	\$ 83,699	14.6 x	13.9 x	2 %	1 %	12 %	4.1 x	4.0 x	29 %	1.2 x	
Capital One	79.34	8	93	44,691	10.4	9.9	6	5	6	1.0	1.4	10	1.6	
Discover Financial	59.26	9	89	26,879	11.1	10.3	4	5	10	2.4	2.5	21	1.1	
Synchrony Financial	31.91	3	94	26,605	12.4	11.9	6	7	4	2.7	3.0	26	2.9	
Ally Financial	21.53	15	79	10,330	11.0	9.4	6	4	36	0.7	0.7	6	0.3	
CIT Group	45.85	5	91	8,390	13.6	11.2	17	10	11	0.9	1.0	12	1.3	
Santander Consumer USA	22.25	25	84	8,011	9.2	8.6	5	9	8	2.4	2.3	25	1.2	
Springleaf	33.88	7	81	3,891	14.3	12.5	(35)	6	15	1.5	1.9	33	0.9	
Credit Acceptance	172.76	10	97	3,609	12.9	12.1	6	5	10	5.1	5.1	37	1.2	
World Acceptance	80.22	9	77	743	7.5	7.3	(5)	(5)	9	2.4	2.4	32	0.9	
Enova International	22.21	15	69	733	7.9	6.9	(5)	12	na	5.4	nm	68	na	
NewStar Financial	10.03	(5)	63	503	42.7	20.2	10	29	15	0.8	0.8	2	2.8	
Median		9 %	84 %		11.8 x	10.8 x	5 %	6 %	10 %	2.4 x	2.3 x		1.2 x	
Mean		8	83		14.0	11.2	2	7	12	2.5	2.3		1.4	

OnDeck IPO: Post Quiet Period Review

Selected Alternative Small Business Lenders

**CAN
CAPITAL**



Dan DeMeo
CEO

**F>ST
P>Y**



Jed Simon
Founder & CEO

- Founded in 1998, CAN Capital enables small and medium enterprises to gain access to credit
- Offers business loans and merchant cash advances
- Proprietary technology and risk models offer insights into the strength and day-to-day operations of small businesses, leading to higher approval rates and a broader range of small business finance options for customers
- Daily Remittance Platform, the Company's award-winning platform, is combined with its proprietary risk models to determine the strength of a small business
- Offers a systems integration API that enables small business service providers and banks to integrate with CAN Capital
- The Company has funded over 139,000 transactions and is projecting \$1 bn in volume for 2014

- FastPay was founded in 2009 by Jed Simon
- The company provides liquidity and financial workflow solutions to the global digital media industry and has originated and funded nearly \$500 mm since its inception
- FastPay's proprietary technology platform, IGNITE, is the hub of all product offerings and can be used for a variety of services to increase financial efficiency within the digital media ecosystem
- The Company currently operates with more than 40 employees from its Beverly Hills headquarters
- On November 11, 2014, the Company announced the completion of its \$15 mm growth financing with Oak HC / FT
 - FastPay intends to use the extra capital to pursue additional growth opportunities

OnDeck IPO: Post Quiet Period Review

Selected Alternative Small Business Lenders (cont.)



Samir Desai
Founder & CEO



Rob Frohwein
Head of Kabbage

- Funding Circle provides an online P2P lending platform targeted at small business owners
- Utilizes technology to speed up the loan approval process, offering borrowers lower rates and fair terms in comparison to the traditional loan sources such as banks and other financial institutions
- In October 2013, Funding Circle merged with Endurance to better target small and medium enterprises in the United States
- The Company operates with 185 employees and has headquarters in San Francisco and London
- As of October 2014, Funding Circle has lent \$600 mm globally and expects to lend U.S. small businesses \$75-100 mm in 2014
- Funding Circle is currently backed by Index Ventures, Accel Partners, Union Square Ventures and Ribbit Capital

- Kabbage uses non-traditional credit analysis to provide working capital for small businesses
- Offers ongoing access to funds with a permanent line of credit to its borrowers
- The Company analyzes various metrics such as monthly transaction volume, revenue patterns and social media engagement to give customers a “Kabbage Score”
- On average, borrowers pay 12% interest for 6 months
- Kabbage has funded over \$400 mm to 100,000+ business owners
- In September 2014, Kabbage entered the online consumer lending space with the addition of Karrot into the Company’s existing product line
- On May 5, 2014, Kabbage secured \$50 mm in financing led by SoftBank Capital

OnDeck IPO: Post Quiet Period Review

Selected Alternative Small Business Lenders (cont.)



Renaud Laplanche
Founder & CEO



Dan Schulman
CEO

- Lending Club is an internet based P2P lending platform that matches borrowers and lenders based on the lender's target weighted average interest rate
- From its founding through the first half of this year, the Company says that it has facilitated more than \$5 bn worth of loans (over \$1 bn in the second quarter of 2014) and paid nearly \$494 mm in interest to investors in those loans
- On February 2, 2015, Alibaba, China's leading B2B e-commerce group and LendingClub formed a strategic partnership combining services to offer the Alibaba.com e-Credit Line for US companies to apply for \$5k to \$300k lines of credit online ⁽¹⁾
- On December 10, 2014 the Company priced its IPO at \$15 per share raising \$870 mm; based on the last closing price, the market cap now stands at \$9.2 billion
- On October 22, 2014, PayPal announced the launch of PayPal Working Capital, a solution that addresses SMBs capital needs
- PayPal Working Capital selected Australia to be the first markets after the US due to SMB demand for a wider choice of financing options to help them grow their businesses
- The Company's payments platform provides a robust set of data from their merchants' business activities, enabling the Company to determine loan eligibility
- PayPal merchants who have had an account for at least 12 months are eligible to apply for a Working Capital loan
- The Company expects a broader rollout of PayPal Working Capital in 2015

OnDeck IPO: Post Quiet Period Review

Selected Alternative Small Business Lenders (cont.)



Jack Dorsey
CEO













Ed Harycki
CEO

- On May 28, 2014, Square announced the launch of Square Capital, which enables small businesses to gain access to additional working capital
- Features flexible loan payments – borrowers pay more when their business generates more revenue and pay less when it slows down
- Eligibility to Square Capital is based on the borrowers' processing volume and their account history with Square – only current Square merchants can be eligible for access
- Square Capital leverages merchant data to run its small business loan underwriting capabilities
- The addition of Square Capital in to Square's business model introduces another stream of revenue as well as an incentive for small business owners to sign-up to be a Square merchant

- Swift Capital provides up to \$300,000 in small business funding online or by phone
- The Company's data and technology systems streamline the loan approval process and eliminate paperwork, while allowing it to provide instant approval
- Offers a VIP program that enable users to gain access to more funding, lower interest rates and priority processing
- Swift Capital's growth rates exceed 150% per year for the past three years
- Sutter Hill Ventures, a venture capital firm focused on technology-based start-ups, currently backs Swift Capital
- On August 23, 2014, Swift announced that it secured \$50 mm in a new debt commitment by Fortress Credit ⁽¹⁾

OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
01/21/15	  		\$19	Financing	<ul style="list-style-type: none"> BlueVine, an online provider of working capital financing to small businesses, secured \$18.5 mm in financing The funding round was led by 83North and Lightspeed Venture Partners, with additional participation from Silicon Valley Bank, Correlation Ventures and other private investors
12/17/14	N/A		200	IPO	<ul style="list-style-type: none"> On December 17th, 2014, OnDeck raised approximately \$200 mm in its IPO on the NYSE The Company offered 10 million shares to the public with pricing initially set at \$20 per share
12/11/14	N/A		870	IPO	<ul style="list-style-type: none"> LendingClub offered 58 million shares of common stock for \$15; shares began trading on December 11, 2014 The Company raised \$870 mm in the public offering, making it the second largest FinTech IPO in 2014
12/03/14			8	Financing	<ul style="list-style-type: none"> MarketInvoice provides an online platform that offers invoice financing, enabling their small business clients to access funds in outstanding invoices The \$8 mm funding was raised by Northzone Ventures
11/20/14	 		15	Financing	<ul style="list-style-type: none"> FastPay is the market-leading provider of liquidity and financial workflow solutions to the global digital media industry and has originated and funded nearly \$500 mm since inception The \$15 mm investment is from Oak HC/FT, a new \$500 mm sector-specific fund focusing on Healthcare Information & Services ("HC") and Financial Services Technology ("FT"), growing out of a series of Oak Investment Partners' multi-sector venture capital funds FT Partners served as the sole financial and strategic advisor to FastPay in this transaction









OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
11/14/14	GLI France	 FINEXKAP	\$8	Financing	<ul style="list-style-type: none"> Finexkap offers a web-based marketplace providing short-term capital funding solutions The Company raised \$7.5 mm from GLI France, which has a 26.44% following the completion of the overall fundraising
11/04/14			na	Financing	<ul style="list-style-type: none"> Lendix provides an online marketplace for investors to lend money directly to small and medium sized enterprises. The undisclosed round of funding was led Partech Ventures
10/28/14			17	Financing	<ul style="list-style-type: none"> Spotcap, launched in Spain in September 2014, enables small business owners to grow their business by providing fast and flexible financing The Company raised \$17 mm from Access Industries and Holtzbrinck Ventures
10/20/14	G8 CAPITAL	 CreditSuppliers	13	Financing	<ul style="list-style-type: none"> CreditSuppliers offers a lending and payment control program for the construction industry The Company raised \$12.5 mm from G8 capital
09/26/14	GLI France	The Credit  Junction	\$2	Financing	<ul style="list-style-type: none"> The Credit Junction is a technology-enabled, online marketplace lending platform focused on providing working capital and supply chain financing solutions to industrial and manufacturing small and mid-size enterprises The \$2 mm seed funding was led by GLI France
















OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
09/12/14	 Paul Foster, co-founder Indeed.com		\$8	Financing	<ul style="list-style-type: none"> MarketInvoice allows companies to selectively and confidentially sell outstanding invoices to raise working capital The Company was founded in 2010 £300 mm has been traded across the platform, and nearly £200 mm this year alone
09/12/14		 <small>geldvoorelkaar.nl</small>	14	M&A	<ul style="list-style-type: none"> Geldvoorelkaar is a Dutch P2P lender servicing SMEs First P2P lending platform with a credit license issued by the Dutch Financial Authority €1.6mm in expected revenue for 2014
09/03/14	PINE BROOK		110	Financing	<ul style="list-style-type: none"> Strategic Funding Source finances the future of small businesses utilizing advanced technology and human insight The Company received an initial \$35 mm investment as part of a \$110 mm line of equity financing from Pine Brook
08/26/14	 Funding Circle		na	M&A	<ul style="list-style-type: none"> LeapPay, based in NY, offers online invoice payment services On August 26, 2014, Funding Circle announced that it acquired LeapPay for an undisclosed amount
08/21/14	N/A		2	Financing	<ul style="list-style-type: none"> BlueVine Capital allows small businesses to get paid immediately for their outstanding invoices The Company raised \$1.5 mm from an undisclosed investors























OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
08/20/14		 Fast. Easy. Flexible.	na	Financing	<ul style="list-style-type: none"> Retail Capital uses its technology platform, which considers a business's total health, to provide short term financing to small businesses in the United States The funding was raised by Flexpoint Ford, a private equity firm dedicated to healthcare and financial services sectors
08/19/14	 Inception Micro Angel Fund	 FINANCE RAISED TO THE POWER OF US	\$1	Financing	<ul style="list-style-type: none"> Groundfloor Inc. provides financing for commercial and residential real estate projects online enabling property developers to raise money for their projects from the investors. Groundfloor Inc. will use the proceeds to develop local communities while generating mutually beneficial returns
08/06/14		 Digital SME Finance	1	Financing	<ul style="list-style-type: none"> Capital Float operates an online platform that provides working capital finance to SMEs in India; the Company specializes in working capital finance, small business lending, digital finance and fin-tech solutions The \$1 mm funding was raised from SAIF Partners
07/16/14	  		4	Financing	<ul style="list-style-type: none"> ApplePie Capital provides an online marketplace lending platform for franchise entrepreneurs The \$3.8 mm round was raised from Freestyle Capital, QED Investors, Signia Venture Partners and a group of undisclosed angel investors
07/16/14	   	 Funding Circle	65	Financing	<ul style="list-style-type: none"> Funding Circle is an online marketplace where people can directly lend to small businesses in the United States and United Kingdom The Company raised \$65 mm in a Series D funding round led by Index Ventures with participation from existing investors, Accel Partners, Union Square Ventures and Ribbit Capital










OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
05/05/14			na	Financing	<ul style="list-style-type: none"> Quarterspot offers an online lending platform that connects small businesses in need of working capital with accredited investors The investment was made by Aequitas Capital
05/05/14	    		\$50	Financing	<ul style="list-style-type: none"> Kabbage provides working capital lines of credit to online merchants in the U.S. and U.K. The Company raised \$50 mm in a Series D round of funding led by SoftBank Capital with participation from TCW / Craton, Lumia Capital, UPS Strategic Enterprise Fund, Thomvest Ventures, BlueRun Ventures and Mohr Davidow Ventures
04/16/14	   		65	Financing	<ul style="list-style-type: none"> LendingClub brings together investors and creditworthy borrowers, utilizing technology and automation to reduce the cost and complexity of traditional lending in order to offer borrowers better rates and investors better returns The Company raised \$65 mm from BlackRock, Sands Capital Management, T. Rowe Price and Wellington Management Company
03/26/14	    		4	Financing	<ul style="list-style-type: none"> BlueVine secured \$4 mm in financing from Lightspeed Venture Partners, Greylock Partners, Correlation Ventures, Kreos Capital, Kima Ventures and other angel investors BlueVine's service is the first completely online invoice financing service – it gives small businesses the opportunity to fill the cash-flow gap between services completed and paid invoices by buying the invoices on the spot
03/06/14	    		77	Financing	<ul style="list-style-type: none"> OnDeck underwrites and distributes loans to small businesses, assessing applicants based on cash flow, online sentiment and credit history The Company raised \$77 mm in a growth investment round led by Tiger Global Management with participation from existing investors Institutional Venture Partners, RRE Ventures, SAP Ventures, Google Ventures, First Round Capital and Industry Ventures

OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
02/24/14	 FIFTH ERA <small>Advise, Develop, Invest</small>		\$2	Financing	<ul style="list-style-type: none"> Camp One Venture and Fifth Era funded the \$2 mm round in the form of convertible debt
02/05/14			3	Financing	<ul style="list-style-type: none"> Fundera provides an online platform that connects small businesses with lending alternatives to banks The \$3.4 mm round was funded by Khosla Ventures, First Round Capital, Lerer Ventures, SV Angel and various other angel investors
01/20/14	undisclosed		1	Financing	<ul style="list-style-type: none"> Dealstruck is a crowdfunded marketplace that connects profitable, small and medium-sized businesses with innovative credit solutions funded by individual and institutional investors The \$1.2 mm seed round of investment was completed by several undisclosed angles investors
01/09/14			33	Financing	<ul style="list-style-type: none"> CAN Capital uses proprietary underwriting algorithms and behavioral risk scoring to provide working capital to small and medium-sized businesses in the U.S. and Latin America The Company raised \$33 mm in funding co led by Meritech Capital Partners and Accel Partners, with participation from Ribbit Capital and QED Investors
11/13/13			57	Financing	<ul style="list-style-type: none"> LendingClub received a \$57 mm investment from Yuri Milner's DST Global and Coatue Management; this secondary transaction consisted entirely of stocks purchased from early backers The transaction valued LendingClub at \$2.3 bn




















OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
10/23/13			\$37	Financing	<ul style="list-style-type: none"> Funding Circle is an online marketplace where people can directly lend to small businesses in the United States and United Kingdom The \$37 mm round was led by Accel Partners with participation from Ribbit Capital, Index Ventures and Union Square ventures
09/16/13			1	Financing	<ul style="list-style-type: none"> P2Binvestors offers crowdfunded receivables financing, providing small business owners competitively-priced working capital loans The \$1.2 mm Series A round was financed from Rocky Venture Club, investor John Spiers and numerous other undisclosed investors
09/16/13			na	M&A	<ul style="list-style-type: none"> RapidAdvance has created a technology-powered platform that underwrites small business loans and advances, providing its customers with capital quickly and efficiently On September 16, 2016, Rockbridge Growth Equity announced the acquisition of RapidAdvance
09/03/13			10	Financing	<ul style="list-style-type: none"> Behalf offers small business financing by partnering directly with B2B suppliers to increase sales by providing small business customers with more credit and longer repayment cycles The \$10 mm round was funded by previous investor Sequoia Capital and new investor Spark Capital
08/28/13			5	Financing	<ul style="list-style-type: none"> Lendio provides a marketplace for small business loans / lenders, employing a "Kayak for small business lending" model The Company raised \$4.5 mm in a Series D round led by Runa Capital , Tribeca Venture Partners and Highway 12 Ventures











OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
08/27/13			na	Financing	<ul style="list-style-type: none"> RapidAdvance has created a technology-powered platform that underwrites small business loans and advances, providing its customers with capital quickly and efficiently RapidAdvance secured funding from Falcon Investment Advisors
07/23/13	   		\$18	Financing	<ul style="list-style-type: none"> C2FO helps companies across the globe collaborate with their supply chain in a live, web-based market to achieve accelerated cash flow and increased efficiencies in working capital management and profit The \$18 mm growth round was led by Mithril and joined by existing investors Union Square Ventures, Summerhill Venture Partners and OpenAir Equity Partners
06/24/13	   		10	Financing	<ul style="list-style-type: none"> The Receivables Exchange is an online marketplace for trading accounts receivable; also helps in working capital management by connecting companies to a nationwide network of lenders who buy and trade receivables The \$10 mm growth round was financed by Prism VentureWorks, Bain Capital Partners, Redpoint Ventures and StarVest Partners
05/02/13	 		125	Secondary Transaction	<ul style="list-style-type: none"> Google and Foundation Capital purchased \$125 mm in equity from current LendingClub shareholders This transaction valued LendingClub at \$1.55 bn
05/01/13	   		17	Financing	<ul style="list-style-type: none"> OnDeck underwrites and distributes loans to small businesses, assessing applicants based on cash flow, online sentiment and credit history The \$17 mm expansion to the Company's Series D were contributions made by Google Ventures, Thiel Capital and Industry Ventures












OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
02/13/13			\$42	Financing	<ul style="list-style-type: none"> OnDeck underwrites and distributes loans to small businesses, assessing applicants based on cash flow, online sentiment and credit history The \$42 mm Series D round was led by Institutional Venture Partners; existing investors, RRE Ventures, SAP Ventures and First Round Capital also participated in the round
01/27/13			17	Financing	<ul style="list-style-type: none"> The \$17 mm Series C financing was led by Bain Capital Ventures with existing investors Redpoint Ventures and Prism Ventureworks
12/20/12			3	Financing	<ul style="list-style-type: none"> iwoca provides instant working capital to online-market retailers, offering small business loans to eBay and Amazon sellers in the United Kingdom The £2 mm (~\$3.23 mm) investment was made by Beyond Digital
10/23/12			na	Financing	<ul style="list-style-type: none"> Behalf offers small business financing by partnering directly with B2B suppliers to increase sales by providing small business customers with more credit and longer repayment cycles The financing round was sponsored by Sequoia Capital
09/18/12			30	Financing	<ul style="list-style-type: none"> Kabbage provides working capital lines of credit to online merchants in the U.S. and U.K. The Company raised \$30 mm in Series C funding led by Thomvest Ventures, with all major existing investors, UPS Strategic Enterprise Fund, Mohr Davidow Ventures, SV Angel and BlueRun Ventures were also participants







OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
09/05/12		 Collaborative Cash Flow Optimization	\$9	Financing	<ul style="list-style-type: none"> The investment round was led by Union Square Ventures
08/25/12	Undisclosed		<1	Financing	<ul style="list-style-type: none"> P2Binvestor offers crowdfunded receivables financing, providing small business owners competitively-priced working capital loans The \$0.2 mm funding was raised by undisclosed investors
06/25/12	 		25	Financing	<ul style="list-style-type: none"> FastPay is the market-leading provider of liquidity and financial workflow solutions to the global digital media industry and has originated and funded nearly \$500 mm since inception The \$25 mm round comprised of a senior credit facility from Wells Fargo Capital Finance and a subordinated debt and equity investment from SF Capital Group
06/06/12			18	Financing	<ul style="list-style-type: none"> LendingClub brings together investors and creditworthy borrowers, utilizing technology and automation to reduce the cost and complexity of traditional lending in order to offer borrowers better rates and investors better returns Kleiner Perkins Caufield & Byers made a \$17.5 mm Series E investment in LendingClub
03/27/12	 	 Funding Circle	16		<ul style="list-style-type: none"> The \$16 mm Series B financing came from joint investors, Index Ventures and Union Square Ventures

















OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
02/07/12			\$30	Financing	<ul style="list-style-type: none"> CAN Capital uses proprietary underwriting algorithms and behavioral risk scoring to provide working capital to small and medium-sized businesses in the U.S. and Latin America Accel Partners funded the \$30 mm financing
12/13/11			12	Financing	<ul style="list-style-type: none"> Kabbage provides working capital lines of credit to online merchants in the U.S. and U.K. The \$12 mm investment from Western Technology Ventures will enable Kabbage to expand its working capital available to its customers
10/01/11			20	Financing	<ul style="list-style-type: none"> Merchant Cash & Capital provides working capital and small loans to small-to-medium sized merchants The \$20 mm financing by Comvest Partners will enable Merchant to create new programs, better serve existing customers and expand marketing efforts
09/12/11			na	Financing	<ul style="list-style-type: none"> NYSE Euronext announced a minority stake in The Receivables Exchange
08/17/11			17	Financing	<ul style="list-style-type: none"> Mohr Davidow Ventures led the \$17 mm Series B financing with existing investors BlueRun Ventures, David Bonderman, Warren Stephens, Jim McKelvey and the UPS Strategic Enterprise fund















OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
08/04/11			\$4	Financing	<ul style="list-style-type: none"> OnDeck received \$4 mm from SF Capital Group, a New York-based private investment firm; in connection to the financing, SF Capital Group President Neil Wolfson joined the OnDeck Board of Directors The capital will be used to drive the company's sales and marketing initiatives
08/03/11	     		25	Financing	<ul style="list-style-type: none"> LendingClub brings together investors and creditworthy borrowers, utilizing technology and automation to reduce the cost and complexity of traditional lending in order to offer borrowers better rates and investors better returns The Company raised \$25 mm from Canaan Partners, Morgenthaler, Norwest Venture Partners, Union Square Ventures, Bay Partners and Thornvest Ventures
07/25/11	Undisclosed		9	Financing	<ul style="list-style-type: none"> Swift Capital is a direct financial services company dedicated to small-business banking July 25, 2011, Swift Capital filed a Form D with the SEC announcing it would raise \$9 mm in a new round of equity financing
04/21/11			4	Financing	<ul style="list-style-type: none"> Funding Circle is an online marketplace where people can directly lend to small businesses in the United States and United Kingdom Index Ventures led the \$4.09 mm round of financing
03/08/11	  		4	Financing	<ul style="list-style-type: none"> The \$3.6 mm Series A round was funded by Summerhill Venture Partners, Iron Mountain and Vformation









OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
02/18/11	 <small>TRIBECA VENTURE PARTNERS</small> 		\$6	Financing	<ul style="list-style-type: none"> Lendio provides a marketplace for small business loans / lenders, employing a "Kayak for small business lending" model Lendio's \$6 mm Series A round was funded by Highway 12 Ventures and Tribeca Venture partners
02/10/11	Undisclosed		na	Financing	<ul style="list-style-type: none"> FastPay is the market-leading provider of liquidity and financial workflow solutions to the global digital media industry and has originated and funded nearly \$500 mm since inception
01/27/11			15	Financing	<ul style="list-style-type: none"> On Deck secured \$15 million in a Series C financing to support the company's rapid growth; the round was led by Sapphire Ventures Sapphire Ventures (formerly known as SAP Ventures) is an independent venture capital firm that invests in innovative and disruptive software and services companies globally
01/13/11			7	Financing	<ul style="list-style-type: none"> Kabbage provides working capital lines of credit to online merchants in the U.S. and U.K. BlueRun Ventures led the \$6.7 mm Series A funding with investors David Bonderman, Warren Stephens and the UPS Strategic Fund
04/14/10	  <small>MORGENTHAUER</small>  <small>NORWEST VENTURE PARTNERS</small>  		25	Financing	<ul style="list-style-type: none"> LendingClub closed a \$24.5 mm Series C round led by Foundation Capital and was joined by existing investors including Morgenthaler Ventures, Norwest Venture Partners, Bay Partners and Canaan Partners The Company issued Series C convertible preferred shares, pursuant to Regulation D, that are convertible into common shares; shares will carry a 6% coupon rate; the capital will be used to develop its existing platform, launch new products and provide better service









OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
03/01/10	Undisclosed		\$3	Financing	<ul style="list-style-type: none"> OnDeck secured \$2.5 mm in financing from undisclosed investors
04/24/09	Undisclosed		6	Financing	<ul style="list-style-type: none"> OnDeck secured \$5.7 mm in financing from undisclosed investors
03/19/09	  		12	Financing	<ul style="list-style-type: none"> LendingClub, the peer lending network that brings together investors and creditworthy borrowers, closed a \$12 mm Series B round of funding Morgenthaler Ventures led the round and is joined by existing investors, Norwest Venture Partners, Bay Partners and Canaan Partners
02/26/09	  		8	Financing	<ul style="list-style-type: none"> Redpoint Ventures led the Series B funding along with re-investment from Prism Ventureworks









OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
07/07/08	 M&I BANK	 SWIFT CAPITAL	\$20	Financing	<ul style="list-style-type: none"> Swift Capital secured \$20 mm in financing from M&I Bank
06/10/08	 RAPID ADVANCE	 liberis	na	M&A	<ul style="list-style-type: none"> Liberis provides alternative funding to merchants for growth capital in the United Kingdom RapidAdvance's acquisition will allow it to enter into the UK market to continue to bring small businesses working capital solutions
02/21/08	 PCA PERMIT CAPITAL ADVISORS, LLC	 SWIFT CAPITAL	20	Financing	<ul style="list-style-type: none"> The \$20 mm financing round was led by Permit Capital
12/04/07	Undisclosed	 OnDeck	10	Financing	<ul style="list-style-type: none"> OnDeck secured \$10 mm in Financing from undisclosed investors
11/26/07	FIDELITY VENTURES	 THE RECEIVABLES EXCHANGE	na	Financing	<ul style="list-style-type: none"> November 26, 2007 Fidelity Ventures made an undisclosed investment into the New Orleans Exchange (The Receivables Exchange)

OnDeck IPO: Post Quiet Period Review

Selected Small Business Alternative Lending Transactions (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
10/15/07	prism 	 THE RECEIVABLES EXCHANGE	\$4	Financing	<ul style="list-style-type: none"> Prism Ventures funded the \$4.2 mm Series A funding
08/23/07	 canaan partners  NVP NORWEST VENTURE PARTNERS.  AMIDZAD	 LendingClub	16	Financing	<ul style="list-style-type: none"> Canaan Partners announced it had jointly led a \$15.7 mm, Series A investment in Lending Club with Norwest Venture Partners and Amidzad Partners The new funding will allow Lending Club to expand its person-to-person lending community beyond its initial Facebook application
6/30/07	 VILLAGE VENTURES  SWIFT CAPITAL SUTTER HILL VENTURES		1	Financing	<ul style="list-style-type: none"> Sutter Hill Ventures and Village Ventures led the \$1.22 mm financing round

Overview of FT Partners

Strong Domain Expertise in Alternative Lending / Financial Technology

<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its role as strategic and financial advisor to</i></p> <p>F2ST P2Y</p> <p><i>in its growth financing with</i></p> <p>OAK HC/FT</p> <p><i>for total consideration of approximately</i></p> <p>\$ 15,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p><i>The Only Investment Bank Focused Exclusively on Financial Technology</i></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as sole strategic and financial advisor to</i></p> <p>BlueTarp Financial</p> <p><i>in its financing, including investment from</i></p> <p>HIGHLAND CAPITAL PARTNERS</p> <p>longridge</p> <p>TRINITY VENTURES</p> <p>FLYBRIDGE</p> <p><i>for approximately</i></p> <p>\$ 15,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p><i>The Only Investment Bank Focused Exclusively on Financial Technology</i></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>Is pleased to announce its role as advisor to</i></p> <p>CIBC</p> <p><i>in its strategic investment in</i></p> <p>DYNEX</p> <p><i>with additional participation from</i></p> <p>MasterCard</p> <p>Bain Capital Ventures</p> <p><i>for total consideration of approximately</i></p> <p>\$ 70,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p><i>The Only Investment Bank Focused Exclusively on Financial Technology</i></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its role as strategic and financial advisor to</i></p> <p>TRANSFIRST</p> <p><i>in its sale to</i></p> <p>V</p> <p>Vista Equity Partners</p> <p><i>for total consideration of approximately</i></p> <p>\$ 1,500,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p><i>The Only Investment Bank Focused Exclusively on Financial Technology</i></p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as financial advisor to</i></p> <p>borro</p> <p><i>in its growth financing for total consideration of</i></p> <p>\$ 19,500,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p><i>The Only Investment Bank Focused Exclusively on Financial Technology</i></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its role as advisor to</i></p> <p>Google capital</p> <p><i>in its lead investment in</i></p> <p>Credit Karma</p> <p><i>with additional participation from</i></p> <p>TIGER</p> <p>SIG</p> <p>Ribbit Capital</p> <p><i>for approximately</i></p> <p>\$ 85,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p><i>The Only Investment Bank Focused Exclusively on Financial Technology</i></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its role as strategic and financial advisor to</i></p> <p>MERCURY</p> <p><i>in its cash sale to</i></p> <p>vantiv</p> <p><i>for total consideration of</i></p> <p>\$ 1,650,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p><i>The Only Investment Bank Focused Exclusively on Financial Technology</i></p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p><i>is pleased to announce its exclusive role as sole strategic and financial advisor to</i></p> <p>WebEquity solutions</p> <p><i>in its sale to</i></p> <p>Moody's</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p><i>The Only Investment Bank Focused Exclusively on Financial Technology</i></p>

Overview of FT Partners

The FT Partners Senior Banker Team

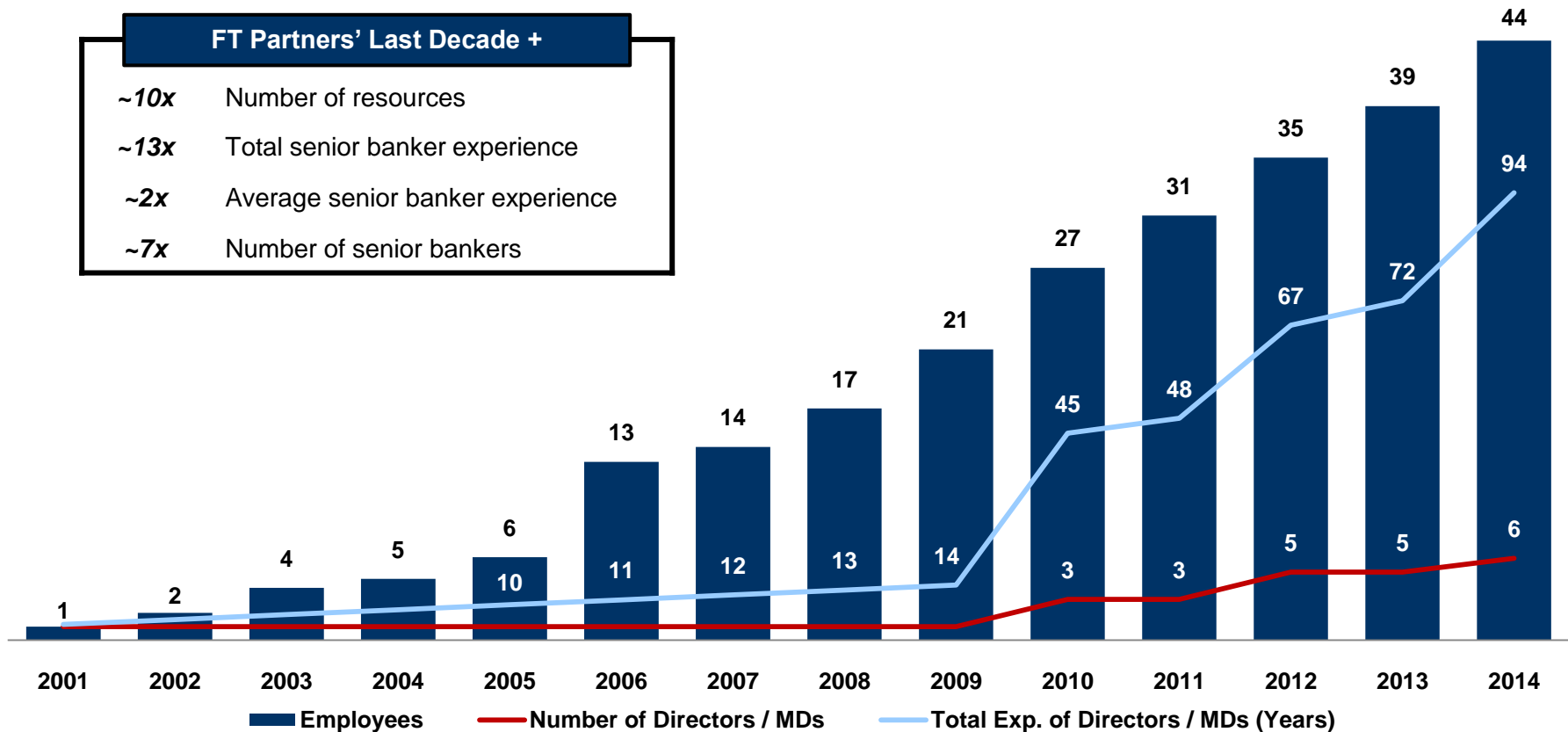
Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	19
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. 	19
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, DFS, GPN, HPY, FIS & FISV among others 	18
Miguel Uria <i>Director</i>		<ul style="list-style-type: none"> Formerly with Credit Suisse Technology Investment Banking Wharton M.B.A. 	19
Tim Wolfe <i>Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	12
Andrew McLaughlin <i>Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	8

Overview of FT Partners

Platform of Choice for Clients and Bankers Alike

FT Partners' Last Decade +

- ~10x Number of resources
- ~13x Total senior banker experience
- ~2x Average senior banker experience
- ~7x Number of senior bankers



Avg Years of Director / MD Experience



OnDeck IPO: Post Quiet Period Review

Relevant FT Partners' Research: LendingClub IPO – (click to view)

January 23, 2015

Financial Technology Partners LP FTP Securities LLC

Transaction Profile:
Lending Club IPO: Post Quiet Period Review



NYSE: LC

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The Only Investment Bank
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Financial Technology Partners
555 Mission St., 23rd Floor
San Francisco, CA 94105
Tel: 415.512.8700

www.ftpartners.com



Steve McLaughlin
Managing Partner
Tel: 415.992.8880
steve.mclaughlin@ftpartners.com

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- Includes an in-depth overview of LendingClub and its recent IPO
- Provides a summary of analyst estimates / opinions
- Highlights numerous other key financing and M&A transactions in the Alternative Lending Space

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 13 years of exclusive focus on Financial Technology.

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Overview of FT Partners

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

- | | |
|------|--|
| 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 \$100 mm |
| 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 |



- | | |
|-----------|---|
| 2006-2008 | <ul style="list-style-type: none"> ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
|-----------|---|



Middle Market Financing Awards

- | | |
|------|--|
| 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> |