

April 5, 2024

FT PARTNERS FINTECH INDUSTRY RESEARCH

FinTech CEO Interview:



Jackie Reses
Co-Founder, CEO & Chair

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San Francisco • New York • London

Lead Bank Overview



Company Overview



CEO:	Jackie Reses
Headquarters:	Kansas City, MO
Office Locations:	San Francisco, CA; Sunnyvale, CA; New York, NY
Year Founded:	1928

- Lead Bank is an FDIC-insured bank that operates a banking-as-a-service (BaaS) platform providing innovators and builders access to a full suite of banking, payments, and issuing products to support embedded finance needs
- In 2022, Jackie Reses, along with several other ex-Square executives including CTO Ronak Vyas, Chief Product & Data Science Officer Homam Maalouf, and Chief Legal & Risk Officer Erica Khalili, acquired the community bank and began building out the BaaS platform to service the needs of FinTech customers
- The Company’s technology stack includes integration directly with the Federal Reserve as well as real-time APIs to give businesses flexibility in building their products
- Outside of its BaaS offerings, Lead Bank operates its local banking business out of Kansas City, Missouri, offering full-service banking including checking, saving, and loan services for both businesses and individuals

Selected Leadership Team



Jackie Reses
Co-Founder,
CEO & Chair



Ronak Vyas
Co-Founder &
CTO



Homam Maalouf
Co-Founder, Chief
Product & Data
Science Officer



Erica Khalili
Co-Founder & Chief
Legal & Risk
Officer



Kris Dickson
CFO



Brooke Clouse
COO

BaaS Solutions



Lending

Loan Origination – Customized lending programs including secured card, credit card, open-end card, closed card, and whole loan programs

Capital Markets Lending – Manages sale and syndication of credit product to third-parties, increasing accessibility to financing and helping FinTechs meet their financial goals



Card Programs

Credit and Debit Card Issuing – Personalized card programs as well as dedicated BIN-sponsorship and relationships with all major US providers, including Visa and Mastercard



Bank Accounts

FDIC-Insured Bank Accounts – Accounts that are simple to set up and built to scale with each business

Banking On-Ramps and Off-Ramps – Lead’s APIs help products ramp in and out of the banking system



Payments

ACH: Same-day and Standard – Lead’s APIs initiate ACH debits and credits and offers real-time status updates; Multiple settlement windows support same-day transfers

Domestic Wire & International Wire – Lead’s APIs support multiple currencies and power instant domestic and international transfers guaranteed by FedNow and Swift



Jackie Reses
Co-Founder, CEO & Chair

Bio:

Jackie Reses is the Chair, CEO and Co-Founder of Lead Bank, a chartered banking-as-a-service platform for builders and innovators. Previously, she was the Executive Chairman of Square Financial Services and Capital Lead and Head of the People Team at Block, Inc. (formerly Square, Inc.). Prior, she was Chief Development Officer at Yahoo! and was a Partner at Apax Partners Worldwide. Jackie also spent seven years at Goldman Sachs in mergers and acquisitions and principal investment areas. Jackie was the Chairwoman of the Economic Advisory Council of the Federal Reserve Bank of San Francisco. She is also on the board of directors of Endeavor, Affirm, and Nubank, and the Board of Advisors of the Wharton School of the University of Pennsylvania. Previously, she served on the Board of Directors of Alibaba Group and Pershing Square Tontine Holdings. Jackie received a Bachelor's of Science in Economics and graduated with honors from the Wharton School of the University of Pennsylvania. She also co-authored *Self Made Boss*, a newly published book to help small businesses start, run and grow their business. She holds multiple patents in payments, credit and cryptocurrency.

Lead Bank CEO Interview (cont.)



What led you to your decision to buy Lead Bank – a community bank in Kansas City?

From my years at Square (now Block), our team understood the struggle of customers trying to work with banks in the industry. We felt such an extreme level of pain with partners that were out of sync with our execution, and who lacked agility and the ability to problem solve. We were so frustrated that we decided to take a completely different path, building a de novo bank to serve Block as its primary client.

After leaving Block, I realized there was a meaningful opportunity to do for others what we had to do for ourselves at Block, and I was excited to build for the industry broadly to help change banking for the better. Lead Bank, in particular, was an unusual combination of high-quality current business with strong commercial customers, a FinTech business that was already blooming, and an amazing group of employees. It became obvious that it was the right high-quality asset to combine with our technical and financial expertise.

How did your past experiences, including building Square Financial Services – which included successfully receiving a banking license (no easy feat!) – prepare you for this new venture?

My co-founders and I had the experience of looking at banking from a first principles perspective and building a bank from the ground up. It's illuminating to make technical and policy choices when you start from scratch.

That gave us a strong point-of-view on the foundational primitives we wanted to include in a highly scalable banking platform.

From there, we assembled a group of experienced product, engineering, legal, and compliance teams, and used our collective insights to build for the industry. We also had the benefit of strong working relationships with regulators across all branches of the government. I was involved with the SF Fed for 8 years, and now the KC Fed, and our team worked with Treasury, the FDIC, the SBA, and others during the pandemic. When you build relationships through mutual trust over time, it enables you to understand the challenges and perspectives of the regulatory environment from all angles.

The sponsor bank and BaaS tech-provider markets have faced some challenges recently – how is Lead Bank going to avoid any of the pitfalls that others have faced in these markets?

One of the biggest challenges I see in our industry is that banks don't have the technology to monitor their customers at scale.

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Lead Bank CEO Interview (cont.)



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We are in a 24/7/365 world of transactions where speed matters to end clients. As a bank, the capacity to support that kind of scale and speed is a differentiator and a challenge for many. Additionally, many institutions don't even understand modern products well enough to know what flags to look for. Unpacking how products are built and how to foresee risks ahead of issues happening is dependent upon the skill of the banking team. We consider this a strength of ours.

Community banks are looking at building BaaS into their banking offerings. Would you recommend it for community banks? Could it be helpful to the banking industry?

Given the precision required for the business, I would recommend a bank enter this business only if it understands the products and can support the scale and speed of the client base. It's a real challenge.

What is the breadth of BaaS products that Lead Bank has built out thus far? What are the key use cases where you are seeing the greatest traction to-date?

Lead Bank is a full-service bank, and we have built out our tech platform to serve FinTechs looking to offer their end customers services like lending products, credit/debit cards, depository accounts/virtual wallets, or money movement. We've seen significant demand across the board: lending and

card offerings remain a core focus for our partners, but given the rate environment, we've seen a marked increase in demand for depository offerings as FinTechs try to capitalize on yield as another form of monetization.

What has been your strategy for acquiring new BaaS clients? What aspects of Lead Banks' services / solutions help attract and retain premier FinTech clients?

We are focused on quality, as this is an anti-network effects business. Any one client that we take on can present risk into our bank. Thus, we screen for the quality of the company, its products, and team. All of our business is inbound and comes from quality, established relationships with others in the ecosystem.

"Unpacking how products are built and how to foresee risks ahead of issues happening is dependent upon the skill of the banking team. We consider this a strength of ours."

Lead Bank CEO Interview (cont.)



Are there any near- or long-term product development and expansion plans you can share?

We are focused on use cases in lending, payments, accounts, and issuing. We spend a lot of time listening to our clients or friendly FinTechs so we can map to their needs.

You switched from working with the San Francisco Federal Reserve to Kansas City's Fed. Can you talk about that?

It's been an absolute honor to serve them and support the Fed Family. Because I now own a bank in Kansas City, I moved to supporting the KC Fed on their Community Depository Institution Advisory Committee. Given the uniqueness of our team's expertise, it's exciting to be able to contribute technical advice and support to other community banks, helping steer the agenda towards the future.

How do you see the embedded finance and BaaS space continuing to evolve from a demand perspective?

We are only at the beginning of a much more customer-focused era in banking, and there are so many functions we can improve over time to enable financial services to be smarter, easier to use, and more consumer-friendly.

"We are only at the beginning of a much more customer-focused era in banking, and there are so many functions we can improve over time to enable financial services to be smarter, easier to use, and more consumer-friendly."

FT Partners – Focused Exclusively on FinTech

Proven Track Record of Success Across the BankTech Sector



FT Partners Advises Revolut on its \$1.25 billion Series E Financing

Overview of Transaction

- On July 15, 2021, Revolut announced that it has raised \$1.25 billion in financing from Softbank and Tiger Global, valuing the business at ~\$33 billion
- SoftBank and Tiger Global join existing investors including Balderton Capital, DST, Ribbit Capital, TCV and TSG Consumer Partners
- Revolut is building the world's first truly global financial superapp to help people get more from their money
 - In 2015, Revolut launched in the UK offering money transfer and exchange; Today, more than 16 million customers around the world use dozens of Revolut's innovative products to make more than 150 million transactions a month

Significance of Transaction

- The investment will enable the Company to further its growth plans, in particular its ongoing product innovation aimed at meeting customers' everyday financial needs and aspirations, from quick and easy global transfers, to managing everything from savings to insurance to democratizing wealth and trading
- It will also support the expansion of Revolut's offering to US customers and its entry to India and other international markets
- Revolut is now the most valuable financial superapp and the 4th most valuable private FinTech company globally

FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Revolut
- This transaction underscores FT Partners' deep expertise in the Consumer FinTech and Banking Tech space, as well as our successful track record generating highly favorable outcomes for high-growth, unicorn FinTech companies globally

Financial Technology Partners LP
FTP Securities LLC

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

Revolut

on its Series E financing led by

 SoftBank  TIGERGLOBAL

for a total amount of

\$1,250,000,000

at a valuation of

~\$33,000,000,000

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FT Partners Advises Mambu on its Series E Financing

Overview of Transaction

- On December 9, 2021, Mambu announced it has raised approximately \$266 million of new capital in its Series E financing at a post-money valuation of \$5.5 billion
 - The investment was led by EQT with participation from existing investors, including Acton Capital Partners, Bessemer Venture Partners, Runa Capital, TCV, Tiger Global and Arena Holding
- Mambu is a SaaS cloud banking platform empowering its customers to easily and flexibly build and expand their banking products
 - Mambu is the originator of the composable banking approach, which prioritizes rapid, flexible assembly of independent, best-for-purpose systems
- Since launching in May 2011, Mambu has grown its client portfolio to more than 50 million end users that leverage Mambu's technology every day across more than 65 countries

Significance of Transaction

- The transaction values Mambu at \$5.5 billion, underscoring the Company's leadership position in redefining the global core banking technology market
- Mambu will use its fresh funding to further accelerate innovation in its next-generation platform, with the ambition of rolling out both new functional as well as technical capabilities

FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Mambu
- FT Partners also previously advised Mambu on its \$135 million [Series D](#) financing
- This transaction highlights FT Partners' deep domain expertise in a broad range of Banking Tech companies, as well as its successful track record generating highly favorable outcomes for high-growth FinTech companies globally

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*is pleased to announce its role as
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on its Series E financing led by



with participation from existing investors

for a total primary amount of

~\$266,000,000

at a valuation of

~\$5,500,000,000

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FT Partners Advises Lendable on its \$275 million Growth Equity Financing

Overview of Transaction

- Lendable has raised £210 million (~\$275 million) of new capital led by Ontario Teachers' Pension Plan in its latest growth equity financing round
- Co-founded in 2014 by Martin Kissinger and Victoria van Lennep, Lendable is an AI-led consumer finance platform, headquartered in the UK, offering a seamless and transparent multi-product experience
 - The Company's technology platform connects global institutional investors with borrowers across loans, credit cards and car finance
 - The company applies machine learning and automation to data sets leading to better rates, transparency, underwriting and ultimately customer service
 - Lendable also plans to widen its offering to include new products such as BNPL as well as expand in the US
- The addressable consumer credit market across the UK and the US is estimated at ~\$3 trillion
- Lendable has been profitable since 2017

Significance of Transaction

- Lendable has an unparalleled profile through its unique combination of growth, scale and profitability; the transaction will further accelerate Lendable's growth, expand its product offering, and support its upcoming launch in the US
- Ontario Teachers' Pension Plan is one of the world's largest institutional investors, and the investment, via Teachers' Innovation Platform, represents its continued commitment to supporting cutting-edge private tech companies led by mission-driven entrepreneurs to help fulfil their vision and shape better futures

FT Partners' Role

- FT Partners serves as exclusive financial advisor to Lendable
- The transaction highlights FT Partners' industry-leading expertise and successful track record within lending and the broader consumer finance sector

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*is pleased to announce its role as
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lendable

on its growth equity financing led by



for a total amount of

~\$275,000,000

at a valuation of

~\$4,500,000,000

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FT Partners Advises Bilt on its \$200 million Financing

Overview of Transaction

- On January 24, 2024, Bilt Rewards (“Bilt”) [announced that it raised \\$200 million in financing](#) led by General Catalyst (sourced by Bilt) with a significant contribution by Eldridge (sourced by FT Partners) and participation from existing investors Left Lane Capital, Camber Creek and Prosus Ventures
 - The round values Bilt at \$3.1 billion, more than double its previous valuation of \$1.5 billion from October 2022
 - As part of the transaction, Ken Chenault, Chairman and Managing Director of General Catalyst, joins the board as Chairman, while Roger Goodell, the Commissioner of the NFL, joins as Independent Director
- Based in New York, Bilt Rewards is the first program for consumers to earn valuable rewards on rent and daily neighborhood spend while creating a path to home ownership
 - Through its Bilt Rewards Alliance, a partnership with America's leading residential real estate companies, the Company enables renters in nearly four million units across the US to earn Bilt Points just by paying rent, while these owners benefit from resident loyalty, cost savings and a share of revenue
 - In 2023, Bilt developed its Neighborhood Rewards program that rewards customers for spending on local businesses, such as dining, rideshares, and groceries

Significance of Transaction

- Bilt will use the new capital for strategic initiatives, namely expanding the Bilt Rewards Alliance across multifamily, single-family and student housing sectors nationwide, and growing the Neighborhood Rewards program among local merchants; additionally, Bilt plans to venture into mortgage payment rewards
- Bilt's financial trajectory continues to grow, with the Company achieving EBITDA profitability in 2023 and its annualized member spend nearing \$20 billion

FT Partners' Role

- FT Partners advised Bilt on this transaction, bringing in Eldridge as a key investor into the round**
- This transaction highlights FT Partners' domain expertise in the payments and rewards space, along with its successful track record generating highly favorable outcomes for high-growth, unicorn FinTech companies

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*is pleased to announce its role as
advisor to*

B I L T 

on its financing for a total amount of

\$200,000,000

at a valuation of

\$3,100,000,000

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FT Partners Advises Finicity on its Sale to Mastercard

Overview of Transaction

- On June 23, 2020, Mastercard (NYSE: MA) announced it has entered into an agreement to acquire Finicity, a leading North American provider of real-time financial data access and insights
 - The acquisition is valued at up to ~\$1 billion in total consideration, which is comprised of \$825 million at close and up to \$160 million in earn-out consideration
- Finicity enables a secure and innovative financial data-sharing ecosystem through direct connectivity to thousands of North American financial institutions, including next generation open banking API connections with the largest banks in the US
 - Finicity helps power the programs of banks and FinTech companies, using approvals to securely access customer information to provide value-added services such as streamlined loan and mortgage processes, rapid account-based payment initiation and personal financial management solutions

Significance of Transaction

- The addition of Finicity's complementary technology and innovative team strengthens the existing Mastercard open banking platform to enable and safeguard a greater choice of financial services, reinforcing the Company's long-standing partnerships with and commitment to financial institutions and FinTech companies across the globe

FT Partners' Role

- FT Partners served as the exclusive strategic and financial advisor to Finicity and its board of directors
- This transaction highlights FT Partners' deep domain expertise across the FinTech sector and further supports FT Partners' role as the Advisor of Choice to the highest quality FinTech companies

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

Finicity

on its sale to



for total consideration of up to

~\$1,000,000,000

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FT Partners Advises Cross River on its \$620 million Financing

Overview of Transaction

- On March 30, 2022, Cross River announced its \$620 million Series D financing round led by Eldridge and Andreessen Horowitz
 - Cross River provides essential infrastructure enabling strategic partners to offer leading embedded payments, cards, lending and crypto solutions to customers
 - T. Rowe Price, Whale Rock, Hanaco and other investors also participated in the round
- Cross River is a leading technology infrastructure provider enabling the delivery of innovative financial solutions to millions of consumers and business
 - Built on its proprietary real-time banking core, Cross River provides essential services to the fastest growing fintech platforms
 - Cross River is the technology supporting many of the largest fintech companies in the world such as Affirm, Coinbase, Rocket Loans, Stripe, Upgrade and Upstart

Significance of Transaction

- The capital infusion will accelerate Cross River's tech-focused growth strategy by building out embedded financial solutions, bolstering strategic partnerships and continuing plans for international expansion

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Cross River
- This transaction highlights FT Partners' industry-leading expertise across the Banking Tech space and its successful track record generating highly favorable outcomes for FinTech companies globally

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



on its Series D financing led by



with participation from



for a total amount of

\$620,000,000

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Award-Winning Investment Bank Focused on Client Results

AvidXchange

“We hired FT Partners back in 2009, and our Board feels that hiring FT Partners **was one of the most strategic decisions we could have made along this journey**. They have been tremendous partners for us, and we are delighted with them on every level.”



Michael Praeger, CEO, AvidXchange

Truebill

“From the time we began having external conversations right up to the moment we signed a definitive deal, FT Partners were invaluable partners. They brought **not only strategic advice but also worked tirelessly helping execute all the way to closing**. I can’t imagine trying to navigate this process without them.”



Haroon Mokhtarzada, Co-Founder and CEO

QED Investors

“Wherever a board or a management team has steered away from hiring FT Partners it always seems to end up in tears. **Here’s to you and everything you do.**”



Nigel Morris, Managing Partner

Consistent Recognition Through the Years



Bloomberg

FT Partners’ Steve McLaughlin was featured on Bloomberg. View the [full article](#) and watch the live [TV interview](#).



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Silicon Valley’s Most Popular Dealmakers

Ranked #2 Tech Investment Banker in 2016



LendIt FinTech Industry Awards

Top Investment Bank in FinTech in 2018



The FinTech Finance 40

Steve McLaughlin ranked #1 in 2017 and 2018



The M&A Atlas Awards

2020 Large SPAC Deal of the Year
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