

August 31, 2015

# Financial Technology Partners LP

## FT Partners Research – Transaction Profile



*Raises*

**\$207,000,000**

*in Financing Led by*



*Courtesy of:*



***The Only Investment Bank  
Focused Exclusively on Financial Technology***

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# Dianrong.com Raises \$207 mm in Financing

## Transaction Summary

### Transaction Summary

- On August 20, 2015, Dianrong announced that it has raised \$207 mm in a financing round led by the Private Equity arm of Standard Chartered and China Fintech Fund with participation from Bohai Leasing
  - This investment is the largest in China's peer-to-peer (P2P) lending industry <sup>(1)</sup>
  - Institutional investors from the previous two rounds also participated
- The investment was the first time a direct equity investment in an internet finance company in China was made by a traditional lender <sup>(1)</sup>
- This investment highlights a new chapter in the financial services industry in China, whereby a traditional lender shows its openness to embrace innovations brought by the internet finance sector
- Funds will be used to boost Dianrong's operations, products, brand and employees, as the Company is expected to add 2,500 more employees over the next 18 months

### Selected Commentary

*“Standard Chartered Private Equity (SCPE) rarely invests in early-stage companies; we typically focus on growth and late-stage companies. Dianrong is quite an exceptional case. Standard Chartered has a different investment strategy than typical VC funds. We do not invest in a lot of companies, but emphasize on high quality investments and overall success rate; we would only like to invest in the best and most differentiated company in the industry.”*

*“Peer to peer lending is a major direction of the global finance industry transformation. It relies on technology to enhance the efficiency of financial services, and would shape the way how future commercial banking will evolve. Standard Chartered is a leading bank globally, and must proactively embrace this new model of financial services, and hope to bring higher quality services to its customers in the future”*

- Wei Zhu, Managing Director and Global Co-Head of SCPE

*“There's no doubt that Dianrong is a benchmarking company in the industry. Based on his previous industry and technology know-how, Dianrong's founder Soul Htite led his world-class team to build another full-fledged system that's open, flexible, powerful, and efficient. It can not only service internet borrowing and lending, but also provide a total internet finance technology and services solution to other financial institutions.”*

- Laurence Liao, Partner at China Fintech Fund

Source: Company press release, Company website, CapitalIQ.

(1) Yibada.com.

# Dianrong.com Raises \$207 mm in Financing

## Dianrong.com Overview

### Company Overview






**CEO:** Soulaiman Htite

**Headquarters:** Shanghai, China

**Founded:** 2012

- Dianrong is a Chinese P2P online lending platform
- The Company was founded by Soulaiman Htite, a former Lending Club employee
- Dianrong specializes in small consumer and SMB loans ranging in size from ¥2,500 to ¥500,000 for personal loans and ¥50,000 to ¥2 mm for small business loans
- In June 2014, Dianrong launched an innovative wealth management tool called “TuanTuanZhuan”
  - As of today, TuanTuanZhuan exceeded ¥2.7 bn in volume and has earned over ¥100 mm in interest for Dianrong lenders
- Dianrong has more than 1,700 partners
  - Partners include Chanjiang Leasing, TenPay.com, China Orient Asset Management Corporation, UA Finance among many others
- Origination fees vary from 1% to 5%

### Selected Previous Equity Financings






















Date	Size (\$ mm)	Lead Investors
01/14/15	\$30	 <b>TIGER</b> Tiger Global Management, LLC
10/08/14	na	 <b>新鴻基地產</b> Sun Hung Kai Properties
12/31/13	12	 <b>北极光创投</b> northern light VENTURE CAPITAL

### Other investors













# Dianrong.com Raises \$207 mm in Financing

## Selected Large Alternative Lender Financings, Ranked by Size

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
08/19/15	 SoftBank	 SoFi	\$1,000	Financing	<ul style="list-style-type: none"> <li>SoFi is a marketplace lender with an emphasis on private and federal student loan refinancing</li> <li>On August 19, 2015, SoFi announced that it has raised \$1 bn in a financing round led by SoftBank at a \$4 bn valuation<sup>(1)</sup></li> </ul>
10/22/14	  	 GreenSky	300+	Financing	<ul style="list-style-type: none"> <li>GreenSky provides an online loan platform that allows businesses to offer flexible credit programs to their customers – promoting higher transaction values and driving sales growth</li> <li>This transaction positions GreenSky as a clear leader in Alternative Lending and enables the company to continue to innovate and bring additional products to market</li> </ul>
12/04/14	   	 AVANT	225	Financing	<ul style="list-style-type: none"> <li>AvantCredit, founded by the founders of Enova, provides installment loans and credit lines at competitive interest rates</li> <li>The Company announced the completion of a \$225 mm round of Series D funding led by Tiger Global Management and August Capital</li> </ul>
02/03/15	  	 SoFi	213	Financing	<ul style="list-style-type: none"> <li>SoFi is a marketplace lender with an emphasis on private and federal student loan refinancing</li> <li>The \$213 mm Series D financing round was led by Third Point Ventures, Wellington Management Company and Institutional Venture Partners</li> </ul>
04/08/15	     J.P.Morgan	 PROSPER	165	Financing	<ul style="list-style-type: none"> <li>Prosper announced a \$165 mm Series D financing</li> <li>The latest funding will support the company's continued growth, expansion, and development of a national brand as it builds new products and services for the marketplace's borrowers and investors</li> </ul>

# Dianrong.com Raises \$207 mm in Financing

## Selected Large Alternative Lender Financings, Ranked by Size (cont.)

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
05/02/13			\$125	Secondary Transaction	<ul style="list-style-type: none"> <li>Google and Foundation Capital purchased \$125 mm in equity from current LendingClub shareholders</li> <li>This transaction valued LendingClub at \$1.55 bn</li> </ul>
02/11/15			90	Financing	<ul style="list-style-type: none"> <li>Oportun is the largest financial services company specifically dedicated to providing credit to the underbanked Hispanic community</li> <li>The \$90 mm funding round was led by Fidelity Management &amp; Research Company with previous investor, Institutional Venture Partners</li> </ul>
03/06/14			77	Financing	<ul style="list-style-type: none"> <li>OnDeck underwrites and distributes loans to small businesses, assessing applicants based on cash flow, online sentiment and credit history</li> <li>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</li> </ul>
07/14/15			75	Financing	<ul style="list-style-type: none"> <li>Marlette Funding is a specialty finance company that provides unsecured personal loans</li> <li>On July 17, 2015, Marlette Funding secured \$75 mm in financing led by Invus Opportunities with participation from Navient</li> </ul>
07/23/14			75	Financing	<ul style="list-style-type: none"> <li>AvantCredit announced the completion of a \$75 mm round of Series C funding led by Tiger Global Management</li> <li>Utilizing advanced algorithms and machine-learning capabilities, the Company offers a unique and highly customized approach to the personal loan process</li> </ul>

# Overview of FT Partners

## Strong Domain Expertise in Alternative Lending / Financial Technology

### Digital Media-Focused Financing

Financial Technology Partners LP  
FTP Securities LLC

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

**F2ST  
P2Y**

*in its growth financing with*

**OAK  
HC/FT**

*for total consideration of approximately*

**\$ 15,000,000**

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### Consumer Home Improvement Financing

Financial Technology Partners LP  
FTP Securities LLC

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

**GreenSky™**

*in its minority investment from*

**TPG DST ICONIQ WILKINSON  
MANAGEMENT**

*for total consideration of approximately*

**\$ 300,000,000 +**

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### Consumer Marketing / Credit Lead Generation

Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its role as advisor to*

**Google  
capital**

*in its lead investment in*

**Credit Karma™**

*with additional participation from*

**TIGER SIG Ribbit Capital**

*for approximately*

**\$ 85,000,000**

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### Contractor Financing

Financial Technology Partners LP  
FTP Securities LLC

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

**BlueTarp  
Financial**

*in its financing, including investment from*

**HIGHLAND  
CAPITAL PARTNERS longridge TRINITY  
FLYBRIDGE VENTURES**

*for approximately*

**\$ 15,000,000**

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### Asset Backed Loans Financing

Financial Technology Partners LP  
FTP Securities LLC

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

**borro®**

*in its growth financing for total consideration of*

**\$ 19,500,000**

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### SaaS-based Loan Origination

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FTP Securities LLC

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

**WebEquity  
solutions™**

*in its sale to*

**MOODY'S**

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### Alternative Score Provider

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FTP Securities LLC

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

**L2C inc**

*in its sale to*

**TransUnion.**

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### Personal Loans

Financial Technology Partners LP  
FTP Securities LLC

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

**Upstart**

*in its financing, with investment from*

**THIRD POINT  
VENTURES**

*for approximately*

**\$ 35,000,000**

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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"> <li>■ <b>Equity Financing Deal of the Year</b></li> <li>■ Professional Services Deal of the Year, Above \$100mm</li> </ul>  |
| 2012 | <ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year</b></li> <li>■ Professional Services Deal of the Year, Above \$100 mm</li> </ul>   |
| 2011 | <ul style="list-style-type: none"> <li>■ <b>Boutique Investment Bank of the Year</b></li> <li>■ Deal of the Decade</li> <li>■ <i>10 Deal of the Year Nominations Across 9 Categories</i></li> </ul>  |
| 2010 | <ul style="list-style-type: none"> <li>■ <b>Upper Middle Market Deal of the Year, Above \$500 mm</b></li> <li>■ IT Services Deal of the Year, Below \$500mm</li> <li>■ Cross-Border Deal of the Year, Below \$500mm</li> </ul>   |
| 2007 | <ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ Business to Business Services Deal of the Year</li> <li>■ Computer and Information Technology Deal of the Year, Above \$100mm</li> <li>■ Financial Services Deal of the Year, Above \$100mm</li> </ul> |



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



Middle Market Financing Awards

- |      |  |
|------|--|
| 2008 | <ul style="list-style-type: none"> <li>■ <b>Equity Financing Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ <b>Information Technology Deal of the Year</b></li> <li>■ <b>Financial Services Deal of the Year</b></li> </ul> |
| 2006 | <ul style="list-style-type: none"> <li>■ <b>Financing Professional of the Year – Steve McLaughlin</b></li> <li>■ <i>Financing Deal of the Year - Equity</i></li> <li>■ <i>Financing Deal of the Year - Debt</i></li> </ul>           |

# Overview of FT Partners

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

Courtesy of:



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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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