

April 27, 2015  
**Financial Technology Partners LP**  
**FTP Securities LLC**  
Transaction Profile:



**Funding Circle**

*raises*

**\$150,000,000**

*in financing led by*

**DST**

*Courtesy of:*



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

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# Funding Circle Raises \$150 Million

## Transaction Summary

### Transaction Summary

- On April 22, 2015, San Francisco and London-based SMB peer-to-peer lender Funding Circle announced that it had raised \$150 million in financing
  - DST Global led the round with participation from BlackRock, Baillie Gifford, Sands Capital and Temasek
  - According to the New York Times, the deal values the company at around \$1 billion <sup>(1)</sup>
- According to CEO Samir Desai, the Company will use the funds to expand operations in both the UK and the US, with the eventual goal of expanding into additional countries in Asia and Europe <sup>(1)</sup>
- The new funding round brings Funding Circle's total amount of capital raised to over \$273 million
  - Previous investors in Funding Circle include Index Ventures, Accel Partners, Union Square Ventures and Ribbit Capital and the UK Government
- Funding Circle was founded in 2010 and launched its services in the US in 2013 through the acquisition of Endurance Lending Network; to-date, the company has lent \$1 billion to more than 8,000 small businesses globally
- Funding Circle's equity financing round follows other large, recent capital raises from Alternative Lenders including Prosper, SoFi, Avant Credit and Oportun in addition to the IPO's of both LendingClub and OnDeck

### Previous Funding Circle Financings

Date	Size (\$ mm)	Lead Investors
07/16/14	\$65	ACCEL PARTNERS, Ribbit Capital, Index Ventures, Union Square Ventures
10/18/13	37	ACCEL PARTNERS, Ribbit Capital, Index Ventures, Union Square Ventures
03/27/12	16	Index Ventures, Union Square Ventures
04/21/11	4	Index Ventures
02/12/10	1	Undisclosed

### Deal Commentary

"We believe Funding Circle is the future of small business finance globally, and it's a vision we share with some of the largest and most respected investors in the world. Today's news is the next step on our journey to creating a sustainable, category-defining business in a multi-billion dollar global market, where businesses will come to the marketplace to borrow from all types of investors. This investment, alongside prudent risk management, will ensure Funding Circle's long term future."

– Samir Desai, CEO & Co-Founder

#### New Investors



#### Existing Investors



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TECHNOLOGY  
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Source: Company press release, Company website, Capital IQ, New York Times, Financial Times

(1) New York Times, "Funding Circle Raises Another \$150 Million"



Funding Circle

# Funding Circle Raises \$150 Million

## Funding Circle Overview

**Funding Circle is differentiated from other peer-to-peer lenders by having both a US and UK presence and serving small businesses across both markets**

### Funding Circle Overview

- CEO: Samir Desai
- Headquarters: London, UK
- Founded: 2009
- Employees: 280
- Funding Circle is an online marketplace for small business loans
    - The platform allows investors (individual or entity) to bid on loans and directly lend money to small and medium-sized businesses
    - The marketplace offers asset-backed, secured, unsecured, property, working capital, and mortgage loan options
  - The Company has offices in London and San Francisco
    - Funding Circle currently employees 100 people in its San Francisco office and 180 at its UK headquarters
  - Since its launch in 2010, the platform has facilitated upwards of \$1 billion in loans to around 8,000 businesses
    - Funding Circle is currently facilitating \$60 million in loans a month in the UK and \$15 million a month in the US through its platform
  - Loan sizes range from \$25,000 to \$500,000 with interest rates ranging from 6% to 21%
    - Funding Circle's loan default rate stands roughly at 1.4% of outstanding loans

### Founding Team



**Samir Desai**  
Co-Founder, CEO  
Previously worked as a management consultant for BCG and as a private equity investor at Olivant



**Sam Hodges**  
Co-Founder, US Managing Director  
Previously a Principal at Cathedral Peak Partners and Vice President of Business Development at SecondMarket



**James Meekings**  
Co-Founder, Chief Commercial Officer  
Previously a consultant at OC&C Strategy Consultants



**Andrew Mullinger**  
Co-Founder, Global Head of Credit  
Previously an Associate at Nomura and an Executive at Ernst & Young

### Awards




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TECHNOLOGY  
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Source: Company website, Capital IQ.

# Funding Circle Raises \$150 Million

## Product Overview

	 Funding Circle	SBA & Bank Loans	Merchant Cash Advance
Application Length	< 10 minutes	Hours	< 10 Minutes
Approval Time	< 14 days	2-8 weeks	1-2 days
Personal Account Manager	Yes	Maybe	No
Personal Underwriter	Yes	No	No
Size	\$25k - \$500k	Usually > \$100k	< \$100k
Term	1 – 5 years	< 7 years	< 6 months
Prepayment Penalty	None	Sometimes	None
Initial Fee	2.99% of loan	Varies	Varies
Revenue Sharing	No	No	Yes

## Process

### For Borrowers



Check eligibility in seconds and submit the full application in as little as 10 minutes

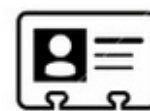


Hear from a Funding Circle representative within hours and submit verification documents



Get funded, sometimes within the next week

### For Investors



Register as an investor on Funding Circle in minutes



Once verified, begin analyzing loan data and build a portfolio



Track monthly performance and interest payments through the platform

## Rates & Fees

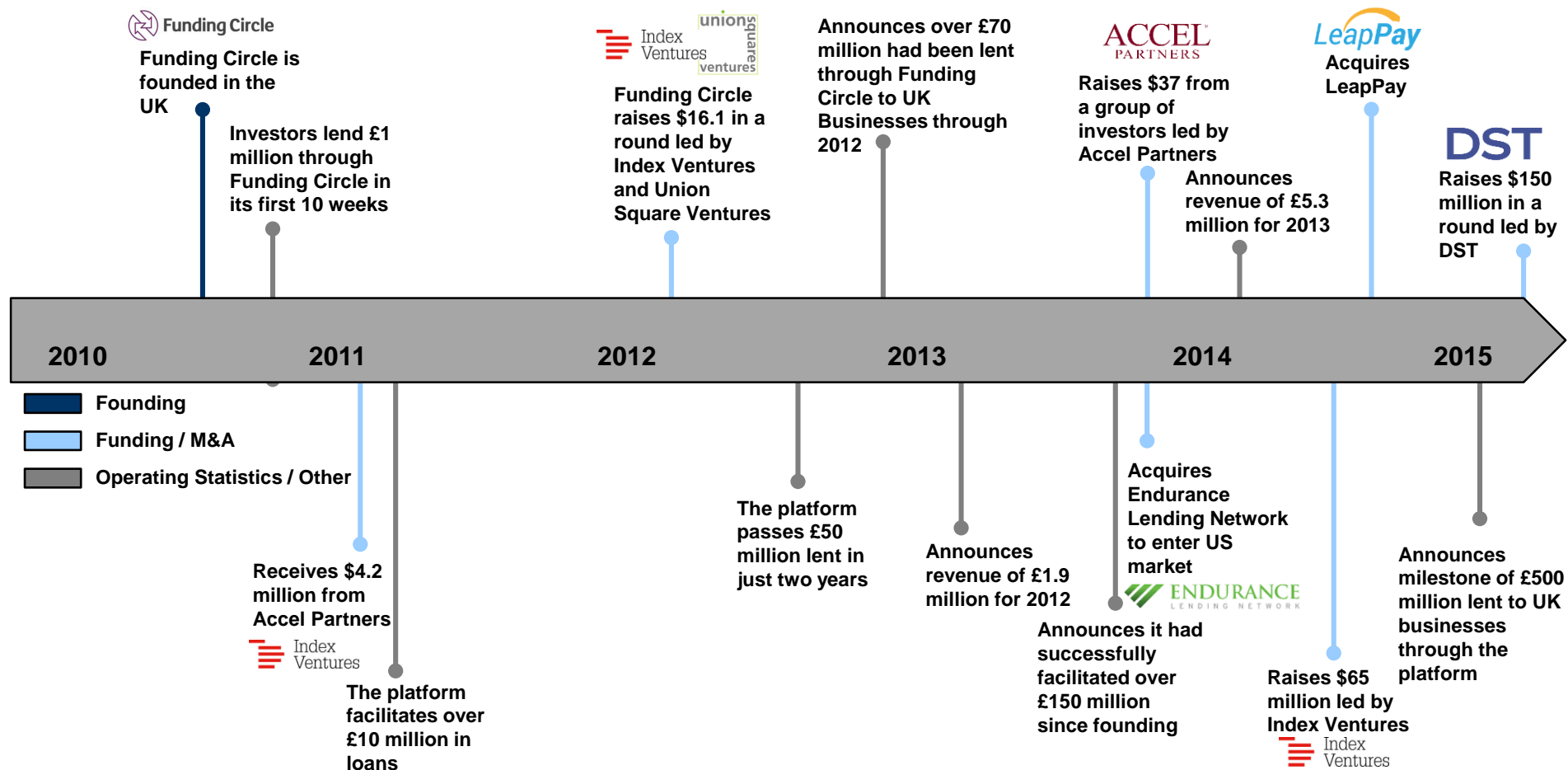
	1 Year	2 Years	3 Years	4 Years	5 Years
Interest Rates	5.99% – 14.74%	8.99% - 17.49%	9.99% - 18.49%	10.99% - 19.49%	12.49% - 20.99%
Initial Fee		Prepayment Fee		Late Fee	Insufficient Funds Fee
Fee	2.99%	None		10% of missed bill	\$35



Funding Circle

# Funding Circle Raises \$150 Million

## Funding Circle Timeline





# Funding Circle Raises \$150 Million

## Selected Large Alternative Lender Financings, Ranked by Size

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
12/04/14	KKR; Tiger; August Capital; DFJ Growth	 AVANT CREDIT	\$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	Third Point; Institutional Venture Partners; Wellington Management	 SoFi	200	Financing	<ul style="list-style-type: none"> <li>SoFi is a marketplace lender with an emphasis in private and federal student loan refinancing</li> <li>The \$200 mm Series D financing round was led by Third Point Ventures, Wellington Management Company and Institutional Venture Partners</li> </ul>
04/07/15	BBVA Ventures; JP Morgan Asset Management; Credit Suisse Asset Management; Neuberger Berman; SunTrust Equity; Passport Capital; USAA	 PROSPER	165	Financing	<ul style="list-style-type: none"> <li>Prosper Marketplace announced it had raised a \$165 Series D financing round</li> <li>Prosper will use the proceeds for growth, expansion, and development of a national brand as it builds more products and services</li> </ul>
04/22/15	DST Global; BlackRock; Baillie Gifford; Sands Capital; Temasek	 Funding Circle	150	Financing	<ul style="list-style-type: none"> <li>Funding Circle is a leading provider of alternative small business loans in the UK and the US through its online platform</li> <li>The round was raised with a post money valuation of over \$1 billion</li> </ul>
05/02/13	Google; Foundation Capital	 LendingClub	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>
09/03/14	Pine Brook	 STRATEGIC FUNDING	110	Financing	<ul style="list-style-type: none"> <li>Strategic Funding Source finances the future of small businesses utilizing advanced technology and human insight</li> <li>The Company received an initial \$35 mm investment as part of a \$110 mm line of equity financing from Pine Brook</li> </ul>
02/11/15	Fidelity; Institutional Venture Partners	 OPOR TUN	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>

# Overview of FT Partners

## Strong Domain Expertise in Alternative Lending / Financial Technology

**FT Partners has advised on the most prominent transactions in Financial Technology**

**Financial Technology Partners LP  
FTP Securities LLC**

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

**F2ST  
PAY**

*in its growth financing with*

**OAK  
HC/FT**

*for total consideration of approximately*

**\$ 15,000,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

**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  
VENTURES**

**FLYBRIDGE**

*for approximately*

**\$ 15,000,000**

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PARTNERS**

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*Is pleased to announce its role as advisor to*

**CIBC**

*in its strategic investment in*

**DYNEX**

*with additional participation from*

**MasterCard**

**Bain Capital Ventures**

**Adams Capital Management**

*for total consideration of approximately*

**\$ 70,000,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

*The Only Investment Bank  
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**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**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

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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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TECHNOLOGY  
PARTNERS**

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Focused Exclusively on Financial Technology*

**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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FTP Securities LLC**

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

**MERCURY®**

*in its cash sale to*

**vantiv™**

*for total consideration of*

**\$ 1,650,000,000**

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TECHNOLOGY  
PARTNERS**

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

**Financial Technology Partners LP  
FTP Securities LLC**

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

**WebEquity  
solutions™**

*in its sale to*

**Moody's**

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TECHNOLOGY  
PARTNERS**

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Focused Exclusively on Financial Technology*



# 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>           |




**Selected FT Partners' Alternative Lending Research** (*click to view*)

February 19, 2015


**Financial Technology Partners LP  
FTP Securities LLC**

**Transaction Profile:  
Lending Club IPO: Post Quiet Period Review**

  
**LendingClub**



NYSE: LC

Courtesy of:



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### Lending Club IPO: Post Quiet Period Review

February 19, 2015

**Financial Technology Partners LP  
FTP Securities LLC**



**Transaction Profile:**  
**OnDeck IPO: Post Quiet Period Review**

**OnDeck**   
NYSE: ONDK

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TECHNOLOGY  
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## OnDeck IPO: Post Quiet Period Review

[illegible]

## Avant Credit Raises \$225 mm in Series D Financing Led by Tiger Global

February 2015

**Financial Technology Partners LP**  
**FTP Securities LLC**  
Transaction Profile:

 **SoFi**

*raises*

**\$200,000,000**

*In Series D financing led by*

**THIRD POINT**  
VENTURES

*Courtesy of:*

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TECHNOLOGY  
PARTNERS  
LLC**

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## Sofi Raises \$200 mm in Series D Financing Led by Third Point Ventures

February 11, 2015

**Financial Technology Partners LP  
FTP Securities LLC**

Transaction Profile:

**OPERTUN<sup>SM</sup>**  
(Formerly known as Progreso Financiero)

*raises*

**\$90,000,000**

*in financing led by*

 **Fidelity**  
**INVESTMENTS**

Courtesy of:



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## Oportun Raises \$90 mm in Financing Led by Fidelity Investments

[illegible]

## Enova Spin-off from Cash America

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