

September 30, 2015

Financial Technology Partners LP

FT Partners Research – Transaction Profile



Raises Approximately

\$90,000,000

in Financing Led by

J.C. FLOWERS & Co.

Courtesy of:

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PARTNERS

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Focused Exclusively on Financial Technology*

www.ftpartners.com



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Kreditech Raises Approximately \$90 mm in Financing

Transaction Summary

Transaction Summary

- On September 28, 2015, Kreditech announced that it has raised \$90 million in an equity financing round led by J.C. Flowers, a US-based private equity firm
 - There was additional participation from PayPal co-founder Peter Thiel, alongside Amadeus Capital Partners and existing investors Värde Partners, HPE Growth Capital and Blumberg Capital
 - The Company's valuation has more than doubled from the last round, when it raised \$40 million in June 2014 – that round, according to Kreditech, valued the Company at \$190 million ⁽¹⁾
- The round is not completely closed, therefore additional investments may follow; Kreditech is in advance discussions for a closing that could increase the round to over \$110 million
- The Company has raised approximately \$135 million in equity to date in addition to approximately over \$200 million in debt
- Loren Felsman of J.C. Flowers will join the Company's Board of Directors

Selected Commentary

"We are excited to bring these world-class investors on board who will support us in strengthening our integrated financial services platform, bringing us closer to our vision of becoming the digital bank for the underbanked."

"We are a technology company, but also a provider of consumer financial services, and we are fortunate to have a sophisticated shareholder group whose experience and network spans both areas."

- Sebastian Diemer, Co-Founder and CEO of Kreditech



"Kreditech has developed a remarkably sophisticated approach to real-time consumer banking, and focuses on markets that are relatively less well-served by traditional credit bureaus and financial services providers. Most lenders, including those built on modern technology, may not crack these markets for years."

- Loren Felsman, Partner of J.C. Flowers and Board Member of Kreditech



Kreditech Raises Approximately \$90 mm in Financing

Kreditech Overview

Company Overview





Co-Founder and CEO: Sebastian Diemer

Headquarters: Hamburg, Germany

Founded: 2012

- Kreditech is a Germany-based company that provides a range of custom-tailored financial services to customers
- The Company puts an emphasis on building a suite of credit and banking products for consumers who have little or no credit history
 - The Company has developed algorithms that weigh up some 20,000 different data points to assess an application
 - Approximately 2 million people have been scored, and the Company has extended 500,000 loans to date
- The Company does most of its business in Poland, Spain, Czech Republic, Mexico and Russia
- According to TechCrunch, the Company generated 2014 revenue of approximately \$24 million and expects to generate 2015 revenue of approximately \$62 million; the Company remains unprofitable, and Rene Griemens (Kreditech's CFO) says "operating losses were halved in the first half of the year compared to the same period in 2014" ⁽¹⁾

Selected Previous Equity Financings

Date	Size (\$ mm)	Lead Investor
11/10/14	na	
06/24/14	\$40	
04/22/13	na	
12/17/12	4	

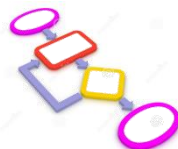
Other Investors



Kreditech Raises Approximately \$90 mm in Financing

Solution Overview

Algorithmic Banking



- The Company is aiming to make banking less cost intensive and quicker
- Algorithms and automation make the banking process more friendly for customers



Anyone

Customer

27% with credit score

24/7 access

Availability

9 to 5

35 seconds

Credit Decision

5 to 7 days

15 minutes

Payment

1 to 3 days

Big Data Scoring



- Proprietary algorithm factors in 20,000 data points such as social media, web surfing, e-commerce purchases and financial transactions



20,000

Number of Data Points

300

Is different every second

Score

Stays the same for a long time

Updated every minute

Data Flexibility

Static

Any device (online, mobile)

Device

Paper

Kreditech Raises Approximately \$90 mm in Financing

Management Overview

Sebastian Diemer
Chief Executive Officer



- Currently serves as CEO of Kreditech
- Previously worked at Rocket Internet
- Earned his Master of Science (M.Sc.) in Management from the London School of Economics and Political Science

Alexander Graubner-Müller
Chief Technology Officer



- Currently serves as CTO of Kreditech
- Former Senior Business Development Manager at Rocket Internet
- Earned Master of Science in Quantitative Finance and Economics from the University of St. Gallen, Switzerland

Rene Griemens
Chief Financial Officer



- CFO of Kreditech
- Previously served as a Managing Director at IEG – Investment Banking
- Earned his MBA in Marketing and Finance from INSEAD

Oliver Prill
Chief Operating Officer



- Currently serves as the COO
- Previously served as CEO and Advisor at Optanus

Jose Garcia Moreno-Torres
Chief Data Officer



- Currently serves as Chief Data Officer
- Previously served as Data Scientist at Gamesa and the University of Granada
- Earned his PhD in Computer Science from the University of Granada

Source: Company website.

Kreditech Raises Approximately \$90 mm in Financing

J.C. Flowers & Co Overview

Overview

J.C. FLOWERS & CO.



J. Christopher Flowers
Founder, CEO & Managing Director



Loren Felsman
Managing Director



Tim Hanford
Managing Director



Michael Christner
Managing Director

Location(s)

- New York, NY (HQ)

About

- Founded in 1998 by J. Christopher Flowers, J.C. Flowers & Co. has invested over \$14 bn in 32 portfolio companies across 14 countries
- Solely focused on investments in the financial services industry
- Flexible with transaction structures and comfortable leading deals in complex situations such as businesses with high regulatory constraints or complicated business fundamentals
- Leverages a wide network of industry relationships for deal sourcing, transaction execution and guidance for portfolio companies

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Investment Preferences

Investment Criteria

Fund Size:	\$2,300 mm
Fund Raised:	2009
Investment Range:	na
Revenue:	na
EBITDA:	na

General Preferences ⁽¹⁾

Control:	Majority
Geography:	Global
Transaction Type:	Growth, Buyout
Industry Focus:	Capital Markets, Insurance & Reinsurance, Banks, Specialty Finance

Select Recent Investments / Exits

FinTech / Financial Services Investments ⁽²⁾

Date	Company	Deal Amt. ⁽³⁾	Board Rep.	Sector
09/15	Kreditech (PE Growth)	\$90	na	Bnkg
09/15	Ascensus (Genstar)*	na	na	CapMkts
06/15	KT Capital (Buyout)	271	NA	Bnkg
06/15	AmeriLife Group (Buyout)	390	J.C. Flowers	Ins
01/15	Esanda Finance (Buyout)	6,714	na	Bnkg
07/14	Eurovita (Buyout)	64	na	Ins
05/13	Cabot Credit (Buyout)	1,231	John Oros	Ins
10/12	Castle Trust (PE Growth)	105	Callum McCarthy	Bnkg
03/12	Fidea (Anbang Insurance)*	322	J.C. Flowers	Ins
06/11	CEP (MBO)*	1,151	na	Ins
12/10	BTG Pactual (PE Growth)	1,800	John Oros	CapMkts
10/10	SRV Bank (ConnectOne Bancorp)*	na	J.C. Flowers	Bnkg
07/10	OneSavings Bank (PE Growth)**	76	David Morgan	Bnkg
04/10	Crump Group (PE Growth)	na	na	Ins
07/10	CUNA Mutual Group (Buyout)	na	na	Bnkg
05/09	OneWest Bank (CIT Group)*	11,150	J.C. Flowers	Bnkg
12/08	Enstar Group (Stone Point)*	49	na	Ins
08/08	HSB (PE Growth)	2,998	J.C. Flowers	Bnkg

Source: Company website, Pitchbook, Capital IQ.


































(1) Italics indicate preferred control / geography.

(2) * denotes M&A exit; ** denotes IPO exit.

(3) Deal Amount in mm.













Kreditech Raises Approximately \$90 mm in Financing

Selected Large Alternative Lender Financings, Ranked by Size

Date	Investor	Target	Value (\$ mm)	Transaction	Commentary
08/19/15	    	 SoFi	\$1,000	Financing	<ul style="list-style-type: none"> SoFi is a marketplace lender with an emphasis on private and federal student loan refinancing On August 19, 2015, SoFi announced that it has raised \$1 billion in a financing round led by SoftBank at a \$4 billion valuation⁽¹⁾
09/29/15	     	 AVANT	325	Financing	<ul style="list-style-type: none"> Avant utilizes proprietary algorithms and machine-learning capabilities to offer a highly customized approach to the online personal loan process On September 29, 2015, Avant announced that it has raised \$325 million in an equity financing round led by General Atlantic, a US-based private equity firm
10/22/14	  	 GreenSky	300+	Financing	<ul style="list-style-type: none"> 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 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
12/04/14	   	 AVANT	225	Financing	<ul style="list-style-type: none"> AvantCredit, founded by the founders of Enova, provides installment loans and credit lines at competitive interest rates The Company announced the completion of a \$225 mm round of Series D funding led by Tiger Global Management and August Capital
02/03/15	  	 SoFi	213	Financing	<ul style="list-style-type: none"> SoFi is a marketplace lender with an emphasis in private and federal student loan refinancing The \$213 mm Series D financing round was led by Third Point Ventures, Wellington Management Company and Institutional Venture Partners
04/08/15	     	 PROSPER	165	Financing	<ul style="list-style-type: none"> Prosper announced a \$165 mm Series D financing 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

Kreditech Raises Approximately \$90 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"> Google and Foundation Capital purchased \$125 mm in equity from current LendingClub shareholders This transaction valued LendingClub at \$1.55 bn
09/28/15			90	Financing	<ul style="list-style-type: none"> Kreditech is a Germany-based company that provides a range of custom-tailored financial services to customers The \$90 mm funding round was led by US-based private equity firm, J.C. Flowers
02/11/15			90	Financing	<ul style="list-style-type: none"> Opportun is the largest financial services company specifically dedicated to providing credit to the underbanked Hispanic community The \$90 mm funding round was led by Fidelity Management & Research Company with previous investor, Institutional Venture Partners
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
07/23/14			75	Financing	<ul style="list-style-type: none"> AvantCredit announced the completion of a \$75 mm round of Series C funding led by Tiger Global Management Utilizing advanced algorithms and machine-learning capabilities, the Company offers a unique and highly customized approach to the personal loan process
07/14/15			75	Financing	<ul style="list-style-type: none"> Marlette Funding is a specialty finance company that provides unsecured personal loans On July 17, 2015, Marlette Funding secured \$75 mm in financing led by Invus Opportunities with participation from Navient

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

**FST
PAY**

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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Entrepreneur Financing

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as financial advisor to

lighter capital

in its growth financing for total consideration of

\$ 7,000,000

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Alternative Score Provider

Financial Technology Partners LP
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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PARTNERS**

The Only Investment Bank
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"> ■ 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> |

Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

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. 	20
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. 	20
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, FISV, FIS, JKHY, DST, ENV, GPN & HPY among others 	19
Tim Wolfe <i>Managing 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. 	13
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	9