

# FT PARTNERS FINTECH INDUSTRY RESEARCH

February 28, 2017



## SoFi Acquires Zenbanx



## Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- 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 15 years of exclusive focus on Financial Technology

### FT Partners' Advisory Capabilities



### FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #4 Most Influential Person in all of FinTech in *Institutional Investor* "FinTech Finance 35"



Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: Founder & CEO

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## Transaction Overview

### Transaction Summary

- On February 1, 2017, personal financial services company SoFi announced that it had agreed to acquire Zenbanx, a mobile banking services provider
- SoFi intends to leverage Zenbanx's mobile banking platform and technology to expand its online personal finance offerings
  - SoFi currently provides student loan refinancing, lending, wealth management and insurance services for its members
  - This acquisition will enable it to add deposit account, money transfer and credit card products
- Current Zenbanx customers will still be able to access their accounts through the Zenbanx mobile app, but will be transitioned to SoFi bank accounts once the product is finalized
- The acquisition price was about \$100 million in stock, according to a person close to the deal <sup>(1)</sup>
- Zenbanx's founder and CEO, Arkadi Kuhlmann, will join SoFi in an executive role leading the development of SoFi's new banking products

### Acquirer Commentary

*"SoFi and Zenbanx share a vision that banking should and can be better, and have built products and services to do it."*

*With Zenbanx joining SoFi, we're moving one step closer to becoming the center of our members' financial lives by adding SoFi deposit, money transfer, and credit card products to our offerings for members."*



**Mike Cagney**  
Founder, Chairman & CEO



### Target Commentary

*"SoFi and Zenbanx are well aligned to create an unparalleled financial experience for customers. I am absolutely delighted that we are merging our visions and our talented teams."*



**Arkadi Kuhlmann**  
Founder & CEO



## Zenbanx Overview



### Company Overview



CEO: Arkadi Kuhlmann

Headquarters: Claymont, DE

Founded: 2012

- Zenbanx is a provider of consumer banking products and services
- With the Company's mobile platform, users can hold up to nine currencies within a single account and transfer and exchange money amongst those currencies
- Accounts are issued and insured through regulated financial institutions
  - U.S. accounts are issued by WSFS Financial Corporation, which has \$13.1 bn in fiduciary assets
  - Canadian accounts are issued by DUCA Financial Services, a credit union with over \$2.2 bn in assets

### Investors



### Product Overview

Zenbanx offers a mobile multi-currency account with the following features:



#### Money Transfer:

Users can transfer amounts of supported currency to friends and family. Recipients receive an email with instructions on how to link their bank accounts and accept the transfer.



#### Currency Exchange:

User accounts can hold multiple currencies at once; users can exchange between them at any time.



#### Interest-Earning Account:

User accounts can earn interest across multiple supported currencies, with no monthly fees and minimum balance.



#### Debit Card:

Zenbanx provides a debit card that lets users pay with local currency when travelling abroad, eliminating conversion and transaction fees.

### Currencies Supported



## SoFi Overview



### Company Overview



CEO:	Mike Cagney
Headquarters:	San Francisco, CA
Founded:	2011

### Save, invest, and earn with SoFi.

- SoFi is a consumer finance company that provides online financial services such as student loan refinancing, personal and mortgage loans, wealth management and insurance
- The Company's underwriting method focuses on graduates of top tier universities with responsible financial history and stable monthly cash flow and income
- The Company also offers career services for its members, such as professional advice, career coaching programs, entrepreneur mentoring and six-month deferment for business development
- The Company has originated \$16 billion in loans to date, generating \$1.45 bn in member savings
  - The Company funded \$8 bn in 2016, an increase from \$5 bn in 2015
- The Company currently has around 250,000 members

### Product Overview

Initially focused on student loan refinancing, SoFi has since expanded into several other financial services

#### Lending



**Student Loan Refinancing:** enables eligible borrowers to refinance federal or private student loans – saving \$22,359 on average



**Mortgages:** offers mortgage loans up to \$3 mm for primary owner-occupied residences and second homes; offers options for mortgage refinancing



**Personal Loans:** offers unsecured personal loans from \$5,000 to \$100,000

#### Investing



**Wealth Management:** offers investments in diversified ETF portfolios based on risk tolerance; provides automatic rebalancing and live advisory services



**Private Placements:** provides qualified accredited investors with investment opportunities within SoFi's portfolio of consumer credit

#### Insurance



**Term Life Insurance:** offers life insurance coverage at a fixed price for a specific period of time through partnership with Protective

#### Additional Services



**Financial Wellness:** enables employers to offer student loan refinancing and student loan contribution benefits



**Career Services:** provides members with career-focused services such as job search coaching and an entrepreneurship program

# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Selected FT Partners' Research – *Click to View*



**VTS and Hightower Agree to Merge**



**Opendoor Raises \$210 million in Financing**



**Nubank Raises \$80 million in Series D Financing**



**BlueVine Raises \$49 million in Series D Financing**



**YgreneWorks Raises \$95 million in Financing**



**Tandem Raises ~\$43 million in Financing**



**Funding Circle Raises \$100 million in Financing**



**SoFi Raises \$500 million in Financing**

[VIEW MORE FT PARTNERS RESEARCH](#)



## Track Record of Success in the Alternative Lending / Credit Space

### Student / Personal Loan

Financial Technology Partners LP  
FTP Securities LLC

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

**earnest**

in its Series B minority financing led by



for total consideration of

**\$ 75,000,000**



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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



for total consideration of

**\$ 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



for approximately

**\$ 85,000,000**



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### Contract Financing

Financial Technology Partners LP  
FTP Securities LLC

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



in its financing, including investment from



for approximately

**\$ 15,000,000**



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### Peer-to-Peer Lending

Financial Technology Partners LP  
FTP Securities LLC

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

**PROSPER**

in its loan purchase agreement with a  
consortium of institutional investors

Affiliates of



for up to

**\$ 5,000,000,000**



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### SaaS-based Loan Origination

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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### SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its  
role as advisor to

**Kabbage**

in its Series E minority financing led by



for total consideration of

**\$ 135,000,000**



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### Supplier Finance Solutions

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
financial advisor to

**taulia**

in its investment from

**QUESTMARK PARTNERS  
ZOUK BBVA edbi**

for total consideration of approximately

**\$ 65,000,000**





























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# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## FT Partners Advised on Many of the Largest Alternative Lending Transactions

Company	Investor(s)	Amount Raised
	Affiliates of     Soros Fund Management	\$5,000,000,000 Loan Commitment
	   	300,000,000
	    	135,000,000
	  	75,000,000
	QUESTMARK PARTNERS   	65,000,000
		50,000,000

*In addition to recent rounds for Earnest, Kabbage and GreenSky, FT Partners has advised on a number of other prominent Lending Tech / Alt Lending transactions*

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> </p> <p>in its latest investment in</p> <p>  </p> <p>with additional participation from</p> <p><b>\$ 85,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>  </p> <p>in its growth financing from</p> <p><b>\$ 15,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p></p> <p>in its growth financing for total consideration of</p> <p><b>\$ 9,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p></p> <p>in its Series C financing led by</p> <p></p> <p>with additional participation from</p> <p></p> <p><b>\$ 35,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p></p> <p>in its financing, including investment from</p> <p> </p> <p>for approximately</p> <p><b>\$ 15,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p></p> <p>in its growth financing for total consideration of</p> <p><b>\$ 19,500,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p></p> <p>in its sale to</p> <p></p> <p><b>\$ 25,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> </p> <p>in its minority investment from</p> <p> </p> <p>for total consideration of</p> <p><b>\$ 25,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p></p> <p>in its</p> <p><b>\$45,000,000</b> Initial Public Offering</p> <p>valuing the equity at approximately</p> <p><b>\$ 146,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p></p> <p>in its strategic investment in</p> <p></p> <p>with additional participation from</p> <p></p> <p>for total consideration of approximately</p> <p><b>\$ 70,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p> </p> <p>in its sale to</p> <p></p> <p><b>\$ 70,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p></p> <p>in its sale to</p> <p></p> <p><b>\$ 70,000,000</b></p> <p>FINTECH TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>



# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Significant Experience Advising Large Financing Rounds and “Unicorns”

*FT Partners has a history of advising on some of the largest financing transactions in the FinTech space*

*Representing numerous FinTech “Unicorns” above \$1 billion valuations*

Company	Amount Raised
 <b>MERCURY®</b>	\$420,000,000+
 <b>GreenSky™</b>	300,000,000+
 <b>avidxchange</b>	253,000,000
 <b>liquidnet</b>	250,000,000
 <b>square trade</b> protection plans	238,000,000
 <b>nmi</b>	150,000,000+
 <b>Kabbage</b>	135,000,000
 <b>TradingScreen</b> SIMPLIFYING GLOBAL MARKETS™	110,000,000+
 <b>YAPSTONE™</b> POWERING PAYMENTS	110,000,000
 <b>CHROMERIVER</b>	100,000,000
 <b>Credit Karma™</b>	85,000,000
 <b>earnest</b>	75,000,000
 <b>taulia</b>	65,000,000

### Selected Prominent Investors in FT Partners Led Rounds



## 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

2016

- **Investment Banking Firm of the Year**
- **Cross Border Deal of the Year**

2015

- **Dealmaker of the Year**
- **Technology Deal of the Year**

2014

- **Equity Financing Deal of the Year**
- **Professional Services Deal of the Year, Above \$100mm**

2012

- **Dealmaker of the Year**
- **Professional Services Deal of the Year, Above \$100mm**

2011

- **Boutique Investment Bank of the Year**
- **Deal of the Decade**
- *10 Deal of the Year Nominations Across 9 Categories*

2010

- **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

- **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**



2015

- **Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List**

2006 - 2008

- **Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology**



Middle Market Financing Awards









2008

- **Equity Financing Dealmaker of the Year – Steve McLaughlin**
- **Information Technology Deal of the Year**
- **Financial Services Deal of the Year**

2006

- **Financing Professional of the Year – Steve McLaughlin**
- *Financing Deal of the Year - Equity*
- *Financing Deal of the Year - Debt*

## The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	22
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York, London and Los Angeles beginning in 1995</li> <li>Wharton M.B.A.</li> </ul>	22
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht &amp; Quist</li> <li>20+ years of experience covering FinTech as both an Analyst and Investment Banker</li> </ul>	21
<b>Osman Khan</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Managing Director / Head of FIG M&amp;A at Alvarez &amp; Marsal</li> <li>15+ years FIG deal, consulting and assurance experience at PwC</li> <li>40 Under 40 M&amp;A Advisor Award Winner in 2013</li> <li>LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA)</li> </ul>	20
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Global Head of Strategy at First Data</li> <li>Formerly Led J.P. Morgan Payments Investment Banking</li> <li>Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank</li> </ul>	19
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>Started at FT Partners in 2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	15
<b>Timm Schipporeit</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London</li> <li>Formerly a Venture and Growth Investor focused on FinTech at Index Ventures</li> </ul>	14
<b>Andrew McLaughlin</b> <i>Managing Director, Research &amp; Business Development</i>		<ul style="list-style-type: none"> <li>Leads FT Partners' Research and Business Development Team</li> <li>Formerly with Deloitte Consulting</li> </ul>	11