

FT PARTNERS FINTECH INDUSTRY RESEARCH

March 8, 2017



JD.com Divests JD Finance Valuing the Company at Approximately \$7.3 billion



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 March 1, 2017, JD.com announced it has sold its 68.6% stake in JD Finance for approximately 14.3 billion yuan (~\$2.1 billion) in cash as well as a portion of the Company's future pretax profit
 - The cash portion of the transaction represents a 28.6% stake
 - JD.com will also receive 40% of JD Finance's future pretax profit when the Company has positive pre-tax income on a cumulative basis
 - JD.com has the option to convert this profit-sharing right into a 40% equity stake
- The transaction values JD Finance at approximately 50 billion yuan (~\$7.3 billion) according to The Wall Street Journal ⁽¹⁾
 - JD Finance had previously raised \$1 billion in equity financing in January 2016, valuing the company at approximately \$7 billion ⁽²⁾
- JD Finance will be fully owned by Chinese investors, enabling it to obtain regulatory licenses to operate certain financial services businesses in mainland China
 - Richard Liu, JD.com's Chairman and CEO, will acquire a 4.3% equity stake at the same price as third-party investors
- The change in ownership positions allows JD Finance to potentially list on a Chinese stock exchange in the future
- JD.com is one of Alibaba's main competitors in China
 - Alibaba had previously divested its own financial services arm (Ant Financial) in October 2014
- The transaction is expected to close in mid-2017

JD.com Overview

CEO:

Richard Liu

Headquarters:

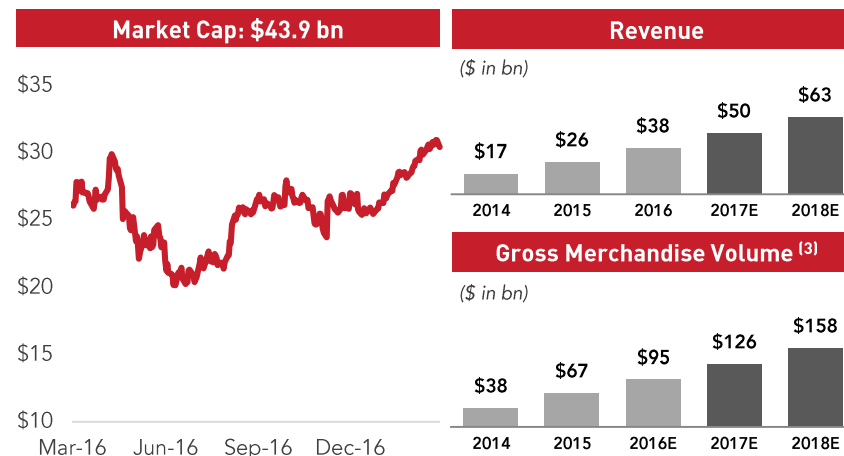


Beijing, China

Founded:

1998

- JD.com operates an e-commerce platform that it uses to sell items directly to consumers; the Company also operates a marketplace which established third-party sellers can use to sell their products online
- The Company has built its own nationwide logistics and delivery network that supports its online direct sales and marketplace businesses
- The Company has 227 million active customer accounts and fulfilled approximately 1.6 billion orders in 2016



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JD Finance Overview

JD Finance Overview



CEO: Shengqiang Chen
Headquarters: Beijing, China
Founded: 2013

- JD Finance is the financial services arm of Chinese e-commerce giant JD.com
- The Company provides online financial services to individuals, start-ups and other businesses
 - Services offered to consumers include securities and investments, short-term consumer credit and insurance products
 - Services offered to businesses include crowdfunding, small business loans, supply chain financing and cash management
- In June 2015, the Company launched a joint venture with ZestFinance, combining JD.com's consumer data with ZestFinance's underwriting engine to offer credit services for Chinese consumers
- In January 2017, the Company partnered with China UnionPay to develop online payment solutions, co-branded credit cards and rural financing programs

Services Overview



Financial Management:

Wealth management platform that offers securities and other investment products



Baitiao:

Internet consumer credit product allowing customers shopping on JD.com to "buy now, pay later"



Insurance:

Several types of insurance products covering auto, health, accident, property, travel and others



Crowdfunding:

Crowdfunding service with both equity-based and rewards-based platforms



Corporate Finance:

















Small business loans, cash management services, supply chain financing

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Selected Strategic Transactions in FinTech / eCommerce

Investor / Acquirer		Target	Investor / Acquirer		Target
	Ant Financial Acquires MoneyGram, Invests in Kakao Pay	 MoneyGram. KakaoPay		Alibaba Invests in Paytm	
	PayPal Acquires Xoom for \$1.05 bn			Baidu Invests in Circle	
	Samsung Acquires LoopPay			Rakuten Invests in WePay & Azimo, Acquires Cartera (through Ebates)	  
 VENTURES	AmEx Ventures Invests in MobiKwik				

eCommerce players continue to invest in FinTech to further global expansion and meet growing demands for better, faster and more frictionless solutions

JD.com Divests JD Finance Valued at \$7.3 billion

Selected Investments of Asian Strategic FinTech Investors

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Tencent 腾讯



SoftBank

Rakuten



We Doctor Group

09/25/15
\$394 mm



Qufengi 趣分期

08/10/15
\$200 mm



06/22/16
\$60 mm



08/19/15
\$1,000 mm



12/14/16
\$49 mm



08/19/15
\$1,000 mm



HeTai Life Insurance

11/22/16
\$280 mm

Shanghai Suntime
Information Technology
06/12/16
\$35 mm

Quyiyuan 趣医网

09/10/15
\$40 mm

HOUSING.com

12/15/14
\$90 mm



05/20/15
\$40 mm



LendingHome

03/23/15
\$70 mm



08/06/15
\$90 mm



09/29/15
na

Quyiyuan 趣医网

08/25/16
\$33 mm

G – Banker

9/24/15
\$17 mm



04/21/16
\$30 mm



Omni Prime

04/12/16
\$46 mm



01/17/17
\$55 mm



11/01/16
na



07/18/16
Undisclosed



1/21/16
\$15 mm



04/17/15
\$18 mm



01/20/15
\$70 mm



Payoff

06/15/16
\$47 mm



Qingsongchou Network
Technologies

06/03/16
\$20 mm



KakaoPay

02/21/17
\$200 mm



01/26/17
\$18 mm



Aspiration

09/17/15
\$15 mm



11/04/15
\$4 mm



05/05/16
\$13 mm



02/02/16
\$10 mm



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Selected FT Partners' Research – *Click to View*



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 Acquires Zenbanx



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



The Only Investment Bank
Focused Exclusively on Financial Technology

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



The Only Investment Bank
Focused Exclusively on Financial Technology

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



The Only Investment Bank
Focused Exclusively on Financial Technology

Contract 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



for approximately

\$ 15,000,000



The Only Investment Bank
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Marketplace 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



The Only Investment Bank
Focused Exclusively on Financial Technology

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



The Only Investment Bank
Focused Exclusively on Financial Technology

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



The Only Investment Bank
Focused Exclusively on Financial Technology

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



for total consideration of approximately

\$ 65,000,000




























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FT Partners Advised on Many of the Largest Alternative Lending Transactions

Company	Investor(s)	Amount Raised
	Affiliates of   	\$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 these large rounds, 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> in its lead investment in</p> <p> with additional participation from</p> <p>  </p> <p>for total consideration of approximately</p> <p>\$ 85,000,000</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> in its growth financing from</p> <p> for total consideration of approximately</p> <p>\$ 15,000,000</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> in its growth financing for total consideration of</p> <p>\$ 9,000,000</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> in its Series C financing led by</p> <p> with additional participation from</p> <p></p> <p>for approximately</p> <p>\$ 35,000,000</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> in its financing, including investment from</p> <p> </p> <p>for approximately</p> <p>\$ 15,000,000</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> in its growth financing for total consideration of</p> <p>\$ 19,500,000</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> in its sale to</p> <p></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> in its minority investment from</p> <p> KPCB  CROSSLINK CAPITAL for total consideration of</p> <p>\$ 25,000,000</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> in its</p> <p>\$45,000,000 Initial Public Offering valuing the equity at approximately</p> <p>\$ 146,000,000</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> in its strategic investment in</p> <p> with additional participation from</p> <p> for total consideration of approximately</p> <p>\$ 70,000,000</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> a portfolio company of</p> <p> in its sale to</p> <p> a portfolio company of</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> in its sale to</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
 MERCURY®	\$420,000,000+
 GreenSky™	300,000,000+
 avidxchange	253,000,000
 liquidnet	250,000,000
 square trade protection plans	238,000,000
 nmi	150,000,000+
 Kabbage	135,000,000
 TradingScreen SIMPLIFYING GLOBAL MARKETS™	110,000,000+
 YAPSTONE™ POWERING PAYMENTS	110,000,000
 CHROMERIVER	100,000,000
 Credit Karma™	85,000,000
 earnest	75,000,000
 taulia	65,000,000

Selected Prominent Investors in FT Partners Led Rounds



Note: FT Partners represented investors in Dynamics (CIBC) and Credit Karma (Google Capital); some transactions include a combination of equity and smaller amount of debt financing.

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



Middle Market Financing Awards

2016	<ul style="list-style-type: none"> Investment Banking Firm of the Year Cross Border Deal of the Year
2015	<ul style="list-style-type: none"> Dealmaker of the Year Technology Deal of the Year
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 \$100mm
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
2015	<ul style="list-style-type: none"> Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
2006 - 2008	<ul style="list-style-type: none"> Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology
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>

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