

# FT PARTNERS FINTECH INDUSTRY RESEARCH

February 28, 2017



## SoFi Raises \$500 million in Series F Financing Led by Silver Lake



## 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*

Tel: 415.992.8880

[steve.mclaughlin@ftpartners.com](mailto:steve.mclaughlin@ftpartners.com)

SUBSCRIBE



# SoFi Raises \$500 million in Series F Financing



## Transaction Overview

### Transaction Summary

- On February 24, 2017, consumer financial services company SoFi announced that it had raised \$500 million in Series F financing led by Silver Lake, with participation from SoftBank and GPI Capital
- SoFi plans to use the funding to introduce new product offerings – such as mobile deposit, credit and payment products, fueled by its recent acquisition of Zenbanx – and expand internationally to Australia and Canada
- The new investment round brings SoFi's total amount of equity funding raised to \$1.9 billion and reportedly values the Company at \$4.3 billion according to Bloomberg <sup>(1)</sup>

### Financing History

Date	Size (\$ mm)	Valuation <sup>(2)</sup> (\$ mm)	Lead Investors
08/19/15	\$1,000	\$3,600	SoftBank
02/03/15	213	1,500	THIRD POINT VENTURES
04/03/14	80	480	WICKLOW CAPITAL DISCOVERY CAPITAL
09/12/12	77	na	renren baseline VENTURES dcm
09/19/11	4	na	baseline VENTURES

### Management Commentary

"We've seen tremendous growth at SoFi because we know what people expect from their financial partner: they want speed, transparency, and alignment with their interests.

We're the only personal finance company focused not just on people's money, but their careers and relationships as well. We know this opportunity doesn't just exist in the United States, and look forward to bringing the SoFi approach to finance to more people around the world. Silver Lake's global relationships, technology expertise and value creation capabilities will be an invaluable addition as we expand our business further."



**Mike Cagney**  
Founder, Chairman & CEO



### Investor Commentary

"SoFi's platform -- equal parts technology, community, and exceptional customer experience -- is rapidly transforming personal finance. We are thrilled to partner with Mike Cagney and his talented team, and we look forward to helping SoFi achieve its long-term vision of offering a broad suite of financial services around the world."



**Mike Bingle**  
Managing Partner



# SoFi Raises \$500 million in Series F Financing

FT PARTNERS RESEARCH



## 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

# SoFi Raises \$500 million in Series F Financing



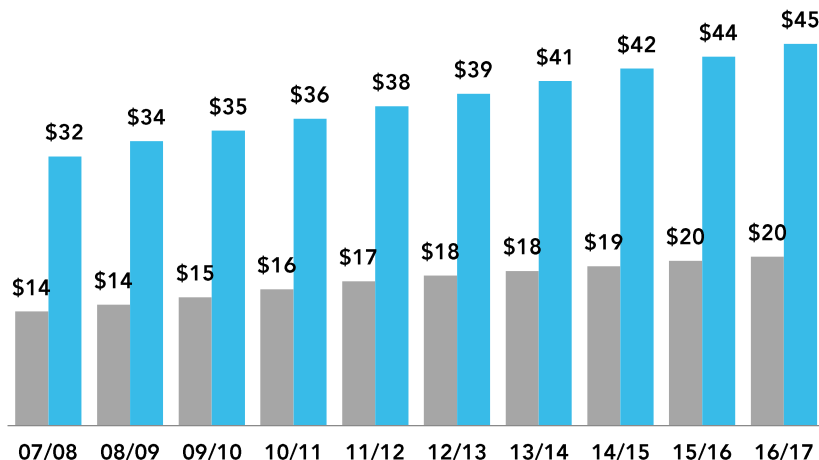
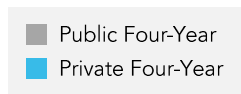
## Student Loan Market

### Industry Overview

- As tuition costs rise for both public and private undergraduate schools, a greater number of students are resorting to student loans to finance their education
  - Average cost of education (tuition, fees and room and board) increased at a CAGR of 4.5% and 4.0%, respectively, from Academic Year 2007/2008 through Academic Year 2016/2017
- Total student loans outstanding currently exceeds \$1.4 trillion, with the amount consistently growing over the past 10 years
  - There are 44.2 million student loan borrowers, with 39% under the age of 30 <sup>(1)</sup>
- Unemployment rate of 20-24 year old college graduates has dropped from a high of 13.3% in 2011 to 3.8% at the end of 2015 <sup>(2)</sup>, improving student loan performance

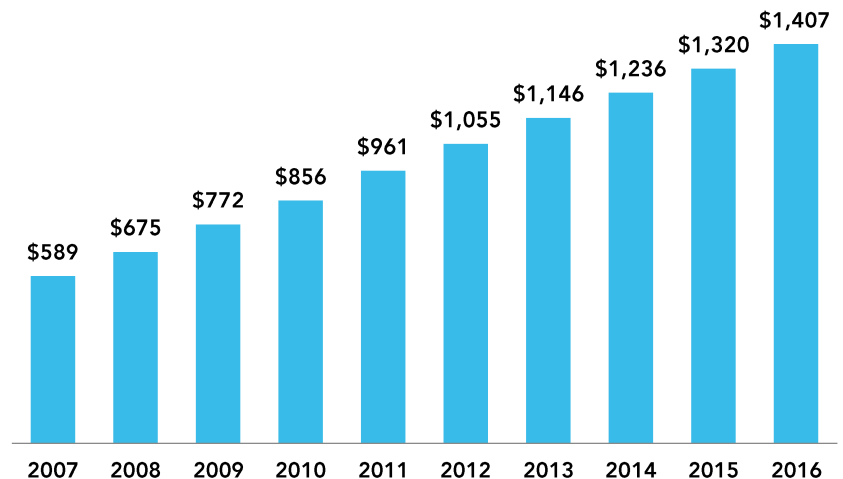
### Annual Cost of Education <sup>(3)</sup>

(\$ in 000s)



### Outstanding Student Loans <sup>(4)</sup>

(\$ in bn)



1) Federal Reserve Bank of New York. "2016 Student Loan Data Update"

2) Sallie Mae 2015 10-K

3) CollegeBoard "Trends in College Pricing"

4) Federal Reserve Bank of St. Louis. "Student Loans Owned and Securitized, Outstanding"

# SoFi Raises \$500 million in Series F Financing



## Silver Lake Overview

### Overview

## SILVERLAKE



**Glenn Hutchins**  
Co-Founder



**Mike Bingle**  
Managing Partner



**Egon Durban**  
Managing Partner



**Joe Osnoss**  
Managing Director

### Locations

- Menlo Park, CA (HQ)
- San Mateo, CA
- New York, NY
- Cupertino, CA
- London, UK
- Hong Kong, China
- Shanghai, China
- Tokyo, Japan

### About

- Founded in 1999, Silver Lake Partners manages over \$23 bn in combined assets
- Invests in large-cap technology and technology-enabled businesses with strong business models, experienced management team and proprietary products
- Particularly focused on payments technology, insurance software and analytics companies in the FinTech sector

### Investment Preferences

#### Investment Criteria

<b>Fund Size:</b>	\$10,300 mm
<b>Fund Raised:</b>	2012
<b>Investment Range:</b>	\$25 – 1,000mm
<b>Revenue:</b>	NA
<b>EBITDA:</b>	NA

#### General Preferences <sup>1</sup>

<b>Control:</b>	Majority, Minority
<b>Geography:</b>	North America, Europe, Asia / Pac
<b>Transaction Type:</b>	Growth, Buyout, MBO/LBO, Recapitalizations, IPO, PIPE, Secondary
<b>Industry Focus:</b>	Broad Technology including FinTech, Business Services, Payments, Insurance

### Selected Recent Investments / Exits

#### FinTech / Financial Services Investments <sup>2</sup>

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
02/17	SoFi (Series F)	\$500	NA	Bnkg
06/16	Cast & Crew (PE Growth)	NA	Joe Osnoss	FMS
05/12	Global Blue (Buyout)	1,280	Christian Lucas	Pymts
06/11	Virtu Financial (PE Growth)**	NA	Mike Bingle	CapMkts
07/10	MultiPlan (Partners Group)*	3,100	Egon Durban	Ins
07/10	IDC (Buyout)	3,400	Mike Bingle	CapMkts
04/10	Mercury Payment Systems (Vantiv)*	450	Mike Bingle	Pymts
09/06	IPC Systems (Centerbridge Partners)*	800	Tony Ling	CapMkts
01/06	TD Ameritrade (Buyout)*	2,900	NA	CapMkts
12/05	Nasdaq OMX Group (PIPE)*	145	Glenn Hutchins	CapMkts
08/05	SunGard Data Systems (FIS)*	11,400	Glenn Hutchins	CapMkts
12/05	Instinet (Nomura Holdings)*	208	Mike Bingle	CapMkts
12/00	Datek Online (TD Ameritrade)*	700	NA	CapMkts



# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

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



QuantGroup Raises ~\$73 million in Series C Financing



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

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  
Focused Exclusively on Financial Technology

### 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**



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**





























The Only Investment Bank  
Focused Exclusively on Financial Technology



# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## FT Partners Advised on a Number 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 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 latest investment in</p> <p> with additional participation from</p> <p>  </p> <p>for total consideration of approximately</p> <p><b>\$ 85,000,000</b></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> </p> <p>for total consideration of approximately</p> <p><b>\$ 15,000,000</b></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><b>\$ 9,000,000</b></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><b>\$ 35,000,000</b></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><b>\$ 15,000,000</b></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><b>\$ 19,500,000</b></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><b>\$ 25,000,000</b></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><b>\$ 25,000,000</b></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><b>\$45,000,000</b> Initial Public Offering valuing the equity at approximately</p> <p><b>\$ 146,000,000</b></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><b>\$ 70,000,000</b></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></p> <p><b>\$ 70,000,000</b></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><b>\$ 70,000,000</b></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



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"> <li><b>Investment Banking Firm of the Year</b></li> <li><b>Cross Border Deal of the Year</b></li> </ul>
2015	<ul style="list-style-type: none"> <li><b>Dealmaker of the Year</b></li> <li><b>Technology Deal of the Year</b></li> </ul>
2014	<ul style="list-style-type: none"> <li><b>Equity Financing Deal of the Year</b></li> <li><b>Professional Services Deal of the Year, Above \$100mm</b></li> </ul>
2012	<ul style="list-style-type: none"> <li><b>Dealmaker of the Year</b></li> <li><b>Professional Services Deal of the Year, Above \$100mm</b></li> </ul>
2011	<ul style="list-style-type: none"> <li><b>Boutique Investment Bank of the Year</b></li> <li><b>Deal of the Decade</b></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><b>IT Services Deal of the Year, Below \$500mm</b></li> <li><b>Cross-Border Deal of the Year, Below \$500mm</b></li> </ul>
2007	<ul style="list-style-type: none"> <li><b>Dealmaker of the Year – Steve McLaughlin</b></li> <li><b>Business to Business Services Deal of the Year</b></li> <li><b>Computer and Information Technology Deal of the Year, Above \$100mm</b></li> <li><b>Financial Services Deal of the Year, Above \$100mm</b></li> </ul>
2015	<ul style="list-style-type: none"> <li>Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List</li> </ul>
2006 - 2008	<ul style="list-style-type: none"> <li>Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology</li> </ul>
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>

## 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